



OECD Territorial Reviews

Athens, Greece



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FOREWORD

The efforts being made to implement European Union policies and programmes and to deliver the Olympic Games have together been instrumental in facilitating and sustaining a process of reform, which will help create a new role for Athens as a modern international and sustainable urban region. The Attica Region is undergoing bold and pragmatic changes, which should improve the performance of the urban region and impact on the way other Greek metropolitan areas are governed.

The Review outlines key issues, which will be important in shaping the future development of Athens. These are:

- enhancing economic development and competitiveness across the region;
- improving governance, in particular spatial planning and implementing regulatory reform; and
- making a success of the Olympic Games and capturing benefits in the post Olympic period.

The review highlights trends in related governmental policies, which are creating a dynamic policy context in Athens, for example:

- regulatory reforms in the banking, telecommunications and maritime transport sector are encouraging foreign direct investment;
- reorientation of regional policy to underpin the role Athens will play as the “gateway” to Greece in a globalised economy;
- relocation of numerous public sector jobs to the suburbs to liberate space in the central city;

- for the first time an integrated transport plan has being implemented to upgrade public transport, provide modern highway links, and improve accessibility throughout the metropolitan region;
- spatial planning is being reformed and more closely connected to economic development requirements;
- environmental policies are supporting the “greening” of Athens.

The report highlights strengths and weaknesses of the Region, noting that key challenges will be:

- to simplify the governance/administrative/planning framework to better integrate the economic, social and environmental concerns of the entire Attica Region;
- to maintain the momentum of civic pride and public involvement created by the Olympic Games;
- to ensure continuity in finance for investment in the metro region;
- to develop endogenous economic activities which fully exploit the assets of the region, for example year round sporting and conference activities, the health, ecology and cultural/archaeological tourism; education as an economic activity, etc.

OECD Reviews of Metropolitan Regions aim to improve the performance of urban regions by assisting decision makers to make better use of underdeveloped assets and comparative advantages and to implement policies more effectively. The Region of Athens illustrates the challenges, which urban regions face in dealing with occasional major events such as a world trade fair or international games. A key question is how such events contribute to the realisation of a city’s goals and development strategy.

The Review was carried out over the period November 2002 – March 2003. The report, assessment and recommendations were discussed and approved by the OECD Urban Working Party in October 2003 and by the Territorial Development Policy Committee in November 2003.

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The Review outlines the key issues, which will be important in shaping the future development of Athens, identifies trends in related governmental policies, and highlights strengths and weaknesses, opportunities and threats in the Athens Region. Three policy areas identified as requiring particular attention are examined: Enhancing economic development and the competitiveness of the Athens Region; Improving governance, in particular spatial planning and implementing regulatory reform; and making a success of the Olympic Games and capturing benefits in the post Olympic period.

The Review of Athens was supported by the Ministry of Environment, Physical Planning and Public Works which co-ordinated the consultations of the Review Team with the following key actors of government, business and civil society in Athens:

- *Government:* Ministry of Environment, Physical Planning and Public Works; the Organisation for Planning and Environmental Protection of Athens; the Ministry of Culture, General Secretariat for the Olympic Games; the Ministry of Transport and Communications; the Ministry of the Interior, Public Administration and Decentralisation; the Ministry of Economy and Finance; the Community Support Framework Managing Authority of the Ministry of Economy and Finance; the Ministry of Agriculture; the Authors of Greek Background Report from Thessaly University; the Prefectures of Athens, Piraeus; Local Authorities (Athens; Piraeus; Kifissia; Markopoulou; Kallithea; Chaidari; Paleo Faliron; the Municipalities of Athens Development Agency ; the Hellenic Agency for Regional Development and Local Government; the Unification of Archaeological Sites S.A.
- *Business Community:* the Attica Hotel Association; the Athens Chamber of Commerce and Industry (ACCI); the Economic Chamber of Greece; Attica Odos SA; the Economic and Social Council of Greece: Mr. Sklavounos Georgios, Business Consultant.
- *Universities and Research/Scientific Bodies:* the University of Thessaly; KEPE: Centre for Planning and Economic Research; Mr. Panagiotis Balomenos, Real Estate Market Researcher; Association of Regionalists; Institute of Regional Development, Panteion University; Architectural Centre.

- *Olympic Games Related Bodies*: Ministry of Culture, General Secretariat of Olympic Games; Athens 2004 ATHOC; Olympic Games Knowledge Services (IGKS); International Olympic Committee (IOC); BUNG, Technical Consultant for the Coordination and Management of Olympic Projects
- *OECD*: Delegation of Greece to OECD and Greek representatives to the Territorial Development Policy Committee.

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ASSESSMENT AND RECOMMENDATIONS

Context...a dynamic transition for Athens...

The capital city of Athens and its metropolitan region (AMA) constitute the main “gateway” to Greece. One third of the Greek population resides in the AMA, which produces around one third of Greece’s GDP. Today, Athens and its region, Attica, are going through a very dynamic transition period — old institutional structures still subsist, but integrated and strategic governance structures are emerging, driven mainly by the process of integration into the European Union and by the need to ensure coordinated investments for the 2004 Olympic Games. New public infrastructures, complementing environmental and architectural assets, are radically transforming the region. The intensity of the changes underway is also due to a “catching up” process subsequent to 20-30 years of inertia, which had eroded the competitiveness of and quality of life of Athens. A key challenge will be to maintain the sense of urgency, good will and civic pride, which have emerged due to the catalytic effect of the Olympic Games. Strong leadership will be crucial on the part of decision makers at all levels of government and in civic society to maintain the momentum.

...highlights the need for a metropolitan strategy and more effective policy implementation.

In the context of globalisation, Athens, like all major urban regions, is rightly seeking to assert itself more strongly on the international scene. Enlargement of the European Union will place Athens in the heart of the eastern part of the Union and open new opportunities for trade within Europe and the Middle East. However, competition from other urban regions of Europe will be intense in the years ahead at a time when there may be a reduction in funding from the EU Community Support Fund and when the huge investments in support of the Olympic Games will be concluded. Buoyant national economic conditions and policy reforms in Greece currently provide a favourable context for Athens to undertake the changes, which could raise the urban region to a new level of economic, social and environmental development. The exceptional window of opportunity provided by the present conjuncture requires a new metropolitan strategy and more effective implementation of innovative plans and policies than has been the case in the past.

Economic prospects are positive but structural problems exist...

In terms of economic development, Athens is currently enjoying very favourable macro economic conditions: higher than average rates of growth (around 4%); greater stability following the entry of Greece into the Euro zone; low levels of inflation; and a programme of regulatory reforms which has liberalised many state dominated sectors. In addition, Greece is benefiting from a period of exceptional financial investment in major infrastructures, many of which are focused on the Athens area, as well as economic activity and world-wide promotion related to the 2004 Olympic Games. Furthermore, Athens is now the hub of improved air, sea, road and rail links to other European

countries and beyond. On the other hand, finance may be in short supply in the medium term: CSF funding and Olympic Games investments will be reduced after 2006-2007; Greece still has a substantial debt burden; the trade deficit is sizeable; ageing will put pressure on the pension system and on public finance; unemployment remains high; the size of the informal economy is the biggest in the European Union; and competition from other European cities is likely to intensify.

The development of the service sector...

The economy of Athens is now largely service sector based following a period of structural change, and is mainly composed of small and medium sized enterprises. The educational level of the Athenian labour force is high. However, within the service sector, the share of high productivity SMEs needs to expand and the type of higher education on offer needs to be better matched with job opportunities, for example by increasing the offer of ICT and business studies. Similarly, the interaction between business and university research and development institutes needs to be strengthened and developed and cluster development encouraged, as clustering is a key strategy to assist SMEs in competing with larger companies.

...will help exploit many undervalued assets.

There is considerable potential for new endogenous growth in Athens based on the undervalued or untapped assets of this Mediterranean region. For example, growth prospects exist in the health sector, including the fitness and health industry (e.g., thalasso therapy); the sports sector, including the hosting of major international events; education (public and private) as an economic sector which attracts foreign students and stimulates the

housing and construction sector as well as consumer products; the legal sector; year round conference industry; new forms of tourism (archaeological parks, eco-tourism, higher quality cultural tourism, etc.); and architecture and design activities such as sustainable housing. All of the above require, however, that urban region be well-planned, accessible, and socially and environmentally agreeable.

***European Union policies
influence Greece...***

The European Union has significantly influenced policy in Member countries through the introduction of key themes, which emerge through its policy documents and regulations for the use of Structural Funds. Structural Funds and associated programmes are implemented through a Community Support Framework (CSF), and operational programmes. The Greek CSF 2000-2006 aims to contribute to a deepening of Greece's integration in the EU and in the knowledge-based world economy by promoting structural change and exploiting the potential for higher productivity and employment. This strategy, (the 3rd CSF), is expected to create the conditions for higher long-term sustainable growth and real convergence with the rest of the EU in terms of GDP per capita. The development programme accepted by the European Commission will put the emphasis on the creation of infrastructures, support for private investments aiming to promote the role of the region, the protection and improvement of the environment, the reduction of intra-regional disparities, the encouragement of innovation and entrepreneurship, the alleviation of unemployment and the development of the internal and disadvantaged areas in the region. Membership of the European Union has

resulted in many positive changes in the Athens Metropolitan Area, facilitating innovation and helping establish a new policy context to address governance, spatial planning, social cohesion and economic development. As each CSF has developed, institutional learning and capacity have expanded. Building on accumulated knowledge and experience will be essential for the period that follows 2006 when Greece may become more reliant upon the territorial assets it has developed over the last decade or more.

Governance for planning and economic development is evolving partly thanks to the Olympic Games.

So far, no effective mechanism has been available to allow the various levels of government and agencies responsible for outcomes in the Athens region to work together to conceive of an area-wide integrated economic development and planning strategy. In fact, until recently, EU policies did not recognise the need to strengthen the economic role of Athens; regional policies were actually directing growth, including hotel construction, away from Athens (considered to be over congested) to other parts of Greece; and local and regional government in Attica has lacked the capacity to foster entrepreneurship, although policy measures to encourage and promote SMEs exist. However, mobilising for the Olympic Games has generated new attitudes and innovative approaches involving the public and the private sector in partnership, such as the initiative of the Athens Chamber of Commerce and Industry “ACCI Office 2004” which is helping the business community to work together to maximise the opportunities offered by the Games. A more conducive environment for economic growth is now being created thanks to major infrastructure investments, which include the enhancement of the city centre

*Areas and facilities for
the Games have the
potential for development
after 2004...*

through the Programme of Unification of Architectural Sites, refurbishment of hotels, a new metro, tramway system, and ring roads connecting outlying suburbs, the construction of competition venues and new road connections.

Projects connected directly with the Games include the redevelopment of the Bay of Faliron which opens Athens to the sea as in Barcelona, the Olympic Village which will be reused as workers' housing, and the International Broadcasting Centre which houses world class media technology. The economic activities associated with the new international airport "Eleftherios Venizelos" and the surrounding developments in the Plain of Messoghia hold much promise. Care must be taken to support economic development across the region, including the former industrial western municipalities. It is planned that the post-Olympic use of infrastructures, facilities and equipment will generate substantial economic and financial benefits for the Athens Region. The investments made in support of the Games will improve the image of Athens, aiding the urban region and its hinterland to develop as an international venue for year round tourism, convention business, sporting competitions and other major events. The task will require innovative approaches to reconvert and manage both land and buildings so as to achieve in both the medium and long-term, sound economic, social and financial results for the various parties involved -- residents, local government and private investors. The broad coastal zone of Faliron will be transformed into a unique recreational park; the Athletic Centre of Aghios Kosmas is scheduled to become a park and area dedicated to marine sports and tourism development. Some of the facilities for the

Games are, however, mobile structures, which will be dismantled in due course.

...but the opportunity must not be missed.

Thus, although in the past Athens was not considered to be an attractive location, in recent years the image projected by Athens as a place to live and do business in has improved substantially. The exceptional efforts which have been expended in recent years can justly be applauded, but the process is still far from being achieved. There will still be considerable scope in the post-Olympic period to take up or neglect opportunities. The following sections highlight the important role of governance, spatial planning and the need to develop a metropolitan strategy to enable Athens to realise its potential.

An unsustainable post war urban development pattern...

The rapid and uncontrolled post-war development of Athens will present considerable challenges in the 21st Century. Regulatory frameworks have failed to control the sprawling city as some thirty per cent of the built form was constructed outside of regulatory control. A dense, poorly constructed residential stock presents costs and challenges for the future and increasing car ownership means that environmental gains may be prone to significant losses. Eighty per cent of the residential stock of Athens was constructed after 1960. The reconstruction of central Athens with poor quality condominium buildings in multiple ownership means that the modern built form of the city is likely to be a serious impediment to its future sustainable development, and potential urban decay could prove costly to public and private sectors alike. Athens is a city of mixed uses with limited open spaces and green areas, high densities in the central as well as the old residential areas, but also

extended peripheral areas with relatively low densities. Ninety -seven per cent of the landmass of the city is covered, resulting in a population density of 6 700 per sq. km. A major challenge for the future lies in promoting spatial development and providing spatial frameworks conducive to economic growth as well as to the reduction of environmental problems, and to the pursuit of sustainability.

...and the challenges ahead call for a metropolitan strategy...

The need for a strategic vision for Athens which takes it beyond the Olympic Games in 2004 and Community Support Frameworks is crucial. At present, with the support of the Olympic Games a comprehensive strategic framework is articulating the interconnections between economic, spatial and social development facilitating an Athenian vision shared by multiple stakeholders. Amongst the key challenges facing metropolitan Athens (which in fact are opportunities for the future) are the historic environment, reclamation and development of urban brownfields and the Messoghia Plain, and around the new airport. Addressing each of these spatial priorities will help ensure that Athens develop a metropolitan strategy consistent with a triple bottom line approach, balancing development and opportunity throughout the metropolitan area in an equitable manner.

...and governance adapted to its implementation.

The governance challenges which are common to most if not all metropolitan city regions, namely, the need for integration across administrative areas, between the policies and programmes of infrastructure agencies and service delivery, and between levels of government, are very pronounced in Athens. No administrative tier of government relates to the functional

metropolitan area or is responsible for strategic administration. In addition, the particular problem of metropolitan areas that are also capital city regions, is that local decisions are by their very nature 'national planning' decisions in terms of the significance of the capital city to the national economy, politics and budgets. As such, it is difficult to delegate to a 'local' body the power and responsibility to determine priorities, to the same extent that it might be possible for other metropolitan areas. The current system in Athens reveals a 'cluttered' administrative context whereby national government, supra-prefectures, prefectures, local governments and central government agencies manage the city.

An infrastructure led approach has improved Athens, but challenges remain.

There are strategic transportation issues, particularly with respect to congestion, pollution, connectivity beyond the metropolitan area and funding. Despite considerable improvements, traffic congestion and pollution problems remain as car ownership increases. A long-term integrated transport vision exists but is dependant upon securing alternative forms of funding and investment particularly for the period 2010-2020. Infrastructure development throughout Greece, but particularly in Athens, has relied heavily on EU funding. Successive CSFs and preparation for the Olympic Games have highlighted the need to equip the capital with an adequate public transport system. Substantial investment has resulted in a multi modal system, which could reverse trends of low ridership. Some of the key challenges for Athens include:

- Resolving financing issues to achieve more private investment and reduce reliance on external funding which will

reduce over time.

- Maintaining the momentum to safeguard a sustainable approach to transport post 2004.
- Ensuring that transport planning operates in synergy with spatial planning and economic development, and that due consideration is paid to the land use implications resulting from extensive infrastructure works with an impact on land uses and densities.

The social dimension of sustainability has a spatial pattern, which is problematic.

Like other metropolitan regions, Athens has a changing social context: disparities are becoming more geographically pronounced, and immigration, an ageing population and high unemployment indicate that a future urban strategy needs to consider fully the human dimension of the city. Traditionally a socially homogenous city, Athenians from the central city area have increasingly moved out to the suburbs, leading to higher concentrations of a poorer population composed of students, immigrants and the elderly in the city centre. Athens, like most OECD metropolitan regions, faces the issue of adapting to ageing. The ageing population problem in Greece is already more acute than in most other European countries. The number of pensioners is equivalent to 60 per cent of the active population and the dependency ratio doubled between 1960 and 2000. These factors raise additional challenges with respect to housing, transport and labour markets and require alternative societal responses.

The Games are a catalyst for change.

The organisation of the Olympic Games in Athens in 2004 has proved to be a unique challenge not only for the metropolis of Athens but also for the entire national administration, and has required a more flexible, and outcome based approach. Consideration needs to be given to how the lessons learned from the Olympic experience can contribute to proposed reforms and working practices, for example, the use of master planning techniques to deliver many of the Olympic sites. A wide appreciation for urban design excellence amongst the teams that are delivering the Games and a renewed pride in Athens' archaeological heritage, point to an opportunity to establish a new set of principles and processes for how growth is managed. Expediting the physical works necessary for the Olympic Games has required the introduction of 'special measures' thus facilitating short term changes within the current system. Maintaining these gains post-Olympics through a process of review will be important.

The Metropolitan Challenge...identifying territorial assets.

Space based assets are integral to establishing competitive advantage. A new strategy should have clear policy guidance and objectives to: further preserve and enhance the historic environment; develop a specific brownfield strategy, guided by relevant recommendations from the ESDP and maximise the potential of new development areas such as the Messoghia Plain to enhance innovation for the benefit of the whole of the metropolitan area. Short, medium and long-term priorities should build on existing experience from the Unification of the Archaeological Sites Programme and major infrastructure works. A forward-looking inclusive vision

developed through consultation with stakeholders should balance economic growth with social equity and contribute to realising sustainable development.

The Messoghia Plain...an opportunity to become a model in spatial planning and governance reforms.

The Messoghia Plain, where the new international airport is located, is an opportunity for Athens to use the protection of an important environmentally sensitive location as a catalyst for change in the current planning system. The area is already under considerable pressure. Zoning and uses are already determined, and legally established. How the Plain is developed is crucial to the metropolitan area as a whole and will be a test. The two challenges lie in:

- The opportunity to plan differently -- vision based strategic planning which addresses economic, spatial, environmental and social challenges.
- Governance -- the Plain cannot be considered in isolation; neighbouring municipalities will be affected by its development and in the absence of a metropolitan body with meaningful administrative responsibilities and authority, addressing the collective interests of the AMA will be almost impossible.

The brownfield potential to achieve balanced growth throughout the metropolitan area.

The relative importance that should be given to brownfield remediation in any urban regeneration strategy raises the issue whether governments should give incentives or planning guidance to direct investment toward brownfield sites in preference to sites elsewhere, and especially on greenfields. This is indeed a challenge for metropolitan Athens for which specific policies and strategies are essential. The OECD criteria for successful brownfield redevelopment provide a useful baseline. It

is clear that developing the brownfield sites of western Athens and redeveloping and rehabilitating buildings and sites within the central area of the city will be more complex, more costly and longer term than developing the Messoghia Plain. However, to meet the national goal of sustainable urban development, balanced and sustainable growth, physically and economically, are necessary for the future of Athens. The Ministry for Environment and Public Works is conscious of the increasingly important role that the redevelopment of brownfield sites will play in controlling urban sprawl in the metropolitan area and in meeting sustainability goals. Plans by the national government to rationalise inefficient office space in central Athens should involve relocation to brownfield sites.

Governance reforms are underway.

Institutional reforms are underway. The creation of a metropolitan authority has been under discussion for many years. In spring 2003 the Hellenic Ministry of Interior, Public Administration and Decentralization initiated a dialogue with the Central Union of Local Authorities to determine the local administration's legal framework. This will result in a new legal framework for the local administration, under the form of a national law. The changes, in effect, seek to establish a metropolitan tier of government for the AMA, which is consistent with the recommendations for good metropolitan governance advocated through the OECD Principles. The Organisation for the Planning of Athens is working in close cooperation with the Ministry to ensure that the new replacement Master Plan reflects the new governance structure. Successful metropolitan government in Athens is

dependant, amongst other things, upon better cross-sectoral co-ordination at the national level, applying the experiences and increased institutional capacity accrued through preparations for the 2004 Olympic Games at the sub-national level, and developing a unified vision of the future of the capital nationally and internationally. The form of metropolitan governance eventually adopted should adhere to the OECD Principles for Metropolitan Governance (Annex 4) which could serve as an overarching framework.

A new metropolitan strategy...

A metropolitan strategy for Athens should address spatial, economic, social and environmental objectives more flexibly and strategically than in the detailed master plan approach pursued for the preparation of earlier plans. Strategic thinking should link the inner urban core to the wider functional region relying on a comprehensive understanding of the spatial, economic, social and environmental implications of policy. The effectiveness of a new approach will be dependant upon addressing issues of *competences, capabilities* and *processes*.

The *Competences* of the system to make effective decisions about the long term future should be set within a clear national planning framework; relate to social, economic, environmental and transportation matters and not just land use and/or transportation; provide legal powers to intervene in the approval / rejection of development proposals; be a condition of access to government funding; and be related to a coherent socio-economic and environmental region.

The *Capabilities* of the system to make informed decisions require data on available

land and floorspace, and environmental assets collected on a consistent basis with spatial referencing; economic and demographic forecasts and estimates of future development requirements which are area specific, mutually consistent, related to national estimates and not trend based alone; strategic options which are based upon scenarios and fully integrated in terms of the various components; and a dedicated permanent professional team.

The *Processes* used to ensure that the decisions are accepted by all parties should ensure that all stakeholders are allowed to participate; that the decision -making on the finalised strategy are transparent and responses to public consultation are fully justified and open to public scrutiny; that a public annual monitoring process is based upon quantifiable measures and related to explicit targets; and that a legal commitment exists to review the Plan with a five year development capacity being sustained at any stage.

In the short term...capacity building for economic development and building the vision and markets.

In the short term, to expedite economic development, it is proposed that Athens create a leadership grouping charged with developing and co -ordinating an economic development framework/strategy for the metropolitan area, “Team Attica -Athena”:

- A data joint venture should be established “Data -Attica” to create a regional economic observatory for the Attica region. The purpose should be to develop a shared set of analyses of the trends and opportunities in the regional economy and to provide a single suite of consistent studies based on an accepted model for assessing the possible impacts of new initiatives and policies. This data

capacity should be used consistently across all new planning and strategising activities and to underpin analytical work related to infrastructure. It should produce papers that tackle key policy issues in the Attica regional economy.

- Many of the economic development opportunities confronting Attica are sector specific, but integrated between a number of different sub-sectors that share either customers/markets, key infrastructures, important assets, or suppliers. Sector development groups should be established with the remit of producing a 'business plan' for the sector as whole within the Attica region. These plans should address a SWOT analysis for the sector looking both before and after the Olympic Games. The process of producing the sector reports will need to be facilitated and supported.

- The Team Attica –Athena grouping should pay immediate attention to reviewing the extent to which Athens is geared to effectively promote itself for economic investment during the next two years. This promotion needs to achieve 'a common language and braiding' of Athens across various important industrial and functional sectors. A clear interim joint action plan for promoting Athens over the next two years needs to be agreed and put in place. A review of economic development arrangements in Athens should be undertaken leading to recommendations on how to develop an effective programme, and to better exploit the resources of the ERDF, ESF, and EIB. This review could be sponsored by the Team Attica / Athena grouping and should pursue a methodology of examining the likely benefits of pursuing

economic development through a range of options.

In the medium term...A regional economic development strategy with an appropriate set of regional economic goals.

For the medium term, metropolitan Athens could benefit from a Regional Economic Development Organisation, feasibility work on a Metropolitan Economic Development Council / Agency; and an Economic Development Finance programme. In particular, it would be useful to design a set of public-private finance 'templates' which could fulfil regulatory requirements and also provide incentives for private sector co-investment; an Intermediate Employment Programme associated with cultural and heritage maintenance activity and other environmental works; a Church Land Use Strategy: to examine ownership barriers to strategic development opportunities.

In the long term...continued innovation to find the right international roles for Athens.

Finally, to be sustained well into the future, the Government should carefully monitor the impact of EU enlargement on the Greek and Attica economies, and develop a clear analysis of the best roles for Athens to play within its sub-continent; regularly review the economic development and spatial planning arrangements that are in place (every six years); undertake regular comparative analysis of the performance of the Athens economy against a set of benchmark cities and seek to measure Athens against the best performing cities; consider funding mechanisms necessary to meet the challenges and costs envisaged for infrastructure (through PFIs) and management and maintenance of the public realm in the wake of large-scale development projects (through TIFs and Value Capture Finance).

What can Athens learn from others...

There are potentially a wide range of international experiences that Athens could draw upon. Some offer examples of goals and achievements to which Athens could aspire; others offer insights about processes, systems, and arrangements for helping cities to achieve their full potential. Some clearly relevant experiences might include:

- How to capture economic development benefits of hosting a major event: Sydney, Barcelona, Manchester.
- How to put in place metropolitan reform processes that will add value to existing arrangements: Miami/Dade County, Montreal, London.
- How to develop a capital city strategy in a location where national government is very strong: Dublin, Vienna.
- How to develop a metropolitan strategy based on a triple bottom line: Glasgow and Clyde Valley, Melbourne.
- How to develop regional -metropolitan economic development initiatives in the absence of regional / metropolitan government: Philadelphia, Phoenix, Frankfurt, Bilbao.

What can others learn from Athens...

Many of the initiatives from which Athens might become a beacon of good practices have not yet come to fruition, and the most exciting initiatives are still work in progress. It is undoubtedly the case that Athens could offer a clear example of how a city can reinvent and re-position itself through a largely national led effort. Some of the themes that other cities may find of interest are:

- How to introduce public/private finance into a region where it has previously not been used;
- How to speed up reform processes by waiving certain rules and creating flexibilities to achieve key purposes;
- How to use the Olympic Games to trigger much wider investments, to modernise, and to expand a city's international role.

EVALUATION ET RECOMMANDATIONS

Contexte...une dynamique de transition à Athènes...

Athènes, la capitale, et son aire métropolitaine (AMA) constituent la principale « porte d'entrée » de la Grèce. Un tiers de la population grecque réside dans cette aire métropolitaine, qui est à l'origine d'environ un tiers du PIB de la Grèce. Actuellement, Athènes et sa région, l'Attique, connaissent une période de transition très dynamique ; si les anciennes institutions restent en place, des structures de gouvernance intégrée et stratégique apparaissent, principalement sous l'effet de l'intégration à l'Union européenne et des investissements effectués en vue des Jeux olympiques de 2004. De nouvelles infrastructures publiques, qui complètent les actifs en matière d'environnement et d'architecture, sont en train de transformer complètement la région. L'importance des changements en cours s'explique également par un « rattrapage », au terme d'une période d'inertie de 20 à 30 ans, qui avait dégradé la compétitivité et la qualité de vie d'Athènes. Le grand défi va être de conserver le sens de l'urgence, la bonne volonté et la fierté civique suscités par la perspective des Jeux olympiques. Il est essentiel qu'à tous les niveaux de l'État et de la société civile les décideurs montrent résolument la voie.

...souligne la nécessité d'une stratégie métropolitaine et d'une mise en oeuvre plus effective des politiques.

Dans le cadre de la mondialisation, Athènes, à l'instar de toutes les grandes agglomérations urbaines, cherche à juste titre à s'affirmer davantage sur la scène internationale. L'élargissement placera la ville au cœur de la partie orientale de l'Union européenne et créera de nouvelles possibilités d'échanges au sein de l'Europe et avec le Moyen-Orient. Toutefois, la concurrence des autres régions urbaines d'Europe sera très vive dans les prochaines années, qui verront la réduction des financements communautaires et l'achèvement des investissements considérables effectués pour les Jeux olympiques. Le dynamisme de l'économie nationale et les réformes entreprises dans le pays donnent à Athènes un contexte favorable pour procéder aux changements qui pourraient lui permettre de parvenir à un niveau supérieur de développement économique, social et environnemental. L'occasion exceptionnelle offerte par la conjoncture actuelle appelle une nouvelle stratégie métropolitaine ainsi qu'une application des projets et des politiques à caractère novateur plus effective que dans le passé.

Les perspectives économiques sont positives, mais il existe des problèmes structurels...

Sur le plan du développement, la Grèce connaît actuellement une situation macro-économique très favorable : taux de croissance supérieurs à la moyenne (environ 4%) ; plus grande stabilité à la suite de l'entrée dans la zone euro ; bas niveaux d'inflation ; plan de réformes réglementaires qui a libéralisé de nombreux secteurs dominés par l'État. En outre, le pays bénéficie d'un effort exceptionnel d'investissement financier dans de grandes infrastructures, dont beaucoup sont concentrées dans la région d'Athènes ; il profite également des activités économiques et de la promotion mondiale associées aux

Jeux olympiques de 2004. Par ailleurs, Athènes est devenue une plaque tournante de liaisons aériennes, maritimes, routières et par rail améliorées avec les autres pays européens et au-delà. En revanche, une pénurie de moyens de financement est à craindre à moyen terme : les concours au titre du cadre communautaire d'appui et les investissements pour les Jeux olympiques pourraient fléchir après 2006-2007 ; la Grèce est encore lourdement endettée et le déficit commercial est substantiel ; le vieillissement démographique pèsera sur le système des retraites et sur les finances publiques ; le chômage demeure élevé ; le secteur informel est le plus important de l' Union européenne ; enfin, la concurrence des autres grandes villes d' Europe va sans doute s'accentuer.

Le développement du secteur des services...

Après une période de changements structurels, l'économie athénienne repose en grande partie sur les services et se compose surtout de petites et moyennes entreprises. Le niveau de formation de la main-d'œuvre est élevé. Néanmoins, au sein du secteur des services, la place des PME à productivité élevée doit s'élargir. Il faudrait aussi que les formations supérieures disponibles correspondent mieux aux possibilités d'emplois, par exemple en développant l'offre de programmes d'étude des TIC et de la gestion. De même, l'interaction de la recherche menée dans les entreprises, les universités et les instituts spécialisés doit être renforcée et approfondie ; il convient également d'encourager la formation d'essaims d'entreprises, (clusters), car c'est une stratégie essentielle pour aider les PME à concurrencer les sociétés de plus grande taille.

...permettra d'exploiter de nombreux actifs sous-évalués.

Athènes dispose d'un potentiel considérable de nouvelle croissance endogène, basée sur les actifs sous-évalués ou non utilisés de cette région méditerranéenne. Ainsi, il existe des perspectives d'expansion dans le secteur de la santé, notamment la remise en forme et les thérapies de ce type (comme la thalassothérapie); dans le domaine des sports, avec, par exemple, l'organisation de grandes compétitions internationales; dans l'enseignement (public et privé), en tant que secteur économique attirant des étudiants étrangers et stimulant le secteur du BTP ainsi que celui des produits de consommation; dans les activités juridiques; dans l'organisation de conférences tout au long de l'année; dans les nouvelles formes de tourisme (parcs archéologiques, écotourisme, tourisme culturel de qualité supérieure, etc.); on peut citer aussi l'architecture et les activités de conception appliquées, par exemple, à la construction de logements durables. Cependant, la concrétisation de toutes ces possibilités exige que la zone urbaine soit bien aménagée, accessible et agréable sur le plan de la vie sociale et de l'environnement.

Les politiques de l'Union européenne exercent une influence sur la Grèce...

L'Union européenne a sensiblement influé sur les politiques des pays membres en introduisant des thèmes fondamentaux, qui ressortent de ses documents officiels et des réglementations régissant l'usage des fonds structurels. Les fonds structurels et les programmes associés sont mis en œuvre au moyen du cadre communautaire d'appui (CCA) et de projets opérationnels. Le CCA 2000-2006 concernant la Grèce a pour objectif de contribuer à approfondir l'intégration de ce pays dans l'Union européenne et dans l'économie mondiale basée sur le savoir, en favorisant le changement structurel et en exploitant le potentiel d'amélioration de la productivité et

de l'emploi. On attend de cette stratégie, celle du troisième CCA, qu'elle crée les conditions d'une croissance plus forte, soutenable à long terme et d'une convergence réelle du PIB par habitant avec le reste de l'UE. Le programme de développement avalisé par la Commission européenne mettra l'accent sur la création d'infrastructures, le soutien aux investissements privés visant à promouvoir le rôle de la région, la protection et l'amélioration de l'environnement, la réduction des disparités intra-régionales, l'encouragement de l'innovation et de l'entrepreneuriat, l'atténuation du chômage et le développement des parties reculées et défavorisées de la région. L'appartenance à l'Union européenne a entraîné de nombreux changements positifs dans l'aire métropolitaine d'Athènes : elle a facilité l'innovation et contribué à créer un nouveau contexte politique pour traiter les problèmes de gouvernance, d'aménagement de l'espace, de cohésion sociale et de développement économique. Chaque CCA a été l'occasion de développer l'apprentissage et les capacités des institutions. Il sera capital de s'appuyer sur les connaissances et l'expérience acquises quand, dans la période postérieure à 2006, la Grèce dépendra peut-être davantage des actifs territoriaux qu'elle aura développés au cours de la dernière décennie ou au-delà.

La gouvernance en matière d'aménagement et de développement économique change grâce en partie aux Jeux olympiques.

Jusqu'à présent, on n'a disposé d'aucun mécanisme qui permette aux différents échelons de l'État et aux diverses instances responsables de la région d'Athènes de travailler ensemble à la conception d'une stratégie intégrée de développement économique et d'aménagement applicable à cet ensemble géographique. En fait, jusqu'à une date récente, les politiques communautaires ne reconnaissaient pas la nécessité de renforcer le rôle économique

d'Athènes ; en fait, les politiques régionales orientaient la croissance, y compris la construction d'hôtels, à distance d'Athènes (considérée comme congestionnée), vers d'autres parties du pays ; de plus, les collectivités locales et régionales de l'Attique ne disposaient pas des moyens de favoriser l'entrepreneuriat, en dépit de l'existence de mesures pour encourager et promouvoir les PME. Mais la mobilisation en faveur des Jeux olympiques a suscité des attitudes nouvelles et des méthodes novatrices associant le secteur public et le privé ; c'est le cas de l'initiative de la Chambre de commerce et d'industrie d'Athènes (« AACI Office 2004 »), qui aide les milieux d'affaires à œuvrer en commun, afin de maximiser les possibilités offertes par les Jeux. On crée maintenant un cadre plus propice à la croissance économique au moyen de grands investissements d'infrastructures : réhabilitation du centre de la ville grâce au programme d'unification des sites architecturaux, rénovation des hôtels, nouveau métro, système de tramway et roclades reliant les banlieues éloignées, construction de sites de compétitions et de nouvelles liaisons routières.

Les zones et les équipements utilisés pour les Jeux ont un potentiel de développement après 2004...

Parmi les projets directement liés aux Jeux figurent le réaménagement de la baie de Faliron, qui ouvre Athènes à la mer comme à Barcelone, le village olympique, qui sera recyclé pour loger des ménages à revenu moyen, et le Centre international de télédiffusion, qui dispose de technologies de classe mondiale. Les activités économiques liées au nouvel aéroport international « Eleftherios Venizelos » et les aménagements de la plaine de Messoghia autour de cet aéroport sont riches de promesses. Il faut prendre soin de soutenir le développement économique dans l'ensemble

de la région, y compris dans les anciennes zones industrielles situées à l'ouest. On prévoit que l'utilisation, après les Jeux olympiques, des infrastructures et des équipements aura des retombées économiques et financières importantes pour la région d'Athènes. Les investissements effectués pour l'organisation des Jeux amélioreront l'image d'Athènes, tout en permettant à la conurbation et à l'arrière-pays de devenir une destination internationale pour le tourisme tout au long de l'année, l'organisation de conventions, de compétitions sportives et d'autres grandes manifestations. Cela exigera des méthodes novatrices de reconversion et de gestion du capital foncier et immobilier de façon à atteindre à moyen et long terme des résultats économiques, sociaux et financiers qui bénéficient aux diverses parties prenantes : résidents, collectivités locales et investisseurs privés. La large zone côtière de Faliron sera transformée en un parc de loisirs sans équivalent dans la région ; le centre athlétique d'Aghios Kosmas est destiné à devenir un parc et un espace réservé aux sports marins et au développement touristique ; le village olympique sera recyclé en logements pour ménages à revenu moyen. Toutefois, un certain nombre d'équipements utilisés pour les Jeux sont des structures mobiles qui seront démontées le moment venu.

... mais on ne doit pas risquer de laisser passer l'occasion.

Alors qu'Athènes n'était pas perçue dans le passé comme un site attractif, son image s'est donc beaucoup améliorée. On ne peut qu'applaudir aux efforts exceptionnels qui ont été consentis ces dernières années, mais la tâche est encore loin d'être achevée. Dans la période post-olympique, on aura encore une très grande latitude pour exploiter ou négliger les occasions d'agir. Les développements qui suivent soulignent le rôle

important de la gouvernance et de l'aménagement de l'espace ainsi que la nécessité de concevoir une stratégie métropolitaine pour permettre à Athènes de réaliser son potentiel.

Un mode de développement urbain non viable pendant l'après-guerre...

Le développement rapide et sans contrôle d'Athènes après la guerre posera de très sérieux problèmes au 21^{ème} siècle. Les cadres réglementaires ne sont pas parvenus à maîtriser l'urbanisation galopante, à telle enseigne qu'environ 30% des constructions ont été édifiées sans autorisation. Un stock de logements dense et de qualité médiocre est à terme une source de dépenses et de difficultés, tandis que l'augmentation du nombre d'automobilistes pourrait mettre en péril les progrès de l'environnement. Quatre-vingt pourcent de l'immobilier d'habitation d'Athènes ont été construits après 1960. En raison de la reconstruction de la ville avec des immeubles d'habitation en copropriété de faible qualité, la forme moderne qu'elle a prise risque de s'avérer un obstacle sérieux à un développement viable dans le futur ; le potentiel de dégradation urbaine pourrait coûter cher à l'État comme au secteur privé. Athènes est une ville à vocations multiples, qui dispose de peu d'ouvertures et d'espaces verts et où la densité de population est forte dans le centre et dans les anciens quartiers résidentiels ; mais il existe aussi à la périphérie des zones à densité relativement faible. Quatre-vingt dix sept pourcent de sa superficie sont bâtis, ce qui se traduit par une densité de population de 6 700 au kilomètre carré. Un problème majeur pour l'avenir sera de promouvoir l'aménagement de l'espace et de l'organiser d'une manière propice à la croissance économique, à l'atténuation des problèmes d'environnement et à la recherche de

solutions viables.

***...et les défis du futur
nécessitent une stratégie
métropolitaine...***

Il est absolument nécessaire de dégager une vision stratégique de la ville qui aille au-delà des Jeux olympiques de 2004 et du cadre d'appui communautaire. A présent, compte tenu de la contribution des Jeux Olympiques, un cadre stratégique d'ensemble articule les interconnexions des aspects économiques, spatiaux et sociaux du développement et permette de faire partager une même conception d'Athènes par les multiples parties prenantes. Parmi les principaux défis auxquels est confrontée l'aire métropolitaine d'Athènes, et qui constituent en fait des chances pour l'avenir, il y a l'environnement historique, la remise en état d'anciennes sites industrielles, la plaine de Messoghia et les zones entourant les nouveaux aéroports. En traitant chacun de ces espaces prioritaires, on assurera à Athènes la possibilité de mettre au point une stratégie métropolitaine ayant l'approche « triple bottom line » (*i.e.*, un développement durable économique, social et environnemental) qui permet d'équilibrer le développement et les opportunités, dans l'ensemble de la zone métropolitaine.

***...et une gouvernance
adaptée à son application.***

La nécessité d'intégrer les actions de l'ensemble des circonscriptions administratives, de coordonner les politiques et programmes des organismes responsables des infrastructures, et la fourniture des services, ainsi que d'intégrer les différents échelons de l'État est un problème de gouvernance commun à la plupart, voire à la totalité, des régions métropolitaines ; à Athènes, il est très prononcé. Il n'existe pas de niveau des pouvoirs publics intéressé à l'aspect fonctionnel de l'aire métropolitaine qui soit responsable de l'administration stratégique. En outre, quand une zone

métropolitaine est aussi la capitale du pays, cela pose un problème particulier : les décisions locales appartiennent par leur nature même à la sphère des choix nationaux, en raison du poids de la capitale dans l'économie, la politique et les budgets du pays. Il est donc difficile de déléguer à une instance « locale » le pouvoir et la responsabilité de déterminer les priorités autant qu'on pourrait le faire au bénéfice des autres régions métropolitaines. Le système actuel révèle une certaine confusion de compétences, la ville étant gérée à la fois par le gouvernement, des super préfetures, des préfetures, des collectivités locales et des administrations centrales.

Le développement des infrastructures a amélioré Athènes, mais des défis demeurent.

Des problèmes stratégiques de transport subsistent, particulièrement en matière de circulation, de pollution, de liaisons avec l'extérieur de l'aire métropolitaine et de financements. En dépit d'améliorations, les problèmes d'embouteillages et de pollution demeurent, car le nombre d'automobilistes s'accroît. Il existe une vision à long terme de l'intégration des transports, mais sa concrétisation dépend de la capacité à mobiliser de nouvelles formes de financements et d'investissements, surtout pour la période 2010-2020. Dans l'ensemble de la Grèce, mais singulièrement à Athènes, le développement des infrastructures s'est largement appuyé sur des financements communautaires. Les CCA successifs et la préparation des Jeux olympiques ont souligné l'exigence d'équiper la capitale de transports publics. D'importants investissements ont permis de créer un système multimodal, qui pourrait inverser la tendance à une faible utilisation des transports publics. La ville est confrontée à des défis majeurs :

- Résoudre les problèmes financiers pour réaliser d'avantage d'investissements privés et diminuer le recours aux financements externes, qui régresseront à l'avenir.
- Poursuivre la dynamique en faveur du maintien d'une politique de transports « durable » après 2004.
- S'assurer que la planification des transports soit en harmonie avec l'aménagement de l'espace et la politique de développement économique, et que l'on prenne en considération les conséquences de travaux d'infrastructures extensifs sur l'utilisation des sols et la densité de population.

La dimension sociale de la viabilité a un aspect spatial qui pose problème.

Comme dans les autres grandes villes, la situation sociale d'Athènes évolue : les disparités géographiques s'accroissent, tandis que l'immigration, le vieillissement de la population et un chômage élevé signifient qu'une future stratégie urbaine devra prendre en considération la dimension humaine de la cité. Cette dernière a une tradition d'homogénéité sociale, mais les athéniens des quartiers du centre vont de plus en plus s'installer dans les banlieues, ce qui se traduit par une concentration croissante dans le centre de populations défavorisées comprenant des étudiants, des immigrants et des personnes âgées. A l'instar de la plupart des métropoles de l'OCDE, Athènes est confrontée au problème de l'adaptation au vieillissement. En Grèce, le vieillissement démographique est déjà plus accusé que dans la majorité des autres pays. Le nombre de retraités représente en nombre 60% de la

population active et le ratio de dépendance a doublé de 1960 à 2000. Il en résulte, dans les domaines du logement, des transports et du marché du travail, de nouveaux défis qui appellent des réponses sociétales nouvelles.

Les jeux sont un catalyseur du changement.

L'organisation des Jeux olympiques d'Athènes de 2004 a représenté un défi hors du commun, non seulement pour la métropole d'Athènes, mais aussi pour l'ensemble du secteur administratif national ; il a fallu y répondre en recourant à une approche flexible et orientée sur les résultats. Il convient de se demander comment les leçons de l'expérience olympique peuvent contribuer aux réformes en gestation et aux méthodes de travail ; l'utilisation des techniques de schéma directeur pour mettre en place de nombreux sites olympiques en est un exemple. La compréhension et l'appréciation par les équipes responsables des Jeux de l'excellence dans l'organisation urbaine et un regain de fierté à l'égard du patrimoine archéologique d'Athènes montrent que c'est le moment d'établir un ensemble de nouveaux principes et mécanismes de gestion de la croissance. La réalisation des travaux nécessaires aux Jeux olympiques a nécessité l'introduction de « mesures spéciales », ce qui a facilité des changements à court terme au sein du système actuel. Il importera de conserver ces acquis post-olympiques en se livrant à des réexamens.

Le défi métropolitain...recenser les actifs territoriaux.

