

ATHENS' NARRATIVE OF REGULATION PROCESSES AND MODELS OF URBAN GROWTH

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This presentation is about Greece and Athens; a city primarily infamous for its lack of regulation over development and spatial organisation. It aims to articulate some key points for indentifying the social forces behind the city's model of urban development and governance.

We consider two periods of time as our points of reference: the first post-War era and the last 15 years. Due to the promoted policies (welfare state for the former and neoliberalism for the latter) we argue that these periods significantly shaped the conditions of the city's development, in the way that we perceive it today.

Housing production and urban development regulations, as a strategic choice in the post-War welfare state era

One of the crucial elements of the Greek model of urban development during this period has been the function and growth of the construction sector.

Of course, the policies and regulations that were set in order to stimulate this sector were steered by the local social and political circumstances of the post-War era: enormous lack of housing, extensive deprivation and the civil war which triggered further disasters and intensified population migration towards urban centres and in particular towards Athens.

As expected, the then debate among politicians, economists and international experts regarding the model of economic development was very intense. In Europe, as well as in Greece, the dominant views argued about the necessity to implement industrial development plans in conjunction with welfare state principles. Yet contrary to these views, a new programme was composed within the mindset of the "Report considering the economic problem of Greece" that the then Prime Minister requested a famous Greek economist (then vice-president of the World Bank) to write. The "Long-term Programme for Housing Construction", despite its title, recommended an economic restructuring process that would be primarily achieved via market forces. Furthermore, it seemed to echo the World Bank's views and it was based on an estimation of local and social conditions. Its implementation was expected to substantially benefit job creation, gradual industrial development and market growth, while simultaneously facilitate the fight against communism due to the social integration of the population and the consequent development dynamics.

Already by the first post-war years, a series of public policies and measures pushed towards the growth of housing production by private capital and means. From the mid 1950s onwards, the construction sector was growing rapidly. The urbanising poor and rural population fulfilled their housing needs through informal construction; self-built constructions that broke the urban planning laws, forms of self-organisation and informal production. However, these constructions were not marginalised by the formal market. The middle-classes were also housed in self-built constructions that followed the planning legislation and, mainly, through the system of small-scale commercial construction that is termed 'antiparochi' (others have also described it as 'exchange in kind').

Contrary to the dominant practices of the European welfare state, direct state intervention in

housing production was minimal. On the other hand, the state supported restricted - in terms of number and amount credited - bank loans to specific social groups. Overall, (we might argue) through social dynamics and state's policies a 'system of land and construction' was established, which obtained great significance for the whole of productive and social relations. This system promoted small-scale construction on - usually - small plots of land, while occasional larger plots of land were subdivided via the dominant modes of appropriation and construction. It further promoted industrial and manufacturing growth that complemented the construction sector. It relied on small private construction firms, who controlled the whole of the construction process (financing, construction, commercialisation) and remained small while investing the majority of their profits to other financial sectors (i.e. construction materials or shipping). The most important - political - feature of the 'land and construction' system is that it facilitated all social strata to acquire small-scale urban ownership without generating exclusions.

The overall development of the country allowed for a constant land and housing price rise, which, in turn, served as the basic means of wealth creation and maintenance. In these terms urban micro-ownership, ideologically and actually, became the safety net for lower income groups vis-à-vis their social and personal insecurities, thus substituting means of the European welfare state. Many estimates agree that in this system one can identify one of the core processes of inclusion of lower income groups within a broad middle social stratum thus comprising the foundation of social cohesion.

Due to the central importance of the construction sector for the whole economy, dominant interests and relations within the sector gained significant political power, while they obstructed any spatial interventions and regulations that could harm or restrict them. In this way, the created network of laws, institutions and layers of programming and control was complex, non-transparent and ineffective for regulating spatial development.

The main urban planning tools for facilitating the growth of the construction activity were the increase of plot ratio and the inclusion of new areas into the metropolitan plan. Thus, the densification of the urban fabric was inherent to the dominant 'land and construction' system. Simultaneously, market growth, was concurrent with all the phases of urban development (in each area), thus verifying the achievement of the initial aim: ensuring housing provision through the market but also developing the market *per se* by connecting it to house buying. The dense and relatively uniform urban fabric of Athens' neighbourhoods, the density and mix of land uses - elements characterised as 'liveliness' for the city - but also the frequent lack of infrastructure and social facilities, alongside malfunctions consist the spatial expression of development processes that to a great extent achieved its set goals of social inclusion and economic growth.

