

# **Greek Spatial Planning and the Crisis**

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Greece's entry into the "Support Mechanism" in 2010, which signaled the 'official' beginning of the crisis, entailed the implementation of a structural adjustment program for the country with the objective to reduce the national deficit and to pay up sovereign debt, which since then, the dominant discourse has equated with the public good. Consistent with its neo-liberal tenet, state retrenchment and privatization are at the core of the restructuring policies 'imposed' by this adjustment program within which the sale of state owned property acquires primary importance as a significant means to pay up the debt. The 'reform' of the spatial planning system has been a core element of this regulatory restructuring process as it has been considered an essential prerequisite for creating 'favorable conditions for economic activity' and entrepreneurship including enhancing of competitiveness. Within this overall framework, and amidst the burgeoning problems faced by major Greek cities due to austerity policies, a substantial number of new laws have been adopted at a very rapid pace transforming in substantive ways the spatial planning system and in more general space production process.

This chapter offers a critical review of the country's regulatory restructuring since 2011 and its effect on the land development process. The objective is to reveal the continuities, ruptures and turns in Greek spatial planning policy. The research makes an appraisal of the legislation that has already been adopted as well as the legislative proposals that have undergone public consultation.

The underlying thesis of this paper is that the debt crisis in Greece has served to legitimize neo-liberalism as "the dominant ideological rationalization" for the state 'reform'(Peck and Tickell, 2002) imposed by

the successive Memoranda<sup>1</sup> as part of the ‘rescue’ program of the country. For the purpose of this paper, neoliberalism is conceptualized as “...one among several tendencies of regulatory change that have been unleashed across the global capitalist system since the 1970s: it prioritizes market oriented or market-disciplinary responses to regulatory problems; it strives to intensify commodification; and it often mobilizes speculative financial instruments to open up new arenas for capitalist profit making” (Peck et al 2012:269). In this sense, along with state downsizing, privatization of commons and flexible labor relations, the ‘reform’ of the Greek planning system constitutes a core element of the new mode of regulation associated with post-Fordist economic dynamics (Aglietta, 1979; Amin, 1994) that consolidates competition and commodification in all realms of social life including space production, while facilitating the opening up of the Greek economy to global processes of capital accumulation (Harvey, 2005).

## 1. GREEK SPATIAL PLANNING BEFORE THE CRISIS

The spatial planning system of the country was in a state of transition right before the outbreak of the economic crisis as illustrated by the effort to implement the spatial planning legislation adopted in the mid-1990s. The preceding planning Act adopted in 1983 (L. 1337/83) – which partially revised the foundational planning law of 1923 – was primarily directed towards the reduction of spatial inequalities in Greek cities by addressing the significant social, functional and environmental problems associated mainly with uncontrolled post-war development (primarily housing construction) and insufficient public investment for service and infrastructure provision. The 1983 Act enabled the central government to prepare physical plans that controlled development only in the built-up / urbanized areas of the country, while it permitted the application of a unified regulatory development framework in areas lying outside the jurisdiction of these plans allowing unplanned and often informal or illegal development to sprawl on peri-urban areas and the countryside.

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**1** | Refers to the Memoranda of Understanding signed by Greece outlining the conditions for the disbursements of financial assistance to the country by the European Financial Stability Facility.

An essential dimension of the overall Greek planning legislation was its embedding of the social relations underlying the country's post war urban development pattern. A pattern that has been described as 'deviating' from the dominant western European one (Vaiou et al., 2000) and consisting of: (1) small-scale-land property (in terms of the size of property holdings) and small-scale-construction capital both directly related to land fragmentation as well as to the high percentages of home ownership; (2) the increased role of the private sector in space production including the provision of housing often through informal and/or illegal processes; and (3) the promotion of the (small scale) construction sector as the primary vehicle for the economic development of the country. In this framework, the ease of access to home ownership that the planning system afforded to lower and middle class property owners, through formal and informal urban development practices, along with the ability to profit from land rent and surplus values (Mantouvalou, 1980; Mantouvalou and Mavridou, 1993; Vaiou et al, 2000), provided the conditions for a wide social consensus for weak-piecemeal planning and/or for the opportunistic implementation of spatial plans. Implicitly, in this way, Greek planning culture supported the undeclared content of the public interest (Vatavali and Zifou, 2012).