L'espace est un actif à prendre pleinement en compte pour établir un avantage compétitif. Une nouvelle stratégie doit s'inspirer d'orientations claires de politique et avoir les objectifs suivants : préserver et valoriser plus encore l'environnement historique ; définir une stratégie spécifique pour les zones industrielles anciennes, sur la base des recommandations en la matière du SDEC, et

maximiser le potentiel des nouvelles zones aménageables, comme la plaine de Messoghia, de sorte que les innovations bénéficient à l'ensemble de la zone métropolitaine. Il convient que les priorités à court, moyen et long terme s'inspirent de l'expérience du programme d'unification des sites archéologiques et des principaux travaux d'infrastructures. Une vision prospective intégrante, fruit de consultations avec les parties prenantes, devra concilier la croissance économique et l'équité sociale, tout en contribuant à réaliser un développement viable.

La plaine de Messoghia...une occasion de créer un modèle d'aménagement de l'espace et de réforme de la gouvernance.

La plaine de Messoghia, où se situe le nouvel aéroport international, fournit à Athènes l'occasion d'utiliser la protection d'un environnement sensible pour impulser un changement et une remise en cause du système actuel d'aménagement. Le secteur est déjà fortement sollicité. Les plans d'occupation des sols et leur utilisation sont déterminés et supervisés. La manière dont on aménagera la plaine est d'une importance cruciale pour l'ensemble de l'aire métropolitaine et constituera un test. Il y a deux enjeux :

- Saisir l'occasion d'opter pour une démarche nouvelle, à savoir une stratégie d'aménagement reposant sur une vision et qui réponde aux exigences économiques, spatiales, environnementales et sociales.
- La gouvernance ; le site ne peut être considéré isolément, car les collectivités voisines ressentiront les effets de son aménagement et, en l'absence d'une instance métropolitaine dotée de responsabilités et d'une autorité

administrative réelles, la prise en compte des intérêts collectifs de l'AMA sera une gageure.

Le potentiel des zones industrielles anciennes à réaliser une croissance équilibrée dans l'ensemble de l'aire métropolitaine.

La place qui doit revenir à la réhabilitation des zones industrielles anciennes dans une stratégie de rénovation urbaine amène à s'interroger sur l'opportunité pour les États de donner des incitations ou des orientations, afin de diriger les investissements vers ces sites plutôt qu'ailleurs, et notamment de préférence aux zones non encore aménagées. C'est assurément un défi pour la métropole d'Athènes, qui appelle des politiques et des stratégies spécifiques. Les critères de l'OCDE pour un réaménagement réussi des anciennes zones industrielles constituent un point de départ utile. A l'évidence, la mise en valeur de ces zones situées à l'ouest d'Athènes ainsi que la rénovation de bâtiments et de sites de la partie centrale de la ville seront plus complexes, plus coûteuses et plus longues que l'aménagement de la plaine de Messoghia. Toutefois, si l'on veut respecter l'objectif national d'un urbanisme viable, une croissance équilibrée et soutenable, tant physiquement qu'économiquement, est nécessaire pour Athènes à l'avenir. Le ministère de l'environnement, de l'aménagement du territoire et des travaux publics a conscience que le réaménagement des anciennes sites industrielles jouera un rôle croissant pour maîtriser l'urbanisation de la zone métropolitaine et réaliser les objectifs de viabilité. Les projets du gouvernement pour rationaliser la répartition inefficace des surfaces de bureaux dans le centre d'Athènes devraient prévoir une délocalisation vers les sites anciennement développés.

Des réformes de la gouvernance sont en cours

Des réformes institutionnelles sont en cours. On évoque depuis de nombreuses années la création d'une autorité métropolitaine. Au printemps 2003, le Ministère de l'Intérieur, de l'Administration Publique et de la Décentralisation a engagé une concertation avec l'Union centrale des collectivités locales pour déterminer le cadre juridique de l'administration locale. Ces discussions vont déboucher sur une loi établissant un nouveau régime juridique des administrations décentralisées. En fait, l'objectif des réformes est d'instituer un échelon métropolitain de l'État pour l'AMA, qui soit conforme aux principes de l'OCDE pour une bonne gouvernance métropolitaine. L'organisme d'aménagement d'Athènes travaille en liaison étroite avec le ministère pour s'assurer que le schéma directeur de remplacement soit inspiré par la nouvelle structure de gouvernance. Le succès d'une administration métropolitaine à Athènes dépend notamment d'une meilleure coordination intersectorielle au niveau national ; il faudrait utiliser, au niveau infra-national, les expériences et les capacités institutionnelles renforcées, nées de la préparation des Jeux olympiques de 2004, tout en formulant une vision unifiée de l'avenir de la capitale sur le plan national et international. Le dispositif de gouvernance métropolitaine finalement adopté devra suivre les Principes de gouvernance métropolitaine de l'OCDE (Annexe 4), qui pourraient servir de cadre global.

Une nouvelle stratégie métropolitaine...

Une stratégie métropolitaine pour Athènes devra répondre aux objectifs spatiaux, économiques, sociaux et environnementaux de façon plus souple et stratégique que la méthode de schéma directeur détaillé utilisée pour préparer les projets antérieurs. On a besoin d'une vision stratégique, qui relie le noyau urbain interne à la région

fonctionnelle, plus vaste, et se fonde sur une compréhension complète des implications spatiales, économiques et sociales de la politique. L'efficacité de la nouvelle approche dépendra de la solution des problèmes de *compétences*, de *capacités* et de *processus*.

Les *Compétences* du système pour prendre des décisions efficaces concernant l'avenir lointain devront s'inscrire dans un cadre lisible d'aménagement national ; s'appliquer aux problèmes sociaux, économiques, d'environnement et de transport, au lieu de se cantonner à l'utilisation des sols et/ou aux transports ; être assorties de pouvoirs légaux pour intervenir dans l'approbation /le rejet des propositions d'aménagement ; conditionner l'obtention de financements publics ; enfin, s'exercer dans une région socio-économique et environnementale cohérente.

Les *Capacités* du système à prendre des décisions en connaissance de cause exigent la collecte, sur une base cohérente et avec référencement spatial, de données relatives aux terrains et aux surfaces au sol disponibles ainsi qu'aux actifs environnementaux ; de prévisions économiques, démographiques et d'estimations des besoins futurs d'aménagement qui soient spécifiques aux différentes zones, mutuellement compatibles, en rapport avec les estimations nationales et pas seulement basées sur des tendances conjoncturelles ; d'options stratégiques reposant sur des hypothèses différentes et intégrant pleinement les diverses composantes ; enfin, une équipe permanente de professionnels.

Les *Processus* utilisés pour faire accepter les décisions par toutes les parties prenantes

doivent garantir que chacune participe ; que le mode de décision sur la stratégie finalisée soit transparent et que les réponses à la consultation publique soient pleinement justifiées et consultables par tous ; qu'un suivi public annuel s'appuie sur des mesures quantifiables et se réfère à des objectifs spécifiques ; enfin, qu'il existe un engagement légal de réexaminer le plan tous les cinq ans au moyen d'une procédure couvrant tous les aspects précités.

A court terme... constituer des capacités pour le développement économique, bâtir une vision et des marchés..

A court terme, afin d'encourager le développement économique, Athènes a besoin d'un groupe dirigeant responsable de l'élaboration et de la coordination d'un cadre/d'une stratégie de développement économique pour cette région, « l'équipe Attique-Athènes » :

- Il convient de créer une co-entreprise de données appelée « Données-Attique », qui serve d'observatoire économique régional de cette région. Elle aura pour vocation d'effectuer un ensemble, partagé par tous les acteurs, d'analyses des tendances et des potentialités de l'économie régionale, afin de produire une seule suite d'études cohérentes, fondées sur un modèle reconnu, évaluant les incidences possibles de nouvelles initiatives et politiques. Cette source de données devra être utilisée constamment dans tous les nouveaux plans et stratégies et alimenter les travaux analytiques relatifs aux infrastructures. « Données-Attique » traitera les principaux problèmes de politique qui se posent à l'économie de la

région.

- Beaucoup des possibilités de développement économique qui s'offrent à l'Attique sont sectorielles, mais intégrées dans différents sous-secteurs qui partagent soit des clients/marchés, des infrastructures essentielles, des actifs importants, soit des fournisseurs. Il faudrait mettre en place des groupes de développement ayant pour mission d'établir un « plan d'activités » pour l'ensemble du secteur au sein de la région attique. Ces plans devraient procéder à une analyse SWOT (forces/faiblesses, opportunités/risques) du secteur avant et après les Jeux olympiques. Il conviendra de dégager des moyens pour aider à la préparation des rapports.
- L'équipe Attique-Athènes devrait immédiatement réexaminer dans quelle mesure la capitale grecque s'est préparée à faire efficacement sa propre promotion pour attirer des investissements au cours de deux prochaines années. Cette action de promotion doit établir « un langage commun et un consensus » entre les différents secteurs industriels et fonctionnels importants de la ville. Il conviendra de formuler et de lancer un plan d'action clair, à caractère intérimaire, pour assurer la promotion d'Athènes dans les deux années à venir. Il est impératif d'entreprendre une révision du dispositif de développement économique de la ville, qui

aboutisse à des recommandations sur les moyens d'établir un programme efficace et de mieux exploiter les ressources du FEDER, du FSE et de la BEI. L'exercice pourrait être financé par l'équipe Attique/Athènes et devrait suivre une méthodologie consistant à examiner les avantages probables pour le développement économique d'une variété d'options.

A moyen terme...une stratégie de développement régional avec un choix approprié d'objectifs économiques régionaux.

A moyen terme, la métropole athénienne pourrait bénéficier d'une organisation de développement économique régional ; d'études de faisabilité sur la création d'un conseil/d'une agence de développement économique métropolitain ; d'un programme de financement du développement économique. Il serait notamment utile de concevoir : des modes de financement associant fonds publics et privés, qui pourraient satisfaire aux réglementations et donner des incitations à la participation d'investissements du secteur privé ; un programme intermédiaire pour l'emploi, associé à des actions de sauvegarde culturelle et d'entretien du patrimoine ainsi qu'à d'autres travaux intéressant l'environnement ; une stratégie d'utilisation des terrains ecclésiastiques, afin d'examiner les obstacles que pose le droit de propriété à des occasions stratégiques de développement.

A long terme...une poursuite des innovations pour trouver le rôle international qui convient à Athènes.

Enfin, pour assurer la poursuite du développement à longue échéance, le gouvernement devra suivre avec soin les incidences de l'élargissement de l'UE sur les économies de la Grèce et de l'Attique, tout en analysant clairement ce que peut être le rôle optimal d'Athènes au sud du continent ; réexaminer périodiquement (tous les six ans) les dispositifs de développement économique

et d'aménagement du territoire qui sont en place ; comparer, à intervalles réguliers, les résultats de l'économie athénienne avec ceux d'un groupe de villes de référence et tenter d'apprécier les performances d'Athènes relativement aux agglomérations qui réussissent le mieux ; envisager les mécanismes de financement nécessaires pour couvrir le coût des infrastructures programmées (par des initiatives de financement privé) ainsi que pour assurer la gestion et l'entretien du domaine public après la réalisation d'importants projets de développement (par des instruments financiers ciblés et du capital-risque).

Ce qu'Athènes peut apprendre des autres...

Athènes pourrait tirer les leçons d'une large gamme d'expériences internationales. Certaines offriront des exemples d'objectifs et de réalisations auxquels elle pourrait aspirer ; d'autres lui donneront des indications sur les processus, systèmes et mécanismes qui ont aidé les grandes villes à utiliser pleinement leur potentiel. Certaines expériences présentent manifestement un intérêt pour Athènes :

- Comment faire bénéficier le développement économique de l'organisation d'une manifestation importante : Sydney, Barcelone, Manchester.
- Comment introduire des réformes métropolitaines qui améliorent le système en place : Miami/comté de Dade, Montréal, Londres.
- Comment concevoir une stratégie de ville capitale là où l'État central est très fort : Dublin, Vienne.

- Comment élaborer une stratégie métropolitaine visant un triple objectif : Glasgow et la vallée de la Clyde, Melbourne.
- Comment prendre des initiatives de développement économique régional/métropolitain en l'absence d'une autorité publique régionale/métropolitaine : Philadelphie, Phœnix, Francfort, Bilbao.

Ce que les autres peuvent apprendre d'Athènes...

Nombre des initiatives qui pourraient valoir à Athènes de devenir un modèle de bonnes pratiques n'ont pas encore porté leurs fruits et les plus intéressantes sont en cours d'exécution. Sans aucun doute, Athènes pourrait constituer un exemple manifeste de la manière dont une grande ville peut se réinventer et se repositionner grâce à un effort d'origine largement nationale. Les thèmes que d'autres villes pourraient trouver intéressants sont par exemple :

- Comment introduire des financements mixtes publics/privés dans une région où ils étaient auparavant inusités ;
- Comment accélérer les réformes en suspendant certaines règles et en consentant des assouplissements pour réaliser des objectifs clés ;
- Comment tirer parti des Jeux olympiques pour susciter des investissements beaucoup plus importants, moderniser et développer le rôle international d'une grande ville.

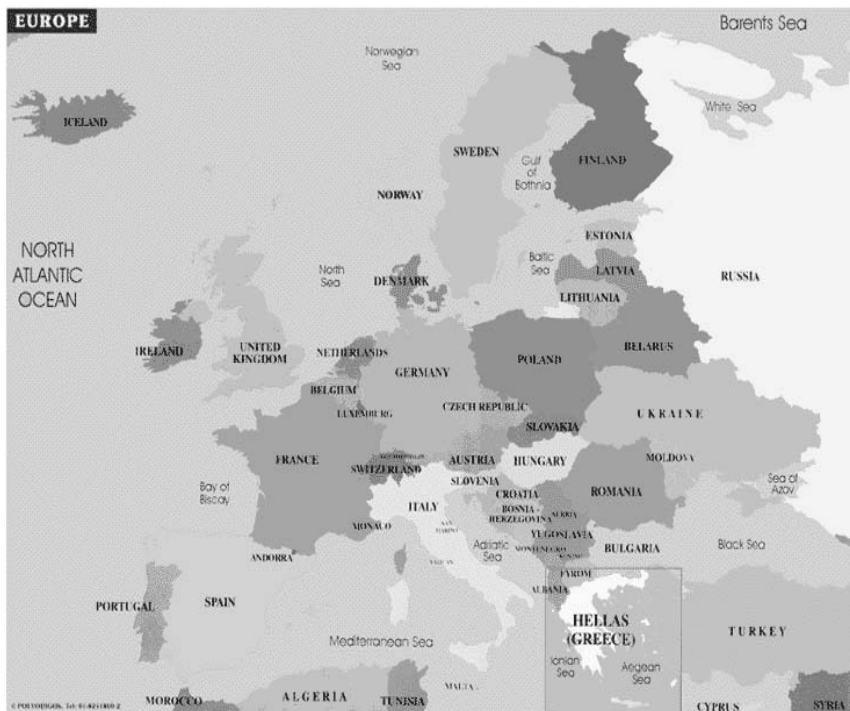
CHAPTER 1

BACKGROUND AND KEY ISSUES

Settlement and Population

Greece is the most easterly country within Western Europe. This location has affected both the formation of Greek identity and the planning of Athens the capital. Greece is 131 957 square kilometres in size and approximately seventy percent of the country is mountainous. The land is divided into many local pockets by its short rivers, deep inlets and short mountain ranges.

Figure 1.1. Greece in Europe



Athens is situated on the southern coast of mainland Greece in a semi-arid zone with a Mediterranean climate comprising three seasons. The metropolitan area extends over the central plain of Attica, a fertile flat area surrounded by mountains on three sides. The city is dominated by the rocky plateau of the Acropolis (157m) and five other hills - the Pnyx (110m), the Areopage (115m), the hill of the Nymphiadess (105m), the Philopappos (147m) and Mount Lycabettus (277m) – all lying within the metropolitan area. To the west, the Plain of Attica opens to the Saronic Gulf and the Port of Piraeus, which is located eight kilometres from the city centre. The area of Greater Athens, including the port of Piraeus is 3 200 square kilometres. Piraeus is large enough to be a city in its own right although it is considered part of the Athens conurbation.

Figure 1.2. Athens in Greece



When the Greek nation was founded in 1833, the capital city Athens was home to only 4000 inhabitants. In a little over 150 years, the population of Athens has grown to well over 3 million inhabitants, far outstripping Thessaloniki (800 000 inhabitants) and the other four medium sized cities of Greece - Patras, Heraklion, Larissa and Volos (between 100 000 and 250 000 inhabitants). All other Greek cities have under 100 000 inhabitants. Attica concentrates roughly one third of the population of Greece on about 2.8% of the country's total area at an average density of 6 979 persons per sq. km.

Demographic Trends

Between 1991-2001, the population of Greece increased by 6.8% to reach 10 940 000 inhabitants (Census, 2001). Over the same period, the City of Athens (the central municipality of the Athens Metropolitan Area) grew more slowly than other Greek cities, but at the same time the wider metropolitan area (AMA) grew at 6.8% to 3 761 810, thus maintaining its share (one third) of the total Greek population and confirming the dominant position of Athens as the main urban centre of Greece. Population increase in the remainder of Attica was very high -- 27.4% bringing the population to 574 076 inhabitants. The rapid growth of the periphery of Athens is due to suburbanisation driven by new infrastructure projects in outer areas. These are associated with the location of the new Athens International Airport in the Plain of Messoghia to the East of Athens, which is providing significant employment opportunities, and a major boost to the development of the area. The development pressures on this agricultural area raise the key issues of how the area should be planned and how to improve the implementation of planning decisions.

Ageing

The ageing trend in Greece is more acute than in most other OECD European countries. The number of pensioners is equivalent to 60% of the active population and the dependency ratio doubled between 1960 and 2000. As in almost all OECD countries, the dependency ratio is expected to rise substantially after 2005 and to continue rising for several decades thereafter. Life expectancy in Greece is expected to rise by 4-5 years over the next five decades. Female participation rates, currently well below the EU average, are projected to rise substantially. This will raise total contributions to pensions for a time, but exacerbate pension spending subsequently. In the absence of reforms, public expenditure on old age pensions in Greece, which is currently about 2 percentage points higher than the EU average of 12-13% of GDP, is projected to virtually double by 2050. On the basis of demographic and labour force trends, it will reach nearly twice the EU average by then, by far the highest in the OECD area (OECD, 2002a).

Migration

Migration has played a decisive role in overall population growth during the past decade. The number of legally registered migrants in Greece is 797 091 with probably the same number of unregistered immigrants. Almost half (376 732) live in the AMA representing 10% of the total population of the metropolitan area. The largest number of immigrants is concentrated in the City of Athens (140 626 or 18.9% of the population), which has been losing population to the outer suburbs. Although most foreign immigrants settle in the City of Athens, some affluent suburbs such as Vouliagmeni or Psychiko also attract foreign high-income businesspersons and their families.

Until 1922, the Athens urban area expanded around the two centres of the City of Athens and its port Piraeus. In 1923, around one million persons of Greek nationality were repatriated from Turkey following an exchange of population between Greece and Turkey at the end of hostilities. A high percentage of these persons settled in the Athens area. In the effort to house this population rapidly, the government distributed small parcels of land on which the repatriated Greeks built homes usually without the appropriate infrastructure. Thus, the process of uncontrolled development of the periphery of Athens began. After World War II, in the continuing absence of comprehensive regulatory planning for the entire urban area and in particular due to poor implementation of planning laws, urban sprawl continued. The settlements which sprang up outside the planned areas were in due course integrated into the official city plan. This a *posteriori* process resulted in a mixture of incompatible land uses characterised by the coexistence of industrial and residential areas, high densities, lack of social amenities and green spaces, poor infrastructure facilities, particularly for mass transport, traffic congestion and air pollution (Athens Metropolitan Region).

The important inflow migration of the 1990s reversed the 1950s and 1960s situation when Greeks migrated en masse to the labour markets of Western Europe and overseas. This inflow, mainly from neighbouring Balkan countries, is still comparatively low (5%-6% of the population in Athens in 1998). It is, however, important since it represents a very rapid change affecting dramatically the homogeneity and balance of the city's socio-cultural structure, especially in the areas where it is highly concentrated. Immigration impacts upon the economy significantly. The Background Report submitted by the Greek government for the Review notes that the informal economy accounts presently for between 20-40% of the economic output of Athens. This is very high with well-known social and economic costs and implications. How this issue is addressed in the immediate future will affect the economic and social development of the city.

Economic Development Trends and Policies

The Greek economy is performing well. Membership of the European Union and adoption of the Euro has resulted in a more stable economic and political climate. Greece is currently benefiting from massive EU investments in infrastructure under the Third EU Community Support Framework, as well as investments related to the 2004 Olympic Games. This unusual level of investment will not be sustained after 2004 for the Games and after 2006 for the CSF. The OECD has advised that regulatory reform should continue to be pursued vigorously in Greece in both the public and private sector, while higher education needs to be revamped to improve the match between education and skills and the needs of business and new technology sectors (OECD, 2001c). As mentioned above, another economic issue is the informal economy in the Athens Region. The forthcoming enlargement of the European Union to the east and the eventual entry of Turkey will place Athens centrally in the eastern part of a larger European Union. A more proactive economic development strategy for the Athens Region, building on local and regional strengths, but taking more into account the European and international opportunities, would strengthen and diversify the competitive base of Athens internationally.

Social Trends and Policies

According to research carried out for this OECD Review, Athens scores well in almost all “social/equity” indicators and represents a spatially homogeneous society. It is one of the capital cities with the lowest crime rates in Europe and has a low-income disparity. Spatially, there is no sharp class segregation in Athens as reported in many Western metropolises. However, this is a changing scenario and needs to be understood in the context of Greek society. Traditionally family networks acted as substitutes for insufficiencies in state welfare provision, developing a kind of solidarity that represented a safety net for the more vulnerable of their members. The wide diffusion of family networks left few individuals completely unprotected. Maloutas (2002) notes that this form of social protection is changing as household structures are becoming less invested in family.

Athens has traditionally been a socially homogenous city, but this is changing. Athenians from the central city area have increasingly moved out to the suburbs, leading to higher concentrations of a poorer population composed of students, immigrants and the elderly in the city centre. Athens, like most OECD metropolitan regions, also faces the issue of adapting to ageing and integrating increasing numbers of legal and illegal immigrants in the Athens region. It has been observed that:

“The city has evolved as the outcome of a multitude of uncoordinated individual choices and actions without any broader social concern and co-ordination: the poor rural immigrants of the 1950s and 1960s used illegal construction as a way to solve their housing problems in complicity with the state and with the moral excuse of the absence of alternative solutions; the large masses of petty urban landowners used the opportunity of enrichment and improvement of their housing conditions in the 1960s and 1970s by overbuilding the areas around the city centre following incentives given by the state; the upper and upper-middle social strata chose to escape from the overbuilt and congested areas of the city centre in the 1970s and 1980s to secure a better living in the suburbs.” (Maloutas, 2002).

The Greek National Report for the International Conference HABITAT II (1996) established the principal policy framework for the housing sector, setting the lines to be followed in the national effort to face the problems identified in the context of the UN recommendations for HABITAT II. Reform of the system of housing grants and subsidies in order to achieve greater social justice, a sharper focus on cases of real need and, finally, more effective use of public resources were identified as priorities. Despite the gradual improvement in housing conditions during the 1990s, the housing problems of economically vulnerable groups, measured in space and room deficits, seem to have remained quite extensive. Despite the lack of substantive redistribution policies concerning housing, due to fiscal constraints, certain additional negative factors have contributed to the reproduction of housing problems among the more vulnerable groups. Inequalities in income and consumption have not shown any significant improvement during the past decade. More specifically in the case of housing and for the areas of Athens for which data are available, while the average housing space per person among all households has improved by about 11% (from 25 to 27.7 sq. m.), for the lower socio-economic groups that comprise about one-third of the total population, improvement between 1989 and 1999 has just exceeded 7% (from 23.5 to 25.2 sq. m. per person).

In the long-term, the most important problem of high cost and inadequate supply is to be found in the *rental sector*, which in Greece is completely private. Since 1980, the share of rented accommodation in the housing market has been falling steadily. For example, between 1988 and 1994 the rental sector, at the national level, decreased from 23% to 20% and in Athens from 33.5% to 31.8%. Over the same period, the share of spending on rent in total household consumer expenditures rose from less than 15% to 20%, and for those on lower incomes to 25%, figures unprecedented in Greece. A recent survey indicates that the contraction of the rental sector is continuing, at a slower rate. Both the *poor*, comprising about 14% of all households in Athens and *foreign*

immigrants, show exceptionally high shares of rental housing: 48.5% among the poor and 92% among immigrants (the corresponding share for the population as a whole is just above 26%).

Box 1.1. The Main Characteristics of the Greek Housing Market

There is a high rate of homeownership at 80% of all households. Owners often purchase their own plot of land, arrange for their home to be built and live there for much of the rest of their lives. Traditionally, limited recourse has been made to mortgage finance.

Changes have been occurring over the past decade. Rising living standards and a greater availability of mortgage finance have increased the significance of housing development companies in the large cities. The first half of 1990s, however, saw a severe depression in the housing market and marked falls in house-building. There was a partial revival from 1997 but high real interest rates kept the market subdued for the rest of the 1990s. Subsequently, the market rebounded.

Data are extremely hard to come by. In particular, there is no general price information and only a little on house-building through which to judge market developments. Anecdotal and mortgage market evidence, nevertheless, suggest that the real estate market since 2000 has been buoyant. This situation was generated by historically low nominal interest rates, improved economic growth, a large number of the infrastructure projects and the stimulus provided by the 2004 Olympic Games. The residential market was reported to be active and mortgage markets have been expanding at record rates. Demand was strong in the capital and transactions activity robust.

Since the revival in 1999, high price growth has occurred in Attica prefecture (which covers the Athens area), where house prices in many parts have doubled and residential land prices quadrupled. Price rises, however, slowed down in 2002. Several areas in Greater Athens have seen stagnation in demand and prices, particularly in the more expensive residential areas in the Northern and Southern suburbs. Residential land is highly priced in these areas and the size of houses is large (over 200m²). Stronger demand is still reported for houses up to 120m² across the Attica prefecture, but this is not being translated into higher prices, which are now in the region of 1200 to 1800 euro per m². High demand is occurring in the area of Messoghia for large land plots. House prices in this area rose by 10% in 2002. Demand there is partially driven by the new airport and the improved transportation links, which attract businesses.

Prospects for the Athens residential market in 2003, nevertheless, are good. Demand is expected to become stronger in the centre of Athens, especially as regeneration projects come on stream. Suburban demand will also be underpinned by ongoing infrastructure projects, such as the extension of the Metro.

Despite strengthening demand, prices are not forecast to rise much further. Lower interest rates have already been factored into prices over the past few years. Moreover, developers' expectations are strong, so that supply is increasing. Many prospective buyers also believe that asking prices are becoming unsustainable.

There have been considerable improvements in housing standards in recent decades, particularly in the large prosperous cities. Even so, a large part of the existing housing stock of 4.6 million dwellings has physical inadequacies – roughly a fifth of homes are believed to be sub-standard. There are also many houses in the provinces that are vacant due to population migration to the larger urban centres. Moreover, flats of less than 60m² are common, but they are unsuited to the needs of the typical four-person family and around a third of households face severe space constraints. Overall, it is believed that 30% of the current owner occupied stock is either empty, of poor quality or far too small.

Box 1.1. (cont.)

In the big urban centres, the most common way of buying a dwelling is to purchase an existing home. Around 40% of the existing owner households acquired their home in this way. Another option is to have one built on an owned plot. Around a third of owner households did this. There are important regional differences in the share of new building. In the urban conglomerations of Athens and Thessalonika, given their already built-up character, the purchase of an existing house is more usual, while, in other urban centres with populations of above 100 000, new building is more frequent (rising to almost a half of all owner occupiers compared to the national average of a third).

The second source is through a bank loan (21% of households, though this is now rising), while only 10% use funds from selling a previous property. The final 8% consists of mainly low-income people, who say that they had only borrowed from members of the family or friends. Thus, low-income households rarely resort to other forms of borrowing. Using loans is much more common when buying an existing dwelling than in the new built sector. Not surprisingly, therefore, outstanding housing mortgages form a small share of national income and the country has the lowest outstanding mortgage to national income ratio in the EU.

Source: Royal Institution of Chartered Surveyors, (www.rics.org).

Environmental Trends and Policies

The OECD Environmental Performance Review of Greece (1999-2000) (OECD, 2000a) recognises that whilst the country has made substantial efforts towards economic convergence this has only partially been matched by what could be termed environmental convergence aimed at improving the quality of life in larger cities, maintaining environmental quality in tourist areas and building modern environmental infrastructure through national and EU funding. Overall, the OECD Review recognises that Greece has good environmental quality and that considerable improvements can be seen in the air quality of Athens and the restoration of architectural and historical heritage. The main environmental challenges that remain are:

- Controlling air emissions from transport and from large power industrial plants (OECD indicators show that emissions of CO₂, NO_x and SO_x are amongst the highest in OECD Europe);
- Reconciling water resource supply and demand;
- Improving waste prevention and elimination;
- Redevelopment of industrial brownfield sites;
- Protecting land and coastal resources;

- Urban sprawl; and
- Conserving bio-diversity and terrestrial and marine ecosystems.

The EU has played an important role with respect to environmental performance improvement in Greece through the legislative and regulatory process and substantive investment in environmental infrastructure. However, the OECD Environmental Performance Review clearly highlights similar issues which were noted in the OECD Regulatory Reform Review of Greece (OECD, 2001c) and which are issues in this Territorial Review, namely that:

- The legislative and regulatory environment must result in measurable outcomes and should ensure the capacity for enforcement;
- Serious consideration must be given to develop a strategy for the next round of EU Structural Funds to encourage more diverse funding options; and
- Increased efforts are required to further integrate environmental concerns in economic, sectoral and social policies.

There is also a need to improve urban planning and implementation and upgrade housing and infrastructure. Furthermore, climate change is resulting in incidents of heavier rainfall and flooding in Athens, which also require to be taken into consideration in terms of planning, and upgrading of infrastructure; there is also a need to improve the resistance of older housing and other buildings to earthquakes.

The progress that Greece has made with respect to environmental performance is evident in Athens. It will be important that the city build on many of the positive outcomes related to the Olympic Games in 2004 and the substantial EU investment in infrastructure, which has taken place, maintaining the momentum for the protection of heritage sites and successful application of sensitive urban design in parts of the city.

Governance and Spatial Planning

Governance

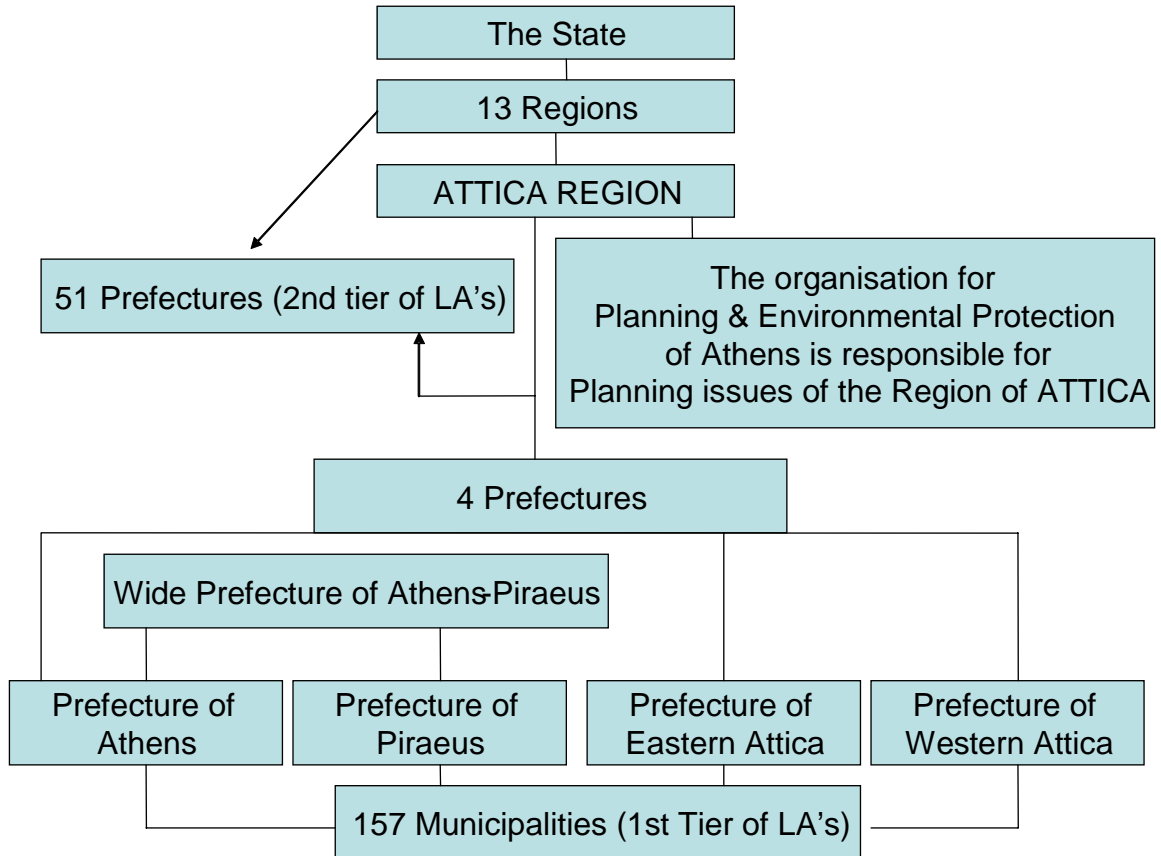
In 1973 the Greek monarchy, established by France, Britain and Russia in 1833, was abolished by the military dictatorship, which took over power in April 1967. From 1974 onwards, under the leadership of Konstandinos Karamanlis who was recalled from exile, democratic structures and processes

were gradually reinstated in Greece, culminating in the entry of Greece into the European Union in 1981. The administrative operation of the state is divided into Government and Public Administration. According to the Constitution, the Government defines national policy while the public administration implements government policy. According to the Constitution, “the administration of the state is organized according to a decentralized system.” Administrative decentralization is expressed through a recent re-organization of responsibilities on a regional basis assumed to express regional concerns. Furthermore, the Constitution states that “the administration of local concerns belongs to Local Governments that is Prefectural departments and municipalities.”

Governance reform undertaken in the late 1990s sought to modernise and restructure local governments. Under a 1994 law, all government responsibilities that do not have a national character were to be devolved, but the actual transfer of powers commenced in 1998-1999. This Programme, known as *Ioannis Kapodistrias*, will have long-standing impacts on the quality of the public administration, and will significantly alter the responsibilities of the central government in terms of rule making. In parallel to administrative devolution, a 1994 law reformed the electoral process. The prefect (*Nomarch*), previously appointed by the central government, is now elected together with a Prefectural council. Taken together, these reforms could substantially change the governance of Greece toward a more responsive and outcome oriented administration. The Programme has not yet been completed and the readjustment and redeployment of public servants from the centre to municipalities is falling behind the transfer of policy responsibilities. Improving the technical capacities of local government officials will require resources and time. The Greek Agency for Local Development (EETA) with the assistance of EU funds has been organising training Programmes for more than 2 500 local officials.

In Greece, sub-national and supranational levels of government administration are inextricable elements of the regulatory framework, and developments at one level affect others. Until the early 1990s, Greece had a highly centralised structure relying on deconcentrated government offices at the prefecture level (*Nomos*). A series of major reforms undertaken in the past decade, have restructured and empowered the sub national level. As a result, Greece has a three-tier system: 13 deconcentrated regions governed by a council and Secretary General appointed by the government for four years, a decentralised “second level” of 51 prefectures (*Nomos*) with each region containing two to five prefectures, and a decentralised “first level” of 1 033 municipalities and communes. The presidents of the first and second levels have been elected since 1998. The flowchart below details the administrative structure as it relates to Athens.

Figure 1.3. Administrative Structure



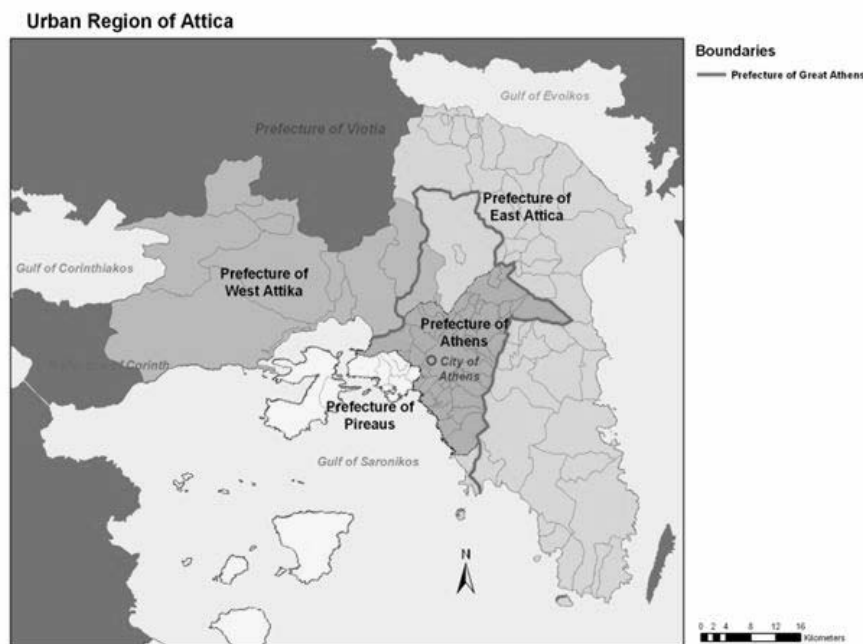
Source: Ministry of the Environment, Planning and Public Works, (2002).

Unified Prefecture of Athens–Piraeus

The basic structure of the services for the Prefectural department of Athens includes planning and programming, economic development, social development, culture and quality of life, the sector of civic rights and protection and the sector of administrative support. Furthermore, it provides for the establishment of Directorates in three smaller geographical areas, eastern, western and southern Athens. The Prefectural department of Piraeus provides

for the establishment of 18 directorates and several operational units. In practical terms, the majority of the aforementioned services operate ineffectively as more than 90% of the posts are filled by temporary staff from the central government. Only 29 employees staff the central service of the Unified or Super Prefecture of Athens-Piraeus compared to the 3 666 posts of the Prefectural department of Athens and the 1 170 posts of the Prefectural department of Piraeus. Thus the administrative importance of the “Unified Prefecture” is minor, while on the contrary the two Prefectures of Athens and Piraeus departments operate independently and possess more resources, means and personnel.

Figure 1.4. Urban Region of Attica



Region of Attica (roughly the AMA)

The Region of Attica presents several particularities in relation to the other regions of Greece as many of the responsibilities exercised by the agencies of the Region are, in fact, exercised in Attica by central agencies of the Ministries or special agencies (*i.e.*, the Organisation of Athens- responsible for the

Planning and Environmental Protection of Athens). Regional policies have until recently aimed to channel investment to other regions of Greece rather than to the Region of Attica with the objective of achieving more balanced demographic and economic development over the national territory and because Athens was considered to be saturated.

Despite this policy, the Athens Metropolitan Area continued to grow, maintaining its share of population and economic activity. The recent infrastructure investments in the Athens region (mainly funded by the European Union and in connection with the Olympic Games) have broken with past regional policies, providing long awaited investment in transport infrastructure for the Athens region (new airport, ring roads, new Metro, a tramway, upgrading of bus system, etc.). There is now more recognition of the need to better structure growth in the Athens region rather than simply curtail it. This is linked to greater understanding of the international role, which Athens will have to play in a global economy, which will require better planning, and investment strategies.

Central Government Services in Attica

Attica concentrates a large share of civil servants and public administration. According to data from the Ministry of Interior, Public Administration and Decentralisation, 46.5% of civil servants work in Attica. The most significant government entities, which directly affect metropolitan Athens, are:

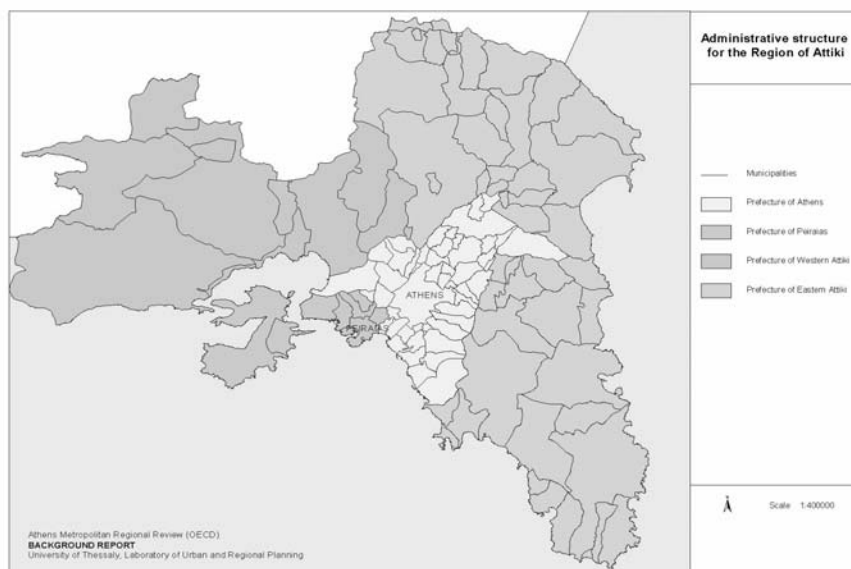
- Ministry of Transport: the Ministry monitors and controls several significant agencies for Transportation in Attica (OASA, OSE, KTEL).
- Ministry of Interior, Public Administration and Decentralization: Highly significant is the Directorate General of Development Programmes (mainly supporting local development) while Directorate General of Local Government has a unique role through the activities of the Directorate of Technical Services. Under the same directorate is the “Architectural – City Planning” Department which copes with projects and works for restoration, reformation, preservation of the cultural heritage and the protection of the man made environment. It supports municipalities in land use planning and city planning and also elaborates technical specifications and provides technical support and assistance.

- Ministry for the Environment, Physical Planning and Public Works (YPEHODE): YPEHODE monitors and controls significant agencies for Attica such as the Organization of the Regulatory Plan and Environmental Protection of Athens with spatial planning responsibilities and the elaboration and implementation of specific studies such as “Attica SOS”, “Elaionas: an oasis of green and life”, etc. From the central services of YPEHODE the following present a special interest for Attica.
- Ministry of Culture: The Ministry is responsible for the protection of archaeological sites and the monitoring of several restoration projects (*i.e.*, for the Acropolis). Also, it is jointly responsible with the Ministry for the Environment, Physical Planning & Public Works for a large-scale urban redevelopment programme known as the “Unification of Archaeological Sites of Athens”.

Local Government in the Athens Metropolitan Area

In total, there are 91 municipalities and 31 communities in the Unified Super-Prefectural department of Attica. The Programme for the consolidation of OTA (Local Authorities) was implemented only in specific insular or coastal municipalities of the Prefecture of Piraeus. By 1998, in Attica 108 municipal and communal agencies were registered in 64 municipalities which employed more than 1 000 employees. Of the 108 agencies, 36 are “development” oriented while the remaining ones deal with technical issues. Other actors include various subsidiary companies of Local Authorities (OTA). General public institutions, public libraries, cultural centres, sport organizations fall into this category. In total, there are more than 369 public agencies in Attica. This presents enormous challenges to deliver effective and efficient government and weakens institutional capacity to develop long-term coherent strategies.

Figure 1.5. Administrative Structure of Attica



Challenges for Governance in Athens

Governance issues are critical to improving vertical and horizontal co-ordination, co-operation with the private and community sectors, and the capacity of sub-national authorities to meet the obligations of international treaties. Governance problems can also prevent competition between territories for jobs and investment due to differences in environmental standards. The governance framework in Greece is such that improvements will only be possible if there is a greater degree of devolution/decentralisation of power, coupled with studiously building capacity to deliver a new kind of land-use planning system. There is widespread municipal fragmentation coupled with a strong, but traditional, national planning legal system, and very weak capacity at the metropolitan and regional level. Top-down, technocratic strategies alone appear unable to generate a reassuring vision of the future on which an overall development strategy can be based. Territorial policies respond to the requirements for ecological sustainability and to the demand of people for places that combine economic opportunity with a higher quality of life. There is a clear lack of local empowerment through local governance measures and a limited flow and dissemination of policy objectives and initiatives.

