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### Local Government in Greece at the Crossroads: Between Governability and Accountability

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# Local Government in Greece at the Crossroads: Between Governability and Accountability<sup>1</sup>

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## Abstract

This policy brief is based on the assumption that the recovery of Greece, after more than a decade of crisis, should include local government, the institution, which is closer to local people than central government, and, consequently, ought to be more accountable. One of the most important problem identified here is the democratic deficit of the first level of local governance system. Despite its strong political and social clout, local government in Greece remains an institution with limited capabilities, as the Greek State has been and remains one of the most centralized states in Europe. In fact, after the 2019 general election, just before and during the recent pandemic crisis, the legislative initiatives of the government, despite the international trends of decentralisation towards more participatory and accountable local institutions, turned to the traditional and favourite “mayor-centered” system of local governance for the sake of the “governability”. As a result, the re-concentration politics of local government loom large for the post-coronavirus era.

**Keywords:** local government; local governance; accountability; governability.

## Introduction

It is a truism that a great deal has changed in the world of Greek local government over the past thirty years and that much of this change has been the subject of intense political and media debate. Consequently, it is also safe to say that everybody is more or less aware of some of the key issues in recent history of local government. Since the late 1990s a number of changes in local government, if less dramatic, has been taking place in one of the most centralized states in Europe (Ladner et al., 2019). The so-called “mayor-centered” system of local governance with the absence of a system of strong institutional counterweights, as well as the confusion of roles within the system of local government, have aired public criticism for many years. The “Kapodistrias Plan” (1997) and the “Kallikratis Programme” (2010) have, in the eyes of many observers, brought high-profile territorial reforms in local government. Yet, the end product of these reforms has been a failure to solidify check and balance mechanisms versus the “mayor-centered” system of local governance. On the other hand, the “Kleisthenes Programme I” (2018), against the backdrop of a severe financial crisis, included provisions which intended to enhance local accountability and representation. Alas, a series of new legislative initiatives launched after the 2019 general elections has been interpreted as a direct attack

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on the very principles of the “Kleisthenes Programme I”. The politics of hung councils, i.e. councils where no party has a majority, drove the legislative initiatives of the new government towards more traditional “mayor-centred” solutions. Arguments for more democratic policy process and less dominant parties with little legitimacy have been overshadowed by voices for more, not necessarily better, “governability”. This policy brief attempts to grapple with the changes that have taken place in the first level of local government over the past decade of financial and pandemic crisis, in terms of accountability and governability. It begins by approaching the main trends of decentralisation in Europe. Our attention then turns to an historical overview of the main waves of reform in Greek local government. At the end, as a conclusion, although it remains unclear as to what the future may bring for local government, the recent developments chartered suggest that this is not a prospect which local authorities should reflect on easily.

### **The trends of the decentralization reforms in Europe**

In recent years there has been a general trend towards greater decentralization of public administration in most European countries (OECD, 2019). In the midst of economic crisis, and despite the strong differences of the local authorities in terms of their legal and political status and their competences, the reforms in the field of local government internationally moved towards three main directions (Hlepas, 2005: 319; Hlepas, et al., 2014: 8):

- (a) Most European countries (see Greece, Denmark, Sweden, the Netherlands, Germany, the United Kingdom, Italy and Spain) have launched enforced or voluntary mergers of neighboring municipalities and communities, as well as (or alternatively) deepening inter-municipal cooperation. Such cooperation took place through the establishment of associations and the formation of inter-municipal agreements for the provision of services and the implementation of projects in order to address the problems caused by the fragmentation of local government ("traditional type of reforms").
- (b) Countries, such as the United Kingdom, have taken radical steps to reduce spending through the introduction of New Public Management (NPM) methods and practices. A common denominator of those changes was the introduction of a business culture in the provision of public services and the transition to a "results-oriented" administration. Other countries, such as France, Italy and Germany, were more cautious.
- (c) A third category of reforms ("participatory") is related to the enhancement of the democratic and political role of local authorities through the strengthening of structures, processes and practices of citizen participation (eg. local referendums, electronic voting, youth forums,

neighborhood committees, immigration councils). Such reforms were carried out in the Nordic countries, in the Netherlands, in Germany, in Austria, etc.

In Greece, the waves of the local government reforms seem, with the exception of the mergers of the first level of local government, to deviate from the international experience and to justify the findings of international organizations, such as the Organization for Economic Cooperation and Development (OECD), according to which Greece remains one of the most centralized countries internationally (OECD, 2019; 2012: 20), contrary to the constitutional claims and the requirements of the European Charter of Local Self-Government (Law 1850/1989).

### **The waves of the local government reforms in Greece**

The fall of the dictatorship marked a sharp challenge to government centralization (linked to authoritarianism and the so-called "athenocentric state"), although early governments adopted a cautious attitude towards local government (Andronopoulos & Mathioudakis, 1988). In the 1980s, the accession to the European Communities and, in particular, the political change of 1981, inaugurated a period of continuous strengthening of the position of local government (Karvounis, 2004: 110). First, the Ministry of Interior introduced in 1984 two policies to address the problem of fragmentation of Municipalities and Communities: the policy of voluntary mergers (Law 1416/1984, Law 1622/1984) and the policy of inter-municipal / inter-communal cooperation (Law 2128/1994).