The planning legislation adopted in the mid-1990s (L. 2508/95 and L.2742/97) signaled, at least at a symbolic level, a rupture with this wider consensus and a turn towards the support for increased state intervention in the land development process. This turn was essentially based on a growing demand for a plan-based system posed by two different, seemingly contradictory, trends<sup>2</sup>. The first trend was related with the rapid restructuring of the construction and real estate sectors, both in terms of size and invested capital, a trend directly associated with the development of the 2004 Olympic facilities as well as the construction of large scale infrastructure projects financed by EU structural funds (Mantouvalou and Patrikios, 2008). For these new players, extending the application of statutory land use plans over the country's territory was perceived as a necessary condition to secure the legal certainty required for the approval and subsequent implementation of their investment decisions. The second trend, on the other hand, was directly associated with the need to further

**2** | Of course EE policies and strategies affecting the development of the European space, such as the European Spatial Development Framework exercised tremendous influence at that time on planning culture and practice in Greece.

integrate environmental concerns in spatial planning derived not only as an obligation to comply with EU environmental policy but also as a claim posed by a rapidly rising environmental movement in the country. In this context, the 90's planning legislation provided for the development of an integrated planning system, consisting of national, regional and local plans, which when fully implemented would extend development control throughout the territory with a (declared) direction towards the promotion of sustainability principles.

In practice, the planning policy exercised by both the socialist and conservative governments that were in power in the 90's and mid 2000's deviated to a large degree from the aim of the legislation. Firstly, there was a gradual introduction of neoliberal policies and practices undermining planning which besides the simplification of permitting procedures for strategic investments, included the wide use of exceptionality measures mainly in conjunction with the construction of the Olympic facilities which were approached as mega-projects that would enhance the competitive advantage and therefore, the strategic role of Athens at the European level. It must be noted though, that the promotion of strategies embedded in wider urban development agendas underlying such notions as 'urban entrepreneurship', the 'creative city' and 'city branding' was very limited and mainly associated with the rhetoric legitimizing the Olympic Games projects. This 'transfer policy delay' was related not only with the then predominant planning culture of the country, but also with the traditionally regulative role of planning as well as the limited development powers and capacities of local governments.

Secondly, even though the preparation and adoption of national spatial plans (in the mid 2000's) was a significant step towards the implementation of the 90's Planning Act, the integration of the planning system never materialized especially in reference to local plans. In fact, it became apparent that these plans – as policy frameworks for the spatial organization of major economic activities promoted at that time, i.e. tourism – were to serve mainly as instruments for overcoming the legal obstacles posed by the Greek Council of State regarding the ad hoc location of these activities in areas not covered by statutory local land use plans. However, the preparation process of national spatial plans contributed in a substantive way towards the establishment of planning as the arena for the resolution of land use conflicts by allowing the articulation of

alternative discourses and the redirection, though marginal, of the pro-growth policies of these plans.

## 2. THE CONDITIONALITY OF REGULATORY RESTRUCTURING

The reform of this planning system – strictly oriented towards development control – is central to the extensive process of institutional restructuring that is taking place in Greece under the state of emergency imposed in this time of crisis. Responding to EU crisis policy and debtors' demands, the country has committed to implement an adjustment program which mandates the adoption of fiscal consolidation measures as well as deep structural, market orientated, reforms that touch upon all dimensions of the institutional landscape existing before the crisis: wage-labor relations (or growth-enhancing structural reforms as defined in the Memorandum); fiscal policies, which besides imposing austerity measures and severe budget cuts, include the extensive privatization of state owned property, public assets and common goods; monetary and financial regulations; and forms of regulation enabling / mediating corporate competition. These structural 'reforms,' which must be implemented within specified timeframes, constitute essential conditionalities for the disbursement of the financial assistance to Greece by the European Financial Stability Facility.

Among the conditionalities included in the second Memorandum signed by the Greek government in 2012, "*Memorandum of Understanding on Specific Economic Policy Conditionality*", were a series of measures calling for the facilitation of spatial planning which included the:

- simplification of town planning processes (including the reduction of needed time)
- update and codification of legislation on forests, forests lands and parks
- codification of legislation on forests
- the revision of regional spatial plans in order to make them compatible with the sectoral plans on tourism, aquaculture, industry and renewable energy, and
- acceleration of the completion of the land registry

To a large degree, the imposed measures seemed to respond to a pre-existing demand for restructuring the planning system to address and ameliorate some of its long enduring negative structural characteristics: legislative complexity (multiplicity of laws), ambiguous and conflicting regulations that greatly increased administrative discretion, lack of coordination, centralization of planning powers and very long processes for plan preparation, approval and amendment (YPEKA, 2012). However, different drafts of the Memorandum, prepared during the negotiation process, reveal the existence of alternative proposals calling for deeper reforms leading to the redefinition of planning's scope and direction by calling for:

- the reform of planning, which entailed the review and amendment of general planning and land use legislation with a view to ensure more flexibility in land development for private investment and the simplification and acceleration of land use plans
- the establishment of a One-Stop Shop for the licensing and permitting of various activities, and
- the simplification of environmental, building and operating permits.