In response to these factors the Hellenic Ministry of Interior, Public Administration and Decentralization (M.I.P.A.D.), proposes a dialogue about the transformation of the local administration's legal framework. This dialogue will take place among the M.I.P.A.D., the Central Union of Local Authorities, and the Political Parties, which are represented at the Greek Parliament. This will lead to a new legal framework for the local administration, under the form of a national law. This dialogue will take place in 2003 prior to going through Parliament.

The Urban Development of Athens

In Ancient Greece, although architecture was planned and intentional in terms of its relationship with the developing urban form there was no tradition of cities being planned as entities in themselves. It was not until Greek independence from the Ottoman Empire in the 19th Century and the declaration of Athens as the national capital (1833) that a master plan was prepared for the city. In 1833, the city had 4000 inhabitants but its creators Kleantes and Schubert envisaged the growth the city in a European context. The plan produced reflected the principles of 19th Century Romantic Neo-Classicism and its main goals were to provide for the northward expansion of the city and the restoration of the Ancient centre. In 1850, the plan was amended to accommodate a population of 50 000. By 1920, the city had followed a concentric development pattern around Athens and Piraeus but still only had a population of 453 000. However, by 1928 the population had increased to 802 000 following a significant wave of refugees migrating from Asia Minor. By the 1940s the population had exceeded one million but it was during the 1950s that city densified experiencing rapid population and economic growth. Most of the current built form of the city is actually only four decades old. Today the Athens region encompasses 157 municipalities situated in four prefectures, over three and a half million inhabitants (34.3% of the Greek population). Attempts were made post WW II to develop a regional plan to respond to the rapidly developing capital. By the end of the 1970s the Capital 2000 plan had emerged and the legislative context for the development of the city was ratified. Plans however tended to be summaries of problems rather than mechanisms to guide the development of the city.

Both governance and planning arrangements in the Athens Region are conditioned by:

- the function of Athens as the capital of Greece and its largest market;
- the critical role of central government in policy making;
- the lack of a clear and comprehensive vision for the future of the metropolitan region combining an economic development strategy, a social strategy and an environmental strategy;
- the lack of a coherent political/institutional/legal framework to support such a vision and strategy, encourage inter-municipal co-operation, and implement area wide planning and policies.

There is evidence of planning failure in Athens due to the obsolescence of the 1985 Structure Plan and lack of efficient implementation of planning legislation. Discussions are now underway to develop a new or at least revised Structure Plan for the Athens region covering the next 20 years. This process could benefit from input from the OECD Review. Key planning issues are:

- controlling sprawl;
- planning development in the Plain of Messoghia around the new airport in the eastern part of the region;
- redevelopment of older former industrial areas;
- regenerating the historic city centre, upgrading housing and infrastructure;
- protection of environmentally sensitive areas; and
- Controlling the use of the car and on-street parking.

In the meantime, the huge investments in infrastructure, the road network and public transport are helping to re-structure the urban region and improve accessibility.

Governance for Development

Athens is the capital city, and it is not unusual for there to be limited forms of local government in capital cities, with national government and national initiative playing a strong part in how the city is managed. This is true in various cities such as Canberra, Washington D.C., Dublin, etc. It is frequently also the case when national capitals are the main metropolitan nucleus within

their nation (Vienna, Brussels, etc.). Capital cities are often seen as belonging to the whole nation, and it is viewed as important to resist their management being too localised, or narrowly framed. However, this makes metropolitan leadership difficult to achieve. The current experience in Athens demonstrates how very significant investments can be achieved by a national government focussing public finance and regulatory powers on key locations in the capital to achieve a step change in a short period. This is not unlike the recent experience in Berlin, and bears some resemblance to the regeneration of London Docklands, and the revitalisation of Time Square/42nd Street in New York (though not a capital city). In each of these cases, an authoritative approach to regeneration has been taken, and national or state government has used its powers in a dominant manner to achieve change against local lobbies in key locations.

Policy and aspiration is generally in advance of implementation in Athens, and only central government seems to have any capability on bigger initiatives. There appears to be no concerted attempt to build the capacity at the local level. There is some talk of more regional devolution through the creation of a new democratic/participative tier around the regional prefectures, but there is clearly widely varying opinion on how likely any of this is. National government controls much of what is decided in Athens, but is highly departmentalised, making cross-sectoral integration difficult.

Olympic Games

The 2004 Olympic Games provide an excellent opportunity to project a new image of Athens as a modern well planned and well run urban region, which is attractive in terms of both economic investment and quality of life. Key objectives are to make a success of the Games but also, and importantly, to sustain into the future the momentum of the economic, social and environmental improvements generated by the Games (See Chapter 4).

As mentioned above, the preparatory works connected with the Olympic Games have effectively restructured the urban region via the new airport, ring roads and major highways, a new Metro, a new tramway, a redeveloped coastal zone at Faliron, new and upgraded sports facilities, new and refurbished hotels, and the Unification of Archaeological sites in the city centre comprising a large new pedestrian circuit. All of this has been accomplished by Greek companies and showcases the high quality of Greek entrepreneurs and their technology. This demonstration should encourage investment in the Athenian economy and help boost exports in the post-Games period.

Preparing Athens to receive the Games in 2004 is a huge challenge for a small country such as Greece. Much is being accomplished but there was need for further co-ordination between the various public entities. As a result, in October 2002, the Prime Minister Costas Simitis urged the officials involved to take “drastic measures” and wherever necessary to cut through red tape in order to solve outstanding legal problems and meet deadlines. For example, legal disputes between construction firms and petitions between local groups have held up some Olympic projects and more co-operation is needed between Olympics organisers and local mayors, many of whom were newly elected in October 2002. Some local authorities are opposed to Olympics related projects such as the construction of electricity sub-stations and football stadiums on specific municipalities and concerns have been raised concerning the economic, social and environmental impact of the Games and the need for a post-Olympic strategy.

Key issues are therefore:

- How to link the Olympic legacy with the new infrastructures in order to create a better capacity and pro-activity around economic development and the promotion of a confident role for Athens in the Greek and international economies.
- How to improve the spatial planning system and governance framework so that future growth and development can be more pro-actively managed to avoid the problems of the past, and better achieve integrated public policy goals
- How to harness the surge in civic pride, and undoubted improvements in public management, that the games are creating to set a wider course for Athens and to crystallise some new ways of working.

CHAPTER 2

ECONOMIC DEVELOPMENT AND COMPETITIVENESS

It is useful to put issues about economic development and competitiveness in the Athens Metropolitan Area in the context of debates about the competitiveness of metropolitan regions in general. The OECD report “Cities for Citizens: Improving Metropolitan Governance” underlines that striking the right balance between policies for increasing the competitiveness of cities and policies for social cohesion and quality of life is a major dilemma for metropolitan areas (OECD, 2001e). Recent attempts to introduce better governance arrangements and to adopt a more strategic approach to combining economic development with social and environmental sustainability have seen the emergence of what is termed the “entrepreneurial city”. A list of characteristics serve as a rough benchmark against which urban regions may measure their performance as entrepreneurial cities:

- Economic diversity in the manufacturing and services sector, preferably in the high value added and in the exporting or import substitution sectors.
- A supply of skilled human capital. The successful cities and regions will be those whose people can operate successfully in the knowledge and information based industries.
- The right institutional networks. Competitive cities and regions need a range of links between institutions of higher education, research institutions, private industry and government to exploit the intellectual knowledge of skilled people.
- The right environment. Competitive cities need the economic, social and cultural conditions that will attract and retain a potentially mobile workforce. This means the right physical environment, but also the right cultural environment as well as the right economic and social environment.

- Good communications. Partly this means physical communication — roads, airports, railroad links, and electronic communications. But communication is partly a cultural process, a question of attitude. Entrepreneurial cities need an international strategy toward markets.
- The institutional capacity to mobilise public, private and community resources in the long-term to deliver agreed economic and social development strategies.

The OECD Territorial Development Policy Committee (TDPC) has noted that recent changes in the context for policymaking at regional and local level will have an important influence on how future policies to improve competitiveness are framed and implemented.¹ The most significant of these shifts, which are relevant for rethinking policy in the Athens metropolitan region, are the following:

- Regional policymaking now calls into question traditional approaches based on subsidies targeted at “disadvantaged” regions. The perception that such policies were not effective and in some cases counter productive has resulted in a move towards policies that give greater scope for place-based allocation of resources, not simply for the purpose of redistribution or to narrow economic gaps but to maximise growth across the whole territory. As a result, major metropolitan areas have become targets for regional policy alongside less developed or peripheral regions.
- Concern for sustainable development is likely to influence the choice and intensity of economic development policies, leading to concepts such as sustainable growth or “smart growth” that consciously address the trade offs between maximising competitiveness and other social and environmental objectives.
- Finally, devolution or decentralisation of certain functions to regional and local government and an increasing emphasis on more open governance systems has intensified vertical and horizontal dialogues. On the one hand, urban policymakers have greater scope to act in the field of economic policymaking and on the other hand, they are under pressure to broaden the debate on local economic management to include non-governmental actors, notably the private sector.

Strategies to improve regional competitiveness can be considered as emblematic of the major changes taking place in the way policy is formulated and implemented in OECD Member countries. They are, in essence, the

expression of locally defined economic development goals and envisage long-term strategic shifts that are specific to a locality. For example, a region's strategy to enhance competitiveness might involve transition to high-skill, high wage employment base; transition to environmentally friendly production and industries, or transition to greater specialisation (or diversification) in high-growth sectors. In addition, they could also include targets in related fields where improvements are considered to be crucial to the long-term development, or competitiveness, of the metropolitan region; for example, the development of an international airport, creation of a research pole or a university, rezoning to preserve green belts, and so on. Furthermore, by their nature, strategies to enhance competitiveness in metropolitan regions encourage a reassessment of the respective roles of national, regional and local government and non-government actors in policy formulation and implementation. (See Appendix 1).

Athens Metropolitan Area

For many decades, Athens was credited with one of the lowest values of attractiveness and competitiveness indicators compared to other European metropolitan areas.² Constraints on the economic development and competitiveness of the Athens Metropolitan Area were often attributed to spatial and environmental factors and a lack of vision in terms of how the metropolitan area utilised its human and cultural capital or exploited areas of comparative advantage. Since the mid 1990s, however, major changes have and continue to occur which are substantially enhancing the potential of Athens to stake its claim as a modern European metropolis. But although reform is well underway, considerable scope still remains to either take up or neglect opportunities; to either tackle or shelve the solving of problems. Both positive and negative factors of change are currently at play in Athens. Some, such as higher than average levels of economic growth in Greece compared to other European countries, are contextual, but nonetheless important in reinforcing the Athenian economy; others, such as transport congestion, car use and on-street parking control or planning failure in Athens, must be tackled at the level of the urban region.

Strengths and Opportunities

Macro economic conditions in Greece have improved substantially and this is good for Athens. For example:

- The Greek economy has been growing steadily since the mid-1990s with GDP higher than the European level (around 4% in 2003).
- Government budget deficits have been gradually reduced leading to a surplus of about 0.8% in 2002.
- Greece successfully adopted the Euro in 2001 and achieved macro economic stability with low levels of inflation -- 3.75% in 2001.
- The next goal is to achieve convergence with other OECD countries in terms of real per capita income, which at present is two thirds of the EU average.

Regulatory Reforms: structural reforms have been undertaken to improve the functioning of the product, labour and financial markets and to enhance the efficiency of the public administration. For example, in 2001 broad reforms were implemented in the information sector and network industries. Total users of Internet have reached 1.5 million; in the telecommunications sector, fixed voice telephony services have been liberalised; in the energy sector, state monopoly officially ceased in February 2001 and the gas market is to be opened up; sea transport was liberalised in 2002; and there is an ongoing privatisation of state owned companies.

Finance: Despite a relatively morose economic climate world wide and a disturbing international political scene, Athens is presently enjoying a period of exceptional financial investment in major infrastructures (metro, ring road, international airport, tramway, a pedestrian route linking the major archaeological sites, sports facilities, etc.). This investment is fuelled by EU structural funds and finance for the Olympic Games. Greece received about 32 billion Euros in aid between 1994 and 1999 from the 2nd Community Support Framework. Between 2000 and 2006, the 3rd CSF will invest a further 48 billion Euros (about 4% of Greek GDP). These funds are being partly allocated, along with private sector funds, to the completion of large infrastructure projects, which are the basis for long-term growth. Nonetheless, a key issue is how the benefits of the EU and Olympic Games investments can be harnessed in support of the long-term sustainable development of Athens.

Athenian economy: The fact that the economy of Athens, like that of Greece, is largely based on the service sector is positive. Business is mainly composed of small and medium size enterprises and the educational level of the Athenian labour force is high. However, the share of high productivity small and medium companies appears to be low. There is a need to better match higher education with job opportunities, to increase the density of interactions

between business and university based research and development, and to encourage clusters and new areas of economic activity.

Environment: Notwithstanding the environmental challenges, which subsist, the physical environment of Athens has been improved considerably due to governmental programmes to reduce air pollution and supply new public and road transport infrastructures; cultural heritage has been enhanced by the Unification of Archaeological Sites Programme and the Cultural Programme attached to the Olympic Games.

Governance: There are signs that policy makers at the highest level now recognise the need to modernise governance arrangements to cover *the functional area of Athens* and to better integrate planning and economic, social and environmental ministries and policies. There is also evidence of a desire to enhance the role of the local authorities, private sector and civil society in the future economic development of Athens.

Weaknesses and Threats

Finance: Finance may be in short supply in the medium-term. For example:

- Investment in urban infrastructures for the Olympic Games will cease in 2004 and CSF funds will be reduced after 2006-2007.
- There may also be problems in maintaining Olympic venues and reconverting them to other activities.
- At the national level, Greece still has a substantial debt burden despite a reduction from a peak of 112% of GDP in 1996 to below 100% in 2001, the target being 60% in 2020.
- Ageing will put pressure on the pension system and on public finance.
- Unemployment remains high in Greece -- 10.5 in 2002, with higher peaks for particular groups of the population in parts of Athens. Participation rates are also low.
- The size of the informal economy in Greece and in Athens is the highest in the European Union.

Trade: The economies of both Athens and Greece are mainly focused on the domestic market and Greece thus has a sizeable trade deficit. In 1997, exports of goods amounted to 12% of nominal GDP whereas imports amounted to 30%. The resulting deficit (USD 16 billion) was largely balanced by a surplus from services, mainly shipping and tourism, and by transfers from Greeks living abroad. After taking services and transfers into account, the net trade deficit was 3% of GDP in 1998. Greece's main trading partners are the European Union countries (60% of trade), Eastern Europe (18%), the Middle East and Asia (11%), and the Americas (5%). Greek exports to EU countries, which have traditionally competed on price, have suffered in recent years under increasing competition from Eastern European countries. Although labour costs in Greece are one of the most advantageous of EU countries, the footwear and textile industries largely shifted production to lower-wage countries such as Bulgaria and Albania between 1993 and 1997. As a result Greek production in the footwear and clothing industries, traditional bastions of Greek exports consequently declined by almost one third. Some encouraging growth has however been reported recently in export markets mainly in ICT products destined for Eastern European countries.

Economic development and planning. There is no integrated economic development and planning strategy for the AMA. Athens is the largest city in Greece, its dominant economic centre, and one of the major ports of the Mediterranean. But most of the policy decisions, which affect life in Athens, are controlled largely by the central government. This situation has limited the scope for local policy initiatives or for the development of a metropolitan wide strategy. Furthermore, Greek regional policy has until recently directed investment to other parts of Greece and Athens has consequently suffered from disinvestment often termed "neglect and abandonment" for several decades. This has not enhanced the potential and role of the Athens in the national and international context. Neither have EU policies (until recently) recognised the special role of Athens in the European and world economy.

Image and quality of life: Athens has a socially homogenous population, but there are indications that socio-economic spatial disparities are increasing and the economic and social integration of foreign immigrants is a challenge. Although there is no overall shortage of housing, there could be a lack of affordable rental housing in the future and there is a housing maintenance and modernisation problem. Largely as a result of the complex governance situation in Athens, and lack of planning and infrastructure investment, Athens has suffered from a bad image as a place to live and do business. Changing the poor international image of Athens as a place to live and do business is now a top priority of the Greek government. The 2004 Games will be a critical step forward, restructuring the urban region spatially, upgrading visual and

environmental aspects of the urban region, and improving the offer of public transport.

Impact of International Economic Context and Trends on Athens

It is likely that the structural modifications taking place in the European economy will further strengthen the role of a few larger European urban and metropolitan centres based on the growth of new sectors of the tertiary sector. Thus, inequalities among the urban areas in the European Union may remain quite marked despite the improvement of the level of development of medium size cities during the 1970s. The intensification of competition in the European economic space could further aggravate this situation. The European Union's gradual enlargement to the East is expected to create a new spatial allocation of resources within a new broader economic space of competitiveness. In this context, factors such as know-how, productivity and market size will play a decisive role for competitiveness and entrepreneurship. As a result of the abolition of constraints in trading products, services and capital, the metropolitan areas of the North are likely to benefit first, followed by those emerging urban areas, which host the largest, and the most competitive European businesses.

In the long run, the real challenge for the European system of urban centres is how cities in Central and Eastern Europe will gradually be integrated into the European hierarchy either in the higher positions (Berlin) with similar activities in the global market as London, Paris, Amsterdam or Brussels, or in the medium and lower positions (Warsaw, Prague, Budapest). The latter will be in a position to access the structural funds of the European Union and will compete with the regional cities of the European South for foreign investment.

In view of this scenario, the probability that Athens will rise considerably higher in the European hierarchy could be somewhat limited since it will be difficult for Athens to attract functions like banking and insurance from established competitive metropolitan areas, even those of the South (Madrid, Milan, Barcelona). It is therefore important for Athens to strengthen endogenous development and niche markets. Programmes such as the Unification of Archaeological Sites, the development of the health and sports sector, all year round convention business, and education as an economic sector, are typical of the numerous place-specific under-valued assets of Athens, which can be enhanced.

As European space slowly integrates, metropolitan areas in Central and Eastern Europe will seek to recover their past role or develop a new one. As a result, Athens could be obliged to seek opportunities in the area of the Eastern Mediterranean and the Middle East and in certain cases in the countries of the Central-Adriatic and South Eastern Europe, and the Black Sea. These areas could well provide a market for dynamic enterprises located in Athens and in Thessaloniki.

In the light of the major changes taking place in Europe and world wide, Athens is rightly seeking to assert itself more strongly on the international scene. To do this, however, the AMA must first be recognised as a *functional entity*, which requires both a vision of the future of Athens and a strategy to achieve it. Implementing such a strategy requires metropolitan wide planning and integration of planning with economic development and social and environmental goals.

Structural Aspects of the Economy of the Athens Metropolitan Area

Tables 1.1. and 1.2. show the structure of the economies of Attica and Greece. The Athens Metropolitan Area (AMA) concentrates around one third of the Greek population and contributed more than one third (36%) in 1998 to the total Gross Value Added (GVA) of Greece. In 1998, the primary sector in AMA accounted for only 0.6% compared with 8.2% for Greece as a whole; the secondary sector accounted for 18.3% versus 21.6% for Greece; and the tertiary sector accounted 81.1% with 70.2% for Greece as a whole. Thus, overall the AMA has a sectoral structure, which corresponds to a relatively modern economy. However, although Athens performs better than the rest of Greece in terms of per capita GDP, it falls below the European Union average [the per capita GDP of the AMA was 72.6 (EU15=100) in 1994, rising to 75.1 in 1997 and to 76.5 in 1999].

Labour market participation in Athens is low. The employment rate (15-65 years) is 54.8% which is below both the Greek national average (57.8%) and the European average (73.8%). In addition, although the percentage of population aged 15-64 living in the AMA is comparable to the Greek national and the European average, the proportion of the population under 15 years of age is less than the European average in both the AMA and nationally. The unemployment rate in AMA (12%) is higher than the national rate (10.5%) as well as the European average (8.4%). On the other hand, a high proportion of Greek employment in certain sectors is concentrated the Athens Metropolitan Area. For example, financial intermediation -- 63.2%; real estate -- 55.2%; transport and communications -- 54%; health and social work -- 51.3%; manufacturing -- 45.5%; and public administration -- 47.9%.

Table 2.1. **Gross Value Added and its Components (% , Greece)**

		At current prices. In Million Drachmae					
		1995	1996	1997	1998	1999	2000
ESA 95	Industries (A31)	Gross Value Added	Gross Value Added	Gross Value Added	Gross Value Added	Gross Value Added	Gross Value Added
	Primary sector	9,9	9,1	8,5	8,2	7,8	7,3
A	Agriculture, hunting and forestry	9,5	8,7	8,2	7,9	7,5	7,0
B	Fishing	0,3	0,4	0,3	0,3	0,3	0,3
	Secondary sector	22,4	22,3	21,0	21,6	21,1	20,4
C	Mining and quarrying	0,6	0,7	0,6	0,6	0,6	0,6
D	Manufacturing	13,0	13,1	11,7	11,8	11,0	11,1
E	Electricity, gas and water supply	2,4	2,1	2,0	2,1	2,0	1,8
F	Construction	6,4	6,5	6,6	7,1	7,4	6,9
	Tertiary sector	67,7	68,6	70,5	70,2	71,1	72,3
G	Wholesale and retail trade; repair of vehicles and household goods	13,6	14,5	14,4	13,6	13,6	14,5
H	Hotels and restaurants	6,5	7,0	7,8	7,7	7,3	7,1
I	Transport, storage and communication	6,7	6,2	6,4	6,7	7,4	8,5
J	Financial intermediation	4,2	4,6	4,5	5,0	5,5	5,5
K	Real estate, renting and business activities	17,0	17,3	17,4	17,3	17,0	17,0
L	Public administration and defence; compulsory social security	7,2	6,7	7,0	6,9	7,0	7,0
M	Education	4,5	4,3	4,8	4,8	4,9	4,9
N	Health and social work	5,2	5,1	5,3	5,4	5,5	5,0
O	Other community, social and personal service activities	2,6	2,7	2,5	2,6	2,6	2,5
P	Private households with employed persons	0,2	0,3	0,3	0,3	0,4	0,4
	TOTAL	100,0	100,0	100,0	100,0	100,0	100,0
	TOTAL	25.167.019	27.489.066	30.224.414	32.967.464	34.945.303	37.659.690

Source: Ministry of the Environment, Planning and Public Works, (2002).

Table 2.2. **Gross Value Added and its Components (% Attica region)**

At current prices. In Million Drachmae					
ESA 95	Industries (A31)	1995 Gross Value Added	1996 Gross Value Added	1997 Gross Value Added	1998 Gross Value Added
	Primary sector	1,3	1,1	0,7	0,6
A	Agriculture, hunting and forestry	1,0	0,9	0,6	0,5
B	Fishing	0,2	0,2	0,2	0,1
	Secondary sector	17,7	17,1	17,8	18,3
C	Mining and quarrying	0,0	0,0	0,1	0,1
D	Manufacturing	11,0	10,7	10,9	11,0
E	Electricity, gas and water supply	1,4	1,2	1,1	1,2
F	Construction	5,3	5,2	5,7	6,1
	Tertiary sector	81,1	81,9	81,5	81,1
G	Wholesale and retail trade; repair of vehicles and household goods	14,9	16,1	16,2	15,3
H	Hotels and restaurants	6,3	7,0	7,9	7,8
I	Transport, storage and communication	9,2	8,0	8,2	8,6
J	Financial intermediation	5,8	5,6	6,0	6,6
K	Real estate, renting and business activities	21,3	21,1	17,5	17,3
L	Public administration and defence; compulsory social security	9,8	10,9	11,2	11,1
M	Education	5,2	4,8	5,7	5,6
N	Health and social work	5,8	5,6	5,8	5,9
O	Other community, social and personal service activities	2,5	2,4	2,6	2,6
P	Private households with employed persons	0,3	0,3	0,4	0,4
	TOTAL	100,0	100,0	100,0	100,0

Source: Ministry of the Environment, Planning and Public Works, (2002).

Greece has received a very important influx of immigrants over the past decade, mainly from Albania, Bulgaria and other Eastern European countries, but also increasing numbers of Pakistanis, Poles, Filipinos and Africans. With time, many immigrants have moved from unskilled jobs to jobs in construction. In 1998, some 370 000 non-legal workers were allowed to apply for work permits, 60% of whom were successful. About the same number of illegal workers are currently employed in Greece. In 1996 the economic benefits to Greece from illegal migrant labour was estimated at about 1% of GDP.³ With the biggest informal economy in Europe, Greece is now working with the Migration Policy Institute in Washington to examine how to manage the social and economic aspects of immigration, much of which is focused on Athens.

About 35% of Total Gross Fixed Capital Formation in Greece is concentrated in Attica. The highest levels are in the sectors of financial services (63.2%), public administration (58.3%), and health and social services (56.6%). EU member states (in particular Netherlands and Luxembourg) are the main sources of foreign capital investment in Greece (75.8% in 2000), followed by other European countries, USA and other countries of the American continent. The highest proportion of FDI in Greece is in manufacturing (43% in 2000), followed by transportation and commerce (20% and 10% respectively). However, foreign direct investments in 2000 amounted to only 0.72% of Greek GNP, which, along with Portugal, is the lowest level of FDI of all EU member states.

Tourism

Greece has been one of the world's top 20 tourist destinations for the past 20 years with over 80% of tourists traditionally coming from EU countries. Tourism (hotels and restaurants) represented 7.8% of GVA in Attica in 1998 compared with 7.7% for Greece. Attica has 567 hotels with 29 715 rooms. More than 50% of the total room capacity is concentrated in the City of Athens (the locus of major cultural resources -- monuments, historic sites, museums -- as well as business centres, conference facilities, commercial, cultural and recreational areas). There has, however, been a lack of investment in hotels over the past decade and much needed renovation is now underway to support the Games and revitalise the sector (see section on real estate market below). The lack of investment in the hotel industry was mainly due to regional policy and low levels of foreign investment due partly to economic instability and partly to bureaucratic obstacles. Entry to the Euro zone has solved the problem of economic instability and the government is now dedicated to simplifying bureaucratic requirements.

Because tourism in Greece has tended to concentrate mainly on the Greek islands, measures are needed to diversify the tourist assets of Athens and to highlight undervalued assets in the wider region of Attica, for example by introducing new forms of ecological, cultural, sports or convention tourism. One line of action being pursued is to develop regional archaeological theme parks in Attica.

How to maintain the viability of the hotel and tourist industry after the surge in business created by the Olympic Games is a major concern of the Attica Hoteliers Association, which is very actively engaged in upgrading hotels and exploring new avenues to stimulate business development. Although the Association recognises that the decade subsequent to the holding of the Olympic Games is usually a good one for business in the host city, it stresses the need to:

- maintain pressure in terms of advertising and promoting Athens and Attica on the basis of well designed marketing plans supported by regular governmental funding;
- complete all infrastructure projects to improve environmental and transport conditions in the urban region; and
- attract new segments of the market to Attica such as conventions and exhibitions located in the new convention centre.

In line with this proactive stance, Greece's Association of Travel and Tourism Agents (HATTA) and its Turkish counterpart (TURSAB) have set up four committees to promote co-operation. These relate to institutional issues, including opportunities to tap EU funding programmes, joint packages to attract tourists from third countries, the issue of declining commission income from airline tickets, and improving staff training (Kathimerini, 18 December 2002).

Education

The fundamental role of human capital in the process of economic development is well recognised in Greece. It is government policy that Athens should focus future development on the education and research sector. Eight of the eighteen Greek universities comprising 74 of 235 departments are located in the AMA. Although this gives the impression that the offer of university education in the AMA is statistically less than might be expected given the demographic and economic weight of the urban region, half of the 296 520 students in Greece study in Athens. The situation is the same for post-graduate students, with 48% of all post graduate students (25 744 persons)

studying in the universities of the Athens Metropolitan Area. However, these figures may require some adjustment as a recent study suggests that some of the registered students may have abandoned their studies.

The educational structure of the Greek labour force has improved substantially in recent years. The level of educational qualifications of persons aged 25-29 in AMA is considered to be a comparative advantage of AMA. Although a wide spectrum of traditional studies (humanities and social sciences, economics, sciences, engineering, education, medicine, law, etc.) is on offer, computer sciences account for only 2.4% of areas of study, business studies are largely absent, while medicine (and hence biotechnology) accounts for only 5.9% [Ministry of the Environment, Planning and Public Works (2002), Table 29]. The offer of different types of university undergraduate and postgraduate courses should be readjusted to promote research and development and business innovations in Athens. Another key factor, which contributes to the inertia of the education sector in Athens, is governmental regulations, which do not recognise diplomas issued by privately funded universities.

Education as an Economic Sector

The universities and higher education facilities of Athens could improve their performance if private sector investment was authorised. At present, Greece tends to export advanced level students to study abroad. Most Greeks with university degrees have studied either in North America or Europe. They represent approximately 11% of the Greek population. In many countries, such as the United Kingdom, the USA and Australia, higher education has become an economic sector in its own right. Renowned universities compete with one another to attract fee-paying students from abroad. The presence of a large number of foreign students not only stimulates the cultural life of a city, but also the construction and real estate market, as well as expenditure on consumer goods and services (for example in Melbourne). If Athens could succeed in producing prestigious universities where teaching is not exclusively in the Greek language, then a market for higher education could be developed which would boost the economy of Attica.

Research and Development

All modern economies rely on the acquisition and exploitation of knowledge and up-to-date information. The General Secretariat for Research and Development of the Ministry for Development has established four Technological Parks, one in every major city including Athens. Funding the activities of research centres is on a competitive basis according to their

contribution to the overall development of research and technology in the country.

In the AMA the Technology Park “LEUKIPPOS” is housed in the National Centre for Scientific Research ‘Democritos’ in north-eastern Athens ten kilometres from the city centre. The Park was created in 1990 with the initial aim of promoting and diffusing technological culture in Greek businesses, industries and the public sector, as well as facilitating the creation of new small sized companies in the sector of advanced technology. Today the ATP LEUKIPPOS is composed of five companies SpaceTec Ltd (Space Technology and Applications); HELLASLAB (Hellenic Laboratory Association); TERRA Ltd (Geographical Information Systems); FIVI Ltd (Centre for Cleaner Production); and CSFTA (Centre for Solid Fuels Technology & Applications). A Liaison Office provides information and distributes information on technological projects, in order to improve cooperation at national and European level.

There are several initiatives to establish other similar projects within the AMA, the most interesting being the Technological and Cultural Park of Lavrion in the southeast which is developed jointly by the municipality and the National Technical University of Athens.

Telecommunications Sector

A pre-requisite for improving economic development and competitiveness in Attica is a modern telecommunications sector in Greece. Much has been done to achieve this in recent years. Greece is situated in 12th position among OECD countries and first among the Objective One countries (Spain, Portugal and Ireland) with regard to the infrastructure of the telephone line network. Telephony services are provided by Hellenic Telecommunications Organisation (OTE) a state owned company which was recently privatised through public offering on the Athens Stock Exchange and the NYSE (30% of the share capital). The important five-year investment programme of OTE has resulted in continuous development of infrastructure and improvement of the quality of the service with costs, which are among the most competitive in the EU. Both Athens and the rest of Greece are well connected nationally and internationally in terms of digital telephones, mobile phones, fibre optic cables and telex and radio links. Athens aims to become an international telecommunications crossroads serving not only the needs of Greece but also a much wider area.

The ICT arrangements for the Olympic Games are exemplary. Almost all of the sites where the Olympic Games will be held are already linked to one another and to the international and long-distance exchanges by fibre optic cable, in most cases by two alternative routes. OTE (the Hellenic Telecommunications Organisation) has installed a complete, autonomous and integrated Olympic Network which will allow for immediate internal communications among the terminals of the network – voice, picture, data, etc.

After the Games, the building which hosts the International Broadcasting Centre (IBC) will function as an exhibition centre. Given that Athens is a major centre for international sporting events, the building will be kept as laid out for the Games, with all its permanent and basic advanced telecommunications and broadcasting facilities. The Athens Olympic Sports Centre (AOSC) will thus acquire a unique Model Olympic Park for Telecommunications and Broadcasting Technology capable of providing all the necessary facilities and services for world and European sporting events.

The Olympic Games and the Athenian Economy

The economy of Athens has without doubt been greatly stimulated by the massive investments in the public works connected with the Olympic Games. The national administration (Ministry of Culture and the Ministry of the Economy) is co-ordinating the programme of public works for the Games. An Inter-ministerial Committee chaired by the Prime Minister, monitors the programme of works. The infrastructure works as well as the other actions linked with the Olympic and Paralympic Games such as the Olympic Educational Programme and Cultural Olympiad, are mainly financed by public funds from the Greek Government. The investments are financed through national funds. Investment is being channelled into four main areas: sports stadiums; public infrastructures; accommodation (hotel refurbishment and Olympic Village); and commercial and industrial investments. Although some of the investment projects were already in train or scheduled independently of the Olympic Games (for example the Unification of Archaeological sites project, which is transforming the centre of Athens around the Acropolis), the entire network of investment projects is nonetheless being closely co-ordinated in order to meet the deadlines for the Games. The majority of the projects are being developed by Greek companies and the Athens Chamber of Commerce is playing a key role in acting as a clearing house and point of information for entrepreneurs about the opportunities connected with the Games.

Box 2.1. Role of Athens Chamber of Commerce and Industry in the Olympic Games

To support the contribution of commerce and industry in Athens to the Olympic Games, in January 2000 the Athens Chamber of Commerce and Industry (ACCI) established the Office ACCI 2004 with the objective of:

- Making a substantial contribution to the organisation of the Games;
- Developing a programme of actions during the period of the Games;
- Helping the business community maximise opportunities generated by the Olympic Games;
- Promoting the Greek economy internationally; and
- Co-operating on volunteer activities.

Most of the infrastructure projects for the Games are being undertaken by Greek construction companies. Greek companies are also participating strongly in the procurement of goods for the Games. The production and distribution of Athens 2004 Official Licensed Merchandise in 28 categories is exclusively in the hands of Greek companies. Seven out of ten businesses expect to reap substantial profits during the period of the Games.

The main activities of ACCI 2004 at present are:

- Maintaining contact with all the organisations involved in the Games;
- Providing prompt and reliable information about the business opportunities connected with the Games;
- Highlighting the Olympics through a permanent news column in the ACCI magazine and an Olympic Bulletin which provides a daily index of Olympic news reports in the Greek and foreign press;
- Organising congresses, briefings, etc.;
- Producing special Olympic publications.

ACCI collaborates with ATHENS 2004 (the national inter-ministerial body co-ordinating the Games) with which it has signed a Memorandum of Understanding and Co-operation and with the public organisations involved in the Olympic preparations. Services offered to ACCI members include:

- Supplying tender information for Olympic projects through the "Olympic Tender Newsletter";
- Briefings on subjects defined in co-operation with Athens 2004 (ten briefings have already been organised on infrastructure; technology, licensing, catering and procurement issues);
- An Olympic Database concerning comprehensive information on tenders, contracts and Olympic business opportunities;
- Publications such as the "Olympic Business Opportunities Guide" of the Ministry of Development/ACCI/ Athens Chamber of Small and Medium Sized Industries.

Transport

- The new Athens International Airport opened in 2000 (Box 2.5.). One of the most modern airports in Europe, it will handle over 16 million passengers per year, or 6 000 passengers per hour.
- The Elefsina-Stavros-Spata Highway (length 53.3 km) and the Hymettus Ring Road (length 12.5 km) were completed in 2001. The overall project includes 32 interchanges to link the two new motorways into the existing road network of Athens, providing easy access to the sports facilities.
- The new Athens Metro dramatically improves the existing subway system. Two new lines and 21 new stations serve 450 000 passengers a day.
- A new tramway, which will run from Athens centre to the Faliron coastal area.
- A new suburban rail extending from Athens to the new airport of Athens.
- A sophisticated programme of traffic management during the Games will increase the capacity of the network while Athens will boast the largest fleet of non-polluting buses in the world.
- The Unification of Archaeological Sites project, which has created a major pedestrian zone in the heart of Athens.

Sports Facilities

- Prior to the Olympic Games, Athens already had a high standard of sports facilities. In fact, 72% of the sports facilities for the Games were already in place. Twenty venues, including the Olympic Village and the facilities in the coastal zone of Faliron have been constructed specially for the Olympic Games. Most of the events will be held in three main sites.
- The Athens Olympic Sports Complex (AOSC) located in Maroussi. The Olympic Stadium will host the opening and closing ceremony. The Complex contains facilities to hold track events, basketball, football, gymnastics, swimming and tennis.

- The Faliron Coastal Zone. This comprises the Peace and Friendship Indoor Stadium, which will host volleyball and the new venue for beach volley in Faliron area as well as the new venue for Tae kwondo, and handball, the Flisvos Marina and waterfront areas. Events held here will include: Taek-won-do, handball and beach volley.
- The Hellinikon Zone. Events held here are Baseball, Softball, Hockey, Basketball, Handball, fencing and Canoe/Slalom.

In addition:

- A single Olympic Village to house the athletes has been built at the foot of Mount Parnitha in a poorer part of Athens located close to the Athens Olympic Sports Complex. The Olympic Village has been constructed to very high environmental standards, containing services, technical networks, renewable energy technology, and waste management.
- Training facilities have also been provided in various parts of Athens as well as residences to house the media are also being put in place.
- Aghios Kosmas will host the Olympic Centre of Sailing.
- A part of the area of the old airport in Helliniko will host the Olympic Centre in Helliniko. Canoe Slalom, handball, hockey, softball, baseball, fencing, basketball and handball will be hosted in Helliniko area.
- Markopoulo will host the Olympic Centre of Shooting and the Equestrian Centre.
- Schinias will host the Olympic Rowing Centre.
- There are also new Gymnasiums in Galatsi, Peristeri, Goudi, Nikaia, and Shinia for eurhythmics, badminton, pentathlon, and weight lifting and rowing.

Small and Medium Sized Enterprises

Small and medium sized enterprises (SMEs) make up almost 99% of Greek businesses and are a key factor in generating employment opportunities and growth at both regional and national level. Greek SMEs produce 19% of exports and contribute up to 12% of GDP. From a total number of

509 000 enterprises recorded in the 1998 Census, 96.3% of enterprises had fewer than nine employees. Greek SMEs comprise both traditional and modern enterprises and are characterised by very different structural and operational patterns. A major challenge is to restructure enterprises and help small enterprises grow.

Athens is home to thousands of small businesses, some of which are high performers. Many problems remain to be resolved to improve the business environment in Athens and in Greece in general. For example, there is a need to update company law; the tax code is excessively burdensome and complex; and the pension system is in need of reform. There is also a need to improve the use of information technology by small businesses (whatever their nature – traditional or high tech). The use of ICT not only facilitates the management of a company but also improves international marketing of products (through for example websites). For this to happen, many entrepreneurs and their employees require training. Athens fortunately benefits from a good ICT network, but not all SMEs may be taking up the new opportunities, which ICT can bring. Special training programmes are necessary to encourage all SMEs to benefit to the extent possible from gains in productivity through the use of new technology.

A more business friendly political climate is certainly emerging in Athens facilitated by stable interest and exchange rates and by the modernising effect of the preparations for the Olympic Games, in particular the media infrastructures. Encouraging trends include recent growth in Greek exports of high technology products, and an annual expenditure on information and communication technologies amounting to 6% of GDP, equal to the EU average rate.

The Greek government continues to pursue policies to decentralise industry from the Athens region. In 1998, manufacturing accounted for 11.0% of GVA in AMA and 11.8% for Greece as a whole. Manufacturing in Greece tends to be concentrated in a few product categories: only nine products accounted for 50% of manufacturing exports, making the trade balance especially sensitive to competition in certain sectors. Present industrial policies also aim to improve firm competitiveness, mainly by addressing structural problems of industry and of SMEs. Raising the share of SMEs operating in the higher productivity sectors of the economy is a key pathway to increase the overall competitiveness and productivity of the Athens Metropolitan Area, which should be followed. But if high productivity SMEs are to develop in the AMA, innovative policies and programmes will be required to improve higher/university education in growth sectors such as ICT and business studies.

Policy action will also be needed to develop and reinforce the links between business and universities and to promote R&D. In particular, planning policies require to take more into account the need to favour *clustering* of economic activities in certain poles of the Athens region. The Plain of Messoghia and the area around the new international airport offer an opportunity to develop SMEs, which can locate in new intelligent buildings and where there is ample space for warehouse facilities. Transport, storage and communication accounted for 8.6% of GVA in Attica in 1998. The importance of the Messoghia Plain for improving the economy of Athens now appears to be recognised and a development plan is currently in preparation. However, there it will also be important to upgrade commercial, warehousing and manufacturing sites in western Athens as well.

Box 2.2. Policies to Encourage Entrepreneurship and Increase Productivity

The Greek government is actively encouraging the adoption of a new, dynamic entrepreneurial spirit, which emphasises job creation:

In particular, SME policy aims to:

- Develop new activities and new forms of entrepreneurship;
- Modernise the public administration;
- Rationalise the entrepreneurial environment;
- Simplify the regulatory framework and procedures;
- Modernise and diffuse technology;
- Improve infrastructures;
- Improve access to financial and credit institutions;
- Improve access to international markets;
- Support entrepreneurship and R&D with regard to certain population groups, *i.e.*, women, the young and the disabled.

The framework for SME policies follows National Development Strategic goals and the evolution of national economic, social and development indicators. The Ministry of National Economy and the Ministry of Development decide policy, but measures and actions are implemented by intermediate bodies of both the public and private sectors such as:

- the Hellenic Organisation of Small and Medium Enterprises and Handicraft (EOMMEX);
- professional organisations such as HEPO (export promotion) and ELOT (standardisation);
- other intermediary bodies;
- private development enterprises.

The Structural Funds and the Cohesion Fund of the European Union finance all actions related to SMEs, while the European Social Fund focuses mainly on employment policies. Programmes in the period 2001-2006) are directed at:

Box 2.2. (cont.)

- education and training for entrepreneurship;
- achieving cheaper and faster start-ups;
- improving legislation and regulation;
- enhancing skills;
- improving on-line access;
- advice on how to better exploit the opportunities offered by the Single Market;
- advice on taxation and finance;
- strengthening technological capacity of SMEs;
- promoting successful e-business models and top-class SME support;
- developing more effective representation of SME interests at Union and national level.

Efforts are being made to streamline the administrative environment for SMEs. The time frame and cost of setting up a new business have been drastically reduced. However, there is still room for further progress even though the number of certificates required for an installation licence has been reduced and the timeframe for the entire procedure has been reduced by two months. An Electronic Guide was installed in 2001 to help prospective entrepreneurs set up their business.

Another focus of SME policies and programmes is on measures to help establish modern private infrastructures based on new technologies, networks providing services for SME activities in areas such as electronic commerce and quality control, and support infrastructures such as incubators, business centres, information bureaux and centres for entrepreneurial and technological development. Programmes include Promoting Youth Entrepreneurship; Promoting Women Entrepreneurs and a proposed Promoting Entrepreneurship to Combat Social Exclusion. Other programmes are directed at improving access to finance, technology and e commerce and management.

Source: OECD, (2002b).

Clusters

As noted above, small and medium sized enterprises are important for the economies of Greece and Attica. A policy of clustering is therefore clearly indicated to help the AMA attract foreign direct investment and to increase exports. Some clusters are already emerging in the AMA. For example, financial and related services in the CBD, maritime companies in Piraeus, Technological Parks in north east Athens, whole-sale facilities in Thriasio Plain and oil refineries and shipyards and the developments expected in the Plain of Messoghia. The AMA could benefit from stronger government-led policies and programmes to fund and develop clusters, particularly in the Plain of Messoghia, along the same lines as regions of other OECD countries. In effect,

Central government can facilitate clustering in a number of ways, for example by supporting:

- generic offshore market research;
- investment attraction;

- access to export markets;
- national training standards;
- education, R & D, and the physical infrastructure;
- whole-of-government alignment between different programmes, policies and services.

Regional and local governments can also play a key role by, for example:

- Being a broker to facilitate the development of clusters.
- Developing local incubation centres. These need to offer more than subsidized real estate for the selected SMEs — a successful incubation centre helps networking, trust and social capital building, provides a mix-and-mingle environment for the businesses under its roof. Location on a university campus can work, but still needs government funding to break isolation.
- Developing an informal venture capital market through Business Angel schemes, which place high growth companies in contact with high net worth individuals, particularly from the region's community.
- Developing specialist skills in education and technology support with priorities determined in partnership with local clusters.
- Resourcing on a long-term basis the cluster facilitator. This person needs to have the skills to motivate and empower senior cluster stakeholders, to build long-term relationships, to have a close working knowledge of the activities represented by senior stakeholders, the clustering process, and the resources available to support clustering initiatives; and integrity. Cluster facilitators need the flexibility to participate in many meetings that will be beyond normal working hours.

