

Hellenic Republic

(Ελληνική Δημοκρατία)



Capital: Athens

Inhabitants: 11.216.708 (2008)

Area: 131.990 km²

1. Introduction



Greece has a population of 11.04 million (2, 4% of the total EU population) and a participation rate of 1,7% in the total GNP in 2005. The structure of the state, in its present administrative form, is characterized by a central government system and a decentralized system of first and second level local government. Municipalities (914) and communities (demes) (120) constitute the first level of local government, whilst the second one is composed of the provincial government (*nomos*) (54).

The division of the territory into *nomos*, headed by the *normarchos* (usually translated as "prefect"), an official then appointed by the king, dates back to 1833; the whole country was divided into municipalities. The Venizelos government

introduced the distinction between municipalities and communities with the municipal reform of 1912: communities, with a small population number were endowed with a simplified administrative organization. Before the 1997 reform, Greece counted 457 demes and 5,318 municipalities.

The Constitution (art. 102 HC) establishes the administration of state affairs by the central government, while the administration of local affairs is exercised by first and second level local authorities. The definition of local affairs is given by the current Code of Municipalities and Communities (law 3463/2006). In any case, the main principle used when describing an affair as a local one is that of "proximity".

2. Territorial organization

The structure of first level local authorities is governed by the provisions of the law 2539/1997, known as the 'Kapodistrias' law, which imposed the compulsory association of Municipalities and Communities, a choice dictated apparently by the devastation of the Greek province. New municipalities emerged almost everywhere, exceeding traditional cities or settlements in population. Despite the fact that the new municipalities appeared at



first sight to be stronger than the old ones, this did not apply in every case, since the new law no longer provided that a Municipality should either have at least 10.000 inhabitants or be the capital city of the Region, thus resulting in a great number of new municipalities, which do not exceed in population the levels of the old communities. Municipalities are those local authorities with a population of over 4.000 inhabitants in the last census or those characterized as such for historical reasons.

The institution of the provincial self-government (second level local authorities) politically dates back to the Constitution of 1975, which provided for further decentralized levels of government to be established by the law. The law 2218/1994 establishes the provincial self-government based on the division of the country into 54 *nomos*. This legislation has been completed and amended by the laws 2240/1994 and 2307/1995, then codified by the presidential order 30/1996 and again amended by the law 2503/1997).

In 1986, 13 regions (*periphéria*) were established for the coordinating, planning and programming needs of the State regional development policy. Since 1994, the territorial units of the central government administration have been reorganized at the regional level.

3. Local Democracy

3.1 Local political system

All municipal, communal and provincial authorities are elected for a period of four years, starting on the 1st of January, of the year following the elections. Municipal and communal elections present mainly local and self-government features. Political parties are likely to exercise more influence on the election of provincial than on municipal and communal authorities.

The names used by parties participating in the electoral procedure do not usually define or indicate any political identity. In most cases the candidates – either Mayors or *Nomarchos* (better translated as “Governor” of the province) - receive the support of a political party; however the leader of the list (candidate for the office of Mayor or Governor) may deny the support of a party represented in the national parliament and in such a case they stand for the election as independent candidates (Code of Municipalities and Communities: art.34).

All the inhabitants of the municipality or the community are eligible as Mayors or Presidents of the Community, or Councilors, provided that:

1. They have the right to vote (they are 18 years old, are registered in the electoral rolls of the municipality or community, are not deprived of their electoral rights, or are citizens of the 24 EU member states).
2. They are 21 years old on the elections day.

All the inhabitants of the Municipalities or Communities of the Province are eligible for the office of the Governor and the office of the Provincial Councilor or the provincial district, provided that:

1. They have the right to vote (18 years old, registered in the electoral role of the municipality or community, not deprived from their electoral rights) and
2. Are 23 years old on the elections day.

Candidates run for the election on party lists. Standing for elections without belonging to a party list is excluded. Candidates are eligible for one single office and on one party list. For example, one cannot stand for Provincial Councilor and



Governor at the same time, nor can one stand for Municipal Councilor and Mayor.

The Law 3434/2006 has amended the electoral system concerning the election of the municipal and provincial authorities. The party who gets the majority of votes achieving a 42% of the total valid ballot papers is the winner. In case the above majority is not reached, a second ballot has to take place on the following Sunday between the candidates - Mayors and Governors of the two lists that obtained the greatest number of votes. Elections are also repeated in case the two lists have got the same number of votes, receiving over 42%. In the communities, a relative majority (less than 42%) is sufficient for a list to win, regardless to the population.