The divergent mandates do not only reflect underlying differences of perspective in reference to the rapidly prevailing political position supporting the dominance of market processes. They, moreover, epitomize the importance that the regulation of land, as a factor of production, has for this neoliberal restructuring strategy in the sense that the facilitation of direct investments is considered the main (only) impetus to realize the country's new growth model which is based on real estate-related tourism, industrial scale development of alternative energy sources, logistics, agriculture, aquaculture, mineral extraction and health services<sup>3</sup>.

Although, the process of regulatory restructuring that ensued and was legitimated upon the obligation to implement the prescribed conditionalities was at first characterized by these underlying contradictions regarding the content and scope of the 'reform', it has come to be defined by the gradual prevalence of the neoliberal dogma. Within this overall framework, the

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**3** | The government's new growth strategy was largely based on the report "Greece 10 years ahead. Defining Greece's new growth model and strategy" prepared by McKinsey and Company in 2012 and commissioned by the Association of Greek Industrialists.

process has so far involved the production of over 30 pieces of legislation directly affecting the use and development of land that have been adopted or are in the process of adoption. Characterized by extremely brief public consultation and parliamentary review procedures and, oftentimes, surpassing the limits of constitutional legality – which in some cases has enforced the resubmission of legislation due to its annulment by the Council of State – this process has essentially resulted in the ‘dismantling of the inherited institutional landscape’ (Brenner and Theodore, 2002) affecting the use and development of land.

### **3. DEVELOPMENT RE-REGULATION**

In addition to the piecemeal transformation of the spatial planning system which will be described in the following sections, the emergent institutional landscape includes an array of new policies and procedures affecting the use and development of land. Overall, these are, generally, oriented to overcoming the particularities of space production in Greece – i.e. small property holdings, land use configurations and protective status of natural capital – that have so far inhibited the construction of the new ‘urban spaces of neoliberalization’ (*ibid*) and more particularly, large scale urban and real estate development projects.

#### **Built environment and urban form**

With a declared intent to provide ‘solutions’ to the issue of building stock renewal and the re-investment of construction capital in built up areas, the amended universally applied Building Construction Code (L. 4067/2011) focused primarily on the increase of densities and building heights and the promotion of land consolidation. More specifically, according to the Greek Association of Architects, the new Code “... introduces and adopts the logic of real estate in cities. It rewards, by a 25-35% increase in floor area ratios, the development of large tracts of land in the already congested urban centers of Greek cities. In the attempt to reverse the declining of degraded areas, it offers a disproportionate increase of floor area ratios and height to the detriment of already built up areas. The logic of devaluing the existing building stock, as obsolete, by a land consolidation premium that produces buildings that are out of the existing scale and serves special

interests, alters the urban environment, the quality of life of the inhabitants and the existing social and economic structure" (SADAS, 2012).

Respectively, the recently adopted Land Use Classification Code<sup>4</sup>, moving away from the development of a hierarchical system of land use categories, it establishes a zoning system which restricts in a substantive way planning's power to formulate locally specific land use configurations<sup>5</sup>. By further intensifying a pre-existing policy of land use mix, the new land use zones provided for the: a) substantial intensification of commercial, institutional and office use in residential areas as well as the location and/or expansion of, potentially conflicting uses, i.e. parking lots for freight trucks and hospitals, that are anticipated to exacerbate in these areas the negative neighborhood effects characterizing Greek cities, that is, noise, traffic congestion and increased levels of air pollution, b) the formation of a multitude of mixed use districts directed towards the attraction of real estate related productive and entrepreneurial activities, i.e. trade zones, enterprise zones, logistics, tourism, technopoles, and c) the commercialization of public and open space in urbanized areas.

