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## LOCAL ADMINISTRATION AGAINST PRESENT AND FUTURE CHALLENGES

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### ABSTRACT

The Greek local administration confronts serious problems, aggravated by the manifold crisis which has hit the country and the whole of the European Union, revealing the former's chronic deficiencies. At the same time it has a unique opportunity to fulfill a more substantial role, corresponding both to its official responsibilities and its potential competence and implemented through an integrated, effective management of the local affairs and an extroverted, though endogenous, development policy. This widened role is consisted of protecting the citizens, their quality of life and financial sufficiency, consolidating social coherence, invigorating local identity, safeguarding and promoting the natural environment and the cultural resources, as well as designing and applying measures for a sustainable development, ensuring occupation, especially of the younger generation, supporting and stimulating entrepreneurship and attracting investments. All this presupposes the upgrading or restructuring of structures, functions and relationships and the application of a human-centered model in a new approach of already familiar human, environmental, cultural, geopolitical, geostrategic and other resources and advantages. The present paper deals with the parameters, which led local administration to its present condition, as well as with the emerging sustainable perspectives, as they are traced in Greek Thrace.

**Key words:** sustainable development, deficiencies, widened role, restructuring, opportunities, perspectives

### INTRODUCTION

A Municipality, the first degree organization of Self-Government, is, according to its constitutional and legislative frame, the most important and strongest institution of exercising authority at a local level. It has to cope with serious problems, internal and external, deteriorated by the manifold crisis, which revealed chronic deficiencies, previously hidden behind a fictitious euphoria.

#### The mission of the municipalities

The Article 102 of the Greek Constitution of the year 1975 explicitly describes that "the government-administration of the local matters

is exercised by the organizations of local self-government of the first and the second degree. For this pleads a criterion of competence, concerning the government of local cases... The organizations of local self-government have administrative and economic self-sufficiency".

The "Ratification of the Codex of Municipalities and Communities" (Law 3463/2006) sets as their main objective "the governance of the local cases and the provision of public goods and services, in order for the needs of the citizens and the local entities to be satisfied, while the outmost goal is the sustainable social and economic development of the area".

The Municipalities in Greece were re-established with the "Kallikrates" Law (No 3852/2010), in force since the 01/01/2011, forming the second in turn, basic constitutive change into 12 years, concerning the Local and Regional Self-Government, since it was preceded by the "Kapodistrias" Law (No

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2539/97). They aimed to create larger and stronger units, to achieve decentralization and to save money.

The main constitutive changes which took place were the reduction of the number of the Municipalities to the  $\frac{1}{4}$  of the previous entities, reaching now to 323, the abolition of the prefectures, the establishment of the self-government of regions, the state-controlled, decentralized regional administrations and the conducting of the elections every five years, instead of four. They are escorted by a legislative and constitutive frame, not always sufficiently coherent and discreet.

### **New responsibilities and priorities for the Local Government**

The enforcement of the Kallicrates Law widened considerably the interests of the Municipalities, as well as the respective duties. Now, they encompass issues and tasks, such as health, education, environment, quality of life etc, for example through the maintenance and conservation of public buildings, the transport of students, or the exclusive exercise of town-planning and permit regulations. These duties go far beyond the up-to-now decision-making spheres on a horizontal, as well as a vertical level, covering, besides the locality and the community level, lower ones, those of areal small entities, such as neighborhoods, or occupational, age, gender, ethnic etc. groups with common interests, households, or individuals. Local government is obliged to take over the role of the coordinator and protector of all these.

During the last years conversation concerning the mission of Local Government is enriched. Generally, its role and importance for the modern economy has been accepted and recognized, despite of the extended polemics, according to which it should not play any role in economic development (1: 7), but owes to be restricted in its pure administrative duties. These arguments focus especially on the supposed inability of Local Government to foster a sustainable growth and partly spring from recent bad practices and malfunctions. Problems and minuses are indeed numerous, especially for the Greek reality:

1. Local incentives may distort economic activity, by creating an uneven playing field

across different interests, or economic sectors, leading to a misallocation of resources (1:6).

