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**Special Spatial Plans VS Local Spatial Plans.
Towards a new vision of planning system at the local level in Greece,
during the period of economic crisis**

Soultana Vezyriannidou^a, Dr. Konstantinos Portokalidis^b

^a Architect Engineer AUTH, Urban & Regional Planning (MSc) UTh &
Environmental Design of Cities & Buildings (MSc) HOU, PhD Candidate Uth,
Email: tanvezirian@yahoo.gr, svezyriannidou@prd.uth.gr, Filippou 11, Komotini 69100, Greece

^b Urban and Regional Planner Uth, Transportation Engineer MSc(Eng) ITS, PhD Uth
Email: kport@alexpolis.gr, Troados 25, Alexandroupolis 68100, Greece

Abstract

Spatial planning in Greece is organized in three levels, following a strict, top-down hierarchical framework where the two first levels (national-regional) have a purely strategic role and the third one, the municipal, has a regulatory character and the obligation to comply with the upper ones. However, the municipal level is unable to function, as shown by the very low rate of implementation of the Local Spatial Plans (LSPs) to date. In this prospect, the economic crisis in Greece since 2010, has led to the need for a spatial reform whose main aim is to promote economic growth. Thus, a key innovation is the introduction of a new category of plans, the Special Spatial Plans (SSPs) which are at the same hierarchical spatial level as the LSPs, the third one, but on a smaller scale than them and focus on strategic investments.

This paper, mainly explores the effort to integrate spatial planning at all levels with the implementation of LSPs. It also states the ability of the more flexible, bottom-up planning approach with the SSPs. In that prospect, it is approved "ad hoc" that the new legislation is not complied with the fundamental principle of "subsidiarity," stating that decisions should be taken at the local level (local governance). Finally, the paper aims to draw reasonable conclusions as to whether the spatial reform will improve the efficiency of spatial planning or simply be just a reaction to the economic crisis that could put the valuable principles of planning at stake.

Keywords: Economic Crisis; Spatial Planning Reform; Special Spatial Plans; Subsidiarity Principle

1. Spatial Planning in periods of economic crisis

1.1. The international reality

Both crisis and development are procedures with a distinct spatial imprint (Johnston, 1997). At international and European level, the economic crisis has led countries to redesign their spatial planning systems in order to meet the needs created by the new internationalized economic and financial reality and the promotion of new investments in the real estate market (Adams & Tiesdell, 2010, Allmendinger & Haugthon, 2012, Waterhout et al., 2013 in Giannakourou G., Kafkalas G., 2014).

In this context, the shift of spatial planning towards development through investments seems to be taking on the characteristics of a new 'type' of spatial planning, dictated primarily by the decline of the role of the state and the emergence of the role of the market, especially in times of crisis (Florida, 2010, Adams & Tiesdell, 2010 in Giannakourou G., Kafkalas G., 2014). At the same time, since the beginning of the 21st century, spatial planning, at international and European level, has included the three main pillars of sustainable development, namely environmental protection, economic competitiveness and social justice (United Nations, 1987). Consequently, spatial planning has to give solutions to issues that cannot have easy, unambiguous and definitive answers (Giannakourou G., Kafkalas G., 2014).

Many OECD countries, in order to cope with the rigidity of their traditional statutory systems, have adopted more flexible planning systems when they seek to quickly implement new developments. These planning systems, in order to be implemented, need a high degree of capacity at the local level. They also need effective monitoring and evaluation to ensure that key objectives are achieved (OECD, 2017:16).

1.2. *The Greek reality.*

Urban and regional planning is perceived in Greece as a government's duty and responsibility. However, since early 2010, when Greece entered the first memorandum, the balance between public and private sector's involvement in planning functions and processes has started to change (Giannakourou, G. & Balla E., 2012). Various functions and activities of urban planning that traditionally fell under the responsibility of public services and public agencies have recently been transferred to private entities. This is happening because traditional land-use planning has been accused of creating important obstacles to establishment and investment because of excessive regulation, delays and uncertainty (Hellenic Federation of Enterprises, 2010). Indeed, according to OECD, *"Boosting investment in Greece also hinges upon addressing land-use problems firms face during start-up by setting clear and adequate rules for spatial planning"* (OECD, 2011).