### **Streamlining of permitting procedures**

In the name of combatting corruption, the new policies (Laws 4024/2011 and 4030/2011) deregulate and privatize the permitting process by greatly reducing state control powers and transferring responsibilities to architects / designers, supervising engineers and private controllers. As a result, the ensuing autocratic system grounded on the superiority of the moral ethic of the private sector, proclaims its distrust to the citizens and public servants, thereby failing to empower the inherited system through the promotion of transparency and accountability in public services. Furthermore, the updated fast-track procedures proclaiming the 'speeding

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**4** | After several drafts which were substantially differentiated in terms of content, the Land Use Code was adopted by Law in the same Bill as the reformed planning system instead of a Presidential Decree and was, thus, not subjected to a review by the Council of State.

**5** | For example, in the residential use category, the Law promotes strip development of commercial and office use along the, mostly over-capacity, main road network by mandating the designation of roadside properties as urban activity centres while restricting residential use.

up and transparency in the implementation of strategic investments' are solely directed towards bypassing local resistances, i.e. by substantively limiting pre-existing public consultation timeframes and procedures thereby restricting the ability/power of competent public authorities to even express advisory opinions.

### **Consolidation of property rights**

With the sole intent to increase state revenues, an extensive program formalizing illegal construction is still underway. Grounded on the particularities of the Greek property and real estate system, this policy, fundamentally fiscal in nature, detached the entire 'legalization' process from spatial development and planning policies while rendering acceptable the consequent degradation of both the natural and built environment. The invalidation of the first Law (L.4014/11) by the Council of State led to its subsequent amendment (L.4178/13) based on a distorted use of land bank and transfer of development rights concepts which essentially provide for an extensive re-allocation of development rights throughout the country.

### **Environmental deregulation**

The initial focus of the, then, socialist government in the promotion of green economy in cities and the integration of European environmental directives into Greek Law<sup>6</sup>, was soon re-directed towards the simplification of procedures for Environmental Impact Studies (L. 4014/2011 and) and lately, on the severe limitation and /or annulment of the protective status of primarily forests and other natural and environmentally sensitive areas by permitting the location of various economic activities such as tourism, industry, livestock farming and mining (Laws.4264/14 and 4258/14). The potential damage inflicted upon the core of the country's natural capital by two recent legislative proposals<sup>7</sup>, one providing for new

**6** | These included primarily the Laws for: Landscape Conservation (L. 3827/2010); Protection of Biodiversity (L. 3739/211); Management of the Marine environment (L. 3983/2011).

**7** | Both of these proposals were openly supported by the Troika and the European Commission on the grounds that they constituted a Memorandum conditionality (Kathimerini, 2013)).

classification categories for forested areas and the other for the intensive development of the seashore, were repealed by the government, at least temporarily, because of issues of constitutionality and immense public opposition. In particular, the legislative proposal regarding the seashore – prepared and submitted for adoption by the Ministry of Finance instead of the competent Ministry of the Environment – provided not only for the intense development and commercialization of the sea, seashore, and the beach, but also for the abolition of their public use character<sup>8</sup>.

### **Planning reform 1: “Deregulating” panning**

The dismantling of the planning system was first achieved through the adoption of the regulatory framework providing for the privatization of state-owned property articulated in the seminal law entitled *Emergency Measures for the Implementation of the Medium Term Fiscal Strategy Framework 2012-2015* (L. 3986/11). By giving highest priority to the successful implementation of the entire privatization program, the law has been a core element of the new institutional landscape both in terms of its impact on spatial planning as well as on the consolidation of new forms of urban governance.

A fundamental provision of this law was the consolidation of a new “regulatory regime” that annulled statutory planning by functioning in parallel with it (Zifou, 2012). Having as a core objective to safeguard the sale or concession of public lands under investors’ terms, the new regulatory regime has exclusive power over the processes of planning, permitting and selling of property. Summarized below are the constitutive features of this regime which denote essential aspects of the wider transformations of spatial planning policy that are taking place in the conjuncture of the crisis in Greece.

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**8** | Described as “the proposal that sacrifices everything on the investors’ altar”, it is the only piece of legislation that has mobilized immense public opposition and contestation reflecting the fact that the seashore and the beach have been established in peoples’ consciousness as public goods that everyone should have free access to, a right also provided by the Greek constitution.