Box 2.3. Developing Clusters – OECD Experience

Clusters are groups of companies and related organizations that collaborate to grow their business. This team approach creates a powerful resource to help resolve practical issues like training, infrastructure, procurement and a host of other issues that single businesses simply cannot tackle on their own. Clusters allow small and medium sized businesses to join together to compete for larger contracts, both nationally and internationally. Clustering allows a region or area to project a strong brand and critical mass without each business losing its individual identity.

Clusters in OECD countries include:

Silicon Valley, USA - a region just south of San Francisco, has become home to over 7 000 high-tech companies'.

Biell, Italy - (population 48 000) is the world's leading luxury textile centre. Half of all the firms in this city work in activities that relate to wool processing.

Castel Goffredo, Italy - (population 7 000), is home to 200 hosiery related firms which together produce over half of Europe's socks.

Dalton, Georgia, USA - (population 25 000) is home for 174 carpet mills, accounting for 85% of U.S. carpet output, and almost half of the world's carpet output.

Wichita, Kansas, USA – (population 300 000) is the world's small aircraft manufacturing centre, with half the world's small aircraft fleet taking off for the first time.

New Zealand has a large number of clusters, some of which are still embryonic but others have already succeeded in establishing an international reach. They include:

Christchurch electronics – home base for half of New Zealand's electronic engineers;

Hawke's Bay and Martinborough – two leading wine tourism clusters;

Auckland, the City of Sails – recently home to the America's Cup and a leading marine centre;

Ashburton – the centre for half of New Zealand's arable activity;

Hamilton – home to Mystery Creek and New Zealand's agri-tech industry;

Wellington – where work on seismic engineering is concentrated.

More detailed information about different types of clusters; how clusters work; how to build an effective cluster; best practice – what works; a toolkit about marketing, purchasing, training and upskilling is contained in the Manual: "Cluster Building: A Toolkit" can be accessed on the website: <http://www.industry.govt.nz>

Source: OECD Secretariat, (2003).

Land and Property Markets in Attica

The operation of land and property markets plays an important role in the economic development of metropolitan areas. The development of an international economy and world markets has been associated with increasing mobility of capital and international substitutability of urban land markets. This process has resulted in a wide range of urban land market issues ranging from the need to regenerate derelict industrial sites in the core areas of cities to the

need to provide housing at the urban periphery, as related components of a wider process of economic restructuring.

Land and property markets are central to the process of economic growth and structural adjustment, to careful use of environmental resources, and to the achievement of a satisfactory level of social equity across urban regions. Many OECD governments have moved in the past decade towards a facilitating role, assisting markets to operate more efficiently. Policies have been introduced to better monitor information about urban land markets and to identify conflicting policy objectives, which result in negative outcomes. Special agencies have been set up in some countries for example to reclaim degraded sites, to bank land and service it, and to reduce the need for travel and to safeguard natural areas and protect soil and ground water (OECD, 1992).

Land and property markets are also important as an economic sector in their own right. They utilise investment, create a rate of return, and employ substantial numbers of people in the real estate and construction sectors. Real estate, renting and business activities in 1998 accounted for 17.3% of GVA in Athens (17% for Greece). At present, the overriding influence on the Athens real estate market is the preparations for the 2004 Olympic Games. The following analysis of the Athens real estate market was provided by Mr. P. Balomenos⁴ at meetings held in support of the OECD Review Team visit to Athens and sheds light on the impacts of the Games on different sectors of the land market in AMA.

Athens Real Estate Market

The Olympics, like other major world events, have a significant and varied impact on the real estate market of the venue. Some impacts are largely indirect and long-term; others are more direct and short-term, mainly affecting the hotel and tourism sector. One common goal of cities hosting Olympic Games is the desire to attract global capital flows. Impacts on the real estate markets vary and depend upon the size and relative maturity of the local property market. In the context of mature, service-based economies such as Atlanta and Sydney, the focus was on attracting convention business and office-based activities of regional and global organizations. Impacts are likely to be stronger on smaller and less mature markets such as Athens. A major long-term impact of hosting the Olympics is the opportunity it provides to influence the pattern of urban development through investment in infrastructure and environmental improvements. One of the greatest challenges facing Athens (See Chapters 3 and 4) is how it can use the 2004 Games to address the city's current transport and environmental problems. This will not only determine the success of the

Games themselves, but also the degree of long-term benefit they confer on the birthplace of the modern Olympic movement.

The Athens real estate market is composed of five submarkets: the office market; the retail market; the industrial market; the investment market; and the hotel market. In addition, the Messoghia Plain near the new airport is set to experience a real estate boom in the years ahead.

The Office Market

In contrast to previous years, the Athens Office market experienced a decline in occupier demand in 2002. Take-up from both the private and public sectors was lower than in 2001 as the Greek economy reacted to the effects of the global slowdown, whilst also adjusting to Euro Zone membership. Demand from financial services occupiers for accommodation also declined due to the poor performance of the Athens stock market over the past two years. Very little of the available space can be considered prime in terms of location and quality, and occupiers experience difficulty in finding large, modern floor plates.

In spite of weaker demand, development activity remained strong with around 110 000 sq. m. of new office space being delivered during 2002. Development continues to receive an additional boost from the forthcoming Olympic Games. The ongoing large-scale infrastructure projects within Attica are improving communications within the Greater Athens area, which continue to benefit the office market. The second section of the Attica-Odos Highway between Stavros and Kifissias Avenue was completed in 2002. With the development of the Attica Odos Highway, the Messoghia Plain area is attracting interest from developers, and large-scale projects are being initiated in this area, which are likely to commence over the next few years. The Messoghia Plain will become a new commercial location with its availability of large 'green field' sites for potential development.

Weaker demand and continued development activity resulted in a decrease in both capital and rental values of the order of 5-10%, depending on location and quality. The highest rents continue to be found in the central Athens market at around €39 per sq. m. per month. The principal decentralised location remains Kifissias Avenue where there are a number of office developments under construction. However, there was insufficient demand to meet the new-supply of quality modern office space and low take up was noted along Kifissias Avenue. Prime rents here are in the region of €27 per sq. m. per month.

Figure 2.2. Core Office Locations, Alternative Office Locations and Emerging Office Locations

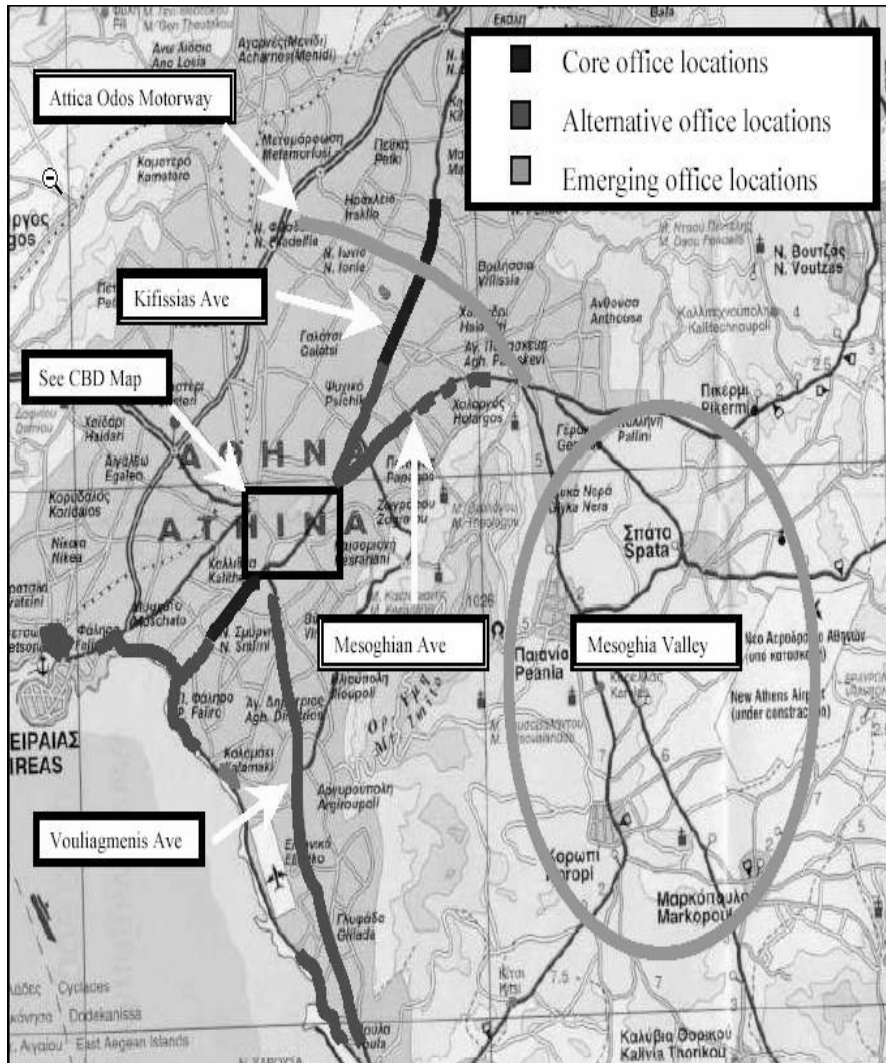


Table 2.3. **Athens Prime Office Rents (€ per sq. m. / per month)**

	1995	1996	1997	1998	1999	2000	2001	2002
Athens (Central)	26	26	26	29	38	41	41	39
Athens (Kifissias)	18	19	19	22	26	32	32	27

Source: Balomenos Panagiotis, (2003).

Note: Rents are shown as at year end.

The Retail Market

Consumer spending remained healthy in 2002 and retail sales continued to grow at a firm rate -- 4.5% in the year to June 2002. The most popular retail locations in Central Athens remain Kolonaki and Syntagma. Access into the city centre has been improved with the completion of the Syntagma Metro station and the area remains an important business district. Prime rents on Ermou, the busiest shopping street in Greece, have stabilised at around €235 per sq. m. per month, with some small units achieving even higher figures. There is currently zero vacancy on the pedestrianised part of Ermou. Prime rents in Kolonaki are at similar levels to Ermou and there are also no available units on the prime retail pitch. The main retailing areas outside the city centre are Kifissia (northern suburb) and Glyfada (southern suburb) where rents have fallen this year to €176 per sq. m per month and €161 respectively.

Until recently there had been an almost total lack of shopping centre development in Greece. The situation is changing, following the success of the Carrefour, Millennium Shopping Mall and Village Park schemes. Another major shopping centre is due to be delivered in the Centre of Athens, which comprises the redevelopment of a major building covering an entire block close to Syntagma and Kolonaki Square. The planned project will involve a shopping mall, which will include major retail and leisure elements to provide approximately 57 000 sq. m. GLA. The Olympic Games of 2004 are providing a stimulus for many developments across the Attica region. For example, the development of the Media Village close to the main Olympic stadium in Marousi will include a major shopping centre. Although these new retail and leisure developments are based on international standards, they have not yet achieved prices higher than those in local retail centres as users typically prefer proven traditional locations.

Another multiplex is planned in Ilion, Athens, with a GLA of 11 000 sq. m. and is due for completion by the end of 2003. The pioneering Cambas Shopping Centre and Entertainment Park with a GLA of 80 000 sq. m., on a site covering 300 000 sq. m. in the Messoghia area, is planned and will be one of the largest of its type in Europe. In the centre of Thessaloniki, a 27 000 sq. m. shopping centre is also under construction.

The Industrial Market

The Greek government continues to encourage the decentralisation of industry away from the greater Athens area and relevant legislation to support this policy has been drafted and awaits authorisation. The existing production industries are focusing significantly on export markets. However, there is increasing internal demand for cement, marble and metals due to the high activity of the construction sector generated by the Olympic Games of 2004. The strength of Greek exports (mainly directed towards South East Europe) is encouraging after years of declining market share.

The EU has supported the secondary sector by subsidising the introduction of business modernisation and enhanced new technology. The government is supporting the pilot plan for the transformation of cities in mainland Greece to attract industries and increase the demand for large plots of land in the proposed zones allocated for industrial/business parks. Regeneration of the traditional industrial locations in Athens such as National Road, the Drapetsona and Agios Dionisios in Piraeus, the Renti area in the western suburbs and Pireos Street is continuing. Furthermore, vacated industrial buildings are being converted into alternative uses such as warehouses, retail outlets and office schemes. The completion of Attiki Road and the other infrastructure schemes that are taking place in Athens due to the Olympic Games of 2004 will be the catalyst for the creation of modern warehousing facilities and the anticipated expansion of the sector.

The high level of state ownership and owner-occupation creates difficulties in tracking rental patterns in the industrial market. Prime rents for warehouse units are currently between €5-7.3 per sq. m. per month. Prices for prime industrial land bordering the national roads are between €440-734 per sq. m.

The Investment Market

The real estate investment market in Greece has made significant progress in terms of maturity and transparency over the past two years, while the level of interest from both local and overseas investors remains buoyant. This process only really began in March 1998 with the entry of the Greek Drachma into the

European Exchange Rate Mechanism. EMU entry has brought lower interest rates and the reduction of foreign exchange risk, which are enhancing the attractiveness of Greece as an investment location. Currently, foreign investors are studying the Greek property market for opportunities. Recent changes in legislation facilitating new forms of property investment will begin to have an important impact over the next few years. Property mutual funds are due to enter the Greek investment market in early 2003.

The long awaited involvement of institutions will not only bring a higher degree of liquidity to the market, but will also benefit the real estate sector directly by offering a more stable and reliable form of investment. In addition, property investment now offers attractive yields relative to Government bonds, which have come down considerably over the past couple of years. Prime office yields in Athens are in the region of 8.5% whereas yields on 10-year Government bonds are now approximately 5%.

Table 2.4. **Athens Prime Office % Yields**

	1995	1996	1997	1998	1999	2000	2001	2002
Athens (Central)	10	10	10	9.5	9.0	8.5	8.3	8.5

Source: Balomenos Panagiotis, (2003).

Note: Yields are shown in % as at year end.

The Hotel Market

The years 2002 and 2001 were considered 'poor' years in the Greek hotel market. Following a weak year in 2001, overall hotel performance was even weaker during 2002. In Athens, quality hotels achieved city-wide occupancies of approximately 42% and average room rates of around €126. The euro has resulted in an overall appreciation in prices, thus making vacations in Greece more expensive than in previous years. Additionally, there has been increased competition from low-priced tourist destination countries.

Hotel supply in Greece is undergoing change and consolidation. Development is especially prominent in Attica, where government subsidies are being provided to complement private sector investment for renovations/redevelopments. In Athens, four major hotels -- the Grand Bretagne, the Athens Hilton, the King George and the Electra Palace Hotel -- were closed for refurbishment. A scheme to convert the Greek system of grading hotels to the international five-star system is in progress. In Athens,

hotel development is set to increase following the lifting of a 14-year ban on hotel construction. In terms of new supply, a 345-room Sofitel was opened at the new Athens International Airport “Elefthinos Verizelis”. Meanwhile, major international hotel chains are looking to establish or expand in the capital. The Greek Orthodox Church has permission to build three new hotels, while Accor has reached an agreement with Chandris Hotels, ensuring their presence in Greece. The catalyst for development in Athens will undoubtedly be the 2004 Olympic Games.

The Greek government has expressed its desire to improve leisure and resort facilities throughout the country and there are plans to develop a number of five star resorts. In addition, it has long been the desire to develop a dedicated conference centre in the capital. The forecast for strong economic growth over the next couple of years and the Olympic Games will boost demand for hotel accommodation.

Spatial Aspects of Economic Development in Athens

Although economic activities are spread throughout most quarters of the AMA, some areas exhibit higher than average concentrations or clusters of particular types of activity, for example:

Athens Municipality/CBD

As the capital of Greece and the seat of national government, the centre of Athens — like all other capitals -- concentrates public sector administrations. There is now a policy to transfer central government offices to the northern suburbs as well as a move to modernize, slim down and decentralize the public sector. The City of Athens is the main locus of banking and other tertiary services and high level retail facilities, although larger retail centres are now beginning to spring up in some suburban areas. Athens is, of course home to the archaeological sites and monuments of ancient Greece, to cultural manifestations and hotel and tourist facilities. The visual and environmental quality of the centre of Athens has been substantially improved in recent years due to the Unification of Archaeological Sites Programme, gentrification and hotel refurbishment. Environmental programmes such as Attica SOS and the new public transport network and road improvements have also reduced levels of air pollution and traffic congestion making the centre a more attractive place to do business and to recreate. The link to Faliron will open the city to the seafront, as in Barcelona. When the wide range of improvements, including easy access to a modern international airport, are coupled with the beauty of the natural site of Athens, its mild Mediterranean climate, relaxed cultural atmosphere and more competitive business climate, this will undoubtedly

contribute to increasing the attractiveness of Athens internationally in the years ahead. The city centre of any metropolitan area incarnates the quality image of the urban region and always requires a special effort on the part of both central government and the city municipality.

Piraeus and Western Attica

The Prefecture of Piraeus, eight kilometres south west of the city centre, is composed of eighteen municipalities. Along with the central Municipality of Athens, Piraeus forms the recently created “Unified” Super Prefecture of Athens-Piraeus. After centuries of use, the main commercial port of Greece in Piraeus has now been relocated from its original site to the neighbouring municipalities of Keratsini and Nea Ionia and Perama, leaving the old port of Piraeus to handle passenger traffic to the islands. The performance of the passenger port has been enhanced by the introduction of advanced information and telematics technology. The other main ports in the AMA are:

- The port of Elefsina, located on the Saronic Gulf 24 km from Piraeus provides mainly commercial services. Exports include cement, oil-based paints, soap, wine, resins and olive oil. Imports consist of general goods. Tankers are also served. Many projects are being considered for this port: Expansion of the port site, connecting the port to rail with the freight village of Thrasio Pedio (Hellenic Rail Organisation Project); marinas, etc. In addition, the first private port in Attica is scheduled to be developed at Scaramaga Shipyard next to the port of Elefsina.
- The ports of Rafina and Lavrio are located over on the eastern side of the peninsula on the Saronikos Gulf and will handle passengers coming directly from the new airport as well as cargo from the Messoghia Plain developments.

Taken together, the ports of Athens also handle cruise liners, floating hotels and yachts; many smaller harbours and marinas also function around Athens.

Due to out-dated and inadapted road infrastructures, poor access to the port of Piraeus was a longstanding and major source of economic inefficiency and environmental problems. However, major road works connected with the Olympic Games will vastly improve the situation: the new western branch of the Olympic ring road will connect most of the municipalities of Piraeus with the rest of Athens, while improvements to Kifissou Avenue should reduce traffic congestion, improve speed, and increase vehicle capacity from 140 000

to 320 000 vehicles per day. Other road improvements and new junctions will improve access to coastal municipalities such as Faliron, Drapetsona and Keratsini. In addition to positive measures such as the separation of freight and passenger transport and the upgrading of access roads to Piraeus, the public works now underway to prepare the seafront municipality of Faliron for the Olympic Games will improve the environment and image of Piraeus, endowing the wider region with an easily accessible leisure oriented sea front and opportunities for commercial ventures, sporting events and convention activities after the Games are over (See Chapter 4). Upgrading road and rail transport is thus a crucial factor for improving the economic prospects of Piraeus. The recent integration of the main port with the railway network has freed up part of the existing rail network, which will become part of the Athens public transport network.

Box 2.4. The Role of the Thriasio Plain in the Development of the Attica Region

The Thriasio Plain constitutes a segment of the Prefecture of Western Attica, within the Attica Region. It borders on the Athens Metropolitan Area, is populated by about 80 000 inhabitants and comprises a significant concentration of industrial activities and logistics.

It is estimated that over 2 500 enterprises of the secondary and tertiary sectors are located and operate in the Thriasio Plain. Employment in this area accounts for over 25 000 persons about half of which are employed in industry. Further, it is estimated that nearly 55 million vehicles traverse the area annually.

The principal problems confronting the Thriasio Plain are associated with the overwhelming concentrations, the hap – hazard location of obtrusive industrial activities and warehousing (*i.e.*, refineries, cement plants, steelworks, shipyards, etc.), the incompatible land use mixes and debasement of the urban space, the environmental degradation, the traffic congestion, the shrinkage of agricultural land, etc.

In accordance to the Strategic Action Plan for the Spatial and Sectoral Development of the Thriasio Plain and Western Attica***, the basic instruments to be used to support the development process of the area are the utilization of Local Productive Systems in Industry while in the rest of urban part of Western area the basic development tools are placed in the Sectors of Tourism/Recreation and the Primary Sector. The Action Plan aims at a “Selective Decentralized Concentration” through the establishment of Organized Enterprise Areas along with the formation of new Promotional Activities (*i.e.*, logistics), the creation of Development Axes through the utilization of the new Roadway and Rail Corridors traversing the Region, and also the incorporation of New Technology in production activities and services.

Priority axes of the new Development Action Plan for the Thriasio Plain and Western Attica focus on:

- Organization of Productive Activities;
- Sectoral Development and Formation of new Promotional Activities;
- Urban Development and Reinforcement of the Developmental Role of Urban Centres;
- Development of Innovation and New Technology.

Through this Plan, the Thriasio Plain and Western Attica will obtain a specific developmental role in the economy of the Athens Metropolitan Area and the Region of Attica utilizing, in addition to the current major works, the existing concentration of activities in industry and logistics, as well as the endogenous dynamics in the Region.

* The Strategic Action Plan was based on a special research programme elaborated by the Economic & Industrial Research Institute and Institute of Regional Development (Panteion University).

Around 15 000 enterprises are located in Piraeus and their activity is at present focused mainly on the port. Many companies and enterprises have relocated their head offices to the municipality of Ag. I. Rentis which is to be connected to the suburban metro, scheduled to come into operation in 2004. Not surprisingly, the economic profile of Piraeus differs substantially from that of the AMA, which is predominantly based on the tertiary sector. In Piraeus the main activity is industry (33.6% of total employment), followed by services (21.8%); transportation and communications (20.0%); and trade, restaurants and hotels (18.9%). The total population of the Prefecture is 541 504 of which 7.5% are immigrants (Census, 2001). The population of most of the eighteen municipalities decreased in the period 1981–1991 but the trend was reversed between 1991 and 2001. The majority of the workers in Piraeus are salaried employees (58.7%). Employers and self-employed persons make up 19.6% of the workforce. The unemployment rate (Census, 1991) was stated to be 18.8%; however, the Job Centre of Piraeus estimates that unemployment is around 30% with about 50% being young persons under 25 years old. The level of education attainment is quite low with only 10% of the population having completed higher education, 28.3% middle level education, and 55.6% primary school. Manufacturing is also highly concentrated principally in the prefecture of western Attica (Thriasio Plain and Agioi Theodoroi next to Korinth Prefecture) and Oinofita area in Viotia Prefecture (next to Attica Region) which to all intents and purposes can be considered as part of the broader Athens Metropolitan Region. The western municipalities are therefore home to working class and lower income people and industry. Some neighbourhoods, such as I. Perama were composed of squatter dwellings and had very poor economic, social, health and environmental conditions. The EU Poverty 3 programme operated in Perama using a multi-sectoral approach to attempt to improve multiple deprivation. It is therefore important that, in developing the all important programmes and projects for the Olympic Games and to modernise Athens, that care is also taken to upgrade less favoured areas and to develop employment opportunities.

One of the growth areas for employment near seaports and airports is the modern freight handling and transportation industries sector. In the majority of OECD countries, for example in Australia and the Netherlands, increased emphasis is being put on shifting as much freight as possible from road to rail to improve both efficiency and the environment. In connection with this trend, inland ports are being established in the hinterland of major sea and around airports (especially new airports where there are no residential developments which permits 24/24 hour operation) and where land is cheaper and more readily available. Inland ports provide opportunities to decongest the waterfront areas of ports and to undertake a variety of economic activities such as assembly of products before they are shipped on to their final destination. Some

of the port facilities in Piraeus are now connected to the main railway network but there is little indication of any co-ordinated plans to develop/redevelop the surrounding areas of the port in such a way as to increase its economic potential through modern warehousing, processing of goods, and other upcoming economic activities which could generate considerable employment. The growth of e-commerce world wide is increasing the need for warehouse facilities near sea and airports which use advanced stocking and management technologies and which require a whole new distribution strategy using both road and rail. Piraeus could benefit from closer analysis of how other major ports in OECD countries are developing more modern port functions⁵. The Eastern ports of Rafina and Lavrio which will serve the Messoghia Plain Development and the new airport will benefit from greenfield site opportunities for production and warehousing activities, so, unless steps are taken to regenerate land in the area of Piraeus (in addition to road infrastructure and improved rail links) there could in time be a major shift of economic activity away from Piraeus towards Rafina and Lavrio.

Messoghia Plain

The Messoghia Plain, which lies to the east of Athens, developed historically as an agricultural area and was largely eclipsed over the years by the development of Athens and the west coast of Attica on the other side of the mountain. However, the whole Messoghia Plain area is now undergoing major developments, which may well reverse this situation.

A number of infrastructure improvements will greatly benefit the area of Spata as well as the neighbouring areas of Markopoulo, Koropi and Lavrio when they are completed.

- The new International Airport will handle more than 10 million passengers each year will provide employment to more than 20 thousand persons.
- The new Attiki Odos main road artery runs from Elefsina to the new international airport and will make the Messoghia Plain easily accessible from the whole of Greater Athens. Also, the new Imitos Artery connects the central areas with the Messogia Plain.
- The extension of the subway-railway to the International Airport will provide a rail as well as a road link to the airport from Athens.

- New express bus lines will run from Piraeus and Central Athens to the international airport, with limited stops, so that taxis and cars will not be the only means to reach the airport.
- A major new highway is under construction to link the National road from Patra directly to the International Airport.

These projects, centred around the new airport have resulted in the Messoghia Plain area becoming the most sought after new development areas in Attica. Land prices have already increased significantly as a result of these developments and there is speculation as to changing planning regulations and land values. Owners of property in this area are mostly holding on to their property assets in the hope that values will increase yet further. Many sites currently fall outside town plans and therefore have limited development potential. There has been much speculation regarding possible extensions of Plans and the recent proposals from the Athens Organisation (under the authority of the Ministry of the Environment, Planning and Public Works) have helped clarify the potential zoning and areas likely to be included in the town plan. As mentioned previously, a new plan for the area is in currently in preparation and much will depend upon its orientation and its implementation.

Box 2.5. Athens International Airport

The construction of the new International Airport “Eleftherios Venizelos” in Messoghia is a major strategic intervention for Attica and Athens, which has repercussions at the regional, national and international level. The airport is being completed in phases, starting in 2001 and finishing in 2020. It is expected to handle 10 million passengers and 150 000 tons of cargo per year. As well as being the centre of the national air transport network, the airport will become an international hub between East and West and for transportation to and from countries in Africa and the Balkans. The airport will act as a node for metropolitan growth, attracting high-level business and manufacturing activities to the east of Athens as well as relocation of both services and housing. The Organisation for Planning and Environmental Protection of Athens has commissioned studies in support of a spatial plan for the Messoghia Plain. The Plan will assess what production sectors will be created in the area; estimate specific economic consequences of the airport, and propose measures for environmental protection of a share of the agricultural land. The airport will result in:

- The installation of activities directly or indirectly connected with the Airport;
- The settlement of the new work force;
- The development of activities serving the employed population and other inhabitants;
- New secondary and tertiary sector activities drawn by the airport infrastructure organization.

The need to integrate an economic development perspective into the spatial planning process is, therefore, explicitly recognized in the case of the Messoghia Plain and the Airport. This is a major innovation. In terms of spatial planning, the Messoghia Plain offers Athens a unique opportunity to expand and to develop a modern well-planned sector, which is well connected with the existing urban fabric. The key problem will be to ensure respect of the implementation of the laws and regulations connected with the Spatial Plan. Furthermore, the developments in the Messoghia Plain must be viewed with a wider metropolitan strategy, which includes measures to sustain the vitality of other parts of the urban region such as the city centre, the western industrial suburbs and Piraeus.

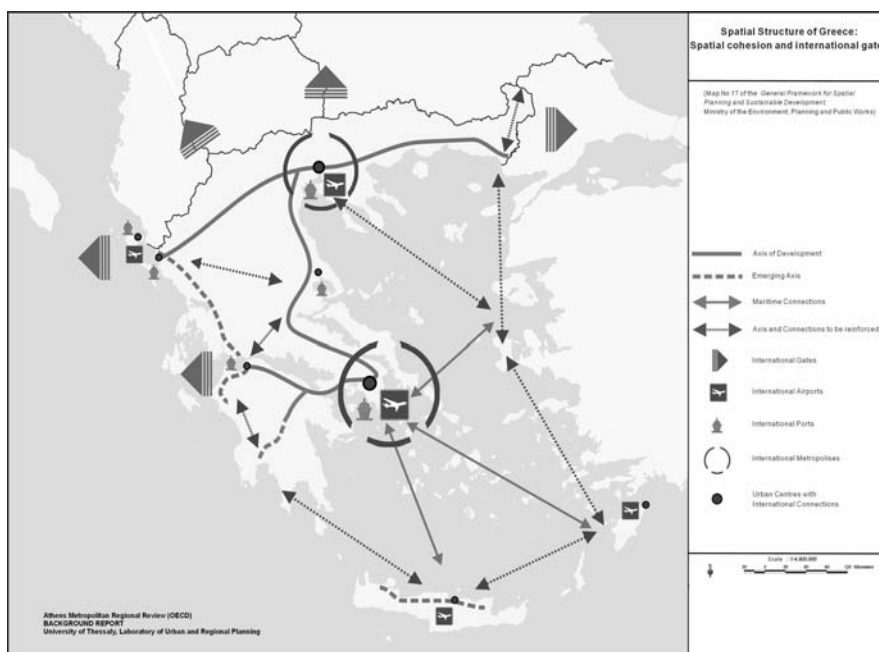
Source: OECD Secretariat, (2003).

The Messoghia Plain will provide larger sites for development than can be found in other commercial parts of Attica. The Cambas Park development was the first of its kind in Greece to contemplate the development of a large-scale business and retail park along the lines, which have been so successful in Northern America and Northern Europe. It is anticipated that the Messoghia Plain will become a prime decentralised office and retail location when the infrastructures are put in. With many new industries such as the technology, biochemical and internet sectors preferring decentralised working environments, demand in this market should increase over the next five years.

Linking Air and Sea Ports to a Modern National and International Road and Rail Network

Until very recently Greece was considered relatively remote in spatial terms in relation to the main transport routes of the EU. However, with enlargement of the Union and the new large transport-infrastructure projects currently under construction, new conditions and better opportunities are occurring which will permit Greece to become better integrated into the European “space” and create a new nodal role for Greece in respect of South East Europe and the Eastern Mediterranean. Greece could thus become a central transit point for regional trade as well as trade between other decentralised regions of the enlarged EU. This would help to balance trade flows throughout Europe, reduce negative environmental impacts, and strengthen the Greek national economy.

Figure 2.3. Spatial Structure of Greece: International Gateways to Greece



Athens is the most important “gateway” metropolis of Greece (Figure 3.1.). National rail and road network is a clear prerequisite for improving the competitiveness of the Attica regional economy. However, increased flows of freight have to be channelled *around* and not *through* the urban area of Athens in order to reduce environmental nuisance and traffic congestion. Managing increased flows of freight can be achieved by greater use of rail routes and urban ring roads and bypasses. The situation in respect of rail and road is as follows:

Rail

The main standard gauge railway network currently provides links between Athens and:

- Northern Greece and the rest of Europe through former Yugoslavia and Bulgaria;
- To the port of Patras to the west of Athens and thence by sea to Italy and Western Europe;

- The Middle East via the port of Volos.

The intercity and suburban rail network in Athens continues to display problems related to its spatial structure as well as operational constraints, which result in inefficient servicing of the metropolitan area. For example, a lack of co-ordination; level crossings still subsist in the urban area; frequency is low on some suburban lines such as the Athens-Northern Attica – Chalkida line; and high-speed trains cannot use the lines. As a result, the Hellenic Railways Organisation is committed to spending around 5 billion USD to modernise and integrate the Greek railways into the main European high-speed train network. Work is due for completion in 2004. The programme of modernisation, combined with the improved conditions in neighbouring Balkan countries, should intensify the use of rail, particularly to and from countries in Eastern and Central Europe and improve conditions for economic development in Athens and in Greece.

Road

Highways run from Athens to the borders of former Yugoslavia, Bulgaria, Turkey and Albania, providing links to the rest of Europe and Asia. There are also transport connections by sea through the port of Patras and from the new port of Igoumenitsa in the west and through Volos in the east. With partial funding from the INTEREG transborder link programme, the Community Support Framework and the other EU projects, long sections of these highways have now been brought up to motorway standards. Several projects to upgrade existing roads are of particular significance for international links:

- The Via Egnatia–700 km long, a main east-west road axis running through the north of Greece;
- The 800 km Patra-Athens-Thessaloniki-Evzoni (P.A.TH.E.) road axis which links the country's three largest cities with the border post at Evzoni and hence with the former Yugoslavia and the port of Patras (the gateway to Italy).

Quite substantial improvements are therefore now underway to enable Athens (and Greece) to develop capacity as a transportation centre of the eastern part of the EU. This effort requires to be pursued in the years ahead (See Chapter 3).

Policies Focused Specifically on Athens and Attica

A number of policies, many of which benefit from Community Structure Funds, affect Athens directly or indirectly but there has been little effort so far to focus them specifically on improving economic development and competitiveness in Athens and Attica.

EU Regional Development Policy is formulated at the Nuts 2 level *i.e.*, for the Greek Regions. There is thus a Development Plan and an Operational Programme for the Region of Attica as a whole, but not specifically for the Athens Metropolitan Area as such.

At the national level, there is as yet no integrated economic, social and environmental strategy applied in the Athens Metropolitan Region. No authority has the function and the mission to conceive, formulate and promote such a policy (such as the “London Development Agency”). Most authorities deal with their particular sectoral objectives. Even the “Athens Organization” is an authority of a town planning character. The most obvious example of a policy decided at the national level and focusing specifically on Athens is the present programme of investment for the Olympic Games.

The effect of *Greek regional policies* on the AMA has already been evoked. Until very recently, the focus of regional policy in Greece was on discouraging economic activities in the Athens Region and encouraging development in other regions of Greece because Athens was considered to be over congested and over polluted. Regional policies did indeed succeed in reducing the rate of population growth in Athens. The policies applied in the AMA were mainly of a spatial or town planning nature, including, for example, regulation of building activity and land use, urban infrastructures, traffic management, conservation of built heritage, air quality improvement, etc. While other sectoral policies in the domain of health and education, environment and culture, and industry also affected the socio-economic and environmental development of Athens, the region was in general not eligible for investment incentives, except those related to environmental protection and high technology-low nuisance activities.

There is little evidence of integrated area based policies for specific neighbourhoods or wider areas of the urban region other than certain EU programmes such as the Poverty 3 programme for Perama in western Athens. *At the local level*, municipalities whose jurisdiction is relatively limited, deal mainly with the everyday functioning of their particular municipality and with acute social problems. There is no evidence that they play a role in conceiving strategies for economic development. Thus, the overall development

context in Athens appears to be mainly the outcome of a range of sectoral and local policies, which are developed in a piecemeal way. In 1985 in order to provide local government agencies, the public sector and social agencies with the technical support they require, the Hellenic Agency for Local Development and Local Government SA (EETAA) was founded.

Box 2.6. Hellenic Agency for Local Development and Local Government SA (EETAA)

The Agency is part of the social sector of the economy and operates in the form of a joint stock company. The shareholders of EETAA are the Greek state (Ministry of the Interior, Ministry of the National Economy), the Union of District Government of Greece, the Consignments and Loans Fund, the Central Union of Municipalities and Communes of Greece (KEDKE), Local Unions of Municipalities and Communes (TEDK), the Technical Chamber of Greece, the Panhellenic Confederation of Unions of Agricultural Co-operatives (PASEGES) and other social sector agencies. The EETAA provides local government and its agencies with support in the following areas: legal services; institutions and organisations; enterprise activities; local and regional development; the environment and the quality of life; information systems and technological applications social policy, cultural activities and the workforce, publicity and communications.

Source: EETAA, info@eetaa.gr

Enhancing Undervalued Assets/Fostering New Types of Activities and Enhancing Competitiveness

New more innovative policies are now required to support numerous emerging economic sectors in different parts of the AMA, which could substantially increase economic development and employment. However, many of these have not yet been seriously considered as poles and engines for development in the AMA although there are already signs of considerable spontaneous growth. They include for example:

- The health sector, including the fitness and health industry. Since private activity has been allowed in this domain expansion is reported as being significant.
- The sports sector. Following the influx of many high level athletes and trainers from the Eastern Europe, the good performance of Greece in the last three Olympic Games and the present massive investment in sports infrastructures, the momentum from the 2004 Games could be maintained to promote Athens and Greece as a whole as a key centre of excellence for a wide range of athletic activities and sports (KEPE, 1996).

- The higher and technological education sector. This sector could develop well provided it is modernised and that the private sector is also allowed to invest in it.
- The legal sector. Greece has a long tradition of legal studies and the application of European law. Now that Greece is becoming a pole of attraction for the wider eastern Mediterranean area, Greek legal services could extend their reach.
- Economic activities linked with the Mediterranean identity and culture of Athens which comprise considerable advantages which have not yet been fully exploited (for example, good climatic conditions, rich cultural and architectural heritage, access to recreational and environmental amenities such as the coastal areas, the islands and agro-touristic routes, etc.
- Apart from archaeological sights and museums, there has been no attempt so far to develop the potential of the cultural sector of the economy in order to attract visitors, in particular foreign visitors, to the Athens Metropolitan Region. Because of the language barrier, cultural tourism has been treated as a sector for strictly internal and rather narrow consumption, even for events that do not depend on language, such as exhibitions and concerts. Athens should make an effort to attract tourists on its own merit, as a place worth visiting for a longer period all year. Convention tourism is a related area. Policies are needed to help visitors to improve their knowledge about the day and night life of the city and cultural events (KEPE, 2000).
- Architecture, *heritage and culture*. The building and construction sector is a dynamic and omnipresent factor of the Athens scene, which would merit being highlighted in view of its importance in determining the future character and image of the Athens. Greece has a long tradition in low-profile but harmonious and human-scale architecture, well adapted to the natural and historical landscape. The knowledge base of Greek architects could be developed to promote Athens as a centre of excellence for the production of sustainable housing and communities. All the major public and private works presently underway offer a unique opportunity for experimentation and distinctive design carefully integrated into the existing urban fabric. The “Unification of Archaeological Sites” and the linking up of the Olympic sites are examples of what can be done. The quality of

the development of the Plain of Messoghia will be capital in creating a new image for Athens.

Heritage and culture are increasingly catalysts for urban regeneration and economic development in European cities. More public discussion of these opportunities is required to raise awareness and to encourage appropriate planning and management of the Athens urban area.

NOTES

1. OECD Discussion Note [See Annex 1, GOV/TDPC(2002)4, January 2002].
2. A 1995 opinion poll, questioning a group of managers from the 500 largest European businesses, listed Athens almost at the bottom of the list among 30 other European cities, regarding its suitability for business location (research of Harris Research Centre undertaken for European Cities Monitor, 1995).
3. According to research by Professor Louka Katseli, Athens University.
4. Panagiotis BALOMENOS holds a Bachelor Degree from the National Technical University of Athens, Department of Rural and Surveying Engineering, Master of Engineering from the same University and Master of Science in Real Estate from the University of Reading, UK. He is currently a PhD candidate at Panteion University, Department of Economic and Regional Development.
5. See OECD 2003, Territorial Review of the Metropolitan Region of Melbourne, OECD on-line report.

CHAPTER 3

STRATEGIC SPATIAL PLANNING

Introduction

Every territory has an optimal trajectory for its development based on its assets and opportunities. For that reason, a strategy for development must begin with an analysis of territorial assets, competitive advantage and specific potential (territorial capital). Investment that is tailored to territorial capital will be more profitable and more sustainable; the aim is to give every part of a country an equal chance to develop on the understanding that development will not be uniform but specific to each area and in keeping with its assets and potential. Michael Porter argues that location in the modern global economy is a crucial factor and in order for cities to be competitive, they must draw on local advantages. That means that cities must identify their territorial assets and understand how those assets can contribute to economic growth in the city and in the region. In Athens, there has been increased awareness of these factors over recent years encouraged by European Union programmes and preparation for the Olympic Games. These two experiences serve as catalysts for change; they are not ends in themselves but processes, which facilitate an ongoing asset-building approach to territorial development.

Some of the most significant changes of the last decade include the massive infrastructure investments made possible through the three Community Support Frameworks (approximately €40 billion of EU funding up to 2004). Athens now benefits from a 'modern' integrated transport system, which is contributing to a more rational approach to land-use. The natural and built heritage of the city is now valorised as an important territorial asset contributing to the economy of Athens, the quality of life on offer in the city and the city's international profile. Preparations for the Olympic Games have required a '*whole of government*' response in administrative terms and a focused metropolitan perspective in a physical sense. Institutional capacity has been significantly enhanced but complacency is not an option. Athens is at the beginning of a process. How the city builds on the experience of hosting the Olympic Games is the most significant long-term challenge. Consider that:

- The city has grown with little planning and control and at a rapid pace, “illegal” settlement being widespread, (one third of the buildings in Athens have been constructed illegally). Eighty per cent of the residential stock of Athens was constructed after 1960. The reconstruction of central Athens with poorly constructed condominium buildings in multiple ownership means that the modern built form of the city is likely to be a serious impediment to its future sustainable development; potential urban decay could prove costly to public and private sectors alike;
- Athens is a city of mixed uses, with limited open spaces and green areas, high densities in the central as well as the old residential areas, but also extended peripheral areas with relatively low densities. Ninety-seven per cent of the landmass of the city is covered, resulting in a population density of 6 700 per sq. km. compared to a national average of 80. Important growth is expected in the Plain of Messoghia and around the new airport. Urban sprawl has been the normative pattern of development since the 1960s;
- Strategic transportation issues remain particularly with respect to congestion, pollution, connectivity beyond the metropolitan area and funding. Despite improvements, traffic congestion and pollution problems remain as car ownership increases and car-usage and parking control policies are not taken into consideration. A long-term integrated transport vision exists but is dependant upon securing alternative forms of funding and investment particularly for the period 2010-2020;
- Like other cities, Athens has a changing social context, disparities are geographically pronounced, immigration, an ageing population and high unemployment indicate that a future urban strategy needs to consider the human dimension of the city.

In view of these circumstances, a multifaceted strategy could help upgrade the image of Athens as a modern capital city with a long history and a good quality of life. The challenge for the future lies in promoting spatial development and providing spatial frameworks conducive to economic growth as well as to the reduction of environmental problems, and to the pursuit of sustainability. Fostering social development and strengthening social cohesion will be an integral part of a strategy for the future. Accepting the status quo is not an option as the consequences of no change in policy and implementation would be too damaging to Athens and to Greece as a whole.

The Metropolitan Challenge

There is a lack of vision for the future of Athens at the national and metropolitan levels economically and spatially. As the OECD Urban Renaissance Series has demonstrated, a forward-looking inclusive vision developed through consultation with all stakeholders, is a crucial step towards establishing a comprehensive understanding of local competitive advantage. A city vision would address short, medium and long-term needs, balance economic growth with social justice, and contribute to realising sustainable development. In most cities, the issue at hand appears to be multiplicities of visions that are not strategic and do not adequately propose appropriate cross-sectoral responses. This is the case in Athens, exacerbated by its complex governance. The need for a strategic vision for the city which takes it beyond the Olympic Games in 2004 and Community Support Frameworks is crucial. Amongst the key challenges facing metropolitan Athens, which in fact are opportunities for the future, are the historic environment, urban brownfields and the Messoghia Plain.