Given the above facts, a series of reforms were initiated, in an effort to overcome the difficulties and achieve the necessary standards and competitiveness (Papageorgiou M., 2017). In 2010, Law 3894/2010 emphasizes the need for a larger involvement of private sector in real estate development and in planning processes as well. Analytically, Law 3894/2010 introduced, for the first time, the concept of strategic investments whose objective is to *"bring significant quantitative and qualitative results to the overall national economy and promote the country's exit from the economic crisis."* The introductory report of Law 3894/2010 stated that *"... Greece, unlike what has been the case in recent decades in Europe, has not yet developed a comprehensive and contemporary framework to encourage the country's development prospects through regulationsThe long delays due to the known, chronic administrative weaknesses maintain an environment that steadily discourages investors and crushes the country's growth.* For this reason, L.3894/2010 introduced *"... a specific, flexible, transparent, objective and effective framework of rules, procedures and administrative structures for the implementation of large public and private projects, in accordance with the environmental authorities in order to create modern infrastructures, networks and, generally, services for the citizens.* The strategic investments pursued concern in particular construction, reconstruction, expansion or modernization of infrastructures and networks in: (a) industry, (b) energy, (c) tourism, (d) transport and communications, (e) health services, (f) waste management, (g) high technology and innovation projects (Lalenis K. & Vezyriannidou S., 2018).

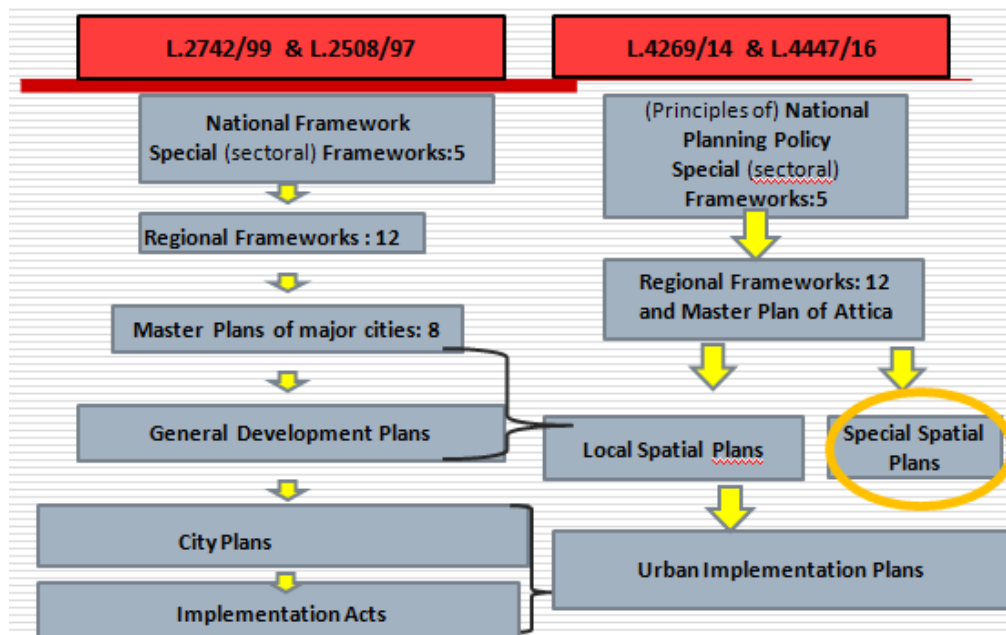
2. The spatial planning reform in Greece

Law 4024/2012 (second memorandum), under the heading "Planning Reform", included Greece's obligation to review and revise the spatial and urban planning legislation in order to ensure greater flexibility in private investments in real estate and simplify and accelerate the implementation of spatial plans. In 2014, after a process

of 2.5 years, Law 4269/2014, for Spatial and Urban Planning Reform, was instituted through an urgent procedure, without a clear assessment of the previous legal framework, and with serious deviations from the original ambitious planning. The main changes that were introduced through the 2014 reform included: (a) the reduction of the planning levels from six to three, excluding Master Plans at the metropolitan level and unifying plans at the lower levels, i.e. the city plans with the implementation acts of Law 2508 / 97, renaming them Urban Implementation Plans (b) the reform of the categories of land uses for urban space and the establishment of uses for rural areas; and c) the introduction of a new category of plans, Special Spatial Plans (SSPs) that would facilitate quick investments (Figure I) The law has in fact been inactive for about 2.5 years and applied only in the cases of the Special Spatial Plans. (Lalenis K.& Vezyriannidou S., 2018).

In December 2016, the L. 4447/16, currently in force, was introduced, replacing L. 4269/14. As the previous one, it mainly focuses on the ‘speeding up’ of the planning process, by combining regional and urban planning in a single institutional framework and reducing the levels of planning from six to three so that spatial planning could become more favourable and ‘friendly’ to investments. However, the new L. 4447/16 could hardly be considered as a reformative Act of the former L. 4269/14, because all types of Frameworks and Plans, as well as the planning levels, remained the same, as in L. 4269/14 (Papageorgiou M., 2017).