The election of first and second level elected councilors on the first Sunday aims at eliminating phenomena observed at times, such as the formation of occasional alliances, which in practice do not usually serve the progress of local affairs and the stability of the Administration and do not enable the formation of a clear agenda well known in advance. The seats are distributed in a percentage of 3/5 to the winning party and 2/5 to the runner-up parties according to the number of valid votes received.

3.2 Citizen participation

The participation level in the national elections ranges from 70 to 80%. By establishing the practice for people registered in the electoral roles of a local government constituency, yet living and working elsewhere, to vote in the place of work, a tendency towards reduced abstention rates has been observed. On the contrary, this practice does not apply to local and provincial elections and the voter is obliged to exercise his right to vote going to the municipality where he is registered. As a result, greater abstention

rates are being observed during the local and provincial elections compared to national elections. Specifically, the citizens' participation rate in the local elections in 2002 was 72.62%, while in 2006 72.43%. The citizens' participation in the provincial elections in 2002 was 72.64%, while in 2006 it was 72.43%.

Furthermore, the law 3463/2006 (Code of Municipalities and Communities) introduces important innovative local democracy institutions. For the first time the institution of local referendum has been established. Local referenda can take place either upon the initiative of the municipal or communal council on important issues, for which the municipality or community is responsible, or following a popular initiative on issues explicitly provided for in the Code of Municipalities or Communities. National policy issues or issues, for which the regions or the provinces have jurisdiction, cannot be subject to referenda.

Simultaneously, law 3463/2006 introduces an institutional system which allows the participation of citizens in the decision making process implemented by municipal and communal councils. These institutions include a requirement for the decision making organs to hold consultations with collective entities and interested parties, while at the same time a social environment monitoring the acts of the local authority is being formed, providing for the right of inhabitants to submit a petition and questions to the organs of the Municipality or Community. Furthermore, the following have been established: The Charter of Citizen's Right, the Citizen's Guide and the municipality's or community's obligation to proceed to an annual Report presented at a public session.



4. Central – local relationship

4.1 General issues

The Constitution of 1975 as well as the Constitutional Revision of 2001 introduced an exceptionally progressive institutional frame for local government. As mentioned in the introduction, the Constitution (art. 102) recognizes the responsibility of local authorities for local affairs and the explicit constitutional safeguard of their financial independence, with the additional provision that no central government powers are transferred to local authorities without the simultaneous transfer of relevant resources.

The law 3463/2006 on first level local authorities and the presidential order 30/1996 on the provincial self-government form the Charter which sets out the responsibilities of first and second level local authorities and lays down their system of governance.

The Central Government and in particular the Ministry of Interior, Public Administration and Decentralization is responsible for drafting laws on the first and second local government levels. If there is an issue, which needs to be regulated by law and for which another ministry is responsible, the Ministry of Interior, Public Administration and Decentralization is called to express its agreement and the Minister is called to co-sign the draft law. The provincial self-governments do not supervise the acts of first level local authorities (municipalities and communities). No hierarchy exists between these two levels of local government.

The law 3463/2006 increased the power of municipal and communal authorities to lay down rules and regulate matters which directly affect the functions of the city and

the everyday life of citizens, by issuing regulatory resolutions of local nature. For example, local authorities have the power to set the conditions and the working hours for music halls, to provide for more specific conditions for the establishment of shops and health centers etc.

4.2 Supervision of local government

The supervision of local authorities provided for by the Constitution itself, is exercised by the Secretary General of the Region and is restricted to purely legal issues. This supervision cannot hinder local authorities from taking initiatives and acting freely.

First level Local Authorities

The Secretary General of the Region checks whether the decisions of the first level local authorities are legal, within an exclusive period of 20 days, starting from the notification of the decisions to him, or ex officio within one month of the issuance or publication of the decision. If a decision is illegal, it is cancelled (Art 149 of the Code of Municipalities and Communities).

The Financial Inspectorate of the Ministry of Economy and Finance is the responsible organ to exercise financial and management auditing over the management of Municipalities and Communities as well as their legal entities of public law.

The supervision over the organs of first level local authorities is exercised by the Minister of Interior, Public Administration and Decentralization if a decision for dismissal has to be taken. For all other cases (disciplinary sanction of suspension and dismissal because of conviction) the supervision is exercised by the Secretary General of the Region.