*New decision making and permitting structures:* The Hellenic Republic Asset Development Fund, S.A. (TAIPED), modeled after Treuhand<sup>9</sup>, is established as the agency responsible for implementing the privatization program of the country. In accordance with the law, the Ministry of Finance has to transfer full ownership, possession and occupation of all public assets that are to be privatized to the Fund which is to be supported by a council of advisors, some members of which are appointed by EU member states, as well as technical, financial and legal, mostly foreign, experts. The Fund has the absolute control over the use as well as the management of the sale of the sites and functions, along with any other SA that it may establish to manage individual properties, as a 'one-stop-shop' agency responsible for the issuance of all the required planning and building permits. So far, a total of 412 properties located all over Greece and covering a land area of approximately 110 mil m<sup>2</sup> and 516.000 m<sup>2</sup> of building surface have been put up for sale – a great number of which includes environmentally sensitive areas (i.e. Natura 2000 sites), beachfront areas and/or archeological sites (Picture 1). As indicated by the present functioning of the Fund, apart from the lack of transparency and public accountability, this take-over of state control has not only established a type of neocolonial regime influencing urban dynamics and promoting land grabbing, it is also facilitating the opening up of the Greek land and real estate markets to global processes of capital accumulation<sup>10</sup>.

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**9** | It is the agency responsible for the implementation of the privatization program of the former German Democratic Republic.

**10** | The intricate ways by which this new regulatory regime allows the transfer of policies and the rearrangement of relations between national and supranational institutions is exemplified by the recent announcement of the Fund to hire Deutsche Bank, BNP and UBS to act as consultants in order to comply with Troika's request for the speeding up of the formulation and adoption of the legal framework providing for the securitization of real property in Greece.

*Picture 1: An interactive map showing 195 of state owned properties that are currently on sale by TAIPED whose privatization is estimated to have direct impacts on the physical environment.*



Source: Hellenic Ornithological Society (2014)

*Establishment of new planning tools<sup>11</sup>:* in order to provide the necessary certainty to investors and turn the properties into viable that is, profitable economic ventures, this regulatory framework introduces: a) proposed land use designations applied only to state owned properties consisting of mixed use zones oriented primarily to tourism and consumption, and b) a new planning instrument, the 'Special Development Plan', that specifies permitted land-use and development regulations for each property. The

**11** | A similar regulatory framework has also been established for the development of public and private strategic investments (L 3894/2010).

plan is prepared by the Fund and adopted by ministerial decree<sup>12</sup> with the intent to determine each property's 'investment identity' in order to initiate the bidding process for its subsequent sale or concession. These plans are empowered to by-pass and amend statutory local land use plans and environmental regulations and to specify terms for the use and development of the seashore and the beach, which are conceded to the buyer / investor, thereby, annulling their public use character which is (was) a constitutionally vested right. This planning process has been widely contested not only for its total lack of transparency and public accountability but also for its reliance upon the 'logic of the market' that disregards any concerns for the integration of prospective developments into local environments and therefore their particular needs and socio-economic dynamics. A case in point, is the privatization of the 620 ha property of the former airport of Ellinikon in Athens (Picture 2), where contrary to the original designation of the site as a Metropolitan Park and despite the immense opposition expressed at the local level (Picture 3), the Special Plan provided for a mix of land uses – covering a total area of 1,7 mi m<sup>2</sup> – that compose a mixed use enclave (picture 4) with an emphasis in consumption and catered to mainly upper income foreign buyers while excluding Athenians from the sea front of the city (Vatavali and Zifou, 2012; Castro et al., 2013).

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**12** | Only the non-obligatory opinion of the Regional Authority, submitted during the Strategic Environmental Assessment approval process, is taken into consideration for the issuance of the ministerial decree.

*Picture 2: The site of the former Airport of Ellinikon in its urban setting*



*Picture 3: Protest against the privatization of the property*



*Picture 4: A conceptual master plan submitted for the development of the site*



*Securing the profitability of the investment:* a significant provision of this Law is that the state is obliged to: a) provide the infrastructure needed to service the site, i.e., road network, and utilities, the construction of which must be given first priority despite the extensive budget cuts due to austerity policies, and b) pay the moving cost for all the activities, i.e. public services, public administration etc, that might be located on site. At the same time, the (neoliberal in origin) policy of exacting community benefits as a compensation for the impacts of the development on local communities is converted into an opportunity for the investors since it is connected with an increase of the permitted densities.