Regarding the results of these two policies, in the first case, we can safely talk about a total failure, whereas in the second case we can acknowledge a partial success (Hlepas, et al. 2014: 31). Secondly, the ratification of the European Charter of Local Self-Government (Law 1850/1989) of the Council of Europe signaled that public affairs should preferably be conducted by authorities closest to the citizens, while a higher level of administration was considered appropriate only when coordination or delegation of responsibilities was weak or less effective at the lower administrative level.

But the first really high-profile reform for the first level of local government came in the late 1990s. What the voluntary mergers did not succeed, the "I. Kapodistrias Plan" (Law 2539/1997) changed, through merging the administrative boundaries of the first-level of local government (municipalities and communities), reducing them from 5,921 (361 municipalities and 5,560 communities) to 1,034 (900 municipalities and 134 communities), without even changing their previous institutional status. The Code of Municipalities and Communities in 2006 (Law 3463/2006) constituted the main legislative text for their function (Hlepas, et al. 2014: 32). The bold reform of the "I. Kapodistrias Plan" did not, though, create effective municipalities throughout the country with financial sufficiency and the ability to raise their own resources.

At the beginning of a long period of economic crisis, the “Kallikratis Programme” (Law 3852/2010) sought to step up the 325 new larger municipalities into key “administrations”, where most administrative procedures would be carried out. In fact, the “Kallikratis Programme” made a little progress in relation to the so-called “mayor-centered” system of local governance. With the establishment of the executive committee, the “Kallikratis Programme” tried to collectivize the executive function. Yet, in practice this reform did not yield the expected results (Katsoulis, 2017). In this very need to collectivize the decision-making process, taking into account the experience of almost ten years of implementation of Law 3852/2010, the “Kleisthenes Programme I” (Law 4555/2018) tried to open up possibilities for a more democratic composition and operation of local government bodies and more proportionate representation. “Kleisthenes Programme I”, among others, introduced a new electoral system of proportional representation (largest remainder method), as well as institutions of local democracy (municipal referendums). More specifically, Law 4555/2018 came to answer one of the most persistent demands of recent years and concerned the issue of the quality of modern democracy, ensuring the essential conditions of transparency, accountability and protection of the public interest (Karvounis, 2021: 269). According to this electoral system, in contrast to the electoral systems of the past, in which the legislator gave at least 3/5 of the seats of the council to the winning party, it provided that the numbers of votes for each party to be divided by a quota representing the number of votes required for a seat (i.e. the total number of votes cast divided by the number of seats). The result for each party will usually consist of an integer part plus a fractional remainder. Each party is first allocated a number of seats equal to their integer. This will generally leave some seats unallocated: the parties are then ranked on the basis of the fractional remainders, and the parties with the largest remainders are each allocated one additional seat until all the seats have been allocated. The mayor comes from the party that receives more than 50% (50% plus one vote) of the valid votes (Ministry of Interior, 2019: 87-88).

However, after 2018, and contrary to the challenges of the particular period that required social consensus, coalitions and power-sharing arrangements on major problems at the local level (Barber, 2014), more traditional centralised arguments and policies were put forward, with the strengthening of the role of the mayor in the collective bodies and within the other legal entities of the municipalities (see, among others, Law 4623/2019, Law 4635/2019, Law 4674/2020 and Law 4735/2020). In fact, the recent legal initiatives from above, without prior consultation with the central union of municipalities, provided for the following “mayor-centric” arrangements:

- The municipal council’s coalitions must include the mayor’s party.

- The majority of the members of the financial committee and the quality of life committee should come from the mayor's party.
- Transfer of decisive competences from the municipal council to the economic committee in which the mayor's party enjoys the majority of the seats.
- The president of the community comes from the winning party.
- After resignation or death of a mayor, his/her successor comes from the mayor's party.
- The majority of the members of the steering board of the municipal legal entities come from the mayor's party.
- Reduction of the term of office of the deputy mayors (one year) in the executive committee, where the supremacy of the mayor is indisputable.
- Suspension of the provisions for the holding of municipal referendum introduced by "Kleisthenes Programme I" for the municipal period 2019-2023.

There is no doubt that these initiatives speak of the primacy of centralizing tendencies over the democratic value of local government. The government considered that these arrangements were the most appropriate, so as the elected mayor to secure, at least, the support of the majority of the members of the council's committees, in the case of those councils where the mayor does not enjoy the majority of the seats. However, due to the above initiatives, a question inevitably arises as to the proportional nature of the results of the electoral system, which was provided by "Kleisthenes Programme I".

## Conclusions

During the recent pandemic crisis, voices were raised about the need for centralized management of major public health problems, as well as in other areas of public policy (Hlepas, 2021: 3). At the local government level, these arguments raised under the veil of the 'governability'. After the introduction of the simple proportional system, in many cases the mayor's party does not enjoy the majority of the seats in the municipal council and so the mayor is obliged to elicit the support of other municipal councilors, by offering either deputy mayors or other positions in return (Hlepas, 2021: 6). By putting forward new legislative "mayor-centric" initiatives since 2019, the government treated the supreme collective body of local government, i.e. municipal council, less than a body in which the popular will is enshrined and more as an area where the mayor, the main executive body, exercises her/his power and enjoys exclusive rights. In the coming period, the government will restore the power of the mayors by abolishing the electoral system of simple representation and by bringing back the traditional, "mayor-centric" majority electoral system. In this way, in the post-pandemic era, despite

the widespread use of modern technology, centralism will remain the fundamental element of the public administration, causing serious malfunctions, delaying the paradigm shift in decentralisation of functions that the country desperately needs, and degrading in quality the politically controlled executive state structures.

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