Second level Local Authorities

As far as the supervision of the acts of the collegial bodies of second level local authorities is concerned, all the acts of the provincial Councils, provincial committees, boards and executive committees of legal entities of provincial self-government institutions are sent to the Secretary General of the Region within 5 days from the session, together with a copy of the evidence of publication. If the Secretary General of the Region finds an act illegal, he refers it with motivation to a three member ad hoc Committee within an exclusive period of 5 days from transmission, with copy to such provincial self-government body or the legal entity having issued this act.

The governor and the members of the provincial council fall ipso jure from office: a) If they are deprived of the management of their properties by a final judicial decision, b) if they are deprived of their civil rights by an irreversible juridical decision, c) if they are sentenced by an irreversible decision as perpetrators or participants in certain crimes.

The Secretary General of the Region may inflict on the governor and the members of the provincial Council the disciplinary sanction of suspension for a maximum period of three months, in case of serious breach of duty or when they have exceeded their authority due to malice or gross negligence. The suspension is subject to consultation of a council composed of the president of the court of appeal, two judges of the appeal administrative courts, an official from the Ministry of Interior appointed by the Secretary General of the Region and one member of the provincial council from the seat of the region, appointed by the provincial council, all of them appointed jointly with their substitute.

The governor and the members of the provincial Council may be dismissed for serious reasons of national or public interest by presidential order pronounced on a proposal of the Minister of Interior, following a detailed report drawn up by the Secretary General and the concurrent opinion of a council chaired by the president of the court of appeals of Athens.

4.3 Protection of local self-government rights and interests

4.3.1 First level Local Authorities

Whoever has a legitimate interest can appeal against the decisions of first level local authorities, before the Secretary General of the Region. Furthermore, whoever has a legitimate interest can appeal against the decisions of the Secretary General, issued when he examines whether the acts of first level local authorities are legal, before an ad hoc Committee within a period of one month since the decision has been issued or notified or since the interested party has obtained knowledge of such decision. The Committee, which is set up in the seat of the Region, is composed of: a) one judge from the administrative or civil courts of appeal, as president, appointed with his substitute by the President of the Court of Appeal, b) one member of the State Legal Council¹, appointed with his substitute by the President, and c) one elected representative from the Local Union of municipalities and communities of the largest province. The Committee is called

¹ The State Legal Council is a high State authority, established by article 100A of the constitution, under the minister of Economy and Finance (law 3086/2002). It represents the legal interests of the Hellenic Republic in domestic, or international, judicial procedures; it delivers advice to the State administration, and in particular on whether a public sector dispute falls under an arbitration clause; it gives assistance to civil servants before criminal courts when provided by the law.



to examine whether the act is legal and issue a decision on the appeal within 30 days from its submission. The decisions of the Committee may be appealed only before a competent court.

4.3.2 Second level Local Authorities

Whoever has a legitimate interest may appeal against the decisions of the governor for breach of law, before the Secretary General of the Region. The appeal is lodged within 30 days following the publication of the decision or, if it is not published, following its notification or after the party has obtained knowledge of the decision. An appeal under the same conditions is allowed against the decisions of the presidents of the provincial committees and the presidents of boards of institutions and other legal entities of public law under the provincial self-government. An appeal can be lodged within 30 days against the decisions of the ad hoc Committee and of the Secretary General of the Region before the Minister with jurisdiction over the relevant subject.

Legal departments of the local authorities are responsible to represent their interests before the central government.

Furthermore, as regards first level local authorities a representative organ has been created at central level, called the Central Union of Municipalities and Communities of Greece (KEDKE), with the Local Union of Municipalities and Communities at the level of the region. For the second level, the relevant body is the Union of provincial self –governments (ENAE). Both KEDKE and ENAE are legal entities of private law.

5. Local Responsibilities (functions)

So far the responsibilities of local authorities have been scattered over a variety of laws giving rise to a number of difficulties in identifying them as well as to many disputes regarding their width due to general and vague definitions.