Spatial Planning, Regulatory Reform and the Implications for Athens

Spatial planning systems and governance frameworks should ensure that future growth and development be more pro-actively managed to avoid the problems of the past, and better achieve integrated public policy goals. A narrow focus on planning laws, which allow or forbid certain uses in certain places, is normative in Greece. Consequently, there is a wide disregard for planning regulations, and excessive unplanned/unapproved development, the consequence of which has been a sub-optimal use of land and infrastructure resulting in a poor public realm and reduced quality of life. Urban sprawl and the lack of control on the linear concentration of commercial and office uses along major transport axes is weakening the metropolitan area.

Space based assets are integral to establishing competitive advantage and three important spatial challenges and opportunities can be identified in metropolitan Athens. They are the historic environment, brownfield sites and the Messoghia Plain. Each of these 'physical' features forms the baseline for an Athenian vision, which is presently dominated by national and international policy contexts. Translating the high-level strategic perspective to a metropolitan context means recognising the physical challenges and opportunities presented by the urban environment. The organisation of the Olympic Games in Athens in 2004 has proved to be a unique challenge not only for the metropolis of Athens but also for the entire national administration, which has required a more flexible, and outcome based approach. Consideration needs to be given to how the lessons learned from the Olympic experience can

contribute to proposed reforms and working practices. For example, the use of master planning techniques to deliver many of the Olympic sites is a positive point. A wide appreciation for urban design excellence amongst the teams that are delivering the Games, and a renewed pride in Athens' archaeological heritage, point to an opportunity to establish a new set of principles and processes for how growth is managed.

The Historic Environment as a Territorial Asset

The historic environment includes both built and natural resources, which are finite resources frequently at risk from inappropriate development. The cultural resources of the Athens Metropolitan Area are highly significant both in matter of their importance as well as their number and diversity. These cultural resources are distributed all over Attica and cover a wide historical and artistic range, from the ancient temples of Sounio and Elefsina to the Byzantine churches which are distributed all over the Athens agglomeration and the more modern neoclassical monuments. The urban environment presents a series of threats and opportunities with respect to heritage - urbanisation, road building, construction and industry all serious threats. Recent experiences when constructing the Athens metro have highlighted the need for sensitivity towards archeologically sensitive land, a city such as Athens is actually under scrutiny of the wider international community as well local and national preservation bodies as world heritage takes on more meaning.

Whilst there is insufficient knowledge on the real economic value of the historic environment, there is broad recognition that it is playing an increasingly important role in the economic regeneration of urban areas. In the United Kingdom for example, it is estimated that urban regeneration programmes contribute in excess of £100 million in 1998-1999 to the UK cultural sector as a whole, in which heritage has a strategic role. In major cities, this is an important part of overall economic output. Athens, as a capital city with an important cultural heritage can capitalise in the same way that other cities do. For example, it is estimated that 45% of overseas tourists to the UK in 1995 cited historic sites as the main reason for going to London. Athens has a strong asset base which it seeking to ameliorate in order to capture its real potential. It has long been realised that Athens was a means to getting to other places in Greece and not a destination itself. Various interventions have created a new opportunity but the process is in its infancy and will required sustained efforts to fully establish the city as an international tourist destination in itself.

Progress is being made in Athens, as the Programme to unify the Archaeological Sites of Athens shows. The archaeological sites and the monuments of Athens are of great value and importance for visitors and residents contributing to the historical and contemporary local identity. Several benefits can be identified from historical preservation and more specifically from the implementation of the Athens Archaeological Sites Unification Programme with respect to the development potential of the area and to the upgrading of the quality of life. Positive impacts for the environment will result from direct (*i.e.*, construction of pavements, increase of open/green spaces, car-use and parking control measures) and indirect interventions (improvement of road network, increase of average speed, decrease in the emission of air pollutants and noise pollution). The intention is to create a network of public spaces, cultural venues, open spaces, amenities and recreational areas, which will link the major cultural landmarks of the capital and integrate them into the everyday life of the city.

Box 3.1. The Grand Promenade

One of the most high profile projects in the Unification of Archaeological Sites Programme (UASP) concerns the works around the Acropolis. Images of congestion, a polluted and degraded urban environment and an inaccessible World Heritage Site are recent in people's minds throughout the world. Images of Athens were characterised by the scenes around the Acropolis. As awareness of environmental issues evolved, notably through Attica SOS and the strong emphasis on environment and culture through the Community Support Frameworks (providing 75% of the funding through CSF II & III), addressing the challenges of the Acropolis became a priority. The UASP became the ideal mechanism to change the urban fabric dramatically and speedily. Encouraged by the prospect of the Olympic Games in 2004 decisions were made to pedestrianise the access roads, banning motor vehicles to create accessible public spaces. A large-scale urban design programme evolved, redesigning existing public spaces and green areas and creating new ones, which reference antiquity and enhance the historic importance of the area. The works connect with other historic sites in the vicinity creating a network of people friendly spaces and valorise the historic assets of the city. The area around the Acropolis today is one that generates civic pride and citizen ownership. Like many of the heritage projects, it has incorporated Greek materials and used Greek skills to carry out the works two very important aspects.

Source: OECD Secretariat, (2003).

All the main archaeological sites and monuments of the capital will be presented as an extended archaeological park which, united by a broad network of pedestrian routes, will be incorporated into the historic centre of the city (*Plaka, Psirri, Theseio*) and the downtown commercial area. The Programme as a whole involves some 60 major or minor interventions across a geographical area, which more or less coincides with the traditional centre of Athens. The Programme began as Local Sustainability Case Study initiative supported by DGXVI and approved as substantive Programme under the 1985 Structure Plan. The Programme has gained momentum because of

preparations for the Olympic Games, and as urban heritage has become valorised as a territorial asset. Because the Programme is a comprehensive urban approach creating a network of interconnected areas including monuments and archaeological sites, open spaces and deprived areas, its management has required an inter-governmental approach and co-operation from the private sector. The Programme promotes sustainability on a city-wide basis and demonstrates that aspects of the current system work effectively. The approach focused on the environmental and social gains at the outset with the broader goal to ensure that the heritage of the city contributes to its economic future.

The preservation and promotion of Athens' cultural heritage is a significant priority under the 3rd Community Support Framework, which is consistent with other aims of the CSF as valorising, and investing in existing territorial assets will contribute to developing the theme of creating a more competitive economic context. More specifically projects receiving funding are:

- Museums (32 255 335 Euro)
- Regeneration-Enhancement-rehabilitation (64 159 795 Euro)
- Infrastructure of modern culture –communicative events (10 371 500 Euro)

Such spending allocations affirm the multi-faceted approach to heritage, which is emerging in Athens. Not only are traditional assets being valorised to enhance economic development opportunities but also the link between heritage and urban regeneration is now strengthened. Heritage is being used as a catalyst for physical change and renewal in the city, which improves quality of life, and opportunities for all citizens. Culture, heritage and regeneration are symbiotically reshaping the city.

Heritage and culture as catalysts for urban regeneration and economic growth are increasingly favoured options for European cities. The regeneration and economic development trajectory for the city of Glasgow was built on several important events beginning in 1988 with the UK National Garden Festival, a river based regeneration initiative. The Festival was an important event for the city. At a cost of £20 million to the public purse, the event drew in some four million visitors to the city and marked the beginning of a new approach to urban regeneration in Glasgow. Earlier in 1983 was also the year of the opening of the Burrell Collection, a local and national cultural asset. Cultural events became an integral part of the regeneration process as was seen elsewhere in Europe throughout the decade. In 1990, Glasgow was a European

City of Culture, an event which captured the imagination of politicians and regeneration agencies alike. Nine million admissions were recorded, over a half million from outside the city, adding £80 million to the local economy. New landmark buildings such as the Glasgow Royal Concerts Hall, a £28.5 million investment by Glasgow City Council, had a considerable impact. In 1996, the Glasgow Festival of Visual Arts generated £25 million of visitor expenditure with a net economic benefit of £5.5 million for the city economy. In 1999, Glasgow was City of Architecture and Design, which generated £20 million and resulted in the creation of 500 jobs. Investment in culture has continued as the city has developed a science museum, a strong cultural industries base and significant urban design improvements throughout the city. Athens is at the beginning of a similar process. The Unification of the Archaeological Sites, hotel upgrading, improved transport and the Olympic cultural programme all enhance the capacity for future economic, environmental and social gains.

Urban Brownfields

Urban Brownfields or previously developed sites, often located at or near the city centre, represent a major opportunity for cities where 'smart growth' policies can counteract the negative impacts of urban sprawl and realise a more environmentally sound, economically viable and socially equitable urban function. The growing number of brownfield sites in urban regions is a result of shifts from industrial and manufacturing processes to service and knowledge-based economies with different technological needs, changing employment patterns and skills requirements. Brownfield sites have become ideal opportunities in many OECD countries to increase housing stocks in urban areas, particularly as a means of creating more socially and economically diverse communities. The environmental advantages of brownfield remediation are clear: relieving pressure on rural areas and greenfield sites, reducing pollution costs and being more efficient with energy use and natural resource consumption, facilitating economic diversification, and emerging habitat. In Athens serious attempts are being made to utilise these sites more, a gas factory has been transformed into an important cultural facility creating environmental, economic and community benefits.

The problems of urban regeneration and brownfields raise issues of policy coherence. The practice of permitting greenfield development (usually at lower cost) whilst attempting to redress the serious environmental, economic and social problems in urban cores is contradictory; the inflexibility of policy and legislation however inhibits redevelopment. The OECD study Urban Brownfields (OECD, 1998a) found this to be the case throughout Member countries, even where national brownfield redevelopment targets were in place. Failure to renew brownfields often affects the environmental quality of the

surrounding area, and when compounded with spatial patterns of social distress, the presence of brownfields helps to explain why certain disadvantaged social categories are at much greater risk of exposure to contaminants. In the end, this can create a negative spiral of mutually reinforcing processes which eventually lowers the vitality of the city as a whole as firms and people relocate to greenfield sites, where the risks of contamination are minimal or non-existent, and the costs lower. Brownfield sites have become a persistent problem, which cannot be alleviated by the normal process of modernising and expanding the built environment of cities. The environmental advantages of brownfield remediation are clear: relieving pressure on rural areas and greenfield sites, reducing pollution costs and being more efficient with energy use and natural resource consumption, facilitating economic diversification, and emerging habitat requirements. The Queens Tower Park project is an important example, which tackles multiple issues such as historic preservation, brownfield redevelopment, environmental improvements and area-based regeneration.

Box 3.2. Queens Tower Park

The Athens Urban Pilot Project involved the development of Queen's Tower Park, a major site in the north-west of Athens, and its rehabilitation into a regional recreation and environmental park with associated training facilities. The project was developed and implemented by the Organisation for Planning and Environmental Protection of Athens and comprised part of a Programme of radical "greening" of the city. A diverse network of public bodies and agencies was assembled for the project including: a renewable energy company; the Youth Secretariat; the water authority; a Railroad organisation; the Ministry of Agriculture; the Association for Ecological Agriculture; and the centre for Renewable Energy Sources. The project included some 66 hectares of landscaping and environmental improvement works involving: flora enrichment and reforestation; waterworks; the creation of internal path networks for pedestrians and cyclists; installations for training in gardening and organic cultivation; a related permanent "Green Fair"; and an open-air museum of Attica flora. In addition, the project involved the restoration and re-use of historic buildings including a 19th Century farm building belonging to Queen Amelia and adjoining stables which were rehabilitated into an exhibition hall and environmental training centre. A training facility was built for the Greek Institution for the Unemployed. Some 56 persons were employed during the project construction period with 80 and 108 permanent staff being employed in the first and second stages of the project.

The Athens UPP offered a regeneration response to the relatively unusual problem of peripheral city decline in a suburban area inhabited by low-income groups. It experimented with new ideas for the delivery of urban policy through supporting the environmental and economic regeneration of this peripheral area. This was undertaken using an integrated planning system, which incorporated recreation planning with environmental design and social factors. The project could be considered relatively innovative by contributing towards a change in attitude of local residents to environmental issues. This UPP undertook an extensive exchange of experience Programme, carried out in close collaboration with both Greek and foreign experts. Due to complex land ownership patterns time delays were experienced with the project, which was not completed until June 1995. The project received 75% funding from the EDRF.

Source: European Union, (www.europa.org).

Cross-sectoral co-ordination through the drafting of laws or the implementation of policies is an increasingly common feature of brownfield regeneration strategy. In combination, these approaches can increase public funds available for remediation, and can provide a basis for partnerships with the private sector and local communities. The quality of specific projects is often the key to success, but efforts to set a high standard for quality design and project management are often neglected. There is potential for good complementarity between environmental and regeneration policies: regeneration may advance more rapidly if brownfield sites are restored to useful life, and remediation efforts are strengthened if a coherent strategy exists to create or support economic and social uses for these sites.

Box 3.3. Criteria for Successful Brownfield Redevelopment

OECD work on brownfield development (OECD, 1998) identified several obstacles to re-use: inflexible planning regimes, fiscal structures, inadequate local public services and contradictory locational aspirations of many households and businesses. The re-use of these sites can benefit both the environment and the quality of life of residents by reducing the need to travel, reducing pressure on greenfield sites, and enabling local economic diversification and mixed uses. The following general policy principles were articulated:

Well-developed regional and city level strategies that are capable of addressing the economic and land use issues surrounding brownfield sites.

Flexibility and innovation: Processes, which are responsive and allow for change, will encourage greater investment levels, which are after all, the key to achieving more brownfield redevelopment.

Establishing appropriate funding mechanisms: stimulating further private sector investment through a judicious mix of market-based mechanisms is necessary. The role of the public sector as facilitator in terms of funding and initiative is significant. Future policy needs to consider the ongoing costs to the public purse and how best to stimulate the private sector to take more responsibility for brownfield land.

Partnerships: the development of proactive partnership approaches between public and private sectors and between levels of government, alongside the active involvement of civil society representatives have been a central feature of successful redevelopment programmes.

Communicating the benefits of brownfield redevelopment: reducing misconceptions and fears will enable greater flexibility of land use and ultimately greater economic freedom. Encouraging effective public participation will further integrate these sites into existing communities. Communicating and sharing experiences across international borders will facilitate 'best practice' and allow Member countries to address a common issue with greater coherence and understanding. Involving communities who live alongside industrial and manufacturing sites, and are most directly affected by dereliction begins at the environmental stage of clean up.

Assertive action and strong leadership at all levels of government compiling accurate, consistent and up-to-date information on the number, location and condition of contaminated sites within the national framework is crucial. A realistic understanding of the scale of the problem of brownfield sites is a vital first step in the development of a coherent policy. The majority of OECD Member countries lack national level inventories.

More coherent national and sub-national legislative frameworks for urban, economic and environmental sustainability are necessary which include evaluating processes and outcomes is a crucial aspect of brownfield redevelopment, indicators and benchmark criteria are essential.

Source: OECD, (1998a).

The relative importance that should be given to brownfield remediation in any urban regeneration strategy raises the issue whether governments should give incentives or planning guidance to direct investment toward brownfield sites in preference to sites elsewhere, and especially on greenfields. This is indeed a challenge for metropolitan Athens for which specific policies and strategies are essential. The following OECD criteria for successful brownfield redevelopment provide a useful baseline. It is clear that developing the brownfield sites of western Athens and redeveloping and rehabilitating buildings and sites within the central area of the city will be more complex, more costly and longer term than developing the Messoghia Plain. The Ministry for Environment and Public Works is conscious of the increasingly important role that the redevelopment of these sites will play in controlling urban sprawl in the metropolitan area and in meeting sustainability goals. Plans by the national government to rationalise inefficient office space in central Athens will involve relocation to brownfield sites. This approach will be important. In Maryland in the U.S., Glasgow and Belfast in the U.K. and numerous other cities throughout OECD countries government leading by example is a sound catalyst for change and an important factor in changing attitudes in the private sector. The approaches taken are also interesting: the United States uses fiscal incentives to bring about change, the U.K. relies more on regulation and policy, and increasingly countries seek to use both to expedite outcomes.

The redevelopment of brownfield sites need to be further embedded in policy. Preparation of the national cadastre, for example, should include an inventory of brownfield sites. Realising balanced growth throughout the metropolitan area is dependant upon defined land-use strategies. Brownfield sites, however, are complex to redevelop and preference for greenfield sites is clear on the part of developers.

Box 3.4. The Athens Posidonia Project

Strategically located at the Port of Piraeus and covering the two administrative boundaries of the Municipality of Athens and the Municipality of Piraeus this project is an important pilot demonstration of a new approach to urban renewal, special planning, inter-governmental co-operation and stakeholder participation. An ambitious project first considered in 1992 as part of broader efforts to regenerate an area, which once employed over 2 000 people. The area displayed signs of physical and economical degradation and regeneration efforts were constrained by multiple land ownership and institutional barriers within government. The Organisation of Athens was given responsibility to co-ordinate the urban renewal programme.

There are four private sector landowners: a cement manufacturer (12 ha.), two heating oil and lubricant storage areas (3.6 ha. And 4.7 ha.), and the National Bank of Greece (8 ha.). Other landowners are the Municipality of Athens, the Municipality of Piraeus and the Port Authority.

Box 3.4. (cont.)

The Organisation for Athens (OA) is the metropolitan agency responsible for the physical planning and environmental management of greater Athens and as such co-ordinated the urban renewal of the area. OA's participation in the project was an opportunity to set the project on a new basis by creating an innovative approach based on ESDP principles and the exchange of know-how and experience between Posidonia partners. The strategic goal of the project was to enhance the economic competitiveness of the port of Piraeus and to address the economic, environmental and social challenges presented by ongoing decline. The rehabilitation would serve the:

- Urban and regional development
- Upgrading of the city environment by promoting cultural heritage;
- Upgrading the natural and built environments;
- Creation of tertiary, recreational and cultural pole to attract investment;
- Creation of sustainable employment for local residents;
- Facilitate future Port development;
- Connect the inner urban area with the waterfront.

The project had important administrative, political, scientific and procedural outcome:

- A Steering Committee co-ordinated by OA ensured the involvement of all stakeholders
- Co-operation of all of the public, private and municipal agencies was established through a protocol agreement, which also facilitated public debate.
- An operational plan based on general strategic choices and specialised urban policy breaking with traditional approaches to planning
- A "bottom-up" approach based on the public debate of different scenarios.

Source: OECD Secretariat

Messoghia Plain

An important territorial asset is the Messoghia Plain; this area of land is an opportunity for Athens to not only ensure the protection of an important environmentally sensitive location but as a catalyst for bringing about change and eliminating complacency in the current planning system. The Messoghia Plain is already under considerable pressure; zoning and uses are already determined and legally established. However, as an important opportunity for Athens the development of its Plain is crucial to the metropolitan area as a whole and will be a significant challenge, particularly with respect to:

- The opportunity to plan differently — vision based strategic planning which addresses economic, spatial, environmental and social challenges.
- Governance — the Plain cannot be considered in isolation, neighbouring municipalities will be affected by its development and in the absence of a metropolitan body with meaningful

administrative responsibilities and authority, addressing the collective interests of the AMA will be almost impossible.

Zoning plans have in fact been prepared for the Messoghia Plain. All stakeholders are aware of the issues involved in developing this area and the threats, which would emerge from inappropriate development. Messoghia is an opportunity for Athens to develop a more sustainable approach to spatial and economic development, which builds on the multiple assets accrued over the last decade. Such an approach could positively influence the whole metropolitan area.

The following Australian example similarly considered a valley area with similar opportunities and constraints to Messoghia. Unlike Messoghia, it was virgin land, which was not vulnerable to illegal development. The approach taken towards developing a sustainable urban development strategy provides some interesting lessons for Athens. From a local and national perspective, this project demonstrated an important example of coherence and a commitment to sustainable urban development.

Box 3.5. Jerrabomberra Valley -- National Ideas Competition: A Case Study for Ecologically Sustainable Urban Development -- Report to the OECD and Australian Government, 1994

The project formed part of the OECD's Ecological City Project for which the objectives were to:

- describe the factors in urban development and economic change favourable to the adoption of ecologically sound integrative strategies;
- clarify the meaning of sustainability for cities and the methods by which it can be pursued;
- make recommendations concerning specific aspects of urban policy and administration that affect the integration of environmental issues;
- analyse case studies so that practical steps to improve environmental conditions and to implement integrative strategies in cities can be identified, and
- clarify the roles of local and central government.

In the local context, the aim of this project was to consider options for the urban expansion of the Australian National Capital based on principles of ecologically sustainable development. Jerrabomberra is a site located between Canberra and Queanbeyan and had been identified as a site for possible urban expansion in the region. A national ideas competition was held in 1994, as a search for ideas rather than a final physical plan for the site. A criterion of the competition brief was for entrants to develop concepts for achieving an urban development, which would satisfy principles of ESD. Thirty-two entries were received, in which several hundred people participated, mainly in teams. The following key points emerged from a synthetic overview of the submissions:

Box 3.5. (cont.)

- Sustainability is essentially about a self-learning, dynamic society, which is genuinely responsible for its own destiny.
- Broad based community support and involvement is essential.
- Community consultation has to be a genuine process.
- ESD development requires specific administrative arrangements.
- An integrative approach is paramount to create a community, which relates responsibly to the land.
- Regulations, which prohibit innovative ways of managing the natural environment, will need to be modified.
- Urban areas must be viewed and managed as part of a total catchment.
- Governments will be required to financially underwrite the risk factors associated with ESD. Public private partnerships are a possibility.
- Simplification of procedural decision-making requirements would be necessary.
- The most ecologically sustainable solution is to take no more land around the fringe of Canberra but to work with what is already urbanised.

Source: OECD, (1996).

The single agency approach through the creation of ‘specific bodies’ charged with implementing the regeneration of particularly defined areas could be a highly successful tool in securing the redevelopment of derelict landmasses in urban areas so it is a logical decision to create an organisation to oversee the development of the Plain. The challenge lies in creating the appropriate structure, which is able to guide development and respond to multiple policy goals. Numerous examples exist throughout OECD Member countries, which assert the importance of this approach. The OECD 1998 study on *Urban Brownfields*, after surveying some 20 OECD Member countries, found that:

“Strong public sector involvement is widely recognised throughout the case studies to be crucial to the realisation of redevelopment projects involving brownfield sites. This ‘involvement’ takes on many roles, co-ordinate, and funding and regulatory action being some of the more important. Local government agencies are frequently in a unique position to form partnerships with the private sector and develop a vision for a local area which addresses the needs of the local community.”

In Belfast, Laganside Corporation has proved an effective mechanism for regeneration. Whilst emerging from the same policy ethos as the English UDCs and being charged with similar priorities, Laganside Corporation is somewhat

distinct in the way it has developed. Unlike its G.B. counterparts Laganside Corporation did not have additional powers of planning, public housing, building control and certain public health functions normally in the domain of public authorities; these remained centralised functions within Northern Ireland. Laganside Corporation was not charged with the regeneration of Belfast; it had a particular area to redevelop, which for several decades was recognised as being in need of regeneration. Laganside is a piece in the overall social and economic fabric of the city. Government Departments and the City Council have simultaneously pursued and developed strategies for the rest of the city. From the outset, Laganside as the catalyst of the initiative worked in partnership with statutory agencies and the private sector to redevelop the area, with a goal to contribute to the overall regeneration of the city.

In Canberra, too a development authority was created by statute controlled by the Australian Capital Territory government to develop an important waterfront location on Lake Burley Griffin. The existence of the development authority will ensure that this important area is developed in a sustainable urban form. The decision to create a dedicated delivery vehicle highlights the local importance of this site and the commitment to implementation. The Agency is operating in a longer-term context to deliver measurable outcomes. Adjacent communities were involved in the initial planning stages to ensure that Kingston Foreshore integrates into the existing urban fabric.

An alternative idea emerging from the substantive OECD project (1993-1995), The Ecological City was the concept of Sustainability Performance Areas (SPAs) which may be a useful tool to take forward the development of the Messoghia Plain. The concept differs fundamentally from economic enterprise zones for urban economic development that already exist in several OECD countries. (See Box 3.4.) Typically, enterprise zones have been created for cities with geographically concentrated social, economic and land use challenges and companies investing in the areas have benefited from a variety of economic incentives. Such concessions represent a top-down strategy to local economic development, which often fail to build a solid base for future economic growth and have rarely proven to be holistic. They can also represent challenges to local democracy. SPAs would instead correspond to local demand, and represent bottom-up strategies; they integrate into larger ecological and economic systems; and they call upon local capital and labour. A SPA can be created in a city to facilitate more rapid change, encourage experimentation and innovation.

Box 3.6. Sustainability Performance Areas: An option for the Messoghia Plain

The concept of the Sustainability Performance Area (SPA) is one of the original ideas to emerge from the Project on the Ecological City. SPAs can be created in cities to implement environmental strategies and policies more rapidly. One of the problems affecting the introduction of better policies relates to the lack of a programme at the next highest level of government: neighbourhoods wait for cities to act, and cities wait for states or national governments. SPAs could help cities and neighbourhoods to overcome many of the obstacles that block or retard local initiatives. SPAs would not replace the need for broader policy action. Sustainability is necessary for all urban areas.

The first step in implementing Sustainability Performance Areas would be taken by the local community, to make an environmental audit (where we are), and to develop an environmental plan (where we want to go, what to change, what to maintain). This plan would have to show how local businesses would contribute to the attainment of goals and targets. The advantage to business is that it can combine its efforts with those of the community to meet overall targets or goals. The emphasis of the SPA should be on performance, or results, and on cross-sectoral, integrative policies.

The second step would be taken by the city or regional authority, which would evaluate the overall goals and the steps proposed to meet them. When a municipal or regional environmental plan already exists, the community plan would have to be consistent with it. But if a plan for the larger conurbation does not yet exist, the smaller unit would be able to proceed with its plan.

The third step would be taken when a Sustainability Performance Area is declared. This zone could be as small as a few blocks or as large as an entire district. The public authorities would establish an integrated administrative structure for the SPA to co-ordinate policies on land use, transport, energy, safety, etc.; special job-training programmes and school curricula could be introduced.

The SPA would benefit from a relaxation of regulations (to foster and allow the introduction of innovative standards and technologies), and from tax credits (to encourage investment by property owners). In addition, one-off bonuses or credits could be offered to public or private agencies that meet a demand for service in the SPA (the public transport authority, the water authority, etc.). The advantages of the SPA include: reducing uncertainty and enhancing co-ordination in policy, thereby favouring investment; promoting local demand for innovation; reducing the need for big, centralised spending programmes; and contributing to a greater variety of examples and experiments in cities at large. The benefits, grants and incentives for the SPA should only apply for a relatively short period (3-5 years), to foster a series of planned changes and investments. At the end of this period there must be an evaluation.

Sustainability Performance Areas would instead correspond to local demand, and represent bottom-up strategies; they integrate districts into larger ecological and economic systems; and they call upon local capital and labour. Enterprise zones are limited to places already burdened with many disadvantages. Sustainability Performance Areas could be far more numerous: they do not correspond to the areas with the worst problems, but to areas with a plan. The SPA is not an enterprise zone renamed but a new kind of approach that is mindful of the mistakes of the past.

Sustainability Performance Areas can be created in cities to implement environmental strategies more rapidly, and to encourage experimentation with innovations. A Sustainability Performance Area should be:

- a) area-based;
- b) targeted against specific outcomes or goals over limited time period;
- c) open to a high degree of community and private-sector participation;
- d) a holistic, integrated management approach on the part of the public sector;
- e) an opportunity to adapt and modify existing planning standards and environmental regulations and to introduce new methods and instruments.

Source: OECD, (1996).

The Spatial Planning of Athens

In Ancient Greece, although architecture was planned and intentional in terms of its relationship with the developing urban form there was no tradition of cities being planned as entities in themselves. It was not until Greek independence from the Ottoman Empire in the 19th Century and the declaration of Athens as the national capital (1833) that a master plan was prepared for the city and reflected the principles of 19th Century Romantic Neo-Classicism and its main goals were to provide for the northward expansion of the city and the restoration of the Ancient centre. The city's rapid growth and uncontrolled outward expansion during the 20th Century has left a challenging legacy. Most of the current built form of the city is actually only four decades old. Attempts were made post WW II to develop a regional plan to respond to the rapidly developing capital, which continued throughout the 1960s and 1970s. By the end of the 1970s the Capital 2000 plan had emerged and the legislative context for the development of the city ratified.

Spatial planning in Greece is traditionally a highly centralised function, which over recent years has become more devolved. However, reform is complex as law making and abolition is dependant upon a process of Presidential Decrees, which can inhibit the pace at which changes can be made by different territorial levels of government. Following the constitutional provision of 1975, Law 360/76 constitutes the first comprehensive act concerning the establishment of a spatial planning system in Greece. It introduced two kinds of Plans and Programmes: the spatial and the environmental. In 1983, Law 1337/83 created the legislative urban framework, which required the development of a 5-year Plan of Economic and Social Development. The law also initiated General Urban Plans and Development Control Zones. In 1985 the Structure Plan and Programme for the Environmental Protection of the Athens Region was ratified by Parliament (Law 1515/85). In 1985, these attempts took the form of a complete institutional framework governed by a logic of uniform planning. Law 1515/1985, on the "Regulatory Plan and the Environmental Protection Program of the Greater Athens Area," determined the guiding framework that provided the policy goals, orientations and specific measures for the sustainable development of Attica. In addition, it provided for the foundation of the Organisation of Athens, the agency responsible for the specialisation studies and co-ordination of the implementation of the Structural Plan.

On the more detailed scale of spatial planning, the goals of the Structural Plan are realised in the following ways: the General Urban Plans that are approved for each municipality; the Zone of Development Control that includes the entire sub-urban hinterland not included in the city plan; the Urban Development Studies for the Extension and Revision of approved plans; and the special structural interventions and reform plans, which are of strategic importance for the productive and urban development environment of the Greater Athens Area. A highly detailed planning methodology was established within a framework of specifications common to all Greek cities, which were set by the new Urban Development Law and the Urban Reconstruction Agency. The Logic behind this uniform planning limited considerably the possibilities to create such functional conditions as pertain to a metropolitan area. This was mainly due to the insufficient data on the city's evolution, role and function at an international level, and it resulted in an Athens Structural Plan with an ethnocentric logic and the corresponding scope of development. Even at the national level, the only basic orientations were those of the 5-year plan for the period 1983-1997. This focused primarily on the development of all Greek regions, according to their potential and comparative advantages, but without the specialised uses of a National Spatial Plan. In general, terms it sets the basic goals and objectives for the development of Athens and suggests a number of priorities concerning urban structure. It envisaged the development of a multi-nodal urban area, the relocation (or at least deconcentration of port services), the development of a few major recreation/open space areas, the protection of the surrounding mountains, etc. The main objectives of the Athens Plan as regards the development of the Greater Athens Area within the national framework are the following:

- a. Stabilisation of the population of the Greater Athens Area, ultimately aiming at its reduction
- b. Containment of the expanding economic activities in the capital and promotion of the capital to the national centre of administrative functions.

The more specific goals and orientations of the Athens Structural Plan determined for the development of the area of the capital itself are quite satisfactory and cover all levels of spatial and environmental planning. In particular, they pertain to:

- a. The promotion and protection of all historical assets, the ecological restoration, promotion and protection of the Attica landscape, mountain ranges, landscapes of natural beauty and coasts.

- b. The reduction of environmental pollution.
- c. The improvement of our environment and quality of life.
- d. The economic restructuring of the Greater Athens Area.
- e. The decrease of existing inequality in the distribution of social infrastructure and in the quality of the housing and natural environment.
- f. The designing and planning of urban and spatial development.
- g. The protection of the capital from natural disasters.

The Plan did not include a comprehensive transport strategy or reference either the new airport or the metro. Within the Ministry of Environment, Physical Planning and Public Works (YPEHODE) there are five specific bodies with spatial planning responsibilities, they are:

- Public Corporation of Town Planning and Housing;
- Special Funds for the Implementation of City Master Plans and Town Plans;
- Organisation for Planning and Environmental Protection of Athens;
- Organisation for Planning and Environmental Protection of Thessaloniki;
- Hellenic Mapping and Cadastre Organisation.

The country is undergoing widespread institutional reform as competencies are devolved to regional agencies and a strengthened tier of local government. The new governmental structure presents opportunities for creating more effective spatial planning. A new law in 1997 for the first time introduces sustainable development into legislation. The law is specifically to provide for the remedial action and urban consolidation required in areas, which have been “loosely urbanised.” Further proposals are in hand for a revision of the planning law and instruments, which will use sustainable development as an organising principle, but there are still questions about whether the principle will extend to other sectors. National policy in Greece, as in many other countries, is dominated by the need for economic growth, and improving the infrastructure to support economic development. The new law for “*Sustainable Urban*

Development” (Law 2508, published in July 1997), lays down the guidelines, conditions, procedures and forms of urban planning for the *balanced and sustainable development of cities and settlements*. It sets a more effective framework for an integrated and balanced housing development, the containment of illegal housing development and the protection of the environment. It also sets the terms and procedures for the regeneration and improvement of downgraded urban neighbourhoods and the preservation of the cultural and historical heritage. The law maintains the *Master Plan* as the basic planning tool, which is now extended into both the *urban (built)* and the *non-urban (non-built)* space, within the administrative boundaries of the local authority unit.

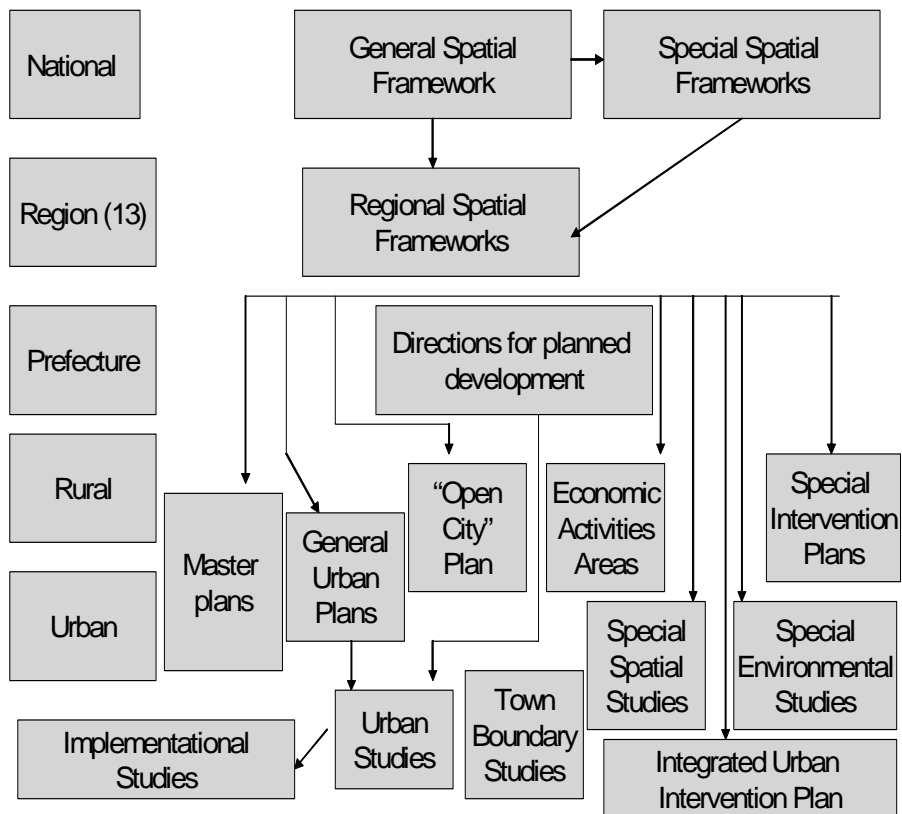
The Structure Plan is the Strategic Plan for the Athens Metropolitan Area and is overseen by a national government agency. Each municipality and commune in turn prepares a General Town Plan which is complemented by one or more Town Planning Studies, and for each Town Planning Study, one or more Implementation Studies are then prepared. The Town Planning Studies and the Implementation Studies are non-binding and frequently not applied, although required by legislation. An inherent problem of the current system is that legislation is created, modified and superseded but not actually implemented. The flowchart below details the current system, which is cumbersome and inhibited because it is inconsistently applied and enforced. Without the overarching strategy, effectively implemented subordinate legislation and regulation are rendered impotent.

The current system reveals a ‘cluttered’ administrative context, a point elaborated on later under the governance section with respect to number of public agencies with some administrative authority or obligation for Athens. This is seen elsewhere, the recent OECD Urban Renaissance Review of Glasgow in the United Kingdom drew attention to similar problems. Professionals frequently draw attention to the complexity of the internal framework of managing places as a handicap to delivering better outcomes. Regulatory systems need to be workable and clear for those responsible for implementation as well as for stakeholders.

During the 1990s, it was recognised that controlling land use was hindered because the national land registry is incomplete, and it is therefore hard to show that trespassers constructing buildings are indeed in the wrong. Even the ownership of certain government land is difficult to prove. As a result, the EU supported a project, initiated in 1997 and benefiting from EUR 172 million in EU funds under the Operational Environment Programme (OEP), which gives priority to districts near large urban areas or tourist destinations, since these are the most at risk for illegal construction. Completion of the national

cadastre is expected by 2005. A cadastre is only one tool. It must be considered in the broader context of how supporting legislation and plan-making can produce a functioning system. This does, however highlight the multi-faceted approach being taken to creating an effective spatial planning system.

Figure 3.1. **The Regulatory Spatial Planning System and Relevant Planning Tools**



Source: Ministry of the Environment, Planning and Public Works, (2002).

The Greek government now recognises that the Athens Structural Plan is only partially efficient in dealing with the expected growth. Ten years after the adoption of the Athens Structural Plan, an evaluation of the extent to which its objectives have been met, the timeliness of its particular choices, and its capability to deal with the new realities and the prospects of the city can be evaluated. In the process of updating the Athens Structural Plan, the formulation

of new courses of action, priorities and goals ill serve and support the strategic choices that aim to boost the competitiveness of the city. At the same time, the achievement of the greatest social cohesion possible and the sustainable development of the city are considered basic pursuits.

The 1985 Structure Plan is an outdated instrument that requires to be conformed with present Regional, National and European conditions and has no meaningful statutory powers. Enforcement is uneven, exacerbated through a lack of appropriate structures and resources to monitor and promote more effective planning. The national policy context does not provide clear priorities. There is an over reliance upon the Community Support Frameworks to shape policies and outcomes. Whilst many positive gains have been realised through the significant infrastructure investment and preparations for the Olympic Games, spatial planning has been driven by short-term needs and large-scale projects, which have their place in city development but realise optimal outcomes only when integrated into the urban fabric as a whole.

Spatial Planning, Regulatory Reform and the Implications for Athens

Regulatory policies are based on a mix of economic, legal, and public management principles. The underlying policy objectives sought are largely common among OECD countries, though the emphases may differ widely, reflecting their different specific circumstances. Objectives underlying regulatory policy are:

- increasing social welfare by better balancing and more effectively delivering, social and economic policies over time;
- boosting economic development and consumer welfare by encouraging market entry, innovation, and competition and thereby promoting competitiveness;
- controlling regulatory costs so as to improve productive efficiency by reducing unnecessary costs in particular for Small and Medium-sized Enterprises;
- improving public sector efficiency, responsiveness, and effectiveness through public management reforms;
- rationalising and restating the law; and
- improving the rule of law and democracy through legal reforms, including improved access to regulation, reduction to excessive

discretion of regulators and enforcers, which is a key source of corruption.

Regulatory reform emerged in Greece as part of a larger set of reforms to domestic policies and institutions carried out in response to changing external pressures. In particular, regulatory reform has developed over the last two decades because of European Union membership, though Greece has moved more slowly than other EU members have to take advantage of the opportunities offered by the Single Market. Since the mid-1990s, the pace of reform has accelerated with the drive to qualify for membership in the Euro area. The OECD Regulatory Reform Review of Greece (2001) concluded that external pressures have moved faster than domestic responses, and a gap has opened between new social and economic demands and opportunities, and the capacities of the Greek public sector to perform roles compatible with those new needs. Regulatory regimes in Greece still tend to be interventionist, costly, rigid, and focussed on details rather than results. There is evidence of a new perspective emerging in Greece on regulatory reform and the need to “reinvent” the relationship between the public administration, the market, and civil society.

An important observation emerging from the Regulatory Reform Review, and substantiated through discussions related to the OECD Metropolitan Review of Athens, highlighted regulatory inflation and regulatory quality. There has been an upward trend in the number of new laws made over the last decade. Each new law produces on average 6 new presidential decrees and 63 ministerial decisions. Between 1987 and 1998, there was an average of 450 new presidential decrees and over 5 200 new ministerial decisions every year. The Review found that the issue of real concern, though, is less the number of regulations and more the quality of those regulations. Laws tend to be statements of problems with little prior assessments of compliance costs. The growing flow of new regulations may produce significant benefits, but also increases compliance costs on society (government, citizens, and national and foreign businesses), and opportunity costs by impeding innovation and growth. This is certainly the case with respect to planning and associated regulatory tools. There appears to be an over reliance upon the existence of particular laws without appropriate recognition of the need for ensuring that policies and plans actually become mechanisms for implementation. Such clarification is indeed a pre-requisite to creating an effective spatial planning system that all territorial levels have the capacity to implement.

The key recommendations from the Regulatory Reform Review called on the Greek government to encourage greater co-ordination between local government and the central administration by defining more clearly relevant regulatory competencies for each level of government, by providing the necessary resources, people, and financing for delivery of services that those competencies dictate, and by assisting in the development of management capacities for quality regulation at all levels of administration. Territorial Reviews highlight the need for better co-ordination in most OECD countries. The proposed governance reforms for Athens could make a positive contribution to resolving some of these issues. In many OECD countries, there is a general assumption that regulatory planning systems negatively affect economic competitiveness. Evidence given at the Select Committee in the United Kingdom found this assumption to be without foundation; indeed, it was a prejudice more evident in public bodies than in the private sector.

Box 3.7. Spatial Planning and Competitiveness

Many OECD countries rely on planning systems, which were developed to respond to different challenges than exist in the 21st Century. As countries reappraise their existing systems it becomes clear that maintaining a regulatory context is desirable and necessary. The main challenge for governments is to ensure that the system in place is efficient and effective. In recent years, consideration has been given to the impact of spatial planning on national competitiveness. The Conclusions of the Select Committee on Office of Deputy Prime Minister, United Kingdom: Housing, Planning and Local Government and the Regions Fourth Report reveal the following:

“It is not possible to derive a balance sheet of the costs and benefits of planning. The implication of this is not for ‘more research’ to add up the costs and benefits of planning, but rather to be more discerning in our approach to the relationship between planning and business-what can planning do for business? On the implementation and delivery side (which is what those submitting evidence are primarily interested in), how can improvements be made to planning practice and effectiveness, without losing the benefits that planning brings?”

Claims that planning damages the nation's competitiveness seem to have been made without evidence. The evidence that we have received suggests that businesses generally support the planning system and seek a number of changes in implementation, which do not necessarily require legislation. The best local authorities already run their planning departments in proactive, responsive ways and if the resources are put into place, such approaches can be adopted by others.

The ‘cost-benefit’ approach to planning has not only tended to focus on the easier to measure costs but has also failed to produce definitive answers, fostered anti-planning sentiments amongst those predisposed to that perspective, and delayed attention to what matters: which is making the planning system work better for business whilst staying true to its wider purposes.

We recommend to the Government that what is most needed is a move from a system predominantly of regulation. Instead, whilst the regulation remains to underpin the system, there has to be clearer assistance to business and others to deliver better the ‘sustainable economic development’, which planners (and the business sector) want. In this way we can have a prosperous economy and a high quality environment.”

Source: Office of Deputy Prime Minister of the United Kingdom, (2002).

An alternative approach to delivering effective territorial development policy, which is less dependant upon regulatory controls, is the example of Smart Growth in the United States. The initiative is a multi-faceted approach aimed at counteracting urban sprawl, the normative post-WWII development pattern in the United States and throughout many OECD countries and which is particularly relevant to Athenian experience. One of the major innovations in policy concerns how governments at all levels can improve their capacity to design, implement and evaluate policies in time frames that better match the rate of economic and social change. Smart Growth is an important example of sub-national government working within the parameters of existing budgetary frameworks and constraints to pursue a more sustainable approach to territorial growth management. Furthermore, the Initiative does not rely on the creation of excessive layers of regulation or demand that regulatory frameworks are substantially reformed, an approach, which Athens may find interesting.