For a long time, the discourse about the city and urban development didn't recognise any positive elements in this process. Development planning, regulatory city plans, infrastructure, regulation of informal and/or illegal construction, planned social housing, were all continuous concerns and demands of - mainly the leftist and centre - scientific and technical associations and guilds. On the other hand and despite frequently expressed (mainly by the media) dissatisfaction regarding the lack of urban infrastructure, constant popular pressure solely demanded increase of plot ration and extension of city plans' boundaries. The 'land and construction system' and the specific development characteristics of the city within the particular circumstances remained stable and always constituted a kind of deviation to the dominant development models of European cities.

In the following decades, and especially after the fall of the Dictatorship in 1974 to the 1990s, a policy for producing spatial regulations and plans in a range of scales was followed. Their

distinctions in peripheral (spatial), regulatory, metropolitan and neighbourhood plans aimed at ensuring the rational governance of space favouring both overall development and urban quality of life. This rationale, we argue, had in many cases positive impact and - to an extent - overturned the visible weaknesses of the previous process through rationalising planning and road networks, improving infrastructure and ensuring a minimum of social services. On the other hand, at the higher levels of planning governance the non-existing experience of consultation and of public - private partnerships as well as the international trend of deregulation overthrew whichever strategic decisions and, in a way, marginalised planning procedures as bureaucratic.

Regulations in the neoliberal era: business flexibility, urban transformations and social stakes.

From the early 1990s, with the neoliberal turn that for Greece coincided with regulations imposed by EU directives, those dealing with spatial development raised questions about the ways that the Greek system of 'land and construction' would respond to the new situation. For construction related companies as well as for technical professionals the stakes were enormous. For the broad middle and lower social strata that relied on urban micro-ownership these questions remained vague.

As we know, the rise of neoliberalism is tightly connected to the enormous expansion of the financial sector and to merges of multi-sector companies into corporations, which often become gigantic. The neoliberal state policies support these transformations and connect state functions and interests with those of the financial sector.

For the neoliberal policies and the new business consortiums the development of urban space is highlighted as a privileged field of action. After the late 90s significant interests' drop, a multi-actor network of merged banking, construction, commercial and other capital companies is formed and growing. This network consists of diverse size companies that are interested in the broad field of urban development with land investments, infrastructure and large urban project construction, housing etc., thus selectively transforming the structure and image of cities. Frequently, the public sector is also involved in such projects, in ways that may even nullify past regional and urban regulations. Therefore, one might observe the rise of a globalised neoliberal model of spatial development that is selectively implemented in ways and by processes that coincide with the local circumstances and that often are coincidental.

This model of spatial development seems to work via delivering projects and renewal and in specific areas of Athens. The decisive turn regarding the 'land and construction' system came in the mid-90s due to two crucial events: setting the integration into the EEU as key political target after the 1996 elections and winning the hosting of the 2004 Olympics in 1997.

The EEU monetary convergence was associated with an unparallel for Greece funding for infrastructure and mixed-use buildings construction. It further resulted in the inclusion into the European exchange mechanisms and subsequently to the deregulation of housing mortgages and the large decrease of interest rates. As such, banks obtained an active role in the housing and construction sector while the state lost an important control mechanism over these sectors.

Large projects required modernisation of the construction workforce and of the whole function of the sector. Along these lines, with consent from the technical world and alongside state regulations, the formation of large construction consortiums coming from merges of technical firms is promoted. Concurrently, banks establish their own companies that deal with

construction and real estate. Furthermore, a series of additional measures favours the formation of business consortiums in cooperation with technical firms, banks and public bodies, while the public sector is also rapidly being transformed. In the same period, the upgrading of the Greek stock exchange due to new financial practices and products that also rely on real estate favour these changes and urge both private companies and public bodies to get active involved in urban development and real estate. In this way, in Greece as elsewhere, these processes push towards a globalised neoliberal model of spatial development.