2. The cost for attracting, or formulating local incentives is often higher than the potential benefits, something owed to a number of parameters, such as the incompetence of the local factors, involved in public administration and governance.

3. Local Government operates at a fairly higher cost than the private sector. It is generally slower, more rigid and bureaucratic in function, unable to adapt itself to a quickly changing environment.

4. It is often amenable to politicization and to disputable policy directions.

On the other hand, Municipalities are potentially and practically the most appropriate to cope with local government matters, since

(a) They are more familiar with the essential problems and they are closer to those who are directly interested and concerned in these.

(b) They attain more and better information, concerning the policies to be implemented (1: 7).

(c) Their authority is justified, controlled and direct, acquiring through the elections and other democratic procedures the "rights" for exercising it.

(d) They can better protect the sustainability of the local resources, such as environment and culture.

(e) They can better protect groups of citizens which are in their need, such as persons with specific abilities, minority groups etc. (2: 45)

(f) They are more capable of achieving consistency and predictability in their performance (3: 7).

(g) They respond to the basic EU objectives, as the bearers of the local responsibility.

Of course, Local Government confronts problems, today sharpened because of the crisis, such as high unemployment, internal and external migration, especially of the youngsters, high economic distress and acute internal consequences of administrative adjustments (1: 7). There are as well structural and organizational, endogenous, such as:

(a) The structure of the State and its paternalistic behavior towards regional and local authorities, especially through the up-do-down application of reforms, instead of the desirable inverse procedures. These are added to old "central

governance illnesses”, such as the stiffness and the inertia of the state machine, the privileges of the public sector guilds, maintaining the “deep state” and refusing to hand over power.

(b) The lack of analogy between the imposed new, heavy duties and the actual capability of self-government, because of its structure, its inertia, the lack of training or of the efficient, in quantity and quality, personnel, a problem especially intensive in small, peripheral municipalities.

(c) The incapability of the cadres, charged with the central planning of the reforms, since they mostly come from abroad and they are not familiar with the Greek reality.

(d) The role of entrepreneurship, often undertaken by the Local Government, considering itself as an able investor, although implementation often had no connection to sustainable development, nor it served common welfare. This practice, independently of any minor, temporary results failed, guiding Local Government to an unpleasant situation, especially when crisis rushed into the world economy.

(e) The financing resources are not sufficient for the implementation of ambitious integrated tasks.

### **Decentralization and its implementation**

Decentralization is meant as a process of formation and strengthening, financially and legally, of sub-national units of government, aiming to the transfer of responsibilities, concerning administration, planning, implementation and development, through the raising and allocation of resources from the central governments and its agents to lower tiers of power, bringing decision-making procedures closer to citizens (1: 6). It is supposed to be unfolded at three levels, which are allocation-transfer of administration, juridical parameters and resources, namely personnel and funds.

Although the benefits of decentralization are evident, the reforms were planned and applied hastily, revealing weaknesses from the first moment, which substantially reduced its effectiveness.

(a) Allocation of means and resources took place in a restricted degree.

(b) The decision-making transfer meets with serious obstacles, owed to the inertia of the “deep state”.

(c) Phenomena, leading to a reverse procedure of centralization, are evident in the peripheries. For example the recent abolition of decentralized peripheral units- tax-inspector’s offices, justice, social care etc, instead of lowering the cost, adds a tedious economic and social burden.

### **The new “environment” for Local Government**

Crisis has contributed to the formulation of a new, composite environment, whose harshness could not be foreseen, although the signs were evident. In any case, it forms an obligatory frame, defining the functional terms for Local Government, which is “open”, fully competitive, continuously changing, dependent on various, newly set factors, such as Information Society, or Single European Market, based on the computer technologies and the global economic processes (2: 42).