### **Planning reform 2: Consolidation of flexibility**

After almost two years of elaboration, a new Planning Act was adopted amidst wide opposition – by parties of the Left and professional associations – regarding its content and ostensible consultation procedures<sup>13</sup>. Based on the widely held assertion dominating the public discourse since the inception of the crisis that land use planning constituted an obstacle to investments and, therefore, to economic growth (Kathimerini, 2012; Reporter, 2013, McKinsey and Company, 2012), the new Act provides for the full scale restructuring of the spatial planning system. So, contrary to the original demand – and apparently to the conditionality as officially stated in the Memorandum – for the amendment of the 1990's planning legislation with a direction towards the update and simplification of planning processes (i.e. local plan preparation could take up to 7 years on the average), the reform is focused on dismantling the inherited planning system with an all defining objective: to embed flexibility, 'the watchword of the neo-liberal state' (Harvey, 2005), into planning. Flexibility which is achieved not by deregulation but through the construction of a new centrally-controlled planning system designed to accommodate the new economic, and political, landscape under terms that allow the unconditional (and subsidized in the case of public lands) materialization of all large scale investments. The emergent planning system is constructed upon the following fundamental elements:

**13** | The new Planning Law was submitted for adoption in late June (2014), under a process of 'extreme urgency', in the Recess Section of the Greek parliament, which is composed of only one third of all MPs and allows the construction of parliamentary majorities and was immediately adopted after only a day's discussion in the competent parliamentary committee.

## Economic determinism

A dominant feature of the emerging planning policy is that the economy is considered the only determining factor for the formulation of spatial strategies and subsequently, of plan content. This policy directive emanates directly from the Act which specifies that future strategies and plans, particularly the ones developed at the national and regional level constituting the guidance framework for local planning, must be informed by the National Economic Strategy, the Medium Term Framework for the Fiscal Strategy<sup>14</sup> (that is, the country's adjustment program) and the Public Investment Program without making any reference to other spheres of activity. The prevalence of this economic rationality denotes that the new 'paradigm' views planning as the mere spatial expression of the country's economic program as it is defined by the political economic context of the crisis. Although this direction may be considered a prominent planning trend under the regulatory conditions of neoliberalism (Allmendinger, 2001; Taylor, 1998) the absence of any reference to social and environmental goals and policy guidelines including relevant provisions of the Greek constitution illustrates a total lack of concern for achieving, or even striving for, environmental and social justice.

This proposition is verified, as far as environmental protection is concerned, in the following case involving the recent update of the (National) Spatial Plan for Tourism (L. 3155/2013), the objective of which is to provide guidelines for the spatial organization of tourism, considered to be a flagship sector of the economy. The update of the preceding Plan – adopted in 2009 right before the outbreak of the crisis – was presented as necessary in order to accommodate / comply with the government's new strategy for tourism prepared by the competent Ministry of Tourism. Reflecting to a large degree the proposals made by the McKinsey report, which estimated that the country's future tourist model may, potentially, include the construction of 30-35 new marinas and 25 integrated tourist resorts<sup>15</sup> (Pictures 5 and 6) with a total area of 4,5 million m<sup>2</sup> the Ministry's strategy provided for the

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**14** | A provision which clearly illustrates the 'temporal fixity' () of the measures adopted under the 'state of emergency'.

**15** | New legislation is being prepared allowing the drawing of sale or lease contracts before the construction of vacation homes in order to enable the materialization of these developments.

immense growth of the sector with a focus on real estate related tourism<sup>16</sup>, while it also defined relevant development regulations.

*Pictures 5 and 6: Conceptual plans of integrated tourist developments on a Greek island*

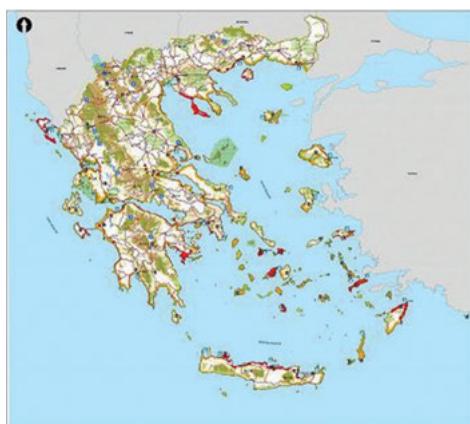


In turn, in conformance with the sectoral plan's guidelines, the Spatial Plan without any consideration for issues such as the capacity of environmental-technical-social infrastructure, natural resource depletion, or climate change, allows the indiscriminate location of tourist activities and tourist integrated resorts (Maps 1 and 2) all over the country, irrespective of local conditions and dynamics reflected in the plan area-categories (i.e. overdeveloped, urban, insular, mountainous, Natura 2000

