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RECENTRALIZATION OR DECENTRALIZATION? TERRITORIAL REFORMS IN GREECE AND ROLE OF ECONOMIC CRISIS

Over the past decades, several national and external efforts have been made to “Europeanize” the over-centralized system of Greek public governance and administration. During the 1990s and 2000s, almost all elected Greek governments have promised and – seemingly – attempted to create a more democratic and transparent structure of public sector that supposed to be cheaper but, in the same time, more effective as well. Behind the scenes however, the Greek political elite – especially the ruling parties – were not interested to decentralize the traditional system of public sector and lose control over local politicians and electors. The possibility of an effective decentralization reform were seen as the end of traditional clientelism that not just helped to maintain the seats of elected politicians but basically ran the oversized public sector from local to state level. The lack of *political* will *hindered the reforming attempts*, while implemented territorial reforms were only “symptomatic treatments“ that just barely met the European requests and standards.

The Greek political landscape, however, dramatically changed after a deep financial crisis hit the country’s economy in 2008. As election results later showed, traditional populist parties suddenly lost their remaining credibility; extremists widened their influence; while the possibility of government’s independent decisions-making significantly reduced. Concerned about the future of euro-zone, external actors put serious pressure on Greek politicians and began to control important domestic political decisions. Foreign involvement – alongside with other rationalizing factors – actually were able to achieve what Greek governments could not manage for decades: The externally requested Kallikratis programme of 2011 has finally fundamentally reformed the territorial governance and administration of Greece and created a more effective, more transparent, and definitely cheaper structure. It seems however, that the serious financial problems turn the originally decentralization process to a recentralization one, and the ongoing austerity measures are increasing the power of state, meanwhile decreasing the strength of sub-national levels. The presentation will analyze this contradictory phenomenon and attempt to describe how the economic crisis triggered and influenced territorial reforms in Greece.