During the last years Europe and especially its Eastern part has been succumbed to the “open market” demands, ostracizing economy of plan, which had set emphasis to the socio-economic part of the local development. Recent European bibliography is as well oriented to a neo-liberalist model of development, considering that it coincides with its economic parameters and that the main duty of the Local Government is to serve personal interests, this being the only way leading to a common development.

Meanwhile, Greece, during the previous decades witnessed the application of a strange kind of protective, state capitalism, where the State promoted and financed economic factors, regardless of their long-term viability, especially in areas with declining economies. This phenomenon shared characteristics with the “communist” regimes, though without their long-plan parameter. It was expectable that in such an unscheduled, irrational and inconsistent system crisis would outburst in a painful manner.

Nevertheless, the latter is much more than a mere economic phenomenon, since it is defined by a composite sequence of factors and parameters. Rights and relations, which had been gradually and painstakingly achieved, seeming to be concrete and irremovable, were swept away in an extremely short period. More

evident were the changes in social security, long-term unemployment, especially among unskilled or young people, while social instability is evident on every level. Structural or organizational deficiencies, such as lack of business know-how, inability of adjustment, or lack of available capital have been revealed in a sudden severity. Local administration is an exemplary field, unveiling the problems, which run through the “backbone» of the system. Thus, it is directly involved in this, having a crucial field to play on. Its role should not remain to its typical administrative duties, being, instead, decisive and formulative. In order to achieve this, it has to adapt quickly to the new conditions, to be a competent manager, without getting into the temptation to act anymore as a entrepreneur. This new frame is formed by:

- (a) The clash between the global and the local, which requires the activation of a powerful local factor, necessary for the defense and protection of local interests and resources, equipped with all the needed instruments (2: 42).
- (b) The delegation of a wide range of new duties to the first degree local government.
- (c) The growing role that the European Union and particularly its funding tools play, through direct relations with local and regional Self-Government, secured both practically and institutionally.

These duties and chances trace the challenges to be met. These have to do with

- (a) The role of the European Union for the Municipalities is not simply that of a financing means, but rather as a policy-forming tool and an integrated constitutive environment.
- (b) The experience attained for Greece, after the implementation of the Integrated Mediterranean programs and four Programmatic periods.
- (c) The wide perspectives, opened for the optimum valorization of the unique local resources.
- (d) The new, open environment, which favors entities, which are competent and active in the management of ambitious issues and are not restricted in the management of everyday matters.
- (e) The synergies and networking, perhaps the strongest “card” for the Local Government policy, including the internal allies and the external regional, or thematic synergies and co-operations.

(f) The full use of the Information Society for the new electronic administration, in order to ease citizens’ lives, to remove distances and gaps in communication with the decision centers and to provide equal possibilities and chances for the most remote and smallest municipalities, claiming accessibility and resources for the mobilization of the local-regional potentialities (3: 6). E-Municipality is the unavoidable future, although it should be applied with flexibility and parallelly to the progress of the other social factors.

(g) The encouraging framework which Single European Market sets, especially for rural Local entities.

### **Presuppositions for development**

In order for the Local Government to take advantage of the challenges, the emphasis should be set on a number of presuppositions to be kept, or evolved:

- The preparation of integrated, realistic development and technical plans. The development and implementation of innovative initiatives, instead of the sterile reproduction of proposals of “general use”, necessarily in accordance with the regional and national strategies.

An active sensitivity on keeping of local identity, as a basic resource for sustainable development, conceived as protection – conservation - maintenance – promotion of the local unique characteristics, secured by the mild-soft form of the interventions. The element of uniqueness is its basic constituent and a real provocative for the Local Government, through valorizing discernible, positive, “own” characteristics, revealing and forming resources, undertaking coordination and management responsibilities (3: 3), concentrated on the optimum research, preparation and implementation of reciprocal and socially beneficiary programs and interventions.