Figure I: From L. 2508/997 & L. 2742/99 to L. 4269/2014 & L. 4447/16 (Lalenis & Vezyriannidou, 2016)



Spatial planning, according to L.4447/16, applies at three levels, the national, the regional and the local, and has, according to its content, a strategic and regulatory character. Strategic spatial planning at national or regional level sets out the general guidelines of spatial development and organization for the next 15-20 years, as well as the necessary arrangements, where needed, for the shaping of residential areas, business activities and protection areas. Below this strategic planning level, there is the local regulatory planning. At this level, initially foreseen Master Plans (for metropolitan areas) were repealed, whilst the other types of Plans remained almost the same with the unification of City Plans and the Implementation Acts to Urban Implementation Plans. So, the local

regulatory spatial planning consists of two steps, a. Local Spatial Plans and Special Spatial Plans and b. Urban Implementation Plans (Figure I). It also defines the rules for the use, construction and general exploitation of the land in urban and rural areas, and it should be aligned with the directions of the upper planning levels. In the three-tier spatial planning system, the national government has the majority of the most important competences, as provided for in the Constitution. It approves all spatial plans, with decentralized administrations being responsible for the approval of lower-level plans, the implementation of urban plans and their modifications. The Regions and the Municipalities have an advisory role in the approval of spatial and land use plans (Lalenis K.& Vezyriannidou S., 2018).

The innovation of Law 4447/16, which was introduced and applied directly to the abolished Law 4269/14, is the introduction of a new type of spatial plan, of a regulatory nature, the Special Spatial Plans (SSP) at the same hierarchical level as the Local Spatial Plans but on a smaller scale, focusing on specific sectors of attracting investments, mainly strategic, as described in law 3894/2010. SSPs are institutionalized directly, in contrast with LSPs, which take too long to be institutionalized (5-6 years on average - which in some cases exceeds 10 years)(Vezyriannidou S.,2015a) and make the plans outdated and in need of modification. SSPs are plans, projects and programs concerning territories without administrative boundaries, of a supra-scale or of strategic importance and with specific regulations for land uses and for their development. In these plans, an activity or a set of activities with common conceptual characteristics can be developed. SSPs can also be developed for urban regeneration or for environmental protection programs or for dealing with the consequences of natural disasters.

Initial expectations for achieving ‘competitiveness’ and ‘economic growth’ in the country have still not been met (Hellenic Statistical Authority, 2017) and for this reason an new organization, “Enterprise Greece”, has been created. This organization plays an important role in the acceleration of strategic investments because it offers the service of the Ombudsman to both domestic and international investors. The Investor Ombudsman is an internationally recognised practice that is designed to unblock and facilitate the implementation of investment projects. Its goal is to improve the institutional business framework of Greece and to provide friendlier services to investors. The Investor Ombudsman is available for investment projects, such as “*the Special Spatial Development Plans for Public Real Estate (SSDPPRE) and the Special Plans for the Spatial Development of Strategic Investments (SPSDSIs)*” exceeding the value of two million (2,000,000) Euros. The result is the overriding of time-consuming approval procedures for regular plans and especially the difficulties related to State services such as specific bureaucratic obstacles, delays, disputes or other difficulties that lead to intractable differences, a deadlock, a standstill or similar difficulties regarding the investment project. For these reasons, “Enterprise Greece” undoubtedly has a more important role in land use issues than any other sub-national government level in Greece (OECD, 2017: 111).

Finally, it should be noted that the creation of the institutional framework currently governing spatial planning is largely due to the groundbreaking case law of the Council of State (CoS), which highlighted the problems associated with the lack of a coherent framework for spatial planning (Papapetropoulos, 2005). In particular, the CoS has ruled that spatial planning must be completed at all levels (CoS Decisions 3920/2010, 387/2014 etc), otherwise permissions for new land uses, activities and constructions cannot be approved, or, if granted, they should be cancelled. On the other hand, it has accepted the regulatory and flexible character of the “Special Spatial Plans” because these plans serve strategic investments, supposed to provide an answer to the economic crisis (CoS decision 29/2015).

3. The implementation of spatial planning at local level in Greece during the crisis

L. 4447/16 has had the obligation to review and revise the planning legislation, in order to simplify and accelerate the implementation of planning, according to the Memorandum III (L.4336/15). The lack of implementation of the plans at all levels has highlighted the lack of “political will” as a predominant problem. This is evidenced by the fact that the implementation of the two legislative reforms (L.4269 / 14 and L.4447/ 16), which were a necessity of both memoranda (II and III), has not been a political priority yet (Lalenis K.& Vezyriannidou S., 2018).