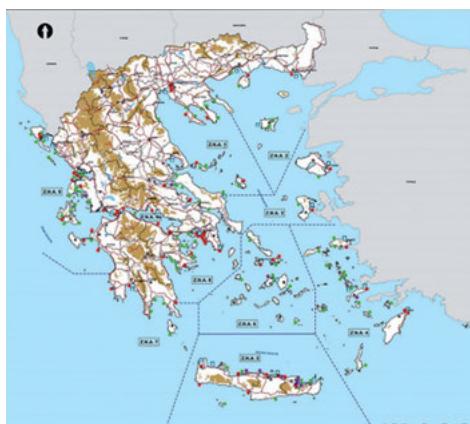
**16** | This post-colonial tourist development model associated with large multinational corporations, precarious employment and limited dispersal of tourism-related activity to local communities is greatly differentiated from the so far prevalent model in the country characterized by its integration into local economies and the small/medium scale invested (mostly Greek) capital.

sites) and in direct contrast to the provisions of the previous Plan which were, already, widely contested for their pro-growth direction.

*Map 1: Designated guidelines for the spatial organization of Tourism\**



*Map 2: Organization of the tourist port network\*\**



Source: Ministry of the Environment, Climate Change and Energy

\* Colors and patterns denote spatial categories

\*\* Includes marinas (red circles), hotel ports (purple) and anchorages (green)

## Centrally determined policies

A second defining characteristic of the new planning system is the introduction of increased state control over plan content with the aim to ensure that land use regulation is firmly embedded in central government strategies to attract capital. This is primarily instituted through the establishment of a top-down hierarchical planning system<sup>17</sup> with no substantive feedback provisions, the main features of which include:

- the reduction of the “National (General) Spatial Plan” – originally intended to provide ‘priorities and strategic guidelines for the integrated spatial development and sustainable organization of the national space’ (L. 2742/99) – to a *National Spatial Policy* outlining the government’s basic priorities and medium term goals for the spatial development of the country<sup>18</sup>
- the strengthening of the regulative function of sector-specific spatial plans prepared at the national level, in continuance of the pre-crisis planning policy and despite the Law’s intent for these plans to take on a more strategic character. This provision greatly increases their command over the policy content of regional and local plans whose role is essentially reduced to qualify / specify the guidelines of national plans.
- the reduction to the absolute minimum of public deliberation procedures which, in the new planning culture, are viewed as the major factor for plan preparation delays.

The most controversial issue, however, relates to the power assigned to the Minister of the Environment, Climate Change and Energy (the competent ministry for spatial planning) to amend plans, including local plans, on the basis that the proposed amendments are, as they are vaguely referred to in the Law, “localized and non-essential”.

**17** | With the exception of the abolishment of metropolitan strategic plans, the basic structure of the system remains the same.

**18** | Whereas the previous plan was adopted by Law, and therefore subjected to parliamentary review, under the new Law, the National Spatial Policy is approved by the Cabinet and its notification to the Parliament for discussion is not mandatory.

## The prevalence of master planning

Apart from the exercise of central government's control over the content of local land use policies, the 'reformed' Act introduces two other features that in total result in the weakening, and in essence abolishing, the role of local planning (and in turn of local communities' capacity) in guiding development.

Firstly, despite the implementation of the local government restructuring program in 2010 involving power decentralization as well as extensive local unit consolidation resulting in a decrease in the number of municipalities by almost 1/3, central government retains its power over the preparation and approval of local plans which are, now, drawn for only a section of the municipality corresponding to the area of the old municipal units. Moreover, municipalities are given one month to express their opinion on local plan content after which the plan approval process proceeds by the competent Minister without regard on whether such an opinion has been submitted. Secondly, the Act embodies into the planning system, as a new type of local plan, the master plans which were recently introduced, as an exceptionality, for the development of state-owned properties and strategic investments. These plans, which may now be prepared for any type of large scale development, i.e. tourism, housing, enterprise districts etc., not only do not have to comply with the provisions of (municipal) local plans, as they are considered to be on the same hierarchical level, but they may also amend them.