- The harmonic co-existence and healthy partnership of the public sector with the participating-volunteering, as well as with the private sector, is much more than a useful tool for Local Administration; it has become a necessity. This relationship has to be established on the real necessities and interests of all players, enterprises, groups, entities, or even persons, to the point where the common interest is not offended or affected. Such a tool, concerning wide partnerships is for Greece, the

Synergy between the Public and the Private Sector (SDIT). An example, regarding especially Municipalities and established by the Kallikrates Law is the “Committee of Deliberation”, an organ, consisted of the local entities, associations and citizens, influenced by the municipal policies and has a strong advisory and controlling word on the public affairs.

- Flexibility, concerning management is necessary, since there does not exist even a single proposal, which could be considered as optimum for all purposes.
- The necessary presupposition for the implementation of such difficult tasks is a triple capacity, consisted of leadership, executive effectiveness and proper institutional background. The first two have to do with the personal and collective ability of the Local Authority to cope with the various provocations, internal and external. The third means a complex of norms, as well as decided and accepted behaviors, persisting over time, serving socially valued purposes (3: 3, 8-9), structured as recognized rules and as a legal frame, provided with the necessary juridical and financial tools. To the above, there are large-scale decisions and procedures, which affect local development policies, such as those dealing with fiscal-monetary, regulation of the market, or social welfare and labor central policies. They can help considerably or, on the contrary, delay, or seriously hamper the development.

#### **The strategic policy of the new municipalities**

The implementation of a certain policy and the realization of the planned measures is first of all a political matter, expressed both by the pre-elective political engagements, as well as the decisions and activities during the mandate, received, or undertaken by the main organs of the Municipality. The other factor are the employees, especially those possessing the most responsible and competent positions, especially of the “productive” departments. For the optimum productivity the political program has to be clear, concentrated to the basic priorities and lines, leaving its implementation to the political and administrative partners (4: 10).

The setting of a vision as the base for the Municipal strategy should have as its final goal the establishment of a competitive, sustainable and continuously developing Municipal

physiognomy, preserving and promoting the local identity and valorizing its unique characteristics.

Formulated objectives are stemmed from the local needs, through a down-to-up procedure. They should be in conformity with the national and European objectives, priorities and directives, such as Göteborg, 2005, concerning sustainability goals, Lisbon strategy for growth and jobs, Council Decision no.144/2006 for rural development”, or those of the 4<sup>th</sup> Programming Period, 2007-2013, taking as well under consideration the planning for the New Programming Period, 2014-2020.

The preparation of the Strategic Plan by the Local Government should focus on a series of well established challenges, strengths and opportunities, avoiding, or annihilating weaknesses and threats. It has to serve local interests, to protect and valorize the natural and cultural environment and the rural heritage, to maintain and improve quality of life, ameliorating the technical infrastructures and networks of service. It has to be realistic, stimulating and encouraging local institutions and factors to undertake activities and initiatives. It should express adequately an aggressive policy and it should be detailed, clear and distinct to the proper degree. The principles which had to be followed could be:

- The adaptation of integrated interventions and policies, having as a criterion the respect to man.
- The establishment of transparent tools for the control of management.
- The quick and effective response to the demands and necessities of the citizens and the local productive and social forces, through their direct involvement, in order to assure viability and a continuous self re-provisioning.
- The development of all-level co-operation with local associations and institutions of common interest and of synergies and networking, internal and external, and the strengthening-support of entrepreneurship and occupation.
- The securing of the social cohesion, the protection and support of vulnerable groups, intervening mainly in the social policies and social embodiment, education, through-life learning and sports.

The strategic plan should be oriented doubly, to Internal and External Structures and to be formed through the Strategical Axes. The latter in general, for the present Municipalities in Greece, move around the terms Organization – Cohesion – Extraversion – Development – Competitiveness (6).

The implementation has to be exercised through an integrated management of the Local Government and an extroverted development policy. Emphasis should be set on the new development of relations of Local Government, both interior and exterior, finally leading to the application of a new administrative, human centered, environmentally caring model, through effective and flexible mechanisms, functioning through e-government.