Maryland was the first State to formally adopt a Smart Growth Initiative, to manage urban growth and land use to maximum economic, social and environmental effect. Its principal aim concerns the more efficient use of State expenditure through the targeting of development to locations which are already served by infrastructure and which consolidate existing communities, or where the State has determined growth should be encouraged. Smart Growth has not led to increased State expenditure; it has encouraged more accountable State-wide budgetary allocation to meet a shared vision. Smart Growth relies on achieving change without extensive intervention and controls over local government. It is dependent upon changing attitudes and behaviour amongst all stakeholders and political culture across all levels of government, which are the same, challenges facing metropolitan Athens.

Box 3.8. Challenging Urban Sprawl

Five core initiatives lie at the heart of the Maryland Smart Growth Programme, two are legislative acts and three are incentive-based Programmes, they are:

The 1997 Smart Growth Areas Act which directs state funding into already developed areas and designated growth areas. The Act discourages sprawl through the denial of state subsidies for transportation, economic development, housing and environmental projects outside Smart Growth areas or Priority Funding Areas.

The 1997 Rural Legacy Act seeks to protect regions with agricultural, forestry, natural and cultural resources that if conserved could contribute to promote resource based economies, establish greenbelts around developed areas and protect and maintain the character of rural areas. The Act is administered through grant allocations to local governments and private land trusts to purchase easements and development rights in rural areas.

Box 3.8. (cont.)

The three main incentive-based Programmes are:

The Brownfields Voluntary Clean-Up and Revitalisation Incentive Programmes which promote the reuse of contaminated properties by relieving current owners from retroactive liability through loans and grants for remediation purposes and through a tax reduction of 50% on the increased assessment resulting from property improvements.

The Job Creation Tax Credit Programme, originally established in 1996 has been adapted to take advantage of Smart Growth principles to encourage business to expand or relocate in Maryland through the provision of tax credits for each new full time job created.

The Live Near Your Work Programme provides incentives for employees to purchase homes near their workplaces. State grants match contributions by businesses and local governments that assist employees with house purchases.

Such an approach provides for change in a context, which would not permit substantial organisational or administrative change. It relied on key points to influence a broad policy context, which seeks to create synergy between economic, social and environmental goals.

Source: Maryland Office of Smart Growth, (2002).

The concise policy structure is supported by over 70 specific programmes targeted at specific outcomes. This ensures overall clarity and flexibility to reassess individual programmes as they meet their targets and as such ensures that Smart Growth remains a dynamic policy instrument.

The Catalyst for Change

The communiqué following the meeting of G8 Environment Ministers (Otsu, 7-9 April 2000) stated, “Urban sustainable development will represent a major policy challenge for this century. Combating unsustainable trends in urban development including environmental pollution, urban sprawl and greenfield development through integrated policy approaches will contribute to a higher quality of life of citizens.” Governments have only recently begun to re-examine traditional spatial planning, land use and social and economic development policies in an effort to meet these challenges. A major challenge is to develop a coherent strategy that operates effectively at international, national and local levels.”

There is now broad recognition of the need to ensure that Greek national, regional and local policies and initiatives operate in synergy. Preparing and implementing the Community Support Frameworks, preparations for the Olympic Games and maturing as a democracy have been influential factors which are expediting reform. To achieve policy coherence, the territorial impacts of national economic and sectoral policies need to be identified. Membership of the European Union and the obligation to prepare outcome

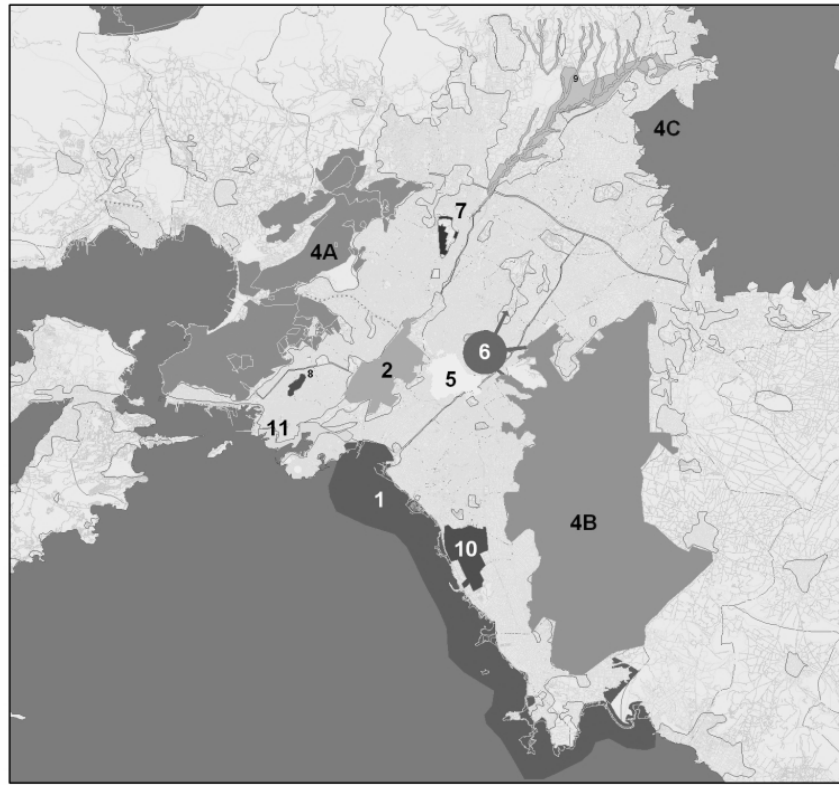
based Community Support Frameworks have resulted in an increased awareness of 'territorial impacts' and has resulted in a reappraisal of national and regional policy approaches. The historic failure to connect spatial planning to other sectoral policy-making means however that there is insufficient understanding and capacity to realise optimal economic outcomes.

OECD has analysed the role of spatial planning at all territorial levels over recent years and concludes that spatial development strategies must go beyond merely indicating where major material investments should go and what criteria should govern land-use regulations. Planning needs to create options for the future (consistent with the principle of reversibility in planning). The current challenge for spatial development policy lies in preparing territories for innovation, enhancing their adaptability to a changing external context and creating an environment of co-operation between territories and businesses thus reinforcing the bottom up generative approach to development rather than a top down competitive one (Carmagni, 2001). In its comprehensive analysis of spatial planning for the 21st Century, OECD commented that:

“The challenge therefore lies in developing policies which can help cities respond to the dynamic and unpredictable nature of social, economic and technological change. As a result, plans need to be open to revision at shorter intervals, and to take account of a wider range of variables. Given this context of uncertainty, planning needs to create options for the future (consistent with the principle of reversibility in planning), so that people can better adapt their cities tomorrow, as new needs, new problems and new opportunities arise. (In general, mixed land-use patterns, a choice of transport modes, cityscapes that are safe and intelligible, and building designs that can be adapted to different needs, are all aspects of the built environment that favour renewability and adaptability.) In the final analysis, adaptability is more a characteristic of cities than of suburbs, and this could increasingly be the case as cities become "information-rich" in a knowledge-based economy. Nevertheless, it is one, which can be increased or diminished over time. What is needed is not a new planning system or changes in the formal regulations, but a more flexible and forward-looking spatial planning and urban policy which is better adapted to changes taking place in the economy.” (OECD, 2001f).

Figure 3.2. Major Projects

Major Projects



Projects

- 1a. East Saronicos Coast Protection (land)
- 1b. East Saronicos Coast Protection (sea)
- 2. The "Eleonas" Industrial District Renewal Project
- 3. South Gate Program
- 4a. The Aegaleo Mountain Protection and Management Program
- 4b. The Hymettos Mountain Protection and Management Program
- 4c. The Penteli Mountain Protection and Management Program (Ancient Marble Quarries Area)
- 5a. Iera Odos Archaeological Unification
- 5b. Arcaeological Sites Unification
- 6. Interconnection of Green Areas and Areas Designated for Cultural Activities
- 7. Inter - City Recreational Centres
- 8. Inactive Quarries Redevelopment Program
- 9. Urban Waterways Protection and Management Program
- 10. The Athens Metropolitan Park (redevelopment of the old Airport site)
- Urban distribution - boundaries
- Urban distribution - areas

0 1 2 4 6 8 Kilometers



The Athens Metropolitan Area is faced with the challenge of facilitating a spatial planning system which accords with the national legislative framework; which responds to the challenges of the ESDP; which is appropriate for Athens in the 21st Century, and which can be implemented. Action by the national government to facilitate regulatory clarity is required. It is important to refocus the current civil service culture away from a reliance of on law-making (without any reference to enforcement) towards one of outcome-oriented policy-making. It is likely that the revised Strategic Plan for Athens will closely mirror the aims of the 3rd Community Support Framework and will reflect proposals for a new metropolitan government for Athens. A strategic plan for Athens could develop understanding and vision across a whole range of social, environmental and economic issues that go beyond the considerations of conventional land use planning, taking a comprehensive and integrated approach over the long-term. This would ensure effective and co-ordinated thinking and action across the full range of sectoral and departmental concerns. A new plan would reduce overlaps or gaps between regional strategies and plans. Implementation involves translating understanding of what is not working within the current system, and effecting change. Reducing legislative and organisational clutter will be essential to realising a more effective system.

An effective strategic metropolitan plan is dependant upon three issues: competencies, capabilities and processes. The following characteristics provide for an effective metropolitan plan.

The Organisation for Athens, which is the key planning agency for the Athens conurbation, has drawn up, in association with the Ministry of the Environment and Public Works, the "*Special Strategic Action Plan for the Upgrading of the Image of Athens – Attica of 2004*". This has resulted in a series of public sector interventions, which build on existing programmes and strategies in a city-wide context. Similarly, fast-track decision-making has occurred to ensure that developments related to the Olympic Games progress at the necessary pace. In the future, it will be important that lessons be drawn from the Olympic experience to nurture a culture of outcome-based policy making. The accumulated knowledge from all sectors will important as the planning system is revised. That is not to say that the Olympic experience will necessarily result in a new structure but that lessons -- positive and negative -- should be clearly articulated and fed into processes of reform.

Table 3.1. **Competencies, Capabilities and Processes of Effective Strategic Metropolitan Plans**

Competences of the system to make effective decisions about the long-term future.	Capabilities of the system to make informed decisions, to prepare and sustain the plan.	Processes that are uses to ensure that decisions are accepted by all parties.
Operational within a clear national planning framework.	Data on available land and floorspace, and environmental assets collected on a consistent basis with spatial referencing.	Participation processes allowing all parties to equally opportunity to shape the strategy.
Addresses social, economic, environmental and transportation matters as well as land use.	Economic and demographic forecasts and estimates of future development requirements which are area specific, mutually consistent, related to national estimates and not trend based alone.	The decision-making on the finalised strategy are transparent and responses to public consultation are fully justified and open to public scrutiny.
Legal powers to intervene in the decision-making process on schemes/projects which may be critical to the implementation (or undermine) the strategy.	Strategic options which are based upon scenarios and fully integrated in terms of the various components, <i>e.g.</i> , Housing needs v labour force, transport infrastructure and growth in car ownership and use.	A public annual monitoring process based upon quantifiable measures and related to explicit targets.
Be a condition of access to funding.	Dedicated permanent professional team.	A legal commitment to, and implementation of a regular review of the Plan (<i>e.g.</i> , 5 year), with a five year development capacity being sustained at any stage (<i>i.e.</i> , not waiting for the supply of land to run out before a review is undertaken).

Source: Goodstadt, V., (2003).

There is no ideal system, which can be replicated without modification. Spatial planning requires multi-level government participation and intervention and is most effective when it responds to the cross-sectoral challenges facing territories. It is important to note that Athens is well connected with its European partners and has engaged in dialogue over the last decade to learn from the experience of other and resolve some of the inadequacies in the system, organisations such as Eurocities and METREX create opportunities for international co-operation. A positive example of strategic plan making from which Athens could learn is that of the Glasgow and Clyde Valley Structure Plan in the United Kingdom. Following sub-national government reforms,

which resulted in the abolition of a regional tier of government in Scotland the administrative body which was responsible for preparation of the Structure Plan, was required to co-ordinate the revision of the 1995 Plan between 8 local authorities. This coincided with a change in strategic thinking towards plan-making, which has resulted in a Structure Plan appropriate for the 21st Century. The Plan was developed during the same timeframe as the first City Plan in forty years for its principal city, Glasgow. The Glasgow City Plan itself is a forward-looking strategic document, which rationalised a cumbersome and prolific policy context, which was outdated inappropriate for the city's future.

Box 3.9. Glasgow and Clyde Valley Structure Plan 2000

The Joint Structure Plan prepared by a Committee on behalf of 8 local authorities: East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire, and West Dunbartonshire sets out a broad planning framework for the conurbation and provides a context for the City Plan by reaffirming Glasgow's position at the heart of the conurbation. The overall goal of the Plan is to promote the balanced and sustainable development of the area. The Plan identifies the context of the Metropolitan Development Strategy. Strategic Development Locations and the Green Belt have been identified as the key elements in its successful delivery. The key partners and the Joint Committee have an individual responsibility to implement various strategies for the Metropolitan area by demonstrating the consistency of policy objectives and by providing a general context for continuing collaboration and monitoring of progress. The Plan recognises the growing separation between employment and housing which has emerged and seeks to redress this through curbing out-migration, increasing access to opportunity and increasing the rate of brownfield renewal.

Source: OECD, (2002d).

Sustainable Development

The objectives, guidelines, proposals and options for a National Project for the Protection of the Environment, the Preservation of the Ecological Balance and the Upgrading of the Quality of Life, are incorporated in the Project and Planning Strategies of the 3rd European Union Support Framework. Sustainable and Balanced Development in Greece is closely linked to targets, interventions and works that the Ministry for the Environment, Physical Planning and Public Works, has adopted and launched. Stated priorities are:

- the reinforcement of the role of Central Services on a personnel level and their contribution to developmental planning and the protection of the environment;
- implemented planning of decentralization, by reducing inequalities and the gradual decentralization of competences, at regional and local level;
- an effective reduction of inequalities between "developed" and "problematic" regions, the "centre" and the "periphery";
- mitigating and reversing the trends of migration and urbanism;
- providing financial, social, cultural and demographic support to the "frontier arch" (frontier regions), as well as to settlements of insular and mountainous Greece;
- the safeguarding of organizational structure procedures with a view to coordinating physical, urban and environmental planning and the bodies for programming and constructing works;
- placing high priority on creating the necessary infrastructure and productive activities through the spatial and urban planning of "Production Zones." The "Production Parks (Industrial -- Handicraft, Technological, Livestock farming -- and Parks for Intensive Cultivation) are a guarantee for balanced development that respects the environment, nature, culture and man;
- the immediate structuring of the unified national cadastre, a necessary instrument in exercising an effective policy for physical, urban and environmental planning;
- the preservation, restoration, and rehabilitation of the identity and architectural form of cities, historical and traditional groups and smaller settlements;
- setting up terms and conditions, so that urban centres may acquire social and productive coherence and environmental and cultural identity, in order to secure favourable living conditions.

In 1980, under Law 1032/80, the Ministry of Physical Planning, Settlement and Environment, was established by transferring and integrating the formerly existing Ministries of National Economy (former Ministry of Coordination) and

Health, Welfare and Development. The new Ministry brought together all the responsibilities related to the environment and physical planning under one single body. The Directorate of Physical Planning was created within the Ministry of Physical Planning, Settlement, and Environment, with devolution of all respective responsibilities of Physical Planning from the Ministry of Development. Into this Directorate, the Secretariat of the National Council of Physical Planning and Environment, was incorporated. In 1985, the existing Ministry of Public Works was integrated into the Ministry of Physical Planning, Settlement, and Environment thus establishing the Ministry for the Environment, Physical Planning and Public Works. Presidential Decree set up the present Organisation for the operation of the Ministry for the Environment, Physical Planning and Public Works in 1988. It aimed at safeguarding -- through the competences of its Directorates General and Directorates -- its supervisory role on Environment, Physical Planning, Urban Planning, Urban Development and Residence issues.

National and EU funding support the Operational Environmental Programme of Greece (OEP). The legal frameworks of the Operational Programme of Greece are the National Law 1650/86 for the protection of the environment, the EC environmental regulations and directives and the obligations of Greece with respect to International environmental Agreements and Conventions. OEP is based upon the:

- sustainability principle as it aims at improving or protecting the environmental conditions in Greece, while at the same time preserving the developments efforts in the industrial, tourist and agricultural sectors;
- polluters pays principle as it recognises the responsibility of the major pollutants who are called to take rectification measures;
- precautionary principle as it attempts to prevent, rather than to rectify an environmental problem, with technical interventions at the source rather than at the end of the pipe line;
- principle of joint responsibility as it recognises the common obligations of the central, regional and local authorities as far as the environment is concerned.

The OEP consists of seven sub-programmes: six of the sub-programmes reflect respective environmental action areas, while the remaining programme aims at the provision of technical assistance in selected thematic areas. Each sub-programme is further divided in action programmes, which aim at resolving

specific environmental problems as depicted from a thorough assessment of the state of environment in Greece. **Part of OEP aims at developing the National Environmental Informatics Network**, the Greek contribution to the EIONET of the European Environment Agency (EEA).

Box 3.10. The Organisational Environmental Programme of Greece

Development of the Infrastructure to respond to the needs of the European Environment Agency, to monitor the Environment and to comply with Environmental Standards

1.1 water resources – aim is to monitor the quality of inland waters through the development of national network for surface, underground and coastal waters.

1.2 Atmospheric environment and noise – the emphasis is on air pollution and energy use in large urban areas.

1.3 Environmental Standards – the Environmental Inspectorate System aims at promoting the implementation of environmental standards for all development.

1.4 National Environmental Information Network - aims at developing the required infrastructure for recording, categorisation, assimilation, and assessment of environmental information at the National scale.

Management of the Anthropogenic Environment Control of Atmospheric Pollution in Athens

2.1 Management of the water quality and liquid waste - aims at developing the infrastructure for the management of the quality - in connection to the quantity - of waters at the national scale.

2.2 Protection of the marine environment – the aim is to develop the needed infrastructure capacities for the treatment of oil spills in ports and marine areas.

2.3 Protection of the atmospheric environment (including noise) in Athens and the control of atmospheric pollution - major interventions for the reduction of emissions from motor vehicles, domestic heating devices and industrial units. Specific actions include:

- programme of interventions to improve traffic in urban centres;
- development of a co-ordinated Mass Transit System;
- measures for noise reduction in major roadways;
- programme for the abatement of noise in tourist areas;
- expansion of dedicated bus lanes in the urban centre of Athens;
- extended system for the inspection of emissions from motor vehicles;
- "Park and Drive" Programme.

2.4 Management of environmental hazards - aims at protecting the human, anthropogenic and natural environment from industrial accidents. Upon its completion, the requirements of Directive SEVESO will be fully met.

2.5 Management of solid and toxic wastes- aims at resolving one of the major environmental problems of Greece, namely the management (collection, treatment, and disposal) of solid and toxic wastes.

2.6 Environmental protection in energy production units and implementation of the programme "Healthy Cities"- aims to improve the environmental conditions in major energy production units in Greece, especially with respect to atmospheric pollution and at promoting the Charter "Healthy Cities" through pilot programmes and technical interventions in urban areas.

Box 3.10. (cont.)

Management and Protection of the Natural Environment

3.1 Management and protection of biodiversity -- aims at providing the knowledge and the facilities for monitoring, protecting and managing the flora and fauna species.

3.2 Infrastructure for the management and protection of important biotopes -- aims at providing the facilities and technical means for the protection, guarding and management of the most important biotopes in Greece.

3.3 Sustainable development applications -- reflects a new spirit in the environmental programme of Greece, as it is the first time that significant amounts are being invested for the protection of natural sites. The programme is expected to support protection measures for 100 (25%) Greek biotopes, which are included in the NATURA 2000 list.

Land and Urban Planning

4.1 Land Use Planning aims at supporting the sustainable development of Greece, the definition of the activities by site or region, and the reduction of pressures onto the natural or human environment. The programme is considered a substantial pillar of OEP and is interconnected to Sub-programmes 1-3. Realised through:

- promotion of special land use planning schemes for: coastal areas; small islands; settlements and urban areas;
- definition of areas for controlled exploitation of natural resources;
- development of an Observatory for Land Use Planning.

4.2 Urban Planning aims at the definition of the urban plans for cities, which lack relevant plans, as well as for the improvement of existing urban plans in light of modifications in the urban structure and the operations in the city. Considerable emphasis is given to the development of urban plans for estates located in ecologically sensitive areas, coastal zones and islands.

4.3 Protection of historical and traditional sites- aims at the reduction of aesthetic pollution aims at improving the urban conditions in selected Greek cities, traditional settlements and tourist sites, so as to improve the quality of life and the living and working conditions. Specific project include:

- restoration of traditional city centres;
- restoration of the landscape in areas where large technical works are or were constructed;
- reduction of aesthetic pollution, with emphasis given to tourist sites.

National Cadastre

5.1 Cadastre for ecologically sensitive areas - aims at developing a special Cadastre for ecologically sensitive areas which protect forested areas from destruction, as well as from land use modifications which usually take place at the expense of forests. The programme will also support the agricultural policy of Greece, and the protection of owners' rights for both public and private entities. The programme, which will build on the existing CORINE programme and will also include the cadastre for archaeological monuments and sites, reflects 15 000 km² of ecologically sensitive areas in the vicinities of Municipalities.

5.2 Cadastre for urban areas has a central role in the development policy of Greece. On completion, the programme will support land use planning efforts of the Ministry of Environment for urban sites, with special emphasis given to the protection of open and green spaces in urban sites. The programme, which also includes the National System for Earth Information, that is a major database with the geographic or property limits of land, refers to 200 Municipalities with total urban area of 5 000 km².

5.3 Cadastre for agricultural areas aims at supporting the agricultural policy of Greece and the protection of the environment from agricultural activities.

Source: Ministry of the Environment, Planning and Public Works Data.

Transport Infrastructure

Historically the transport infrastructure of the Athens was recognised as a constraining factor to its functioning as the most important economic centre in Greece. The First Community Support Framework in 1990 sought to upgrade infrastructure throughout the country with substantive investments occurring in Athens and Attica. This has resulted in the development of a multi-modal system with economic, social and environmental goals. Subsequent CSFs maintained high levels of infrastructure investment to ensure a more sustainable transport strategy for the city and its regions. Much remains to be done but since 1990, there have been substantial road improvements, the development of the metro system, a new bus system, investments in tramlines and rail systems.

Private car ownership has increased. Forty-three point six per cent of the national number of cars (1.3 million / 248 cars per 1000 inhabitants) are concentrated in the Athens Metropolitan Area. There are some 7m vehicle transfers daily in the Attica region of which 42.4% are between work and home. Continued lack of investment in public transport prior to the Community Support Framework exacerbated trends towards increased car ownership, as public transport use decreased by 40% and measures for car-use restriction and on-street parking control were not taken into consideration.

The increasing number of private cars and taxis has gradually brought about adverse traffic and environmental conditions, which have been aggravated by the high density of habitation and the inadequacy of the road network (narrow roads, lack of ring roads, insufficient parking space). At the same time, it has undermined the efficiency and credibility of the already inadequate public transport system (failure to keep to timetables, low average speeds). At present average motor vehicle, speed is 18 km per hour, but for buses, it is even lower at 12.5 km. In order to tackle the traffic problem and to make overall improvements not only in the transport infrastructure but also in the overall quality in the city, a broad Programme of major infrastructure projects and interventions has been adopted, the implementation of which commenced in the mid-1990s with substantial assistance from EU funds.

Structural fund investment has been used to promote public transport and to reduce traffic congestion in the city. In preparations for the Olympic Games, a strategic approach has been taken to transport based in short medium and long-term priorities and outcomes. One third of Olympic Games public expenditure concerns the road network. Strategic transport planning also benefits from intra-governmental co-operation in a relatively fine tuned manner at least as compared to other sectors. In fact, it could be concluded that the transport strategy of the last decade is in fact the strategic plan for Athens,

which is most impacting the current urban form. This is not unusual: in many countries transport planning dominates over land use planning. Infrastructure can be the catalyst for extensive regeneration, as the example (See Box 3.11.) from Belfast highlights.

Box 3.11. Infrastructure-led urban regeneration: Laganside Corporation, Belfast, United Kingdom

Laganside Corporation, Belfast, is an example of infrastructure-led development used to address environmental, economic and social problems. Established in 1989 the Organisation was given the remit to regenerate a designated area of abandoned and polluted land strategically located between the city centre and the River Lagan. The 1999-2002 Corporate Plan notes that:

“The Corporation judges that the poor environmental quality infrastructure of the area discouraged private sector interest and investment. It adopted a strategy of investing in the provision of river-related infrastructure and environmental improvements, the objective being to improve both the condition and the perception of the river and by doing so, to create a river corridor which would attract investment.”

The Corporation assessed the necessary levels of public investment in site infrastructure and environmental improvements to attract private sector investment to each of the priority sites. The strategy for the early years was based on the premise that the substantial economic, social and recreational needs of the area required substantial private sector investment. Initial investment from the public sector in the infrastructure as well as land remediation and environmental improvements was therefore needed to build confidence. Internationally, the wider benefits of early investment in infrastructure are recognised, helping to generate support in the community and to boost private sector investment. Laganside prioritised the major roadworks and river because of their considerable potential impact. Site by site concept plans were prepared to achieve this. The significance of each of the major elements was clear: the construction of the Weir and the dredging of the river facilitated the mixed-use developments occurring along the riverbank. People can live, work and spend their leisure time in a part of the city where once they had no reason to go. It had long been recognised in Belfast that the successful redevelopment of the lands adjacent to the River Lagan was dependent upon the successful environmental management of the river.

Laganside were able to accelerate the progress of the infrastructure works through the availability of European Regional Development Funds. Until 31 March 1998, grants of over £28 million had been awarded to the Corporation.

Source: OECD, (2000b).

Infrastructure investment has an important impact on the growth, productivity, competitiveness, and the regeneration of cities. Most metropolitan areas are facing serious transport problems, existing capacity, the effects of pollution and the obsolescence of existing stock being the most significant.

Infrastructure development throughout Greece, but particularly in Athens has relied heavily on EU funding. As one of the few policy sectors which benefits from a long-term strategy, proposals for the future highlight the need to fund projects through public private partnerships. In theory, this is the optimum outcome but in reality is complex and requires a great deal of effort. Cities with

more developed economies struggle to effectively provide necessary infrastructure through this approach, Athens is likely to achieve the same mix of success and failure as other OECD countries. Successive CSF's and preparation for the Olympic Games have raised consciousness of the need to equip the capital with an adequate public transport system.

Some of the key challenges for the city include:

- resolving financing issues to achieve more private investment and reduce reliance on external funding which will reduce over time;
- maintaining the momentum to safeguard a sustainable approach to transport post-2004;
- ensure that transport planning operates in synergy with spatial planning and economic development.

Environment

The landscape of Attica with its characteristic vegetation, its mountain formations and coasts consists one of the most important natural assets of the region. In parallel, the natural environment is characterised by diverse ecosystems while its aesthetic character in combination to cultural elements of the Attica landscape forms the tourist identity of the Athens Metropolitan Area. The degradation of the natural environment due to reasons such as over-population, irrational urban development, degradation of coastal areas and forest fires have led to the degradation of the natural environment as a tourist resource. More specifically, Attica possesses 1 224 km of coasts many of which have some sort of infrastructure while seven areas in the Athens Metropolitan Region have been proposed for the NATURA 2000 network as part of the implementation of Directive 92/43/EEC for the conservation of natural habitats and wildlife. Such areas independently of their ecological or aesthetic value represent invaluable geographical and natural entities satisfying recreation needs for the population of Athens while being “pristine” areas in direct contact to the built areas of the Metropolitan region.

Ambient air quality has improved since the mid-1980s as a result of commitment and numerous regulatory measures. Fuel quality improvements for industry and households as well as restrictions on industrial activity and road traffic in the metropolitan area have been major thrusts in such a policy. Although slight fluctuations do exist regarding average annual pollution values, the long-term evolution trend is steady or decreasing (1998 data). Decreases are most important for primary pollutants, which can be attributed to the

substitution of old cars with new ones equipped with catalysts and using higher quality fuel, to the significant decrease of industrial activity in Attica, to the implementation of the monitoring card for gas emissions. The annual average ambient concentrations of SO₂ in major cities have decreased by about 23% since 1990. In Athens, the annual median concentration of SO₂ in 1997 was 21 µg/m³, well below ambient limit values mainly due to the relocation of industries in city outskirts, substitution of liquefied petroleum gas or light oil for heavy residual oil in the industrial and residential/ commercial sectors and reduction in the sulphur content of diesel fuel from 0.3 to 0.2% by weight.

GreenPeace¹, the international environment group, rated Athens as the most polluted city in the European Union, with Nice and Milan as runners up. Statistics show that a person's life span and pulmonary capacity in all three cities is decreasing. A large population, high use of private cars and the specific physical geography of Athens have combined to concentrate pollution at hitherto unacceptable levels. Other cities such as London may have less pollution problems because of a more favourable physical geography -- the Gulf Stream helps disperse London's pollution and move it to other places. Athens, however, lies in a mountain valley region. Pollution is trapped in the valley and winds are obstructed from blowing the smog away. The Mediterranean climate and exhaust fumes create an inversion later producing the urban heat island effect. Understanding the physical geography's role in pollution in Athens is essential for understanding and resolving the problem but this aspect of pollution is not as well recognised as it should be.

The main measures being employed to improve pollution are decentralisation of population, pedestrian zones, alternate driving days, staggering peak hours, use of cleaner fuel, expansion of the metro and tramway systems, and limitations of industrial development in certain areas. This has been accompanied by efforts to change attitudes, for example avoiding siestas, staggering of opening hours of shops, schools and hospitals.

The Hellenic Ministry for the Environment (YPEHODE) developed and adopted officially the Hellenic Programme on Climatic Change, in 1996, to limit the pollutant gases emissions (especially CO₂) contributing to the greenhouse effect through energy saving measures and the use of RES in the sectors of Industry, transports and the Buildings. Energy production and consumption in Greece accounts for 88% of all greenhouse gas emissions and for as much as 98% of the CO₂ released into the atmosphere. The evolution of CO₂ emissions in Greece throughout the 1970-1990 period -- marked by a drastic increase from 22 to 82 million tonnes -- was the worst noted in the entire European Community. Despite of the mild climatic conditions the building sector in Greece is one of the largest energy consumers. The residential-tertiary

sector accounts for 4.6 MTOE (1992) that is 30% (1992) of the country's total end-use consumption. The associated CO₂ emissions reach 40% of the country's total.

In the last ten years, the efforts of the governmental institutions have been directed towards the:

- Preparation of regulatory frames for energy efficiency and environmental protection consisting of Regulations and financial incentives. A recent Regulation, which is to be enforced shortly, provides the frame for energy audits in the secondary sector and the profile of the energy auditors.
- Training of professionals such as architects and engineers on low energy building design or technicians on the proper installation of energy efficiency equipment.
- Development of infrastructure such as the local energy offices, for the promotion of energy efficiency in all sectors of economic activities.

**Box 3.12. A Global Action Plan for Energy Efficiency in Buildings and Settlements
“Energy 2001”**

The Ministry of the Environment's Action Plan 'Energy 2001' consists of measures to save energy and promote the use of renewable energy sources in the built sector. These measures include: a) The improvement of energy efficiency of the building shell and its central heating installations, cooling, lighting and hot water systems; b) Energy-saving measures for traditional buildings and complexes; c) Energy management measures and energy efficiency investments in public buildings and social housing programmes. d) The promotion of bioclimatic architectural design and energy planning in both new individual buildings and new housing projects.

Source: Ministry of the Environment, Planning and Public Works Data.

Waste management is one of the most significant and long lasting environmental issues for the Athens Metropolitan Area. Despite some progress (*i.e.*, operation of landfill sites, operation of mechanical recycling programme, restoration of two large waste disposal sites), certain problems persist:

- Inefficiencies of the collection system, which is not regarded as top priority of municipal authorities.
- Limited number of landfill sites. Strong public opposition has prevented the construction of two landfill sites in north-eastern and south-eastern Attica. Despite its extension, the existing landfill site will be shortly inadequate even if the planned mechanical recycling and processing sites do operate.
- Existence of illegal waste disposal sites. Despite strict regulations, the operation of the majority of illegal waste disposal sites is continuing while waste disposal in streams favours natural disasters such as floods and forest fires.

According to 1999 data, 1 775 000 tons of urban solid waste has been produced in AMA of which 95% end up in the one and only landfill site, operating in Ano Liossia. The remaining quantities are disposed of largely (80 000 tons) in the 15 illegal waste disposal sites of the mainland, mainly situated in the prefecture of Eastern Attica while the rest is disposed in many streams all over AMA. Furthermore, 110 000 tons of sludge is produced in the wastewater treatment plant of Psitaleia and sewerage treatment centre in Metamorphosi (capacity for 3.3 million people), ending also in the landfill site of Ano Liossia. The problem of waste management is common in most countries. Waste management was a particular challenge for the Australian Capital Territory and as such, the Canberra No Waste by 2010 strategy was developed. The ACT has created an economic asset out of the desire to tackle an environmental problem; furthermore, there has been substantial international interest in the approach with the ACT advising Beijing and Johannesburg on waste issue.

Box 3.13. Canberra No Waste Strategy, 1996

In efforts to realise Ecologically Sustainable Development (ESD) the need to move away from landfills as the dominant waste disposal option has become ACT policy. The national target established by the 1991 Commonwealth Government National Waste Minimisation and Recycling Strategy was to halve waste by 2000. The ACT waste delivery to landfill sites decreased by 39% from 415 798 tonnes in 1993-1994 to 252 068 tonnes in 1995-1996. The Waste Management Strategy, 1996, for Canberra aims to achieve no waste by 2010. The Strategy was strengthened by the introduction of commercial charges in 1993 and non-commercial charges in 1996 for waste management. At the outset, priority actions were defined to be accomplished in the first two years.

Box 3.13. (cont.)

They included: Develop a waste inventory and identify the full costs of each type of waste. Set benchmarks to monitor performance towards achieving the 2010 target. Establish a resource exchange network to match wastes with resource requirements. Provide feedback to the community on progress toward achieving No Waste by 2010. Prepare a development and implementation plan to establish infrastructure for resource recovery, particularly in developing Resource Recovery Estates incorporating waste minimisation education centres.

Monitoring by the ACT was complemented by a review by the Commissioner for the Environment in 1999. The Review, carried out by independent auditors established nine recommendations to ensure that the target of no waste by 2010 was realised. The report "Next Steps in the No Waste Strategy" (ACT 2000), notes that as well as fulfilling original objectives resource recovery has more than doubled, and that waste to landfill reduced by 40% since the launch of the Strategy. New priorities have been set for 2002, and further review processes, complemented by implementation strategies, will take place for the periods 2003-2006 and 2007-2010. In 2000, ACT Waste began research into the economic, environmental and social costs associated with waste management.

Source: Australian Capital Territory, (2000).

The OECD Environmental Performance Review of Greece (2000) made specific recommendations, which are pertinent to this Metropolitan Review. They are:

- complete the national cadastre as soon as possible;
- strengthen enforcement of land use regulations and building codes through increased capacity and presence of national and local administrations at territorial levels, making full use of mechanisms to involve citizens in relevant decision-making processes;
- further involve local authorities and other appropriate local partners in the preparation of land use plans;
- pursue the implementation of the recent institutional law on spatial planning and sustainable development, through specific legal instruments for the sustainable development of coastal areas providing for monitoring of the state of coastal areas, protection measures for the coastal land strip and coastal waters, and full protection of designated natural coastal areas of high ecological and cultural value;
- elaborate and implement a national plan for integrated coastal zone management, including measures to ensure the preservation of coastal lands of special natural value (*e.g.*, through a coastal land bank);

- develop integrated, partnership-based sustainable development strategies under local Agenda 21 plans in appropriate urban and coastal areas;
- review measures to control industrial growth in urban areas, examining them from environmental, economic and social points of view;
- enhance emergency planning for the prevention and mitigation of flood and earthquake damage, especially in areas where population and physical assets are concentrated.

Governance for Metropolitan Athens

Analysis of the AMA raises issues that are common to most if not all metropolitan city regions, namely, the need for integration across administrative areas, between the policies and programmes of infrastructure agencies and service delivery, and between levels of government. In addition, it shares a particular problem that relates to those metropolitan areas that are capital city regions. Similar, areas include not only the mega-cities of London and Paris, but also Dublin, Lisbon and Copenhagen. The problem for these areas is that the decisions which need to be taken are of their very nature ‘national planning’ decisions in terms of their significance to the national economy, politics and budgets. As such, it is difficult to delegate to a ‘local’ body the power and responsibility to determine priorities, to the same extent that it might be possible for other metropolitan areas -- *e.g.*, Birmingham, Lyon, Cork, Oporto or Esbjerg. The creation of a new authority (even if this is by giving greater powers to the existing body) in essence only addresses the problems related to the ‘Competences’. This is essential but it will only be effective if the problems related to the ‘Capabilities’ and ‘Processes’ of the existing system (See Table 3.1.).

The changing context of government

The Hellenic Ministry of Interior, Public Administration and Decentralization (M.I.P.A.D) will initiate a dialogue with the Central Union of Local Authorities to determine the local administration’s legal framework. A multi stakeholder approach will include the M.I.P.A.D, representatives from the political parties from the Greek Parliament. This will result in a new legal framework for the local administration, under the form of a national law.

The enrichment of the citizen's participation on the decision-making for local actions is to be achieved, by:

- publicising all the actions of the local authorities;
- the production of 4 year action plans for each municipality, (from draft to final version) in order to inform citizens and increase participation at the local level;
- strengthening of the active participation of all the elected political powers, in the municipality, so that the municipal board, can become the political, programming, and controlling body of the municipality;
- establishing a specific framework for the relation between the municipality and the citizens, and the non-governmental institutions.

Strengthening the co-operation between the municipalities and among municipalities and the central government. For certain activities like urban planning, social policy, environmental protection, transportation, security, there is the need to enhance co-operation between municipalities, and for that, there will be the absolute support of the central government by the means of finance, training, etc.

Enhancing co-operation between public and private sectors, through schemes like P.F.I., etc... Certain changes in the legal framework enabling local authorities to create projects through such schemes are included at the proposal given by the Ministry to the Central Union of Local Authorities. The Ministry will facilitate exchange and learning between local authorities to enhance capacity for delivery.

Establishing metropolitan administration for the areas of Athens, Thessaloniki, Larissa, Volos, Patras, and Heraklion and for certain activities as: Transportation, Urban Planning, Social Policy, Environment, and Security.

The changes, in effect, seek to establish a metropolitan tier of government for the AMA, which is consistent with the recommendations for good metropolitan governance advocated through the OECD principles. The Organisation for the Planning of Athens is working in close co-operation with the Ministry to ensure that the new replacement Structure Plan reflects the new governance structure and becomes a strategic guidance plan for the metropolitan area addressing physical, economic and social needs in the short medium and long-term. Good governance and strategic planning are mutually dependant factors of effective territorial competitiveness.

NOTES

1. Time Magazine 6.1.2003.

CHAPTER 4

OLYMPIC GAMES

Background

The Olympic Games were established over 2 500 years ago in southern Greece when all Greek cities honoured a truce every four years to allow their best athletes to compete at Olympia. The Games were banned in 396 AD by the Roman Emperor Theodosius, only to be revived in 1896 by French sportsman Pierre de Coubertin. Today, the Olympic Games have become the largest and most successful sporting event in the world. In August 2004, Athens and Greece will proudly welcome the Games anew.

The organisation of the Games is a major challenge for any country, notwithstanding such a small nation as Greece. The Games are Greece's largest ever logistical operation to date. During the Games, Athens will play host to over 10 000 athletes participating in some 300 events, thousands of sports officials, 30 000 journalists and media people, and hundreds of thousands of sports fans. The Olympic Games have, in effect, experienced unparalleled growth over the past decades. Since 1948, some twenty events have been added to each new Olympiad and the cost of holding the Games has grown enormously. In 1960, Rome spent \$50 million on public works; the Munich Olympics in 1972 cost \$85 million; the 1976 Games in Montreal cost \$1.5 billion; and the cost of the 1980 Moscow Games range in estimate from \$2 billion to \$9 billion (Short. J.R., 2000). The Athens Games are expected to cost in the region of \$US 4.5 billion.

Since the Games in Munich in 1972, the economic and commercial aspects of the Games (which are closely related to the increasing size of the Games) have been the focus of much public discussion and analysis. The financing and organisation of the Games is quite complex. The International Olympic Committee (IOC) is the guardian of the Olympic Movement and is responsible for selecting the host cities for the Summer and Winter Olympic Games. The IOC works in co-operation with the local Olympic Committee (*e.g.*, ATHOC and TUROC for Athens and Turin) to implement the Games. The relationship between the IOC and the local committee has been compared to that of a

franchise system regulated by the Olympic Charter and the Host City Contract (Preuss H., 2000). The lasting existence of the Olympic movement depends to a large extent on maintaining a positive image of the Olympic Games and on achieving a satisfactory financial outcome for both the IOC and the host city.

Whether a city is suitable as a host city for the Games depends primarily on the amount of investments required to bring it up to Olympic standards and on the extent to which these investments are in line with the urban development concepts of the city in question. It is therefore important to make the distinction between Games related and non-Games related investments. In the case of Athens, both the Greek government and the European Union have financed the major urban infrastructures, while the Greek government and the IOC have combined to finance the sports infrastructures.

Another important distinction is the public or private origin of financial resources for the Games. The Games of Munich 1972 were financed predominantly with public funds, the Games of Seoul 1988, Barcelona 1992 and Sydney 2000 with mixed funds, and the Games of Los Angeles 1984 and Atlanta 1996 with private funds (Preuss H., 2000). The mainly privately financed Games were very reasonable in cost as the organisation of the Games was the main item of expenditure and only a few other investments were made. Strong private financing is, however, only possible in cities where an Olympic specific infrastructure already exists before the Games. This makes it difficult for the Games to be hosted by less developed countries. This being said, the objective of improving the infrastructure of a city has now become a major motive of cities bidding for the Olympic Games as the Games serve as an instrument to focus the activity of a given city on a specific goal, allowing urban development concepts to be achieved within an extremely short period.

However, beyond the initial investments generated in support of the Games, a crucial issue is whether the host city is able to use the Olympic impulse to change its structure in a way that will provide a basis for further progress and trigger a self-sustaining process through, for example, developing more permanent tourism, activating industrial development, introducing follow up events, or engaging new economic relations with other regions or countries, thus benefiting the national economy.

In line with the wide ranging discussions which are taking place with respect to many aspects of the Olympic Games, the holding of the Olympic Games in Athens in August 2004 has coincided with recognition by the International Olympic Committee (IOC) of the need to limit the size and cost of the Games, improve the efficiency of their delivery, enhance the transfer

of knowledge between past and forthcoming Olympic Games organising committees, and support the goal of sustainable development in the cities where they are held, taking more into account the economic, social and environmental impacts of the Games. The idea is gaining ground that the Olympic Games can become a powerful tool for improving urban governance and that they should amongst other benefits leave behind a legacy of more strategic urban planning.

In a paper entitled “Sustainable Olympic Games: a Dream or Reality?” (Furrer, P., December 2002) the IOC explores the apparent contradictions between the concepts of a large scale one-off event and the principles deriving from sustainable development policies and investigates the integration of sustainable development strategies through the different phases of event management from different viewpoints: those of the Games organisers, host city authorities, as well as from the standpoint of the Olympic Games governing body, the IOC. The paper highlights several innovations, which aim to support the goal of making the Games sustainable: the Olympic Games Study Commission; the Transfer of Olympic Knowledge (TOK); Olympic Games Knowledge Services (OGKS); the Olympic Games Global Impact (OGGI) project; and the notion of the Olympic Legacy as a new philosophy (Box 4.1.).

Box 4.1. Innovations for Sustainable Olympic Games

The Olympic Games Study Commission

Before his election as IOC President, Dr. Jacques Rogge witnessed first-hand the difficulties organising committees and host cities face when hosting the Games. He chaired the IOC Co-ordination Commissions for the Sydney 2000 Games and the Athens 2004 Games, bodies which are in charge of supervising and assisting the organising committees in their task. He came to the conclusion that the future of the Games was being jeopardised by the apparently unchecked growth in size, cost and complexity of the event. As a result, the IOC President decided to set up a special commission tasked with the mission to make proposals on how the Games can be made more streamlined and efficient. The Olympic Games Study Commission will make recommendations on the means by which the costs, complexity and size of the Games can be controlled, while recognising that the Games must remain the foremost sporting event in the world.