The dominance of this fragmented, project-led approach constitutes a major retreat from the '90s planning policy aim to ground development control on a unitary land use plan, thereby severely limiting the earlier intention to provide a programmatic and guidance framework for local community development<sup>19</sup> while, at the same time, reinforcing urbanization trends that exacerbate urban sprawl.

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**19** | The development and programmatic framework for each municipality, i.e. population projections, development perspective/ vision, spatial organization etc., is now defined by the corresponding regional plan which is prepared and approved by the Ministry of the Environment, Energy and Climate Change.

## 4. CONCLUSION

The structural adjustment program imposed in this time of crisis in Greece, in the name of reducing public deficit and paying up the sovereign debt has placed land, and more generally space, at the center of the ongoing regulatory restructuring process, while it is facilitating the entry of global financial capital and its companion, international / globalized real estate in the Greek property market (thus, changing rapidly the so far dominant social and economic relations within the country). In this process of neoliberalization, the imposed market driven regulatory restructuring is forcing the dismantling of an already market supportive planning system which, however, by embodying the political view of 'social democracy', was oriented to a middle-class society and to the fulfillment of social cohesion goals. In its place, a new planning paradigm is established based on a different conception of interests, power and outcomes. Oriented solely towards promoting entrepreneurship and corporate competition, the new planning system is considered an instrument to combating the crisis, i.e. sovereign debt, unemployment, and capital accumulation, through urbanization and the exploitation of common goods and public assets.

The new regulatory landscape is institutionalizing two major changes which constitute both a long departure from addressing the long lasting structural problems of Greek cities and more generally of spatial organization, i.e. deficient public space, conflicting land uses, urban sprawl, as well as a substantive rupture with the so far dominant planning policy. The first change rises from the further concentration of planning power to central government and the emergent regulatory regimes, a policy that fosters the transfer of the debate and negotiations regarding space production from the public sphere to ministers' offices, elite power centers and teams of specialists and foreign experts. The adaptation of the former system of clientelism to the new political economy context is associated with the total restriction of public access to decision making and/or the absolute minimization of public consultation processes, and thereby raises serious concerns regarding the lack of transparency and democratic control. And while the inherited system could not claim much relation to communicative rationality – especially in terms of including notions of the 'other' – it nevertheless promoted planning as the arena for knowledge generation and the resolution of conflicts regarding spatial development. On the contrary, the new model dismisses any alternative

development discourse while denying/ignoring any form of contestation and severely limiting the right of local communities to influence local trajectories, and even less, formulate locally-contingent strategies.

Secondly, the emergent development and spatial organization patterns emphasizing large-scale, mixed use planned developments, are based on the transfer of 'recipes' that have been implemented in developing or post-socialist countries thereby ignoring local particularities which are embedded in the, until now, dominant social relations. The aesthetic convergence and adoption of post-modern lifestyles highlighted by tourist-entertainment resorts, shopping malls and thematic parks raise serious questions regarding not only the future morphology of Greek cities, the countryside and the islands but also the effects of this new configuration towards the formation of divisions and spaces of exclusion uncharacteristic of Greek cities. Additionally, one has to wonder about the degree to which the development of these 'spaces of neoliberalization' are associated with the suppression of the role of middle class, small construction companies/entrepreneurial capital and small size land ownership in space production processes, thus creating new socio-spatial inequalities.

Moreover, the absolute domination of economic rationality as a defining element of the emerging planning policy has so far been equated with the unconditional use and selling off / transfer of the country's natural assets and public lands. Thus, in the name of creating a favorable business environment, as a fundamental mission of the neoliberal state, a tremendous pressure is put upon the country's pristine natural environment, coastal areas and beaches undermining their quality, their value and as it seems, their public use character. At the same time, the equation of the public good with the fulfillment of fiscal objectives, economic entrepreneurship and competitiveness inhibits the so far redistributive role of planning while it legitimizes the socialization of costs and the privatization of profit. So, even though the consequences of the debt crisis and its associated policies are already evident in the new urban landscape and in peoples' everyday lives, i.e. poverty, vacancies, diminishing public services, homelessness and increasing housing foreclosures, the emergent planning policy is leading towards the re-creation of a speculative growth model which has been directly associated with the recent global economic crisis. In this conjuncture, when austerity politics have created conditions of humanitarian crisis in Greek cities, the new planning policy seems to not only defy objectives for social cohesion,

and more generally social and environmental justice, but also to foster the division of land solely for profit instead of meeting human needs.

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