

THE CONGRESS OF LOCAL AND REGIONAL AUTHORITIES

Recommendation 247 (2008)¹ Regional democracy in Greece

The Congress, acting upon a proposal from the Chamber of Regions,

1. Refers to:

a. Article 2, paragraph 1.*b* of Statutory Resolution Res(2007)6 relating to the Congress of Local and Regional Authorities of the Council of Europe and the revised Charter appended thereto, which provides that one of the objectives of the Congress is “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;

b. Article 2, paragraph 3 of the same resolution, which stipulates that “the Congress shall prepare on a regular basis country-by-country reports on the situation of local and regional democracy in all member states and in states which have applied to join the Council of Europe, and shall ensure, in particular, that the principles of the European Charter of Local Self-Government are implemented”;

c. its Resolutions 31 (1996), 58 (1997) and 106 (2000), setting out the principles to be followed in preparing the aforementioned reports;

d. the request submitted by the National Union of Prefectural Administrations of Greece (ENAE) to the Institutional Committee of the Chamber of Regions to prepare a report on the state of regional democracy in Greece, in the light of recent developments affecting regional democracy there and of the ongoing reform of the regional tier of government;

e. the conclusions of the conference on “Regional structures and development prospects – European experiences, the Greek reality” (17-18 June 2004, Piraeus), presented by Mr Yiannis Michas (Greece, SOC), Prefect of Piraeus and Vice-President of ENAE, to the Institutional Committee on 3 November 2004;

2. Draws attention to Resolution 131 and Recommendation 109 on local and regional democracy in Greece, adopted by the Congress in 2002;

3. Takes note of the report on regional democracy in Greece (CPR(15)2REP) drawn up by the rapporteur, Jean-Claude Van Cauwenberghe (Belgium, SOC, R) following two official visits to Greece from 14 to 16 May 2007 and from 28 to 29 January 2008. During his mission, the rapporteur was assisted by Professor António Rebordão Montalvo (Portugal), member of the Group of Independent Experts on the European Charter of Local Self-Government, whom the Congress thanks for his valuable contribution;

4. Wishes to thank the Greek authorities at the local and regional levels and at the central level (government and parliament), especially the Ministry of the Interior, Public Administration and Decentralisation, the local authorities and the associations of local authorities (ENAE and KEDKE), the parliamentary committee responsible for public administration and the various experts for the information supplied and the comments made during their meetings with the delegation;

5. Recalls that:

a. Greece ratified the European Charter of Local Self-Government (ETS No. 122) on 6 September 1989, with reservations in respect of Articles 5, 7 (paragraph 2), 8 (paragraph 2) and 10 (paragraph 2) and the charter came into force in Greece on 1 January 1990;

b. Article 102 of the Greek Constitution, following the constitutional revision in April 2001, indicates that there are two tiers of local government, specifying only that the first tier is formed by municipalities and communities. The authorities of the second tier are, however, not specified in the constitution. According to the Minister of the Interior, the *ratio legis* of this wording sought to leave the parliament “the discretionary power” to define the second tier of local government as it would wish at the appropriate time;

c. despite the lack of constitutional designation of the second tier of local government, it is politically accepted that the “prefectures” (numbering 54, also known as *nomoi*) form this second level which, according to the criteria of the Congress, is the regional one (regions without legislative power) since these territorial entities have democratically elected members and hold competences and financial resources for carrying out their function (from 1994);

d. the regional organisation of Greece poses many political and managerial problems and has prompted a general intent to reform the regional administrative level. The debate bears chiefly on reform of the regional level in terms of democratisation (possible election of the regional organs, to include the future Secretary General or Super-Prefect) and territorial reorganisation (reduction in the number of regions and prefectures and integration of the prefectures into new spatial entities of a regional nature);

6. Notes with satisfaction that:

a. the reform initiated in regional self-government in Greece is firmly under way; a new Code of Prefectural Administrations has been drawn up and submitted to parliament; the approval of the code may lead to clarification of the prefectures’ competences and to strengthening of their institutional position as local authorities;²

b. in general, the reform initiative has been very favourably received by the representatives of the central government, as well as those of local and regional authorities, although expectations as to the possible outcomes of the reform sometimes differ;

c. there is a broad margin of consensus among the three parliamentary parties, very much in favour of approving the regional reform;

d. the new Municipal and Communal Code (Law 3463/2006 of 8 June 2006) concerning authorities at the first level came into force on 1 June 2006, except for certain special provisions; under the code, the organs of municipalities and communities are elected by direct universal suffrage and have powers of management and regulation of the local affairs for which they are responsible, in accordance with the principles of subsidiarity and proximity;

e. a reform of the municipalities is further envisaged for the future, and should lead to a reduction in their number;

7. Regrets that the representatives of ENAE did not officially receive and examine the draft of the new Code of Prefectural Administrations before it was passed to the Congress delegation during its second visit in January 2008. The fact that ENAE did not have the draft code is disturbing from the standpoint of Article 4.6 of the European Charter of Local Self-Government, which concerns the consultation of local authorities in the planning and decision-making processes for all matters which concern them directly. The Congress delegation also regrets that it was not able to discuss the new draft code with the representatives of ENAE;