The internal organization and function has to secure the optimum service for the citizens and to prepare the structures for the application of external policies, as well as the development of creative and sustainable synergies. The restructuring of the municipal administration and the re-functioning, reshaping and upgrading of the organization of the municipal structures and functions are of an urgent priority, aiming to an “automatic effectiveness”, basic constituent, as well, for the institutional strengthening(4, 2: 45).

The “internal policy” should be implemented by qualified and effective personnel, allowed to take over responsibilities and with the use of the most proper modern equipment and technologies. Here, parameters, such as the number, distribution and training of the employees, or the characteristics and the methods of their choice are important (4: 10-11). Besides that, the role of the Information Society is catalytic, contributing substantially to the strengthening and the modernization of the Infrastructures of the Municipality.

The “external” structure points mainly to local development through exercising policies, which, nevertheless, presuppose the reorganization of internal structures and services and the existence of a serious and consistent strategic Planning procedure.

“Local Development”, according to the new strategic philosophies, should be focused on the enhancement of the competitive potential of local economies, improving the production indicators in the community. These concepts

emphasize the active role of the potential of the institutional assets (2: 42), thus allowing the Local Government to widen its perspectives, by increasing employment, maintaining and creating jobs, strengthening and promoting business activity, allowing the creation of a new working environment and attracting possible investors. It corresponds to the final goal of the application of a broad strategy, according to which local actors and institutions try to make the best use of local resources. Proceeding to this, we could accept that local economic development is a procedure, through which Local Government and community-based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, or every possible “player”. Thus, critical is the relationship between economic competitiveness and place, as well as their influence upon relational factors, such as trust, reciprocal understanding, skills, or other factors valorizing the effectiveness of the participants (1: 3-5, 7: 187).

If we concentrate upon the view of a clear economic development, its policies could be divided to “supply-side” ones, which aim to attract economic activity into the area, i.e. through land and site development, infrastructure investment, tax incentives, debt finances, increments, allowances and regulatory policies, or to demand-side policies, which promote new business creation, small business expansion and support of research and strategic investments, such as business incubators, venture capital financing, job training etc. (1: 4). They should include:

- The establishment of new, “external” relationships and institutions.
- The support of new, or the encouragement of existing enterprises of the private sector, or their associations, providing incentives to create new jobs and provoking chances.
- The attraction of inward investments, by creating a proper business climate.
- The approach and identification of new markets.
- The assistance for the production, promotion and branding of goods and services.
- The assistance to the stimulation and motivation of the locally employed personnel.
- The transfer and adaptation of new technologies.

- The modification of the management of the natural and the built environment in a rational, really sustainable approach, as profitable resources for the citizens. Indeed, the establishment and the promotion of a model, guaranteeing the sustainability of alliances and underlining every concession to the private sector, necessitate the respect to the principles of viability and reciprocity, as far as it concerns its potentially sustainable resources, especially natural environment and culture and should be characterized by its human-centered profile. Today, more than ever, the imposing globalization and the chaotic social and moral conditions necessitate the preservation, valorization and promotion of local identity, properly evaluating all parameters.

Thus, sustainable development requires first of all the preservation and conservation of the authenticity of local natural and cultural heritage, the promotion of the cultural community with the rest of the world, as well as the elimination of the negative impacts coming up, by destroying the authentic local identity because of short-eyed economic interests.

Particularly, culture is considered as a main factor of development. Local Government should take advantage of culture and tourism, serving as an ideal example of the mutually beneficial relationship between economy and local resources, through increasing attractiveness and competitiveness of destinations and areas. Tourism, from its side, provides considerable means for facilitating creativity and offers means improving the average economic level. This co-operation can help regions to be competitive and innovative, formed as the optimum places to live, to work and to invest in (8: 3).

The role of culture for a local sustainable development is especially decisive in our trans-border, rural regions, not been limited to tourist attraction, but having a great impact as source for activities and initiatives, for the provision of goods and services, as well as a tool for the social integration of people and communities and for the quality of life. Cultural institutions may deal with wider fields as food production, or, more generally, development of the first sector, creation of jobs, for raising exports, seen as an integral part of development (2: 42-43, 9).