Discussions with experts and with various constituents of the Olympic Movement confirmed that today's Games have indeed reached a critical size and any further growth in size and cost could jeopardise the Games' success and sustainability, *i.e.*, the continued success of its organisation and of its power to raise funds from sponsors and broadcasters.

The size, cost and complexity of hosting the Games can also exceed the capacity of most cities to stage them. The expenditure required for the necessary upgrade of existing infrastructure or the construction of new facilities is such that the list of cities, which can reasonably consider hosting the Games, is thinning out. This is going against the Olympic Movement's principle of solidarity and universality.

Box 4.1. (cont.)

The size of the Games has become such that many emerging countries do not have or cannot afford the infrastructure to host such an event. In their comparative analysis of host cities, (Essex and Chalkley, 1999) stressed that not all cities are suitable to host the Games, which depends primarily on the amount of investment needed to bring the city infrastructure up to Olympic standards and whether such investments are in line with the city's needs and its long-term urban development plans. As a result, they argued for a move towards a more "equitable Olympic geography" which would allow the benefits of the Games to be shared with emerging or developing countries. Organising the Olympic Games should not become the luxury of large and rich cities only.

The Olympic Games Study Commission will thus go a long way towards guaranteeing not only a smaller, cheaper and less complex organisation of the Games, but also a more manageable event for host cities to cope with. The IOC has already decided to cap the number of sports, events and participating athletes, a decision which will allow better control of the size and cost of staging the Games.

Fewer or smaller venues to build, reduced pressure on general services such as accommodation, transport or catering, and improved guidance in the organisation, all mean that risks of gigantism should be reduced while opportunities for benefits and legacies are maximised. As a concrete example of its efforts, the Olympic Games Study Commission has recently suggested a change to the Olympic Charter with the addition of a new rule, which specifies the need to promote a positive Olympic legacy for the host city and host country.

Transfer of Olympic Knowledge (TOK) and Olympic Games Knowledge Services (OGKS)

A Transfer of Olympic Knowledge (TOK) Programme has been initiated to enhance the transfer of knowledge between Olympic Games organising committees. The TOK is based on a combination of methods to collect, store and use the information on the know-how of organising the Games from previous organising committees.

The purpose of this programme is to provide assistance to future Games organisers and to give them the necessary background and practical examples, thus allowing them to develop and implement the best possible solution in their given environment. While the Olympic Charter, the Host City Contract and IOC guidelines set out the requirements and objectives an organising committee must follow, the TOK programme describes the methods used in the past Olympic Games to realise them. This is a way for organisers and city authorities to avoid making the same mistakes as their predecessors and to start planning from a tangible basis.

Olympic Games Knowledge Services (OGKS) is an IOC-owned company, which was set up in December 2001 in collaboration with Monash University in Australia. OGKS represents a further development of the TOK providing a range of education services on the organisation of the Games to OCOGs and other members of the Olympic Family.

As such, OGKS uses the TOK information for the delivery of services and tailors it to the specific needs of the end client. Training sessions, briefings, workshops and research/consulting assignments are only a few examples of the service range that OGKS offers.

Olympic Games Global Impact (OGGI)

The IOC decided in 2000 to launch a new project called the "Olympic Games Global Impact" study (OGGI). This project was initiated in order to improve the evaluation of the overall impacts of the Games on the host city, its environment and its citizens, as well as to propose a consistent methodology to capture the Games effects. The IOC commissioned the International Sports Science and Technology Academy (AISTS) to develop this project.

Sustainable development principles lie at the heart of OGGI since all proposed indicators are grouped into three categories: economic, social and environment. Ultimately, it is hoped that a better understanding of the Games impacts will help future host cities plan Games which are integrated into a successful long-term and balanced urban development, thus leaving the most appropriate legacy for the citizens.

Box 4.1. (cont.)

The Notion of Olympic Legacy as a New Philosophy

The notion of post-Olympic use of venues now appears as a significant criterion in the bidding process and is mentioned several times in the IOC "Manual for Candidate Cities". More generally, the mention of Olympic legacy has grown in importance within Olympic circles over the last few years.

In the latest version of the Host City Contract (a tripartite contract signed between the IOC and the host city when it is selected and then by the organising committee) the IOC makes the first mention of the need to strive for a positive Olympic legacy: "It is the mutual desire of the IOC, the City and the NOC that the Games be organised in the best possible manner and take place under the best possible conditions for the benefit of the Olympic athletes of the world, and that the Games leave a positive legacy for the City and the Host Country" (Host City Contract for the XXI Olympic Winter Games in the year 2010 -- to be signed in July 2003 when the new host city will be selected).

Even more important is the latest step taken by the IOC Session in Mexico in November 2002 to include a new paragraph in the Olympic Charter under the list of IOC roles:

"(The IOC) takes measures to promote a positive legacy from the Olympic Games to the host city and the host country, including a reasonable control of the size and cost of the Olympic Games, and encourages the Organising committees of the Olympic Games (OCOGs), public authorities in the host country and the persons or organisations belonging to the Olympic Movement to act accordingly" (New rule 2.13 of the Olympic Charter).

Albeit symbolic, this new rule should become a guiding principle for the IOC and for the Olympic Movement as a whole. It shows that from the ring-keepers' viewpoint, sustainable Games do not only mean financially sustainable Games, but also Games whose benefits will long be remembered and cherished by the host city's citizens.

The IOC "Manual for Candidate Cities", the Transfer of Knowledge Programme, the recent creation of the Olympic Games Knowledge Services, the Olympic Games Global Impact project, the Olympic Games Study Commission as well as current changes to IOC's guiding principles all work towards promoting better Games and a better Olympic legacy for the host city. As such, these recent initiatives from the IOC can be said to be responsible and sustainable "business" practices. They will consist of valuable tools and guidelines for future bidding cities and Games organisers and will help maximise the potential Games benefits, as well as identify risks and potential negative effects.

Source: Sustainable Olympic Games: A dream or a reality? P. Furrer, Lausanne, 2002.

Olympic Games – Athens 2004

The following section examines what the Greek government expects from their Olympic experience and evaluates the likely impacts of the Games in terms of the economy, planning and the environment, social and environmental conditions and governance.

The Greek government has clearly stated that it does not consider the 2004 Olympic Games as a temporary festival or sports event but views the event rather as a catalyst which can help improve and modernize the economy, increase the standard of living, and strengthen culture and environmental quality in the Attica Region and in Greece overall. In particular, the Games oblige for the first time both the public and the private sector to function in tandem subject

to a strict timetable, thus creating a precedent for meeting challenges which will undoubtedly improve governance in Greece and raise the profile of the country internationally.

For a small country like Greece the promotional impact of the Olympics is, of course, highly important. However, despite the emphasis on succeeding in economic terms, the Greek government underlines that an equally important goal is to focus attention on the moral and cultural aspects of the Games by highlighting the principles of fair competition and equality between different races, cultures, and religions. To this end, the Ministry of Culture will organise the Cultural Olympiad (see below) alongside the Games and the Paralympics. It goes without saying that the overarching aim of the Games to which the Greek Government subscribes totally is to support the acknowledgement of healthy sports activity as an essential part of human endeavour.

Box 4.2. ATHENS 2004

Organizing Committee for the Olympic Games and the Business Impact of the Games

The Organizing Committee of the Olympic Games – also known as ATHENS 2004 S.A. – has undertaken the organizational portion and the provision of all the specified services for the Games in contradistinction to the construction task, which is undertaken mainly by the Greek Government.

The work of ATHENS 2004 is intricate and multidimensional. It requires large amounts of capital. It is mediated via a nexus of hundreds of specialized and interlocking programmes. The nature and the structure of these programmes implies, *expenditure on goods* (consumables and fixed equipment) *as well as services* (both in the traditional sectors of the economy and in new technology). This expenditure reinforces business and investment activity in Greece. In consequence, Greek businesses should and are actively mobilizing to share the work of ATHENS 2004.

But as the scale involved is substantial, and in cases of specific technical requirements, this business mobilization is leading to partnerships between Greek companies and also between Greek and European companies.

The scale of the Organizing Committee's work – the Role of ATHENS 2004

Athens will be the host to 10 500 athletes and 7 000 accompanying persons; to 22 000 accredited, 15 000 non-accredited media representatives from Press and Television; to 10 000 members of the Olympic Family; and to 3 500 Jury and Technical Officers. The official Games Programme will last 17 days, and will include 28 sports at 31 competition venues, 28 world championships, plus the football venues of the other four Olympic cities (Thessaloniki, Patras, Volos, Heraklion).

The Olympic events will be watched live by millions of spectators and by an estimated 4-5 billion people TV audience.

The services provided *gratis* to the athletes and their trainers Games-time, comprise accommodation; meals; security; medical care; training and transport, including air transport from and back to their own country (a commitment made by the Bid Committee).

Box 4.2. (cont.)

ATHENS 2004 is expected to have 4 000 permanent staff by 2004, 7 000 when temporary workers are included. Furthermore, it is estimated that at Games-time there will be 60 000 volunteers, whose food, clothing, transport, is another budget item. There will also be another 45,000 Security staff involved in implementing the security program and approximately 50 000 people working for ATHOC's contractors and suppliers.

Responsibility for funding and carrying out Olympic works – such as the Olympic Village and the Olympic Riding, Rowing, Sailing and Archery Centres, the Faliro Multipurpose Centre, and the Beach Volley, Baseball and Softball venues – rests with the Greek Government. It is the Olympic Committee's duty to monitor the construction works and make sure they run to schedule, are up to Olympic standards, and specifications.

Budget of ATHENS 2004–Sectors of Industry

The scale of the work, done by ATHENS 2004 S.A. is mirrored in the Games Budget. This balances at approximate €2 bn. (GDr 680 bn., at a nominal exchange rate). State corresponding Olympic Budget in construction and other Games related works is targeted at an amount of approximately €4.5 bn.

Revenues:

The largest income is from television rights, representing 37% of revenues (€736 m).

Then follow: National sponsorships and merchandising of OCOG goods: 16% (€313 m); International sponsorships: 13% (€248 m); the contribution of the Greek state: 12% (€235 m); revenues from ticket sales, representing 9% (€183 m); of these revenues 84% are in cash. Sixteen per cent (only) come from value from sponsors. Eighty-two per cent of the revenues are secured currently; and 9% are revenues from the sale of tickets. In the run-up to the Games period the remaining 9% is expected to be firmed up. In comparison to Sydney, Athens is in a much better position at this point and time.

Of these revenues, 65% will be spent on works, procurement and services which ATHENS 2004 has undertaken to provide, partly in cooperation with or on behalf of state agencies. More than €1 bn, will be spent in the following categories: Information technology, 370 mm €; Transport, 130 mm €; Games services (Catering, Accommodation, medical services, etc.), 120 mm €; Communication, image & identity, internet, 50 mm €; Logistics, 20 mm €; Sports services, etc., 80 mm €; Broadcasting, 220 mm €;

The remaining 35% represents salaries, social security contributions and Company operating expenses.

More than 70% of the budget will be spent in the last two years before the Games.

Contribution of International Businesses

Business opportunities are being opened up throughout the Games programmes.

With regards to catering services for athletes and accompanying persons, the expenditure in question is-€46.5 m, representing 20.5% of the total turnover of the Greek catering market in 2001. This is higher than the total turnover of the industrial catering market in Greece, and only marginally less than the total turnover of airline catering. This catering programme will to have to be implemented within the period of 15 days, delivering 15.000.000 lunches, and it is expected to provide employment (both directly and indirectly) to some 17 000 people.

On the basis of these figures (combining times and quantities), it can easily be seen that the business activity will be on a scale unprecedented in Greece. It will obviously require a vast range of special-purpose equipment, part of which will have to be imported, and which will need to be installed and maintained by Greek technicians.

The implementation of this programme will have positive effects both on the primary economy and on the food industry, and it will also have a significant impact on import trade, given that the domestic market can, on current estimates, cover only 75% of raw materials requirements, while the remaining 25% has to be imported.

Box 4.2. (cont.)

As regards technology, telecommunications, IT and energy, where the total expenditure is estimated to be approximately €370 m, the greater part of the Information Systems needed for preparing and implementing the Games will come from International Sponsors. Schlumberger, for example, will provide IT infrastructure, software and services to a total value of €145 m, while part of the cost of the information system for results presentation & management will be covered by SWATCH's sponsorship totalling €86 m. The Greek and European market will support the procurement of equipment to the value of €25 m, the procurement of support software to the value of €15 m, and the procurement of support services. In addition, Call Centre systems will be developed using custom-made software.

The Game telecommunications needs are covered by OTE (the Greek Telecommunications Organisation), a Top Sponsor of the Athens Games. It is expected that OTE will make major investments in order to meet these requirements.

It is important to note that International and National Sponsors will need to procure equipment, consumables, sub-contract services from the European Market in order to provide value in kind sponsorship products and services. Furnishing the Olympic and Media Villages—27 000 Beds, TV sets, linen, etc.

Source: Secretariat Athens, (2004).

Economic Issues

Economic issues, in particular the opportunities for increasing the competitiveness of the Attica Region but also aspects related to the Olympic Games, are discussed in detail in Chapter 2. It is generally recognised today that, despite their high cost, the hosting of the Olympic Games usually results in a very substantial economic benefit for the host city. The distinction is made between benefits of a relatively short-term nature and other longer-term effects. The latter, of course, are of most importance for the future of the host city. Roughly classified, the foreseeable impacts on the Athens economy are the following:

- The Games are being accompanied by important public investments in both major sports related and other basic urban infrastructures which will restructure urban space and increase accessibility both to and within Athens over a short period of time and endow the city with sports facilities and convention centres. Chapter Two on Economic Development and Competitiveness details the main construction projects being undertaken for the Games as well as the role of the Athens Chamber of Commerce and Industry (ACCI) in facilitating the take up by Greek companies. Projects such as the Olympic Village and Faliron exemplify the way in which the Games are acting as a catalyst to produce modern and environmentally sound types of settlements and leisure developments which will enhance the attractiveness of Athens in the future as a place to live and work.

Furthermore, the construction of a modern international airport is a critical element of the infrastructure works, which will reposition Athens competitively in the future.

- Private investment is accompanying public investments. Government has subsidised some investments (*e.g.*, refurbishing hotels) and public/private partnerships have been set up to upgrade and construct facilities and accommodation. Urban regeneration is taking place and new sites are also being developed, thus stimulating not only the industry and construction sectors but also the urban land market, in particular in the Messoghia Plain. Industrial enterprises are expected to increase their turnover during 2001-2004 by 755 million Euros, mainly by acting as sponsors of the Games promoting their image in international markets.
- The Athens economy will benefit substantially from the marketing of Olympic products and from the publicity that the Games offer. The marketing of Olympic products will produce considerable economic gains in terms of employment and revenues for the IOC, the local Olympic Committee, and Athenian business. A single Marketing Plan has been developed and the main Associations such as the Federation of Greek Industries, the Panhellenic Federation of Hoteliers, and the Union of Greek Banks are participating. The Games provide an opportunity for Greek firms to expand in both the national and international market and, in particular, boost investment and trade with the countries of Central and Eastern Europe. A considerable number of multinational firms are also expected to display interest in sponsoring Athens 2004. Many of these firms have not so far done business with Greece and may see the Games as an opportunity to penetrate the new markets emerging in the Balkans. Construction companies will undertake projects directly related to the Games with a total budget of approximately 3 500 million Euros. The International Olympic Committee (IOC) and the Sydney Organising Committee for the Olympic Games (SOCOG) generated approximately 3 billion USD during the period 1997-2000 from the marketing of the Sydney 2000 Olympic Games.
- Income generated by media coverage of the Games. Olympic spectators and television audiences continue to increase: nine out of 10 individuals with access to television watched some part of the 2000 Sydney Olympic Games. The revenue (at 2004 prices) from television rights for Athens is estimated at \$US 700 million. The

Olympic Programme (TOP) sponsorship revenues are estimated at US\$ 130 million, while the average contribution of the twenty large Greek firms sponsoring the Games is expected to be in the region of \$US 200 million. In addition to the important finance generated by the transmission of the Games, the demand for telecom services as well as transport, financial, trade, consulting and other services is expected to boom. The ICT investments in support of the Olympic Games reinforce the policies already in place to upgrade ICT in Athens and more generally in Greece. Communications and the mass media are a critical part of the Games and the mainstay of Olympic finance. The IOC requires that host cities of the Olympic Games provide the media with all the facilities, services and other requirements needed to ensure the fullest news coverage and the highest broadcasting quality to the widest possible world-wide audience. The International Broadcasting Centre (IBC) and the Main Press Centre (MPC) are situated in two separate but neighbouring building complexes within the AOSC (Athens Olympic Sports Complex) in order to avoid an excessively high concentration of people and hi-tech equipment in a single location. The two centres are close to and easily accessible from all the Olympic accommodation sites, the Olympic Village, the Press Village, Olympic Family hotels, media hotels and the cultural sites of Athens, the historic centre and all the recreational and entertainment areas.

- The flow of visitors and persons associated with the Games will stimulate the service sector: tourism, hotel and convention business and related services. The increase in the turnover of the tourism industry is forecast as 160 million Euros for the year 2004. During the period of the Games, 2 million visits of foreign tourists are forecast. As reported above, Greece is building a new town to house the 17 000 athletes and sports officials. Spectators will use hotel rooms and private homes. The hotels of Athens have been modernised and refurbished. The investment made by hotel owners has been supplemented by approximately 300 million Euros in state aid. In addition to hotels in the Athens Region, which have been made available for the Games, a number of ships and ferries are expected to be used as floating hotels.
- According to research conducted in 2001, about 65 000 permanent jobs are expected to be created because of the Olympics and the technical know-how and experience Greek workers will gain during the Games is expected to strengthen Greece's economy and job market (Angelopoulos-Daskalaki).

Box 4.3. Revenues from the Olympic Games

A series of products will be developed using the Athens 2004 logo or mascot. The basic categories of these products include: clothing, sportswear and sports goods, household goods, gifts, toys, foodstuffs, software, and printed matter. The OCOG has selected the licensees from among the leading firms in each field of business and will levy a user charge for the logo and the mascot equivalent to 5-6% of product sales on the Greek and international market. The OCOG is building on the financially successful experience in Atlanta, on practices such as the daily T-shirt auctions and similar high yield programmes, which are scheduled to bring in revenue for the OCOG. Total licensing revenue is estimated at 40 million USD. Official suppliers to the Games are also an important source of revenue in kind. They will meet large scale supply needs for equipment and services such as: catering products, beverages, hospitality services, broadcasting equipment and services, transport, energy supply, communications, software, translations, printing services, security, furniture and fittings of all kinds, sportswear and equipment, management consultancy services, garbage removal and cleaning services. Official suppliers are entitled to use their capacity for promotional and public relations purposes. The OCOG will make specific references to them in the publicity material it produces. Suppliers in this category are expected to be of particular importance in meeting the cost of the cultural Olympics. Total Revenue from this category is estimated at 85 million USD. Other sources of revenue are: Philately; Lotteries; Ticket Sales; Donations; and Disposal of Assets.

Olympic Games in one city can have spillover effects in other cities of the host country as shown by the experience of Canberra, Australia (Box 4.4.)

Box 4.4. Spillover Benefits from the 2000 Sydney Olympic Games

From the outset, Canberra forged strong links with the Sydney Olympic bid, recognising the potential gains for the city. In 1993-1994 a sports minded public, growing sports infrastructure and a reputation as the centre of elite sport excellence in Australia provided a strong impetus for ensuring that the Olympic Games benefited Canberra. Key strategies focused on developing Canberra's domestic and international reputation as a premier centre for elite sport competition and training; on developing Canberra's sports industry and tourism opportunities; on supporting the development of national, Canberra and regional athletes and officials at the 2000 Sydney Olympic and Para-Olympic Games; and on strengthening the national capital links with the 2000 Olympics by securing and staging preliminary rounds of Olympic football competition.

The main achievements between 1994-2000 have been: the development of Canberra's major event staging capabilities demonstrated by the 1997 Australian Masters Games; the 2000 GMC 400 (V8 Supercar Race); and seven major preparation Olympic events in 2000. Project 2000 (established to co-ordinate and promote Canberra's role in the Olympic Games) involved the procurement and provision of commercial services for national teams pre Games training, equating to commercial provision of 4 500 bed nights and over AUD 1 million worth of sports training services. Project 2000 recommended that the ACT Government:

"...build on the learning from the Project 2000 experience and apply these to future projects, in particular: the effectiveness of a high level board structure to guide major events and projects that extend beyond the individual interests of the sport or other fields of endeavour involved; the value of a forward looking body for seeking out opportunities and networking with a cross section of interest; and the value of whole-of-government co-ordination, drive and responsiveness in the staging of major events."

Source: Australian Capital Territory, (2001).

Planning Issues

Spatial Planning Issues

Improving strategic planning in host cities as one of the objectives of the IOC. Delivering the physical works necessary for the Games has revealed constraints, which often require intervention by government or the creation of special mechanisms to expedite development. This of course is not purely a regulatory issue but is in fact part of a broader set of issues related to hosting the Olympic Games in which scale and timing are important. In the case of Athens, although the Games will have a positive impact on spatial planning and the installation of new infrastructures and housing, many of the developments exist already or were scheduled prior to the decision to hold the Games in Athens. These public works projects (a new town, a ring road, new airport, metro, tramway and new sports facilities) are being assembled in view of the Games and co-ordination has been improved; these works are integral parts of the comprehensive plan for the Athens as designed in 1999 by the Ministries for Environment, Physical Planning & Public Works (Organisation for Athens) and Culture.

The Olympic Games are however, an opportunity to accelerate administrative and institutional change building on the experience of the last decade to develop a long-term Athenian vision. The pace of change during the last decade in order to ensure that the necessary physical works are completed on time has proved to be a challenge. Preparation for the Games has required more flexible approaches, which whilst respecting national and international laws, is clearly outcome focused. Some of the key challenges, which will help shape a future planning context, are:

- inter-governmental co-operation, within the national government and between levels of government;
- fast-track decision-making and expedient expropriation of land;
- environmental protection, urban design and cultural heritage;
- a metropolitan perspective which takes a cross-sectoral approach;
- legislative and institutional reforms;
- stakeholder participation.

Two showcase developments connected with the Games are the Olympic Village and the Faliron Bay Development: The Olympic Village is a planned community, which incorporates new construction techniques and a strong urban design ethos. Services, technical networks, utilisation of renewable energy resources, waste management, and use of material, which have a low impact on environmental quality, are only some of the characteristics targeted for this development. This is in contrast with the traditional type of urban development, which was characterised by diffused, small-scale type of development accompanied by land consumption and lack of services. The Village will provide 2 300 residential units to house 10 000 persons following the Games. Post Games occupation will be as Workers Housing, an important choice in a culture where there is limited tradition low-income housing but nevertheless important at a time of rising regional house prices. Olympic Villages are frequently used as showcases for new development principles. Rather like in Sydney Athens has ensured that sustainability is an important factor underpinning the development. The experience of planning a community of this scale will establish parameters for the future particularly with respect to new development areas such as the Messoghia Plain.

Box 4.5. The Olympic Village

The Olympic Village will house the athletes of the 2004 Olympic Games. It showcases Greek expertise and technology in support of sustainable human settlements. It has been built at Lekaness Acharnon, in the municipality of Acharnai, at the foot of Mount Parnitha, not far from the Parnitha National Park. The site was selected by a joint group of experts which included representatives of the Ministry for the Environment, Physical Planning & Public Works, the Environmental Protection Organisation, of the Organisation for Athens, of the Union of Municipalities and Communes of Athens (and the Municipality of Athens), of the Hellenic Olympic Committee, of the Bid Committee, and the Ministry of Culture.

The construction of the Olympic Village on a site of 1 200 000m² will improve the environment and prospects of this neglected area of the north west section of the Greater Athens area. The Greek state already owned 50% of the site; the remainder belonged to private citizens and was acquired by expropriations. The Village was constructed by a public company-Olympic Village Inc. After the Games, it will be sold to members of the Workers Housing Organisation. An innovative feature of the Village is the use of new technologies to save energy. This involves the following:

Box 4.5. (cont.)

- The use of passive solar architecture, heat insulation in conjunction with heat recycling, heat pumps, mechanisms to regulate energy exchanges and cross season storing of thermal energy.
- New water management resources with an emphasis on the reduction of excess consumption, the storing of storm water, on-site storage, improved watering techniques, etc.
- Use of new solid waste management strategy.
- Use of new building materials.
- The landscaping of indigenous vegetation areas on free sites among the Olympic Village buildings.
- The landscaping of parks connected by “eco-routes” so as to transform the Olympic Village into a kind of ecological park.
- Design in accordance with the principles of the Modern Movement, which stresses the factors of correct orientation, good natural ventilation, interpenetration with park and garden areas, and the circulation of natural air.
- From a functional standpoint, the Olympic Village consists of three zones.
- The International Zone, which will contain a shopping centre, a leisure centre and meditation area, and a logistics centre.
- The Residential Zone which will contain accommodation for 15 000 athletes and officials; facilities for doctors and masseurs for each delegation; a polyclinic; HQs for delegations; an information centre, restaurants, storage areas, and facilities for service staff.
- The Olympic Park, which will contain plants compatible with the Mediterranean climate and training and rest facilities for athletes.

Source: OECD Secretariat, (2003).

The athletic complex in the area of Faliron represents an important pole of sports activities for the Olympic Games. In the future, the broader coastal area of Faliron could be transformed into a unique recreational park while several other activities, in accordance with the provisions of the Structure Plan for Athens could be developed. The Athletic Centre of Aghios Kosmas is expected to become a park and an area “dedicated” to marine sports and tourism development. The uses and the interventions envisaged in the areas are in accordance with the Structure Plan of Athens and are expected to upgrade the existing urban structure.

Box 4.6. Faliron Coastal Zone

The Olympic Games will as in Barcelona, serve as a catalyst to open Athens to the sea front and to create a leisure and recreation area, as well as upgrading the environment. Faliron Bay, a coastline of six kilometres, has always been an area of strategic importance for Athens being the principal physical opening of the Athens Plain to the sea. The Bay is connected to the city centre through a major arterial axis. In classical antiquity, it was the first harbour of Athens before it was replaced by the coastal settlement of Piraeus to the West. In the 1870s Faliron developed as a seaside resort due to its location on the first urban train line connecting Athens to the port of Piraeus. In 1896, during the first Olympic Games of our era Faliron Bay was the venue of cycling and tennis while nearby sites were used for target shooting and swimming.

In later years, proximity to the port and the industrial zones of Piraeus, coupled with low but dense housing development fuelled by massive internal and external migration to the capital, altered the recreational character of Faliron Bay and led to progressive pollution of the sea. The horse-racing track of Athens was then built adjacent to the main road artery connecting Faliron with the city centre.

Several attempts were made over the years to upgrade the Bay. In the 1960s, the National Tourist Organisation launched a wide redevelopment programme of the coastal area of the Saronic Gulf, which included plans for major infrastructure works in Faliron. However, due to the regional policy of the 1970s, which discouraged tourism in the area of Athens, the project was abandoned except for the construction of the marina, a sports centre, an elevated land fill road artery (Poseidon Avenue) and a sizeable portion of a programme to reclaim land from the sea. This resulted in the 2004 Olympic site's current area of 120 ha.

From the 1970s onwards, the area of Faliron Bay continued to deteriorate mainly as a result of:

- The impact of the elevated traffic artery (Poseidon Avenue): this isolates residential neighbourhoods from the sea; causes serious noise, air pollution and aesthetic problems; makes it difficult for rainwater to drain to the sea causing flooding.
- The estuaries of two rivers (Kifissos and Ilissos) flowing into the Bay, degraded because of line-channelling and covering, convey limited quantities of polluted water to the sea.
- Indiscriminate dumping, demolition and excavation materials on the shore created an extension into the sea and led to a no-man's land which became home to derelict cars, a car park for trucks, a centre for reloading garbage, and various substandard sports facilities of the adjoining municipalities.

In the 1980s the Organisation for Planning and Environmental Protection of Athens (OPEPA) developed a new plan for the area which served as a basis for the Olympic Plan developed jointly by OPEPA and ATHOC in consultation with a group of well known architects-planners¹ who were invited during the workshop for the redevelopment of the Faliro Coastal Zone (Athens, September 1999) to elaborate a set of planning and morphological design criteria and guidelines.

On this basis, a Master Plan for Faliron Bay has been developed to upgrade the area and incorporate the Olympic venues. The Plan must meet four major requirements:

- re-establish the physical liaison between the City and the sea;
- reduce the negative impacts of the major infrastructure works while still providing satisfactory accessibility;
- upgrade the distinct ecosystem of the area;
- create a "Games Gateway" during the Olympic Games.

The initial version of the Plan aimed to:

- relocate the raised traffic artery (Poseidon Avenue) about 100 metres towards the sea front and rebuild it in line with the areas natural ground level to create a linear urban park which will include a water canal which will be aesthetically pleasing and also prevent flooding;
- develop new road connections between the local street network, the relocated road artery, and the sea front area;
- construct a wide pedestrian esplanade into the sea, which will serve as a focal point for visitors;

Box 4.6. (cont.)

- develop a tramway corridor running adjacent and congruent to the canal and situated between the canal and the urban front;
- create a bird sanctuary at the western part of the area as well as swimming pools and light sports facilities with natural surroundings along the central part of the site around the Ilissos river estuary;
- use the area around the pedestrian esplanade axis for specific Olympic Games installations extending from the racetrack to the seafront.

Based on the nature of the project and given the fact that major flood control investigations should take place in the greater area; the project will be completed in two phases.

A number of issues remain to be resolved. For example, in the course of the conception and realisation of the Faliro Bay Redevelopment, a number of problems came to light. As a result, a period of dialogue took place with various stakeholders, leading to revisions to better reflect the situation.

A key problem is the major traffic artery (Poseidon Avenue) which isolates the site from the city fabric. It is planned to take actions after the Olympic Games to mitigate the impacts of this artery on both the seafront and the adjoining neighbourhoods and to provide satisfactory connections for all modes of transport (pedestrian, bicycles and cars).

Another issue is the post games management of the facilities. Some municipalities fear that they may have to contribute to the running costs out of their small budgets, or that they may lose all control of the facilities, which are leased, for management by the private sector for long periods.

The nature of the area might change to cater for a much wider and different clientele in ways, which would disturb the tranquillity neighbouring communities.

The redevelopment consists of distinct zones:

A Water Plaza and Esplanade will be a meeting and orientation point for Olympic spectators and future visitors. A Reception and Information building is being constructed and will later include an exhibition on the history, present and future of Faliron Bay and the Saronic Gulf.

A new modern Nautical Sports Complex will be constructed to the west of the Plaza in time for the Olympics. It will include a marina for approximately 400 boats and land facilities and will be used after the Olympics.

Beach Volley Facilities: Next to the Ilissos River, this facility will have a 10 000 seat court of which 6 000 will be temporary and eight smaller courts. The area will be landscaped and include training fields and visitors' facilities. In the post-Olympic phase, the facility will become an open air amphitheatre creating an important point of attraction for the area. A linear building will house cultural and social facilities mainly for the neighbouring municipality of Callithea.

Ecological Park and mild Athletic Facilities (two zones): At the western end of the Bay, adjoining the Peace and Friendship Sports Stadium which will host Volley Ball during the Olympics, the area between the estuaries of the Kifissos and Ilissos Rivers will be turned into: an ecological park with a gradient from freshwater to brackish which is expected to develop biological functions; mild athletic facilities for swimming and diving.

Tae Kwon Do and Handball Venue: To the east and south of the Esplanade, these two Olympic events will be housed in a new sports hall with a seating capacity of 8 000. The hall has been ingeniously designed so that after the Olympic Games, 4 000 seats will be removed and the building will be remodelled into a multi-functional hall for a wide variety of cultural, political, athletic and commercial uses. The oval form of the hall responds to the existence of two main axes, and its hyper-paraboloid roof is planned to decrease the visual impact of its great volume.

Ex-Racetrack Area: During the Olympic Games, the Racetrack will be used as an open air space for a wide range of recreational events. It will include ample parking facilities for buses. The future use of this large urban area has not yet been decided. It is expected to host one or more major cultural or educational facilities.

Box 4.6. (cont.)

The design concept for the Faliron Bay Plan is to combine the organising characteristics of geometry with strong natural elements in an attempt to create a new paradigm of how nature and human activities can be integrated into a harmonious whole. The plan will include a careful transition from zone to zone with parts destined for human use treated in a more urban manner and others dedicated to quiet appreciation of the natural environment. Architecturally, a strong inspiration has been the old metal constructions of piers, bathhouses and other recreational facilities, which existed in Faliron 100 years ago. All buildings have been designed on the basis of a common module, which varies according to topography and orientation. Energy economy and bio-climatic measures have been used throughout the design in both passive and active ways. A critical factor will be how society uses and manages the large free areas created and their equipments. Social control over the area is considered to be of paramount importance in order to ensure good operation, improvements over time and safety.

Major Events and Urban Regeneration

Events have been used in many cities to reinforce processes of urban regeneration. Recently Manchester sought to ensure that the Commonwealth Games contributed to broader regeneration aims in the city. Manchester City Council and its partners had been developing their approach to the Games for almost a decade. From the early 1990s, building on Manchester's bids to host the Olympic Games, the urban regeneration potential of hosting a major international sporting event has been recognised. Throughout, the issue has not just been about generating jobs alone, but what the event can do for the broader and longer-term regeneration process. The successful delivery of the Commonwealth Games was closely intertwined with the regeneration of East Manchester, which was home to much of the City's heavy engineering and chemical industry and many of their workers. In a period of little more than thirty years, starting in the 1960s but gathering pace in the 1970s and 1980s, East Manchester went from being a nationally important area of mature industry and settled population to one of the most intense concentrations of deprivation in the country. By the mid-1990s, East Manchester could no longer retain businesses or residents and became one of the UK's most acute test cases for regeneration. To ensure that the wider region also benefits from the Games, Manchester was successful in bidding for the only thematic Single Regeneration Budget Programme in the country -- which is tasked to spread involvement in and sharing of the benefits of the Games across the North West.

Table 4.1. Objectives of Recent & Upcoming Olympics Games

	Munich 72	Montreal 76	Moscow 80	LA 84	Seoul 88	Barcelona 92	Atlanta 96	Sydney 2000	Athens 04	Beijing 08
Put country on map					✓	✓		✓	✓	✓
Spotlight on city/state/region	✓	✓		✓		✓	✓	✓		
Political system			✓							✓
Trading partners					✓	✓				
Attract investment	✓	✓		✓		✓		✓		
Boost tourism		✓						✓	✓	
Create jobs		✓		✓			✓	✓		
Local suppliers				✓				✓	✓	
Urban renewal:										
- Housing	✓	✓			✓	✓		✓		
- Commercial	✓	✓			✓	✓				✓
- Roads & other infrastructure						✓		✓	✓	✓
- Sports infrastructure	✓	✓	✓		✓	✓		✓	✓	✓

Source: Preuss, H., (2002).

The investment of the Games and the associated regeneration infrastructure and activity amounts to £477 m at 2002 prices, of which some £330 m has been in East Manchester. The net additional public sector investment of the Games venue construction and operation are some £277 m at today's prices, with a further £200 m of regeneration spend associated with the pre-Games and parallel activities. The Games have, in addition, brought forward a number of

major transport schemes (with a total cost of nearly £800 m), and the additional public investment in transport infrastructure can be estimated at £125 m. The table below highlights some of the key Olympic goals, which are in fact typical characteristics of events based regeneration.

Traffic Management

Radical restructuring of the transportation system throughout the greater Attica region, underway for several years, will provide the necessary infrastructure by Games-time to set in motion the ATHENS 2004 Olympic Transport Strategic Plan. In the context of the Olympic Operational Plan for Traffic and Transit Management, great emphasis has been given to implementing traffic management measures and policies that will also benefit the citizens of Athens after the Games. Major infrastructure changes will transform the city of Athens, improving the flow of traffic as well as the travel of commuters and visitors for years to come. The Traffic Management Centre will operate during the Olympic Games at the Operation Room of Traffic Monitoring and Control (TMC) and will be supported by the upgraded Traffic Signalling Centre. An Olympic Transport Operations Centre (OTOC) will operate during the Olympic Games, so as to cover the additional needs of ATHENS 2004. These are related to the control of the Olympic Family Fleet operation as well as the traffic conditions at the Olympic Road Network and around all Olympic Complexes.

- All spectators Olympic personnel and volunteers will use public transport (Metro, Suburban Rail, Light Rail, Buses) to travel to and from Olympic facilities during August 2004.
- There will be systematic and strict parking control in central avenues, as well as in all roads near the Olympic venues.
- Scheduled service will be increased for all Public Transport.
- Bus lanes will be increased from 16 km to 100 km.

The suburban railway will constitute a new system of public transport consisting, of the already existing and improved inter-urban railway lines as well as a new line along the Attiki Odos motorway. The Suburban Railway will provide an important connection to the “Eleftherios Venizelos” international airport and a reliable connection to those areas outside the city of Athens where a significant number of visitors are expected to be accommodated. It will also be an alternative means of access to a number of important Olympic venues (Athens Olympic Sports Complex, Faliron Coastal

Zone Olympic Complex, Ano Liossia Olympic Hall, Markopoulo Olympic Equestrian Centre and the Olympic Village) either directly or in combination with special shuttle services.

During the Olympic Games, the Athens Tram will link the centre of Athens with the coastal zone up to Helliniko (the former Athens international airport area) and the second line will connect Neo Faliron with Glyfada. The Tram will be connected with Line 1 of the Athens-Piraeus Electric Railways (known largely by its Greek initials ISAP) at the Faliron station, and with Line 2 of the Metro at Neos Kosmos station. It will cover a total distance of about 24 kilometres, where daily 35 vehicles will travel. From the Tram stations (at Faliro, Neos Kosmos and Sygrou-Fix) it is easy to transfer to other fixed-track transport means (ISAP and the Metro), thereby contributing in a substantial way to the improvement of traffic conditions and to the upgrading of services to passengers. The Tram also contributes to the upgrading of the areas that passes through, as a result of the limited (or extensive) redevelopment of the streets. It is noiseless, non-polluting (due to the fact that it is electrically-powered), fully accessible and fully integrated within the urban environment. All these factors contribute effectively to a change in the general image of the municipalities through which it travels and significantly improves the quality of life of the inhabitants.

The tramlines connect two of the three main Olympic Complexes (Faliron Coastal Zone and Agios Kosmas-Helliniko) with the centre of Athens and it will also connect the two Olympic Complexes. They also serve the municipalities of Athens, Kalithea, Moschato, Nea Smyrni, Paleo Faliron, Alimos, Helliniko, Glyfada and the City of Piraeus. Thus the Tram reinforces the Mass Transport Means that serve these municipalities, and improves accessibility towards mainly the southern suburbs

By summer 2004, the Athens metro will extend beyond the 'boundaries' of Athens and servicing the broader Attica region. These metro extensions expect to add another 450 000 passengers to the metro on a daily basis. It is a significant increase if one considers that in the first year of the new metro operation (covering 12.5 km and linking 14 stations) an average of about 280 000 passengers used it daily, while in 2001 the number increased to 450 000 passengers per day.

Environmental Issues

Setting its strategy within the framework of the Olympic Movement's Agenda 21, the Organising Committee of the Olympic Games Athens 2004 is resolved to use the Games as a material demonstration of environmental

sensitivity and environmental practice before the Greek and the international society (Kazantzopoulos, 2002). This builds on the work of the Ministry of Environment, Planning and Public Works, which is an important partner in delivery of the Games. The IOC has included in the requirements for cities bidding to host the Olympic Games rules on infrastructure and security, but also environmental protection standards. Through close co-operation with UNEP the IOC has developed the following guidelines for host cities to adhere to. The cumulative knowledge and opportunity for innovation with respect to environment management tools through successive Olympic Games is contributing to the ‘global tool kit’ of best practice and furthering sustainable development.

Box 4.7. Candidate City Environmental Guidelines

Prepare charts and explain briefly the system of natural resource and environment management put in place by the public authorities and their responsibilities towards the OCOG:

- Provide an overview, including maps and tables, if possible, of the local situation with respect to the state of the environment, protected areas, cultural monuments and potential natural risks.
- Obtain from the competent authorities an official guarantee confirming that all work needed to stage the Games will comply with local, regional and national legislation and rules as well as international agreements and protocols on town and country planning, construction and protection of the environment.
- State whether impact studies have been performed by the competent authorities for all venues and facilities.
- Provide an environmental plan of action for the Games, indicate the objectives and priorities and describe briefly the environmental management system envisaged by the OCOG.
- Indicate whether there is, within the candidature committee, an environmental protection awareness programme and state what the OCOG's plans are in this respect.
- Describe what efforts will be made to protect and improve the particular characteristics of the natural environment and cultural heritage during preparations for the Games.
- Give details of the intended plans for managing solid waste, sewage treatment and energy management, and state how you hope that this will influence the city and region in the future.
- Describe environmental pilot projects and development plans, as well as how environmentally-friendly technology will be applied in relation to the Games.
- Mention any specific points not covered in the questionnaire that the candidature committee wishes to raise.

Source: International Olympic Committee Data.

The environmental programme in Athens is being pursued through nine strategic priorities:

- Olympic Green Spaces: implementation of good landscape architecture practices in Olympic competition and non-competition sites, the greater Athens area, and in other locations in Greece by respecting the original landscape and using natural resources rationally. All green spaces will be designed and constructed so as to contain plants compatible with the Mediterranean climate and have minimum irrigation requirements.
- Environmental Awareness: overall purpose is to ensure that all the people involved in the Olympic Games are willing and able to include environmental considerations in their day-to-day activities.
- Sponsors and Licensees Environmental Performance: improving the corporate image of sponsors and licensees by the corporate approach regarding environmental issues and educating the public.
- Developing products or installations in compliance with acknowledged environmental certification systems (ISO, EMAS, ECO-LABEL); funding and financially supporting events and environmental activities as signature events; submission of tenders for sponsoring and licensing to address environmental considerations in relation to product manufacture, use, and disposal.
- Waste Management and Recycling: minimize packaging and waste coming from Olympic activities and to maximize the use of recycling practices.
- Environmentally Friendly Transportation Vehicles: minimize air and noise pollution and any other pollution related to the use and maintenance of the Olympic fleet as well as to promote sustainable transportation. The greater Athens area will benefit from applying the sustainable transportation concept through encouraging and promoting the use of public transportation means. The Olympic Village as well as all competition and non-competition venues will benefit from the use of environment-friendly vehicles.

- **Water Management:** promoting the sustainable use of water resources while ensuring water quality in the greater Athens area and facilitating the use of new technologies in venues and villages design, such as wastewater recycling or watering techniques.
- **Environmental Co-ordination and Networking:** Creating the Olympic Environmental Alliance through the engagement of government authorities that are major stakeholders in the preparation of the Games, such as the Ministry of Environment, Physical Planning & Public Works (MEPPPW) or the National Meteorological Service focusing particularly on creating synergies with third party stakeholders, such as community groups, local authorities, academia, industry associations, individual industries/ service providers, and NGOs.
- **Biodiversity:** the protection and expansion of biodiversity through space re-engineering or interventions. The principle of biodiversity will be applied in particular during the preparation of the Olympic facilities and above all during Games-time when the assembly of large crowds is expected to disrupt the normal environmental conditions and fauna/flora habitats. The application of biodiversity protection principle will benefit all locations, especially the Olympic Village, the Schinias Olympic Rowing and Canoeing Centre as well as the Faliron Coastal Zone facilities.
- **Introduction and Implementation of Environmentally Friendly Materials and Practices:** Purchase and practice goods and products based on their merits, taking into consideration the need for sustainable development, always in compliance with the existing European and Greek legislation and international standards. Promotion of water and wastewater recycling. Encouraging the use of recycled products and demolition debris, as well as that of Eco-label and other environment and quality standards for operations or production methods; ensure the use of environment-friendly applications and practices at the ATHENS 2004 premises and promote environmental considerations in all aspects of the preparation of the Games.