5.1 First Level Local Authorities

The new Code of Municipalities and Communities proceeds to a thematic systematization of responsibilities for municipalities and communities dividing them into seven sectors:

- Development (protection and exploitation of local natural resources, mineral water springs and mild or renewable sources of energy, electrification, extension of electric networks and in general electric power networks within their administrative borders, study, construction and exploitation of handicraft centers and premises in special handicraft and industrial zones, etc)
- Environment (protection and management of water resources, protection of the soil, and fresh water basins against fishery, contribution to the fire brigade, etc)
- Quality of life and smooth administration of cities and settlements (participation in the work of urban means of transport and transport of their inhabitants, regulation of the traffic, designation of pedestrian zones, one-way streets and directions of traffic, removal of abandoned vehicles as well as control of parking places)
- Employment (promotion and enhancement of enterprises and services of vocational training with the establishment of Career Advising Centers and Vocational Training Centers)



- Social protection and solidarity (implementation of policies or participation in actions intended to provide support and social care to infancy and children as well as to the elderly, by setting up legal entities and institutions such as nurseries, infancy homes and orphans' homes, open centers of social relief and daily care, centers of recreation and amusement for the elderly)
- Education, Culture and Sports (construction, management and improvement of infrastructure of the primary and secondary national education system and mainly maintenance, cleanliness and protection of school buildings, construction, maintenance and management of sports facilities such as municipal and communal sports centers and facilities)
- Civil protection (coordination and supervision of the civil protection work within their administrative borders - prevention, operation, dealing with disasters and reconstruction).

First level local authorities may also exercise responsibilities of a central character which have been transferred to them to better serve the needs of their inhabitants. Such responsibilities include keeping municipal registers - men's registers and register books; issuing civil marriage permits as well as performing matrimonial ceremonies, issuing and repealing licenses for shops, enterprises, cinemas, theaters, closed playgrounds and different recreational activities such as amusement parks, circuses, speed-ways and concerts.

5.2 Second level Local Authorities

The responsibilities of provincial self-government include the administration of local affairs at the provincial level, with the exception of responsibilities on questions of

public estate and responsibilities belonging to:

- the Ministries of National Defense, of Foreign Affairs, of Finance and of Justice;
- the Control over the acts of the first level local authorities exercised by the Ministry of Interior;
- the national Statistics Service of the Ministry of National Economy;
- the border stations of sanitary veterinary control of the Ministry of Agriculture.

Provincial self-governments are also responsible for the construction of school buildings. The school transport services are provided by local authorities. In cases of war, mobilization, calamity, or social emergency, that can jeopardize public order or health, or in order to meet defensive needs, and upon a decision of the Council of Ministers, the responsible Minister may give orders, instructions or directions to the services of the provincial self-governments, which, for this purpose, are answerable to him.

6. Local finance and management

6.1 Local government income

6.1.1 First Level Local Authorities

First level local authorities are not allowed to impose taxes, since the Constitution assigns this responsibility exclusively to the legislature. Nevertheless, they can collect taxes provided by the law on their behalf, impose and levy duties of a strictly retributive character. They also have the right to collect fees from the management of their estates as well as the right to set up different forms of enterprises, which are exclusively defined by the Code of Municipalities and Communities, as follows:

- municipal or communal enterprises of public utility
- joint stock companies
- enterprises of specific purposes.



According to the Code of Municipalities and Communities (art.157) local authorities have ordinary and extraordinary revenues. The ordinary revenues come from:

- a) Resources enacted in their favor (a transfer of financial resources from the national budget is provided, to meet the operational needs of Local Authorities) and established as a percentage on the state budget income: they are called Central Self-Government Resources and are transferred on the basis of certain criteria to all first level Local Authorities of the country;
- b) Revenues from movable and immovable property;
- c) Retributive duties and fees (to deliver public utility services such as water supply, sewerage, waste disposal and electricity, local authorities, empowered by law, have the right to impose fees called retributive fees);
- d) Taxes, fees, duties and contributions;
- e) local fees, duties and contributions at the local authority's decision.

Extraordinary revenues come from: a) Loans, donations, legacies. b) Disposal, sale or exploitation of property. c) Participation in business activities. d) Fines or other administrative sanctions. e) Any other source.

6.1.2 Second Level Local Authorities

Second level local authorities are financed by the state budget to implement operational and investment activities as well as to maintain the national road network.

Law 3345/2005 on "Financial issues of provincial self-governments and regulation of administrative issues" proceeds to the enactment of fixed autonomous resources in favor of provincial self-governments. The core of the new status contains a provision according to which health care subsidies and welfare allowances are to be paid by the state budget through a subsidy, thus no longer being charged upon provincial self-government revenues released from the burden of allowances and subsidies which amounted to 79% of their revenues, with upward trends every year. Specifically, since the 1st July 2005, when the new system has been put into practice, the resources refunded on an annual basis to the provincial self-governments are: 2% of the Value Added tax and 10% of the traffic duties. Half of the value added tax is allotted to satisfy general current needs, while the remaining half is allocated for investment expenses exclusively financed by national resources.