Moreover, culture through tourism, is more than a means for economic development, is, as well, a tool assisting in escaping from local miseries and deficiencies and a guide to an alternative way of conceiving and experiencing things. Nevertheless, specific care should be taken so that tourist valorization should not violate the authenticity of the local resources.

### **Synergies – networking.**

In order to correspond to its role, Local Government needs to find allies and supporters. The new “institutional” approach raises the importance of synergies. The challenge is to think in terms of a continuum of institutions, ranging from public to private, including participatory institutions, especially non-government, non-for profit organizations, acting between the public and the private sector. This last type of partner has furiously emerged during the last years. It shares features with the other two sectors and at the same time varies substantially from those. It can be described in various terms, which in fact reflect its coordinates, as “membership”, “voluntary”, “of collective action”, or “participatory” sector. Decisions are taken here with regard to common or group interests, while, at the same time, the advantage of the “private way” of operating flexibility is evident (3: 4-6). Especially in the present years of crisis, the advantages of the “third partner’s” participation are revealed clearly, particularly for a Local Government which backs their initiatives.

The other partner is the private sector. Here concern is for profit, something that often gives precedence to short-run calculations and decisions (3: 7). Partnership will allow the Local Government to use the potentialities and the competence of its partners and simultaneously to control it, in order to protect the common interests and the local resources.

The most important, though, partner, is the person, the citizen. The desirable model of administration and the new global environment wants him, or her to be more active and to participate in the local government.

The last part of synergies has to do with the “external” alliances. There, the potential role of the Local Government is the most crucial and subtle one. Particularly the co-operations in a regional, trans-border, trans-regional and

transnational level have already become a development tool of high importance.

### The practical approach

In order to achieve its goals, the Local Government should apply a consistent methodic, which in its basic steps could be consisted of the following:

- To gather-collect systematically raw material, referring to needs, priorities and demands of the individuals, entities, associations etc. and of the local resources.
- To organize, systematize and codify the material, to test various approaches, using properly the e-Municipality advantages.
- To localize, concretize and transform the gathered material-data into organized options, concrete objectives and proposals, to enlist them in a centrally made, cohesive plan.
- To verify and elaborate development perspectives and to specify priorities, in accordance to those of the local private and collective entities and to synthesize and adapt its plans to their demands, needs and planned projects. The need today is for more empirically or practically oriented – immediately effective studies.
- To needs and to distribute the relative needed resources.
- To improve the conditions and the environment, in which initiatives coordinate.
- To protect the environment, the culture and the citizens, placing the local functions and initiatives within a framework of coherent local policies and strategies..
- Through the promotion and valorization of the uniqueness of the area, or specific object, site etc., to activate an interpersonal solidarity (3: 3).
- To coordinate all efforts into the common local-communal goal.

The potential outputs of the application of a consistent development policy are extended at a wide range, the most important of them being the harmonic and effective organization of the Municipality and its legal entities, the securing of the quality of life, the protection of the natural environment, the promotion and valorization of the local cultural resources, the strengthening of the social cohesion, the maintenance, the welfare and the securing of the

occupation of the population and especially of the younger ages, the promotion and strengthening of entrepreneurship

### Epilogue

Small, peripheral trans-border Municipalities, such as the Greek Thracian ones, although having to cope with many problems, starting from their distance from the centers of decision, ethnic and other peculiarities, migration and unemployment, extremely low densities of population and lack of cadres, or the competition of the neighboring countries, concentrate, on the other hand, strong points and advantages, such as the position, both geostrategic and geopolitical, on a crossroads of cultures, goods and influences, the nature, the originality of the land and the culture. The question and the provocative for them is how the peculiarities and the weaknesses will reinforce the challenges and the obstacles will be transformed to tools of development.

The unexploited, huge potential, the experience gained and the application of new technologies can open roads to development.

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