At local level, planning is still at an early stage, during the period of crisis, as found in a study (Vezyriannidou S., 2015a, 2015 b). During the 17 years that the previous institutional framework had been in force, Law 2508/97 (1997-2014), which involved the drawing up of general urban plans, only 16% of the plans were completed, while another 31% are in progress. Characteristically, the first general urban plan was approved 10 years after the adoption of Law 2508/97. No studies had been launched since the entry into force of Law 4269/204 until the validity of Law 4447/2016 because there were no specifications. The studies that were completed were made under the previous Law 2508/97. In conclusion, in the 2.5 years of validity of Law 4269/14, 53% of the country's municipalities remain without GUP, and 31% of studies in progress are incomplete (Lalenis K. & Vezyriannidou, S. 2018).

Currently, 8 years after our country's entry into the Memorandum and the enforcement of Law 4447/16, no Local Spatial Plan has been assigned. Instead, Special Spatial Plans have been adopted, which are being implemented rapidly by different actors, depending on the activity involved. The Ministry of Environment and Climate Change (MECCh), in order to fulfill the Memorandum's requirement for the completion of the spatial planning at the local level for the whole country, decided to allocate and finance a special supporting base study, through the Green Fund in order to promote and complete the spatial planning. For this ambitious project, the MECCh has agreed to finance the elaboration of the 325 Local Spatial Plans of the country, one for each municipality, by obtaining a loan from the European Investment Bank (EIB), ensuring the EIB's consent as the existence of clear land uses across Greece has also an obvious developmental character (Lialios, 2017). The lack of political will of the central government to implement spatial plans at the local level was overcome at the regional level by the Region of Eastern Macedonia and Thrace (REMTH), which first ventured, among the other regions of Greece, to finance Local Spatial Plans Studies for the Municipalities of REMTH through the ESPA Operational Program 2014-2020.

4. The implementation of the principle of subsidiarity

In accordance to the subsidiarity principle, the European Union (EU) intervenes only if the spatial action seems more effective than what can be undertaken at the national level. In particular, the main objectives for vertical and horizontal spatial integration, following the third dimension of cohesion policy, are supported by the principle of regional thinking and local action. This approach is the key issue for a successful local governance. Thus, using this particular principle, the local spatial actions should be controlled or undertaken by the local Authority and each similar institutional framework, should be considered in terms of the principle of subsidiarity. In contrast to the above, it is obvious that in the case of Greece the role of the Minister is strengthened in spite of decentralisation. In more detail, the new institutional amendment has introduced central Government control processes, in all stages of the SSPs and LSPs. Especially, the LSPs could be approved without any implication or positive opinion of the Local Authority. Respectively, for the SSPs, because of their objectives, they focus, by definition, on specific investments with mainly local implications. In that prospect, the planning goals should be better environmental compatibility, social acceptance, political willingness and local economic improvement, in spite of central Government control and fast track processes (Portokalidis K. & Zygori F., 2015).

5. Conclusions

In Greece, spatial planning remains incomplete. The Memorandum obligation to review and revise the planning legislation has led to a huge number of new laws which, in fact, created new long delays in the implementation of the planning (Lalenis K. & Vezyriannidou S., 2018).

Both the new Law 4447/2016 and the previous Law 4269/14 had actually a clear double objective, according to the Memorandum: a) the facilitation of private investment and b) the acceleration and simplification of the planning process. While the first objective was achieved through the establishment of Special Spatial Plans and their direct applicability through the organization Enterprise Greece, the second one has been seriously delayed. However, the political decision to implement the first objective as an urgent priority risks degrading the integrated character of planning and its democratic / public participatory dimensions and allowing speculative efforts to serve specific social groups rather than the public interest. This is evident not only from the fact that local governments do not have any jurisdiction on spatial planning, i.e. City Councils do not need to be consulted on the location of the CSFs, but also from the fact that the already powerful central administration gains more and more responsibilities.

To sum up, the current difficult economic, development and environmental crisis makes it necessary to have a united urban, spatial and environmental planning with a view to sustainable growth. However, the ability of the spatial planning system to function properly requires the effective management of many factors such as the achievement of legislative stability, the control of the fragmentation of planning responsibilities at all levels of government and the synergy among them in decision-making, the improvement of administrative structures and procedures with the employment of skilled and experienced staff, the creation of an adequate monitoring mechanism, the availability of resources and mainly the political will. For the effectiveness of the whole concept, a balance among all the above issues must be achieved in order to have a sustainable development.

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