Several new Olympic installations support the rehabilitation and upgrade of urban and suburban areas. Projects such as the construction of the Olympic Village, the Faliron Coastal Front and the Olympic Sailing Centre are among the best examples of interventions, which will contribute to a better quality of

life for Athenians and have the potential to become ‘showcase’ initiatives on which Athens can draw for future developments. Similar to Barcelona in 1992, Athens is reconnecting its city centre with the sea through the redevelopment of the Faliron Coastal Area, host to several Olympic competition venues.

The deadline of the Olympic Games is being used to drive forward measures to increase use of non-polluting public transport. Improved transport may well become the biggest and most visible Olympic legacy in Athens. Also worthwhile to note is the fact that all transport stakeholders in Athens used to work independently, thus neglecting somewhat the overall aim of a public transport system, which is to enhance mobility and quality of life. The Olympic experience is promoting integrated transport operations developed through the three CSFs.

Box 4.8. Turin 2006

In examining Athens, it is of interest to consider the Winter Olympic Games, which will take place in Turin in 2006. The Organising Committee for Turin (TOROC) has set as one of its goals the need to ensure that sufficient attention and respect be paid towards the environment both in the organising phase and during the event, “guaranteeing the sustainability of the Olympic System also after the Games time” (TOROC, 2002).

As a result of the Italian law 285/00, TOROC had to adopt the SEA (Strategic Environmental Assessment) procedures in its overall project management methodology and must therefore keep all the environmental variables related to preparation for the Olympic Games under control, carry out the project environmental monitoring plan, draw up regular environmental reports, and verify the compliance of projects and building sites with required environmental performances. The adoption of such a Strategic Environmental Assessment process means that “all the effects on the territory must be evaluated: either direct or indirect, overall, synergetic, short and long-term, permanent and temporary, positive and negative, in order to verify the environmental sustainability of the interventions for the Olympic Winter Games Torino 2006” (TOROC, 2002, Vol. 9). It is the first time such comprehensive SEA procedures are being applied in Italy.

The set of indicators developed by TOROC have been approved by the Italian Ministry of Environment and by the Piedmont Region. They allow the evaluation of the global impact on the environment through every step of Olympic preparation.

An Environmental Management System (EMS) has also been adopted by TOROC on a voluntary basis. It contains prescriptions from the UNI EN ISO 14001 standard and the 761/2001 EMAS Regulation of the European Commission, and requires external validation. The EMS adopted by TOROC should prove a useful tool to co-ordinate all activities of the environmental department and more generally all initiatives by TOROC in this area. Also, the adoption of an EMS and of the SEA procedures will lead TOROC into drawing up an annual Environmental Report of the 2006 Olympic Winter Games.

A number of environmental initiatives by TOROC represent a fundamental step towards the sustainability of the Olympic Games. Such initiatives may turn out to be a great legacy for a better understanding of sustainability principles in the framework of event management. The European Commission has in fact shown great interest in TOROC’s adoption of environmental policies and is studying the possibility of allocating a financial support to TOROC, so that Turin 2006 could represent a pilot project for the implementation of Environmental Management Systems as applied to major events.

Source: OECD Secretariat, (2003).

Social Issues

Large-scale events such as the Olympic Games are important factors in helping to build social capital in a city. The population of Athens has grown and changed dramatically over the last four decades. Greek society is one, which traditionally has been focused around the family and not the community. This has begun to change as demographic and migration trends impact. "The central premise of social capital is that social networks have value. Social capital refers to the collective value of all social networks and the inclinations that arise from these networks to do things for each other." The idea is that "a wide variety of quite specific benefits flow from the trust, reciprocity, information, and co-operation associated with social networks. Social capital creates value for the people who are connected and -- at least sometimes -- for bystanders as well." (Putnam).

Typically, the idea of social capital is associated with relations in civil society. Social capital is built in families, local communities, neighbourhoods, voluntary associations and firms. However, relationships of trust and networks also involve public organisations and institutions. Public governance based on commitment to public welfare, accountability and transparency provides a basis for trust and social inclusion, which in turn can strengthen social capital. The political, institutional and legal conditions prevailing in a country underpin networks and norms for social co-operation. Hence, effective political institutions can complement networks based on the civil society. Social capital is difficult to measure. The distinctions between sources, functions and outcomes are not clear. Much of what is relevant to social capital is tacit and relational. Although individual attitudes (*e.g.*, trust) or behaviour (*e.g.*, joining organisations and voting) may provide proxy measures of social capital, attempting to capture the main elements of how people interact and relate to each other are hampered by the lack of suitable data sources (OECD, 2001).

Awareness of social issues is increasing in Greece and the Olympic Games experience will be as important in Greece in this respect as similar events have proved to be elsewhere. Managing the Olympic experience requires substantial citizen participation and like elsewhere Greece is benefiting from strong support. The social benefits and impact of the Games goes beyond levels of volunteerism that can be realised. The true social benefits relate to improved economic and social equity. The Games will increase the employment capacity of Athens. The gains however must not be short-term. As discussed earlier the economic development trajectory pursued post Games will require an appropriate employment and training strategy. Culture is an important theme of the Olympic Games, which can only contribute to increasing social capital in

the city. A new sense of place, which ensures that Greeks and immigrants alike benefit from a renewed civic pride. As citizens, they will benefit in terms of quality of life and experience as the city improves.

Athens 2004 Olympic and Paralympic Games --“ERMIS -- Accessible Choice”

Athens 2004 states that both Games “represent a major opportunity for improving the quality of life not only for the citizens of Athens, but also for all Greek citizens. The improvements do not only concern the image and the infrastructure of the city, but also the service rendered to its citizens”. As a result, the Games are seen as a mechanism to raise disability awareness through the country. The year 2003 is the “European Year of People with Disabilities” and with Greece holding the EU presidency for the first semester of 2003, it is considered to be an appropriate occasion, that Greek businesses -- following the example that European and international businesses have set -- improve their services responding to the need for equal opportunities.

According to a study conducted by the Hellenic Ministry for the Environment, Physical Planning and Public Works, the proportion of the Greek population of people who cannot freely and with ease access built space amounts to 50%. This group includes all people with a disability, people with a temporary disability (*e.g.*, due to an accident) and people with special needs, such as the elderly, pregnant women, infants and little children. Internationally, it is estimated that people with a disability account for 12% of the total population. As the same estimation holds true for most of the countries of the European Union, out of the 400 million EU citizens approximately 50 million can be classified as people with a disability.

Since the Olympic and Paralympic Games of 2004 are taking place in Athens, it is necessary to improve structures and create a safe, friendly environment, accessible to all people with disabilities. The Hellenic Ministry of Culture has already put forward a number of legislative adjustments in order to improve accessibility. One of the most important refers to the obligation of buildings housing legal entities of private and public law, banks, etc. to become accessible by 31-12-2003.

The new integrated National Sports Federation and the making of the new Hellenic Paralympic Committee as a Legal Entity of Private Law defines the new institutional frame of the Hellenic Paralympic Movement. At the same time, the preparation of Greek athletes with disabilities, members of the Paralympic Team, is supported.

The Greek Government supports the organization of the Paralympic Games by funding ATHOC with the amount of 55.8 million euros. For the first time in the history of the Paralympic Games, the participating athletes will not be required to pay the entry fees as the Greek Government covers the relevant expense.

The Olympic and Paralympic preparation, which is coordinated by the Hellenic Ministry of Culture, is the most ambitious modernization plan of the country. In particular, the Action Program for the support of the Paralympic Games is coming into life under the supervision of the Ministry of Culture and "Athens 2004" Olympic Committee, with the cooperation of all Ministries as well as the National Federation of People with Disabilities. The main actions included to the Action plan are the following:

Olympic and Paralympic Venues – Training Sites

All new sport venues comply fully with the special requirements for people with disabilities. All renovations of sport venues take into consideration the accessibility requirements for people with disabilities. The construction of the Paralympic Village is proceeding according to the accessibility requirements.

Hellenic Paralympic Movement

Through Law 2947/2001, a Sports Federation for Athletes with Disabilities was established. In addition, the establishment of a National Paralympic Committee has also been promoted. The Ministry of Culture supports the Paralympic Movement with about 2.35 million euros annually. The Ministry also supports financially the Paralympic Preparation of the Greek Athletes and the organisation of the national and regional championships and sporting events for athletes with disabilities.

Hospitality

The necessary ratio of accessible hotel rooms has been secured in all categories (deluxe, A, B, C class, etc.) while a control system is being applied for the new or refurbished hotels. According to Law 3057/2002, hotels have to propose an accessible layout of their rooms in order to be accepted. The hospitality contract between 'Athens 2004' and the Athens Union of Hoteliers has been extended to make provision for the hosting of people with disabilities for the Olympic and Paralympic Games.

Transportation

The new Mass Transit Systems (metro, tramway, suburban rail) are fully aligned with the special requirements for people with disabilities. Special works are being initiated at public transport stops, which secure the use of means of public transport by people with disabilities: All public transportation means (buses, trolleys) are being upgraded; the same holds for the renovation of the 23 stations of the previous “metro” of Athens; solutions will be found to specific problems, such as taxis and touristic buses; educate /inform public servants (bus drivers, policemen, etc.).

Medical Services

A special Medical Program is being prepared for people with disabilities, which will cover the Olympic and Paralympic Families, the visitors and spectators.

Accessibility at the City – Cultural Infrastructure

Special provision is being made through Law 3057/2002 regarding the obligation to adjust all the public buildings, banks, post offices, etc. in line with the accessibility requirements. This legal adjustment must be applied to the city of Athens and to the four Olympic Cities by the end of the year 2003; otherwise related penalties will be implemented.

A significant number of archaeological and cultural sites and buildings have been adapted with respect to the special requirements for people with disabilities. A major program of the Ministry of Culture is being promoted for an important range of monuments and buildings.

The accessibility requirements have been consolidated into the renovation plans for specific public areas (rehabilitation of central squares and main streets, etc.), which will host parallel Olympic and Paralympic actions.

The Ministry of Culture has developed special administrative unit for the issue of accessibility and has been upgrading its Web site so as to be fully accessible by people with disabilities.

Education

Paralympic Education has been developed and it is implemented on all educational levels.

The project “ERMIS — Accessible Choice” aims at improving the accessibility of businesses for all citizens of Athens and — in case the program expands — Greece. Businesses — shops, pharmacies, cafes and restaurants, etc. — can become accessible through simple and inexpensive adaptations, which will benefit not only people with a disability, but also all groups of people with special needs.

The organising parties for the ERMIS program are the ATHENS 2004 Organising Committee for the Olympic Games and the Athens Chamber of Commerce and Industry (ACCI). The operational plan for the project is composed of four steps:

- *Inform and brief businesses about the project “ERMIS — Accessible Choice”*: The ACCI will organise in cooperation with ATHENS 2004 a number of daily conferences in order to inform and brief business owners about the issue of accessibility, the difficulties people with special needs face and the benefits arising from turning their business into an accessible one. Furthermore, guidelines on how to make a business accessible will be published in the ACCI magazine and will be available on the websites of the ACCI and ATHENS 2004.
- *Declaration of interest of businesses wishing to participate*: Participation forms for businesses wishing to participate in the program were collected by the ACCI until the end of May 2003. Within this time frame, ACCI will provide general guidelines and give additional clarifications to interested businesses.
- *Inspection of adaptations made by an expert committee*: On completing the necessary adaptations, businesses will be inspected by an expert committee, which will include people with a disability, in order to ensure that businesses meet the accessibility criteria. These inspections will also be based on questionnaires and photographs, submitted to the ACCI.

- *Recognition and promotion of accessible businesses:* A ceremony will be held to award the businesses, which have successfully improved the accessibility of their businesses. These businesses will receive certificates documenting their accessibility and stickers. The stickers will serve as a means of identification of businesses that are accessible to future users and people with a disability.

Building regulations have been developed to ensure disabled access, which is an important step forward. Disabled rights through equal access to the built environment can only be realised through the regulatory process. This is an important example of a long-term social benefit emerging from the Olympic experience.

Cultural Olympiad

Culture is an important aspect of the 2004 Olympic Games and an area in which the Ministry of Culture has been particularly pro-active. The Cultural Olympiad, working closely with the International Olympic Committee and the Athens 2004 Committee, UNESCO, the U.N., and participating countries has developed a long-term programme of national and international events, which firmly embed culture as an important aspect of the Olympic Games. The scope of the Cultural Olympiad's programme is not limited to artistic and archaeological exhibits but also extends to conferences and other forms of dialogue around cultural politics. The first conference was shared between the cities of Athens and Ancient Olympia in September 2001. This conference was entitled "Rethinking Culture" and resulted in the "Charter of Ancient Olympia on Culture". The underlying theme of the Cultural Olympiad is the search of a "Culture of Civilizations", that is, of a quest for peace, social cohesion and dialogue through the exploration of culture. An important activity of the Cultural Olympiad is the awarding of the "International Kotinos" prize to exceptional personalities in the fields of political reflection around culture, the theatre, the visual arts, the plastic arts, music, literature and the preservation of cultural heritage. The National Committees of the Cultural Olympiad will come together under the recommendation of each country's Ministry of Culture and post-2004 will function as a permanent network of cultural cooperation among nations. Both the Torino 2006 and the Beijing 2008 Olympic Games will further develop the theme.

Governance Issues

The co-operation for the Games through the Ministry of Culture has provided good experience, which could serve to change attitudes and enhance, inter ministerial co-operation in the future. Preparations for the Olympic Games have required a 'whole of government' response in administrative terms and a focused metropolitan perspective in a physical sense. Decision-making is achieved through the Inter-ministerial Committee for the Coordination of Olympic Preparations² under the direction of the Greek Prime Minister. The systematic supervision of the Olympic Works is carried out by the Project Supervision Team³ directed by the Minister or Assistant Minister of Culture. In addition, the central government is continually present and involved in the Olympic Preparations through the General Secretary of the Olympic Games (Law. 2730/1999). Institutional capacity in Athens has been significantly enhanced, but complacency is not an option. Athens is at the beginning of a process: the last decade, in particular has placed the city in a position to determine its future, and how the city builds on the experience of hosting the Olympic Games is the most significant challenge of the next decade.

Delivering the Olympic Games to the standard that the Greek government desires has required co-operation on a scale never before experienced in Greece. Co-operation between government ministries, levels of government and the private sector, this has established a positive framework for the future. Of course, the process has not been without difficulties. No city expects that to be the case. Some decisions have required strong centralised actions, other have benefited from wider engagement. It is clear that the absence of a metropolitan government has been a negative factor. The vast number of municipalities in the metropolitan area has meant that some local municipalities disagree with certain developments and have felt excluded from the process. Concern over long-term maintenance costs associated with Olympic venues is real amongst local governments.

Security

The Greek government states that security is the number one priority for the organisers and that Greece has budgeted more for security than any host country in history. Infrastructure and experienced advisers have been engaged and co-ordination is underway with governments and security agencies around the world. A strategic plan involving more than 50 000 people and supported by sophisticated equipment is in place.

Post-Olympics -- Managing the Assets

It is planned that the post Olympic use of infrastructures, facilities and equipment will generate substantial economic and financial benefits for the Athens Region. The investments made in support of the Games should improve the image of Athens, allowing the urban region and its hinterland to develop as an international venue for year round tourism, convention business, sporting competitions and other major events. However, the task is challenging and will require innovative approaches to reconvert and manage both land and buildings so as to achieve in both the medium and long-term sound economic, social and financial results for the various parties involved -- residents, local government and private investors. For example:

- The broad coastal zone of Faliron will be transformed into a unique recreational park; the Athletic Centre of Aghios Kosmas is also scheduled to become a park and area dedicated to marine sports and tourism development. These two projects have been developed in line with planning and environmental legislation and should improve the existing urban structures. There is, however, concern on the part of some local authorities about their role and responsibilities in the financing and management of the facilities located in their municipalities.
- The Olympic Village will increase the stock of environmentally friendly better quality housing at an affordable price in a less-favoured part of Athens. Plans are in hand to re-use other facilities as convention centres and for a variety of activities. These points reinforce issues raised earlier in the report, which highlighted the need for a metropolitan strategic approach, which is cross-sectoral. Through preparations for the Olympic Games, spatial planning has in fact been strengthened and in a basic sense, one could say that reforms have actually begun. Transferring the knowledge from master planning process which have been outcome driven is an important step forward.
- All Media Villages have post Olympic use. For example, the MAROUSI/SELETE Media village will become the new building for the Ministry of Education, the Media Village in Amygdaleza will host the new Police Academy, the Media villages in the University and the Polytechnic School of Athens will become the new dormitories for students.

- A number of assets will become surplus to the requirements of other sporting events because of the large quantities procured for the needs of the Games. This equipment includes computers, some equipment from the MPC and the IBC, furniture from the Olympic Village, etc.
- The need to provide major infrastructure and facilities for the Games within strict deadlines has stimulated innovative approaches on the part of government. There has been substantial co-operation and partnerships between the public and private sector. A new real estate organisation has been created to manage various facilities after the Games.
- The post Olympic use of the venues is subject to the institutional framework created for the Games. In addition, the technical studies of the venues had taken into account the multi purpose uses of the venues. For example, the Nikaia Indoor Hall for the weight lifting can host cultural events; the Beach Volley venue in Falliro can host exhibitions as well as cultural events.
- The Government has developed a special public company operating under private law “Olympic Properties Ltd” for the management and exploitation of the venues and the equipment after the Games. A number of studies have been assigned in order to estimate the operational cost and the cost of maintenance of the venues as well as to develop different scenarios of the structural schemes that will be implemented for the management of the venues.

Institutional learning amongst all stakeholders has been an important aspect of the Games. There is widespread recognition of the need to capture the ‘human capital’, which has evolved. Athens has accrued significant territorial assets as it has prepared for 2004 Games. Managing the human dimension is as critical as managing the physical assets particularly during the forthcoming period of governance and regulatory reform.

NOTES

1. Joseph Acebillo (Barcelona); Edward Bru (Barcelona); Cesare Machi Cassia (Milan); Bernard Reichen (Paris); Rem Koolhaas (Rotterdam) with Peter Rowe (USA) and Andreas Symeon (Greece) acting as co-ordinators).
2. The committee consists of the Ministers of, National Economy, Environment Spacial Planning and Public Works, Development, Education, Public Order, Labour, Culture, Transport, the Assistant Ministers of Culture and Press, the General Secretary for the Olympic Games as well as the President and Managing Director of "Athens 2004"
3. This team also consists of the General Secretaries of the above Ministries

APPENDIX 1

COMPETITIVENESS IN METROPOLITAN REGIONS¹

This short discussion note recalls some of the key issues in the competitiveness debate and the main options open to policy makers to enhance competitiveness. It draws on considerations in previous reviews in urban areas, as well as on past studies of competitiveness, and links the present review of Öresund to the wider debate. It poses a number of questions to stimulate debate within TDPC and to help focus future work.

Understanding Competitiveness in a Metropolitan Context

From a concept usually related to the performance of individual firms or the output of nations, the term competitiveness is increasingly applied to sub-national units, and in particular to metropolitan areas. In the same way that CEOs strive to improve their market share and national governments are introducing competitiveness strategies, so policymakers in urban areas are also looking for ways to increase or maintain the competitive edge of their cities.

In its most basic formulation (and, some economists have argued, its only valid formulation), the competitiveness of urban regions is defined simply as the aggregate of the competitiveness of firms located in the area, with competitiveness essentially a synonym for productivity. In this perspective, enhancing competitiveness involves helping enterprises to increase their level of output. The competitiveness of the city is here *derived* from the competitiveness of local businesses and competition among cities is *indirect*.

Another way of defining competitiveness is in terms of the ability of a city to attract and retain mobile factors of production, essentially labour and investment. From this perspective, cities compete *directly* with one another. Skilled labour and investment gravitate away from “uncompetitive” cities towards more competitive ones. Here, the competition among cities is based on providing the greatest quantity or optimal combination of the locational factors (such as green spaces, affordable housing, business supports, quality of pre-university education for families, presence of headquarter functions, and so on) that investors and workers benefit from or are looking for.

In spite of the difference in emphasis, from the point of view of policymakers the benefits accruing from being a “competitive” city (and those on which the policymakers will be judged) are identical: increased tax revenues from a healthy local economy, low unemployment and increasing levels of employment and poverty reduction. In other words, many of the basic economic targets of governments are assumed to flow, at least in part, from successful policies to maintain or increase competitiveness. It is a concept that policymakers at all levels are increasingly expected to place at the centre of their policy programmes.

Competitiveness has also become a common basis for comparing the performance of places. The media and academia, in particular, have been responsible for a proliferation of high-profile league tables that quantify the relative performance of different urban areas based on statistics such as level of inward investment or more subjective composite indicators of liveability or quality of life. Whatever the validity of the criteria used or the level of sophistication of the analysis applied, policy makers are obliged to react to a poor score with an action plan designed to enhance competitiveness and improve a city’s ranking.

So, metropolitan regions are striving to be more competitive, or to out-perform their perceived competitors. But this quest is not undertaken in a vacuum — recent changes in the context for policymaking at regional and local level will have an important influence on how policies to improve competitiveness are framed and implemented. The most significant of these shifts are probably the following:

- A shift in regional policymaking has taken place that calls into question traditional approaches based on subsidies targeted at “disadvantaged” regions. The perception that such policies were not effective and in some cases counter productive has resulted in a move towards policies that give greater scope for place-based allocation of resource, not simply for the purpose of redistribution or to narrow economic gaps but to maximise growth across the whole territory. As a result, major metropolitan areas have become targets for regional policy alongside less developed or peripheral regions.
- The concern across OECD with sustainable development means that opportunities for economic growth must be balanced with efforts to manage the environment and reduce socio-economic disparities. This is likely to influence the choice and intensity of economic development policies, leading to concepts such as sustainable growth or “smart growth” that consciously address the trade offs between

maximising competitiveness and other social and environmental objectives.

- Finally, devolution or decentralisation of certain functions to regional and local government and an increasing emphasis on more open governance systems has intensified vertical and horizontal dialogues. On the one hand, urban policymakers have greater scope to act in the field of economic policymaking and, on the other hand, they are under pressure to broaden the debate on local economic management to include non-governmental actors, notably the private sector.

In this context, strategies to improve regional competitiveness can be considered as emblematic of the major changes taking place in the way policy is formulated and implemented in OECD Member countries. They are, in essence, the expression of locally defined economic development goals and envisage long-term strategic shifts that are specific to a locality. For example, a region's strategy to enhance competitiveness might involve transition to high-skill, high wage employment base; transition to environmentally friendly production and industries, or transition to greater specialisation (or diversification) in high-growth sectors. In addition, they could also include targets in related fields where improvements are considered to be crucial to the long-term development, or competitiveness, of the metropolitan region; for example, the development of an international airport, creation of a research pole or a university, rezoning to preserve green belts, and so on. Furthermore, by their nature, strategies to enhance competitiveness in metropolitan regions pose a challenge to traditional vertical and horizontal relationships, encouraging a rethinking of the respective roles of national, regional and local government and non-government actors in policy formulation and implementation.

Competition implies winners and losers. Leaving aside the question of incentives, tax breaks and inducements, metropolitan regions taking control of their own economic future and acting to make their cities more attractive, efficient and business-friendly is likely to have a generally positive, galvanising impact. Moreover, spillover effects may transfer benefits from growth in one urban area to another with whom it is geographically linked or with whom it has close economic ties.

Nevertheless, debate continues as to whether competition for investment and labour is a zero-sum game, and there are concerns that stress on the notion of competitiveness works to the detriment of concepts such as co-operation, solidarity, and so on. Competition among cities, particularly for investment, but also to attract other "assets", ranging from concert halls to sports events, involves, in many cases, incentives. The use of public funds for what amounts

to competitive bidding within the same national territory has, however, attracted criticism and raises questions about the coherence of individual regional strategies and compatibility with national policy objectives.

Policies to Enhance Competitiveness

However, it is defined, an extremely wide range of factors contribute to competitiveness. Some of these factors are sensitive to policy action at the local level, while others are exogenous and depend on national and international events. These factors can be grouped in three main categories:

- First, a range of exogenous factors will help to shape the performance of individual firms and thereby of the urban economy as a whole. The performance of the national and world economies, and related macroeconomic policy choices such as interest rates, tax levels and wage inflation, will influence growth in individual cities. The competitive position of local firms will be helped or hindered by structural changes, such as globalisation or the emergence of new technologies that will make their sectors more or less profitable/dynamic. Short-term shocks, such as increases in fuel prices, also have different impacts according to the composition of the local economy.
- Second, there are factors that stem from the characteristics of the local firms themselves. These would include the historical development of local sectors and links with the region, firm size and structure, level of specialisation (agglomeration effects related to specialisation of industrial production, the accompanying skill specialisation of the labour force and any spillovers such as high innovation capacity), use of advanced technologies, and the use of networking as a business practice.
- The third important contributor to competitiveness is the business environment external to the individual firm. This includes a wide range of factors relating principally to the cost of production and attractiveness of an area for business activity and investment. Notable in this category would be the availability of land and buildings, infrastructure endowments, local tax levies and the quality of public services that they fund, the characteristics of the labour market (flexibility/allocation, unit costs), educational attainment, and the presence of research institutions.

Urban policymakers have, therefore, a wide range of building blocks with which to construct a competitiveness strategy. The challenge for policymakers -- in addition to that of maintaining a stable and predictable economic framework and supervising/regulating markets -- is to correctly diagnose the strengths and weaknesses of the local economy and effectively combine policy actions in diverse fields to address these deficiencies.

The core of the strategy generally focuses on under exploited potential in the local enterprise system. Key policy interventions could include:

- encouraging penetration of high growth sectors and export markets by local firms;
- addressing the specific needs of SMEs, particularly those in dynamic sectors, and improving technology transfer and access to R&D;
- assessing the contribution of inward investment and, in particular, links between investing enterprises and local firms;
- encouraging co-operation rather than competition among local firms where networking offers potential for economies of scale; identification of existing industry clusters; incentives for joint projects and joint R&D initiatives.

At the same time, there is considerable debate about the practical impact of policies that target *the modus operandi* of individual businesses and/or that attempt to manage the interactions among them, as well as some concern about the distorting effect that policy interventions of this type can have (*e.g.*, substitution and dead-weight effects). In consequence, the emphasis is increasingly on public policy providing indirect supports, encouraging rather than creating clusters, facilitating but not imposing networks and generally acting as a catalyst and broker rather than manager of the local business system.

Measures to address weaknesses in the wider business environment involves both policies that act directly on factors of production (traditional public investment actions, regulatory and legislative functions, and so on) and those that enhance competitiveness in a more indirect sense by contributing to the attractiveness of the metropolitan area and the quality of life of its citizens. Among the former would be:

- providing skills training that encourages adaptation of human resources to the changing characteristics of the local economy (addressing skills shortages, lags);

- reducing legal and physical obstacles to the optimal allocation of labour and ensuring that benefits systems provide appropriate incentives;
- addressing imbalances and dysfunctions in the tax and regulatory systems that could inhibit business development or reduce investment;
- upgrading transport infrastructure;
- assessing the quality of regulation, evenness of supervision, administrative distance from regulator (*i.e.*, ability of local government to introduce or adapt regulation for local circumstances);
- improving planning processes, in particular to speed up decision-making and ensure consistency and continuity thereby encouraging long-term investment.

The more indirect “liveability” measures would include:

- increasing the number of urban green spaces;
- addressing issues of pollution and environmental quality;
- tackling problems of social cohesion, crime, etc.;
- building and marketing a region’s cultural attractions, and so on.

Although the choice and combination of actions is very much place-specific, competitiveness policies clearly go far beyond the normal competencies of sub-national governments. Many of the actions noted above relate to changes in regulatory or legislative frameworks that are national or supranational in scale. Others involve development or improvement of infrastructures that are national as well as local assets or that must link in or be co-ordinated with networks that are national in character. Other policies involve co-ordination with government agencies outside the metropolitan area concerned (national transport authorities and neighbouring regional governments with respect to infrastructure development, neighbouring regional governments with respect to environmental protection across a catchment area).

Thus, the key elements of a competitiveness strategy require concertation and resolution involving national, regional and local stakeholders. As such, reflection at metropolitan level on competitiveness implies significant reflection at national level regarding systems of governance: how goals are set and by

whom, the coherence between locally identified objectives and those set for the nation as a whole, the mechanisms by which competing interests are brought into the policy process and the incentives for participation by different groups.

NOTES

1. OECD document GOV/TDPC(2002)4

APPENDIX 2

EUROPEAN SPATIAL DEVELOPMENT PLAN RECOMMENDATIONS FOR SUSTAINABLE LAND USE

7: Improvement of the economic basis, environment and service infrastructure of cities, particularly in economically less-favoured regions, in order to increase their attractiveness for mobile investment.

9: Promotion of integrated urban development strategies sensitive to social and functional diversity. Particular attention should be given to fighting social exclusion and the recycling and/or restructuring of underused or derelict urban sites and areas.

10: Promotion of a wise management of the urban ecosystem.

11: Promotion of better accessibility in cities and metropolitan regions through an appropriate location policy and land use planning that will stimulate mixing of urban functions and the use of public transport.

12: Support for effective methods of reducing uncontrolled urban expansion; reduction of excessive settlement pressure, particularly in coastal regions.

21: Integrating the countryside surrounding large cities in spatial development strategies for urban regions, aiming at more efficient land-use planning, paying special attention to the quality of life in the urban surroundings.

29: Introduction of territorial impact assessment as an instrument for spatial assessment of large infrastructure projects (especially in the transport sector).

30: Better coordination of spatial development policy and land-use planning with transport and telecommunications planning.

34: Coordinated and integrated infrastructure planning and management for avoiding inefficient investments (for example superfluous parallel

development of transport infrastructure) and securing the most efficient use of existing transport infrastructure.

41: Integration of biodiversity considerations into sectoral policies (agriculture, regional policies, transport, fisheries, etc.) as included in the Community Biodiversity Strategy.

44: Promotion of energy-saving and traffic-reducing settlement structures, integrated resource-planning and increased use of renewable energies in order to reduce CO2 emissions.

45: Protection of the soil as the basis of life for human beings, fauna and flora, through the reduction of erosion, soil destruction and over-use of open spaces.

APPENDIX 3

THE INFLUENCE OF THE EUROPEAN UNION

The European Union has significantly influenced policy in Member countries through the introduction of key themes, which emerge through its policy documents and regulations for the use of Structural Funds, namely the principles of:

- inter-sectoral integration in terms of policy tools and policy approach;
- vertical integration among the different levels of territorial government;
- partnership between the private and the public spheres;
- participation of citizens to the decisions that concern them.

Greece is a peripheral country in the EU with no common land borders with other Member States. On the basis of an index which measures peripherality in terms of both distance and economic potential (as measured by GDP in PPS), Greece's NUTS 2 regions, all of which are eligible for Objective 1 funding, range from a low 85.90 in Attica to a high 99.56 in South Aegean (where 0 is the most central and 100 is the most peripheral region in the EU). Greece is also a varied country in geographical terms, so it is only to be expected that the pattern of development and of convergence should be complex and uneven between regions. However, although regional disparities exist, they are not as pronounced as in other EU countries. The country is divided in thirteen NUTS 2 regions, which could be divided into three groups. The first consists of Attica, Central Macedonia and two island regions (Crete, Southern Aegean). These regions are the richest in Greece and all of them are growing moderately or rapidly. The second group consists of some of the remote, sparsely populated regions in the mountainous backbone of Greece -- Ipiros, Occidental Greece, Peloponnisos -- as well as the North Aegean Islands. These regions are among the poorest in Greece and are lagging behind the others at lower rates of growth. The third and final group consists of the

remaining, intermediate regions, all with GDP/head around 62% of the EU average and all growing moderately but not catching up significantly.

Structural Funds and associated programmes are overarched by way of a Community Support Framework (CSF), and operational programmes. The CSF is the basic programming document, agreed between the Commission and a member state, which sets out plans for structural funds. The Greek CSF 2000-2006 aims to contribute to a deepening of Greece's integration in the EU and in the knowledge-based world economy by promoting structural change and exploiting the potential for higher productivity and employment. This strategy is the third CSF and is expected to create the conditions for higher long-term sustainable growth and real convergence with the rest of the EU in terms of GDP per capita. Its implementation will take place using some 22.7 billion euros of Structural funds, for some 3.3 billion euros of Cohesion Funds, and loans and guarantees from the European Investment Bank and European Investment Fund. National Public contribution must be added, which amounts to €11 200, 6 million at the current rate, leading to an average rate of Community co-financing of 67%. To these sums are added the private funds that will be invested, in particular within the framework of action of the aid scheme type and the concessions for realisation and use of the infrastructures. The estimated sum comes to approximately €10 400 million. Thus a total sum of approximately €50 100 million, without taking into account the Community Initiative Programmes, will be made available for the implementation of the development strategy described in the present CSF 2000-2006. The Attica region will receive 14.7% of overall funds but it should be noted that funding had increased by almost 100% under the third CSF.

The 2000-2006 Regional Development Plan presented by the Greek government and approved by the European Commission contains six main principles: 1) Development of human resources; 2) Basic infrastructures; 3) Productive sector; 4) Improvement of the quality of life; 5) Information society; 6) Development of the Regions. Which in turn are supported by the following objectives are as follows: to make up the delay with respect to convergence, to tackle the high level of unemployment and the need to improve education and training services, to ensure that progress is made in the environmental field, to deal with the weakness in administration and the problems of management and implementation that stem from it, to address the deficiency in basic infrastructures in order to strengthen the economic potential, to make up for backwardness in the field of innovation, in particular insofar as it affects the Information society, and to cope with the deficiencies in the fields related to the quality of life.

The European Commission has approved a regional development programme for the Greek Region of Attica for the period of 2000-2006. The programme represents a financial volume of nearly EUR 1 534 million, of which EUR 1 119, 96 million (*i.e.*, 73% of the total amount) comes from the European Union Structural Funds. The public and the private sectors (EUR 342.47 million and EUR 71.9 million respectively) will finance the remainder. In the Region of Attica, in the country's capital, the city of Athens, live about half of the population of Greece. This fact constitutes the power and the weakness of this region. A major event, which can transform the region and give new opportunities for development, is the Olympic Games, which will take place in 2004. In this context, new infrastructures will change the face and the destiny of Attica. A particular effort will also be made to improve skills and training opportunities, helping to stimulate the creation of new jobs and sustainable and equitable growth. The region of Attica has the highest unemployment rate in the country (12.1% compared to the Greek average of 10.25%-1997 figures). Aid for businesses will be centred on productive investments and will be accompanied by measures to assist the combined development of innovation and the entrepreneurial spirit in the sectors of the new economy.

The development programme accepted by the European Commission will put the emphasis on the creation of infrastructures, support for private investments aiming to promote the role of the region, the protection and improvement of the environment, the reduction of intra-regional disparities, the encouragement of innovation and the entrepreneurial spirit, the alleviation of unemployment and the development of the internal and disadvantaged areas in the region. The priorities defined by the programme are as follows:

- **Priority 1:** Strengthening of the international role of the capital. The capital of this region, the city of Athens, is the capital of Greece and by far the biggest urban area with an immense dynamic on its way to becoming an important international metropolitan centre, and the gateway of the EU to Asia and Africa. Another major event, which can strengthen the international role of the region, is the Olympic Games of 2004. In this context, it is planned to improve the existing infrastructure and to provide a new one, as well as to create the conditions for sustainable development by paying greater attention to environmental problems. In order to strengthen the international role of the region, the private sector can also play a crucial role.
- **Priority 2:** Improvement of the quality of life and the environment. The protection of the environment is crucial for sustainable development of this region. The city of Athens has many

environmental and infrastructural problems, which affect the quality of life of its inhabitants. The programme will provide support to health, welfare, and environmental amenities. Enhancing the quality of life and the value of urban areas is one of its major priorities. The protection and development of the environment will also promote tourism in this area, rich in natural and cultural beauty.

- **Priority 3:** Alleviation of unemployment and social exclusion. Aid for businesses will be centred on productive investments and will be accompanied by measures to assist the combined development of innovation and of the entrepreneurial spirit in the sectors of the new economy. A particular effort will also be made to improve skills and training opportunities, helping to stimulate the creation of new jobs and sustainable and equitable growth. The Region of Attica has the highest rate of unemployment in the country (12.1% compared to the Greek average of 10.25%-1997 figures). The programme includes investments in advisory centres, research and development projects and the support available include the running costs incurred during the start-up period.
- **Priority 4:** Reduction of the disparities within the region. There are significant intra-regional disparities and the focus of this priority is investments related to the economic development of the poorest areas. This objective can be met through the development of human resources and the creation of new opportunities in these areas. The rehabilitation of the abandoned industrial sites and the re-orientation of the activities is another important objective of this programme. Actions for training and equal opportunities will also help with the reduction of the disparities within the region.
- **Priority 5:** Rehabilitation of the sites affected by the earthquake of 7 September 1999. On 7 September 1999, there was a serious earthquake in the city of Athens and its suburbs, causing extensive damages with many victims. The poorest suburbs of the city were the most affected, and a special effort is required for the rehabilitation of these areas. In this context, the programme provides financial support and other measures for the alleviation of unemployment and social exclusion, especially in these areas.
- **Priority 6:** Technical assistance. 6.4 million is planned for technical assistance intended to facilitate the implementation of the programme.

Table A1. **Breakdown of Finances by Priority Area (in Millions of Euros)**

Priority area	Total cost	EU Contribution	Public aid (EC + others)
1 Strengthening of the international role of the capital	444.543	305.657	407.543
2 Improvement of the quality of life and the environment	399.607	292.206	389.607
3 Alleviation of unemployment and social exclusion	94.181	66.96	89.281
4 Reduction of the disparities within the region	114.854	78.64	104.854
5 Rehabilitation of the sites affected by the earthquake of 7 September 1999	472.622	370.098	462.622
6 Technical assistance	8.531	6.398	8.531
Total	1534.338	1119.959	1462.438

Source: European Union, (Web-site).

Box A1. Information Society for the quality of life in the Region of Attica

The European Commission has approved Euro 1.938 million for a regional programme of innovative actions "Information Society for the quality of life in the Region of Attica" for the region of Attica. During the period 2003-2004, the European funding will attract Euro 0.485 million in further investment from the public sector and Euro 0.287 million from the private sector creating total resources of Euro 2.710 million. The programme will focus on the information society in the field of quality of life as a key aspect of regional development.

The objective of the proposed programme is to introduce in a robust way the element of innovation into the regional development process of the region of Attica in the field of the quality of life. This is a field of particular importance for the region, especially for the population of the urban conurbation of Athens. The approach adopted by the programme to pursue this objective is to select four core areas of quality of life in an urban context: urban transport, health care, environment protection and community empowerment and investigate the potential of Information Society for tackling key problems in each of these four areas through pilot actions. Each pilot action is expected to lead to a concrete application in its respective area and at the same time pave the way for an overall regional innovation strategy and action plan in that area.

The programme partnership includes a wide range of partners. The majority come from the public sector and the RTD community. At the same time, there is significant private sector participation in the pilot actions, whilst the regional innovation strategy and action plan is expected to lead to entrepreneurial spin-offs in the new technology sector. Three main lines of actions are planned:

Box A1 (cont.)

Regional development:

- enhance the presence, role and culture of innovation into the regional structures and development process in the region of Attica;
- strengthen the links between the public sector, the RTD community and the business sector of the region regarding innovation and regional development.
- promote entrepreneurial spin-offs for the business sector of the region in the areas of the programme.

Quality of life:

- develop regional innovation strategies and actions plans and build partnership and consensus for innovation in each of the programme areas: urban transport, health care, environment protection, community empowerment;

Pilot action:

- develop an inter-modal traffic information system for the greater Athens area;
- develop an integrated management system for waste electronic equipment;
- develop and implement with a public hospital and a private clinic a home tele-care system;
- develop and implement in two municipalities a public information service for local community empowerment.

Source: European Union, (Web-site).

APPENDIX 4

OECD PRINCIPLES OF METROPOLITAN GOVERNANCE

Principles of Metropolitan Governance

In June 2001, the Council of OECD welcomed the Principles of Metropolitan Governance developed by the Territorial Development Policy Committee. The Principles are based on a three year study of metropolitan areas (“Cities for Citizens: Improving Metropolitan Governance”, OECD, 2001). The study suggests that great scope exists for the adjustment and reform of institutional, financial and fiscal frameworks in metropolitan areas and proposes a set of governance principles (see Box 3.6.) to help Member countries to reap the benefits, which good governance and “smart growth” offer, and to achieve more sustainable forms of urban development.

The OECD report *Cities for Citizens: Improving Metropolitan Governance* argues that reforms to improve metropolitan governance need to be situated within a broad perspective. Because cities are the engines of growth, Member countries have every interest to examine how policies to improve governance at the metropolitan level can develop competitiveness, promote more sustainable development, and enhance social cohesion. Reforms in governance, including decentralisation and the growing use of public–private partnerships, have modified the setting of priorities and financing of investment, and raised important questions about accountability and democratic participation. It notes, however, that there still exist shortcomings in current governance arrangements in metropolitan areas, such as:

- Urban sprawl, arising in part from competitive pressures within metropolitan areas. Sprawl necessitates the provision of major infrastructures and poses serious problems for strategic planning, often weakening the urban core.
- Social integration, which is difficult to achieve in metropolitan areas due to socio–spatial fractures, which concentrate certain groups in “distressed areas” and require multi–sectoral metropolitan wide strategies.

The OECD report stresses that even if no one uniform model of metropolitan governance can be generally applied, the changes recently introduced in many countries share some common principles which, when brought together, constitute a solid benchmark for assessing the adequacy of the systems of governance of large cities.

Box A2. OECD Principles of Metropolitan Governance

There is no one model of metropolitan governance. It is clear that (in addition to the broad principles which underlie any adequate system of democratic government – transparency, accountability, accessibility, representativeness, constitutionality, and protection of fundamental freedoms) a number of principles can also be applied in order to define the adequacy of systems of governance for metropolitan regions in the 21st Century.

Cities for Citizens: Cities should be developed, not only to meet the needs of the economy, but also to help fulfil the aspirations of people for a higher quality of life through measures that can also maintain and enhance the attractiveness and liveability of cities.

Coherence in Policy: The objectives and institutional frameworks of metropolitan governance should be adapted to and focused on key local problems such as economic development, affordable housing, congestion, sprawl, safety, environmental quality, and the regeneration of older areas, which should be tackled simultaneously, taking into account linkages and trade-offs.

Co-ordination: Metropolitan governance must reflect the potential and needs of the entire urban region. The roles and responsibilities of each level of government in respect of metropolitan areas should be clearly defined in order to facilitate policy coherence and cross-sectoral integration. Given the administrative fragmentation of metropolitan regions, co-ordination is also necessary among local authorities across jurisdictions, and between elected authorities and various regional boards or agencies with functional or sectoral responsibilities.

Endogenous Development: Rather than basing economic development mostly on attracting investment through financial and fiscal incentives, emphasis should be put on investment in infrastructures and human development to take best advantage of local resources. Metropolitan governance can help to set priorities, taking a coherent approach to development based on the strengths and opportunities of a region.

Efficient financial management: Metropolitan governance should allow for the costs of measures to be reflective of benefit received and assure complete transparency, accountability and monitoring. It should also guarantee that all parts of the urban region are considered in assessments of the appropriate level for and of the costs and benefits of, public services.

Flexibility: In order to adapt as necessary to economic and social trends, technological innovation, and spatial development, institutions have to be open to changes. A forward-looking, prospective approach is also indispensable to allow for flexibility as well as sound strategic planning.

Particularity: Except where the case for standardisation is justified, policies and institutions of government must be crafted to fit the unique circumstances of various parts of the country and to achieve the best cost efficiency of measures.

Box A2 (cont.)

Participation: Given the growing diversity and size of metropolitan regions, governance must allow for the participation of civil society social partners and all levels of government involved in the metropolitan area. New technologies and methods of communication can encourage and support more inter-active policy environments, bringing government closer to people.

Social cohesion: Metropolitan governance should promote a mix of population, non-segregated areas, accessibility and safety, and the development of opportunity, and facilitate the integration of distressed urban areas.

Subsidiarity: Services must be delivered by the most local level unless it has not sufficient scale to reasonably deliver them, or spill-overs to other regions are important.

Sustainability: Economic, social and environmental objectives must be fully integrated and reconciled in the development policies of urban areas, as reflected in the concepts of the healthy city and the ecological city; in the context of the wider bio-region, this implies greater co-operation between urban and rural areas.

Source: Cities for Citizens: Improving Metropolitan Governance, OECD, (2001).

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