8. Notes that the system of autonomous local administration indicates difficulties in relation to the standards and principles defined in the charter and highlights the following problems in the functioning of local and regional democracy in Greece:

a. the role of the Secretary General of the Region (*Periferiaie*, the devolved administration) vis-à-vis the local authorities infringes the principle of local self-government, particularly owing to the administrative interventions which this office is allowed to make in the settlement of local affairs, that is, in the field of planning and management of community funds and the powers of administrative and financial control and surveillance of both levels of local authorities;

b. the financing of the municipalities and communities remains most inadequate; it is based almost exclusively on transfers from the state;

c. the financial system of the prefectures is not in conformity with the standards of the charter and the principles of regional self-government: the prefectures do not have resources of their own; all their major revenues are transferred in some way by several ministries, depending what stake the latter have in the investments made at the level of the prefectures; the resources of the prefectures are entered in the budgets of the ministries and transferred periodically; despite the growth of the financial transfers for the prefectures, this situation infringes Article 9, paragraph 3 of the charter;

d. management of the European structural funds is highly centralised; it is handled by the Secretaries General of the Regions (*Periferiaie*); the associations representing the local authorities (ENAE and KEDKE) participate in the management body of the European funds but they do not have decision-making power;

e. the organs of the prefectures exercise delegated state responsibilities, acting as state agents, and are subject to the government's hierarchical supervision applied directly by the Secretaries General of the Regions; the present lack of powers in their own right for prefectures and the decisional intervention of the Secretaries General in the area of management of local affairs are inimical to the concept of local self-government defined by Article 3, paragraph 1 of the charter, as well as to the principle of subsidiarity embodied in Article 4, paragraph 3;

f. the conditions of service of the staff of the prefectures present some problems with regard to the application of Article 6 of the charter, which implies that local authorities should be able to exercise full powers of management over their staff; however, in Greece the staff of the prefectures are remunerated not by them but by the state – this fact heightens the ambiguity of the prefectures' status and of their relations with the state and makes the managerial and hierarchical power of the prefectural organs over their staff very weak;

9. Recommends that the national authorities of Greece:

a. pursue the announced reform of the prefectures and clarify their institutional nature as local authorities, dispel the ambiguity generated by the persistence hitherto of certain specificities of the status of the former governmental prefectures, which are to be treated neither as agents of the state nor as devolved structures of state administration, and confirm that this tier of authority does indeed come within the scope of the European Charter of Local Self-Government;

b. take the necessary measures to eliminate the factors of prefectures' "dependence" on the government, such as absence of powers in their own right, sole exercise of powers transferred by the government, their funding purely by transfers from the budgets of several ministries and the remuneration of their staff by the government;

c. guide the evolution of the financial system towards more extensive diversification of sources of local government revenue, as directed in Article 9, paragraph 4 of the charter, by developing the foundations of greater financial autonomy through levying of local revenue (dues and charges, borrowings and direct taxation);

d. reinforce the system of local financing, in accordance with Article 9 (paragraphs 1 and 2) of the charter, in the framework of devolution and transfer of powers to local authorities, looking to a larger proportion of local government funding in the GDP (gross domestic product) and in overall public spending;

e. envisage movement of the European structural funds management system towards a process of shared management in which the local authorities can decide which are the local projects that should receive Community co-financing;

f. develop the participation of local authorities and of associations of local authorities (ENAE and KEDKE) in the management of the Community funds; at all events, ensure their representation and influence in private-law companies (Namos SA) whose creation is envisaged by the government to manage the Community funds;

g. contemplate alteration of the function of the *Periferia* Secretary General, which cannot be deemed compatible with the European Charter of Local Self-Government or with the principles of regional self-government generally; it is advisable to confer on a democratically elected organ these responsibilities for management of local authorities, the decisions on financing of their activities and investments and administrative oversight of their organs, including power to impose the penalty of suspending the organs of local authorities and relieving them of their functions;

h. begin work on creating regions with dimensions and competences that measure up to European standards by transforming the *Periferiaie* into true regions with directly elected organs, vested with substantive powers and sufficient financial autonomy to ensure the proper execution of their assignments;

i. reduce the number of future regions (13 at present) in order to facilitate the co-ordination of local and regional policies;

j. envisage the existence of the two tiers of infra-state authorities: strong municipalities and communities and strong regions, taking into account the physical and geographical characteristics of Greece;

k. continue the political dialogue with the Congress in order to consider ways and prospects for fully applying the European Charter of Local Self-Government and the principles of regional self-government and for implementing the reform of the regional level in Greece;

l. consult both levels of local authorities as broadly as possible, taking account of their interests, when preparing and introducing the reform;

10. Recommends that the local authorities and associations of local authorities (ENAE and KEDKE) continue to play a very active part during the successive stages of preparation and implementation of the current regional reform;

11. Recommends that the Committee of Ministers transmit to the Greek authorities this recommendation and the explanatory memorandum thereto;

12. Recommends that the Parliamentary Assembly take account of the aforementioned observations and recommendations, in the framework of its procedure of periodic reporting on member states not currently under a monitoring or post-monitoring procedure;

13. Recommends that the Greek authorities responsible for local and regional self-government:

a. appoint a high-level government representative to attend one of the Congress sessions and give a presentation on the progress of the measures taken and/or planned for implementing the recommendation;

b. take note that they will be invited to submit within a reasonable time a report to the President of the Congress on the implementation of the measures set out in this recommendation.

1. Debated and approved by the Chamber of Regions on 27 May 2008 and adopted by the Congress on 29 May 2008, 3rd Sitting (see Document CPR(15)2REC, draft recommendation presented by J.-C. Van Cauwenberghe (Belgium, R, SOC), rapporteur).

2. In this recommendation, in accordance with Greek legislation, the term "local authorities" applies to both tiers of local and regional self-government in Greece: the municipalities and communities as well as the prefectures.