

Cultural Village of Europe

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Contribution from Paxos



INTRODUCTORY SPEECH BY THE MAYOR OF PAXOS KILINGI NOMME 21 MAY 2005

Dear Friends from Kilingi Nõmme, Friends from all the Cultural Villages of Europe I salute you on behalf of all the Paxiots and I transfer their love and affectionate memories from all the festivities of last year, during which Paxos was the Cultural Village of Europe. I am certain that this year's events in your beautiful village will be unique and will surpass all previous ones. This year's topic of discussions touches all of us even more so that nearly everyone among us has a smaller or larger relation with local administration authorities and we all experience everyday rapport between local administration and central government, what we call the "state". Such a rapport is often problematic, especially with small Municipalities like ours. I personally believe that in human history administrative organization of small societies precedes in time that of the nation-state. I am referring to the examples of the first ancient settlements or the ancient Greek city-state. It was actually the first form of social organization and still remains the most essential. The meaning of a contemporary government administration, as it was founded after the French Revolution, is linked with local administration and decentralization and should include powerful forms of administrating local situations. In today's globalization policies, while the borders of sovereignty of each nation are constantly limited, the further development of local administration and of decentralization should be our first priority.

Two are the main reasons for the above mentioned development:

Firstly more and more of the decisions are taken in an international level. As a result the contemporary state proves to be too small to meet with serious problems, like environmental ones and too big and heavy to deal with local problems.

The second reason starts from fear created to all of us by the immense changes worldwide. Our need to safeguard our language, values, lifestyle and culture has become desperate. The local administration organization is closer to each citizen and can contribute effectively in facing problems of the new era.

In nearly all developed countries today there is an attitude towards the dilatation of the meaning of "a local case" and the transfer of more powers from the central government to the peripheral and local administration. Public health, education in all its levels, employment, social security and welfare, planning of development strategies have slowly passed under the control of local authorities and the central state deals with economic and monetary policies, foreign affairs, national security and defense and national legislation.

In the New European Convention, referred to as "the Constitution" by many Europeans, it is stated:

- Peripheral and local administrations are constructive elements of the nations -members of the European Community.
- Cohesion of provinces should be financial, social and territorial.
- Auxiliarity/Supplementation now gives priority to local administration systems and offers every European citizen the right of appeal to the European Court.

This is all very nice in theory, but what happens in real life?

Situation in our country -although improved in comparison with recent years- is still quite distant from all the above. Until a few years ago Local Administration in Greece was not at all

self administrative. Community Councils had no authority and for every one of their decisions, they had to expect central governmental approval. This Central government was seated in Athens, had many faces, collected taxes and gave back "peanuts" to local authorities. Financing of every Municipality was decided according to the political beliefs of the particular Mayor or according to the influence or political obligations the local parliament member had. Thus the future of each Municipality was defined by political balances and electoral tactics.

In 1999 there was a big change in our administration system. Many small, financially weak communities were forced to unite into one Municipality under a program called "Kapodistrias" - the name of the newly born Greek State' s first prime minister in the late 19th century. This change was essential towards the improvement of rendered services to the citizens and towards the solving of local problems.

The results of this transition although positive have not yet reached the expected standards. The recently founded Municipalities face grave problems in organizing basic forms of administration and in hiring stuff. Development planning in time to obtain European funding fell through and we keep losing European money. There is also a serious lack of expert personnel in peripheral and local administration positions due to bureaucracy in both the Greek central government and the European authorities. Shortage in civil engineers for example forces the Municipalities to hire independent professionals, who are more expensive and their work is usually dubious and always late in completion. Even the realization of already approved programs becomes difficult without the necessary expert supervision.

Our local administration system is constituted of two different levels. The first one includes the elected Mayor and his Municipality Council and the second includes the Prefect and his Prefecture Council, when in most of the other European countries the second level is consisted of Provincial District Councils. Head of each Greek Province is a civil servant appointed by the Government.

Members of the Provincial District Council are Municipality Unions from every Prefecture belonging to the particular Province, all the Prefects of the particular Province and representatives of various Chambers, like the Commercial Chamber, the Technical one etc. Our Province, the Province of the Ionian Islands admits in its Council a representative of small islands (with less than 3100 inhabitants), who participates in the assemblies with a right to speak but not to vote. The Provincial District Council' s main authority is to approve the division of European funds inside the Province.

I will now speak about an issue I consider most important for local administrations: their financial autonomy and self-sufficiency. Municipalities' financial resources come on one hand from local taxation and on the other from state subsidies. The larger the percentage of independent and local financial resources is for a Municipality, the lesser the central governmental pressure is and the fewer the political interventions become. Municipalities should be financially independent through their own, legislated financial resources and that can only happen through transferring various tax collections from the central to local administration. Unfortunately Greece is last in regard to the financial independence of Municipalities from the central state. 27% of our Municipalities' income comes from taxation, 8% comes from various dues and 63% comes from state subsidies, when at the same time Scandinavian Municipalities' income reaches 80% of the state revenue. Our country is the only one in Europe with one digit numbers in all the quantity indicators regarding local administration funding. In an effort to cut a long issue short, I have the following suggestions towards obtaining financial autonomy for each Municipality:

- 1. The potential of increasing local revenues.
- 2. Decentralization and authorities transfer with simultaneous, parallel transfer of necessary funds to local administration.
- 3. Financial convocation in favor of financially "weaker" Municipalities with a constant redistribution of funds.

In regard with local administration powers, it is essential that responsibilities in important sectors are transferred to local communities, where decisions are taken faster and to the right direction. During the last few years unfortunately such authorities are transferred to the Municipalities in a most insufficient way, without the necessary funding. Here is a recent example: new responsibilities -originally belonging to the Police -were transferred to the Municipalities, including the safe keeping of public areas, the local environment etc. Most Municipalities are still unable to exercise these duties because they have no personnel and no money to pay them. Creating a Municipality Police is a possibility only for large and financially strong Municipalities, as the law requires a minimum of 17 Municipality Police officers, when the Paxos Municipality employees make a grand total of 10 people.

Personnel hiring by the Municipalities is controlled by a state system of evaluation criteria, which is complex and insufficient. This evaluation system forces Municipalities to hire people because of their family or social status against others who are obviously more competent and have more professional credits. Unfortunately the Municipality's opinion in personnel hiring is never heard and there is no trust between central government authorities and local administration ones. Also the employees' performance cannot be checked, because a constant evaluation system after hiring of each employee does not exist.

As for environmental issues, the central government instead of implementing protective rules, finds itself often in a contrary position to local administrations. Another local example: Paxos administration authorities refused to accept spreading of toxic pesticides in our olive groves by airplanes, when the Greek government banned air-spraying only this year.

The second level of local administration existing nowadays in Greece should evolve into a provincial administration with an elected by the people Head of each Province. This way we too would adjust to the new European situation and would comply with the new European Constitutional Treaty. All responsibilities for an equalized provincial development and a financial decentralization should be transferred to this second level of Provincial administration. While most of the business and financial activities happen in big cities, small provinces and rural areas are barely surviving. Equalized peripheral development especially in small islands like ours, is an important political and social issue needing courageous and long term administrative interventions. In concluding I would like to mention the basic characteristics a Municipality should have, as they are mentioned in a relevant decision of the Association of Greek Municipalities:

- 1. A Municipality of today should be modern, strong, open to all developments of the new world
- 2. It should be financially self sufficient and administratively independent
- 3. It should be open to local society and ready and willing to take part in any activities and events
- 4. A Municipality should finally be effective and at the same time transparent in all its transactions.