6.1.3 Summary table

Table 1: revenue structure of first and second level local authorities

Municipalities / communities		Nomos (provincial self-government)	
Resources	Amount (million €)	Resources	Amount (million €)
Central Self-Government Resources	2,481.2	Central Self-Governm. Resources	450.7
Subsidies	103.3	Subsidies	769.6
Pension grant (former local employees)	271		
Local own revenues	16.9		
Other local resources	16.0	Other revenues	1.2
TOTAL	2,888.4	TOTAL	1,248.5

(Source: Ministry of Finance and of the Economy, 2008)



In 2005, the total local government expenditure amounted to 3.10% GDP (Dexia).

According to voted budgets for the budget year 2008, the revenue structure of first and second level local authorities is reflected in the table above (p.8). The resources assigned to provincial governments have increased significantly since 2006 as a result of the measures described above.

6.2 Local government personnel and management

Provincial self-governments and municipalities employ, respectively almost 19,250 and 52,839 permanent public employees and 840 and 5,780 employees engaged under private law provisions for an indefinite period of time.

6.2.1 Assessment of qualifications

Throughout their career the local government personnel get assessment reports on merits. The relevant procedure and the responsibilities of the screening council are provided for in the presidential decree 218/1992. The assessment is based on criteria such as knowledge of the subject, managerial abilities, interest and creativity, official relations, behavior and efficiency. In the career development, (promotion to a higher rank as well as to the position of chief of an organic unit) the above report is taken into account by the screening councils.

6.2.2 Legal status

The first level local government staff is composed with regular staff and extra staff.

6.2.2.1 Regular staff

The regular staff meets needs of a permanent, non-temporary character,

whereas non permanent personnel are employed under private law rules for an indefinite period of time.

The staff is recruited for vacancies in the Internal Service Organization. A career system and regularization rules apply to the permanent staff, whilst their legal relation with the local authority is governed by administrative law rules. The personnel engaged under private law are neither subject to the career system nor the rule of regularization; candidates apply for positions under private law according to specific provisions (presidential decree 410/1988). This concerns the artistic personnel of local authorities (bandleaders, conductors, choir masters, choristers, top musicians).

6.2.2.2 Temporary personnel

Local authorities may engage extra staff to meet temporary needs. This staff is engaged by contracts governed by private law for a definite period of time or for a specific task to meet exclusively certain needs. Employment contracts under private law for a definite period of time are mainly:

- i) A contract of eight (8) months to meet seasonal or other temporary needs (art.21, par 1 and 2, law 2190/1994)
- ii) A contract of one year maximum to meet the needs of programs or jobs financed or subsidized by international organizations or research programs or programs of technical help or in order to meet obligations emanating from contracts with international organizations, with a possibility of renewal or extension until the work is completed. (art. 21, par. 3 of law 2190/1994)
- iii) Staff engaged by contracts of 8 months maximum to meet unforeseen, urgent needs in cases of extensive damage from earthquakes, floods, frost and fire (art.20 of law 2190/1994 as amended by article 38 of law 2800/2000).



iv) Staff engaged by contracts of two months maximum to meet temporary or seasonal needs or matters of great urgency.

v) Staff with an employment contract of one year maximum (article 6, law 2527/1997). In this case local authorities conclude contracts with private individuals.

Coping with corruption: The provisions of the disciplinary law for public servants define the disciplinary offences, procedures and penalties.

Official proposals and consultations are still to be seen.

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7. Conclusion

The administrative map of Greece is being discussed again. However, nothing has started officially up today. There are only "scenarios" and unofficial data; consequently, nothing can be regarded as granted.

The discussion is about the number – and the amalgamation – of municipalities, provinces (*nomos*) and regions. According to press releases, the number of regions could decrease from 13 to 5, the number of provinces from 54 to 15 and the number of municipalities/communities from 1,034 to 400.

As to regions, they would keep a subsidiary state character and, eventually, their geographical borders would be the same as those of the 5 development regions of the National Strategic Reference Framework (NSRF) 2007-2013 (namely like the Regional Operational Programmes (NOP) 1. Macedonia – Thrace, 2. Western Greece – Peloponnese – Ionian Islands, 3. Crete – Aegean Islands, 4. Thessaly – Central Greece – Epirus and 5. Attica). As to provinces, new self-government units of "regional character" with new structure and functions would be established. and as to municipalities, it is mentioned that their borders would coincide with those of the former provinces in the country and of the city centres.