Companies that work within the new 'land and construction' system are mainly involved in large-scale projects, which either way are drivers of the Greek economy. However, in order for these companies to expand their business remit new fields are explored. International trends and experience illustrate the potential that commercial, entertainment and new services growth have; a new form of development that works together with capital transactions and spatial models that have been tested in many cities throughout the world. Athens' new geography, which is (re)shaped in a very short period of time due to large-scale transport and other projects, opens up new possibilities for locating the specific uses. In this way, new areas that are presented as dynamic host the new large-scale developments of commerce, entertainment and related services, which grow and function without connections with the neighbourhoods and the dense urban fabric.

These new big shopping centres are often initiated, built and operated by large companies which are in the stock exchange. Yet, it is important to note that alongside these large-scale developments, housing and construction of other uses or of smaller scale are still delivered by a large number of small and medium enterprises. This was possible because the broader circumstances, advantageous to construction, allowed for the activation and entanglement of all the systems of land exploitation and 'development' and subsequently prevented the crisis that these changes would trigger under different circumstances.

Construction firms showed a flexibility that relied - and still does - on a quite clear distinction of occupational fields. Their stakeholders are optimistic that this coexistence will be maintained. Undoubtedly though, for such coexistence to be maintained the continuous growth of the construction industry is essential. Exactly this point highlight the sector's insecurities and, given its importance for the whole economy, the political significance of regulations relating to urban planning and the environment.

The stakes for the future of the construction sector and primarily those for the city's development and its associated social relations are complex.

We focus on two points. The first concerns spatial regulations. As we have discussed, the rise and embodiment of neoliberal modes of spatial organisation in Greece was mobilised by large-scale projects, which were mainly funded by public funds in order to achieve strategic aims for development. However, no new spatial regulatory framework was created for these projects. Athens Regulatory Plan, which has been undergoing reforms since 1996, has largely become ineffective. Thus, decisions regarding all these crucial interventions by the public sector are taken ad hoc, emphasising mainly on the possibilities of implementing investment plans. Moreover, the large urban commercial developments that are built in suburban areas are solely regulated by the market, often in ways that are clearly breaking the law even within this unclear and flexible regulatory framework.

These spatial transformations, in conjunction to regulatory weaknesses, have significant impact both to older neighbourhoods of the centre and to the city's periphery. An important issue is the extensive breakdown of the structure and centrality of the city. Among others, this breakdown is also illustrated by the gradual and unplanned removal of Ministries and

public sector buildings to whichever location happens to be, via processes of assigning the project to business consortiums. Another crucial issue is the insertion of spaces of increased social value into the market. Such spaces, which until today have remained outside the market, are natural reserves (i.e. coasts and the surrounding mountain areas) and public or potentially public land (i.e. communal spaces, army barracks, property owned by public bodies, banks or the church, etc.). Similar questions can be raised by the squatting and 'development' of surrounding semi-rural land. However, for the time being, these issues remain only within the remit of citizens' mobilisations and action and they are not clearly raised in public debates about the city.

The second point concerns the processes of middle social stratum constitution and their relation to space and micro-ownership. It has to be noted that, up to now, the new type of urban sprawl hasn't generated significant differentiations of housing types or social classification of space. On the contrary, neighbourhoods with dense urban fabric and urban sprawl areas seem to work complementary despite the apparent growth of personal preferences. Thus the danger of dereliction of areas, which could lead to severe decrease of land values and to intense socio-spatial divisions of the urban space as well as to social exclusions, has been prevented.

Nevertheless, the measures put in place by the post-war model of urban growth have - to an extent - been disrupted. Despite the undoubted revitalisation of the housing market instigated by immigrants, two factors seem to undermine micro-ownership's significance. First, the decrease of rental income - also due to increased taxation - that took off its traditional role of social welfare substitute and second, the large number of vacant buildings, particularly in traditional central neighbourhoods of the city. At the same time, urban sprawl seems to have an adverse effect on other sectors that also constituted major elements of the post-war model of urban growth. Among others, small and medium commercial enterprises are clearly threatened by the new suburban shopping centres. Albeit visible, these issues have not acquired the power that would require their clear articulation and would politically set the issue of the negative impact of neoliberal model on the broad lower- and middle-income groups.

Since the neoliberal model sets no limits to taking advantage of investment opportunities and with the given weakness of the existing system of institutions and bodies to set such limits, the issue that is raised is that of resistances and their subjects. In the case of Greece, middle stratum's transformations in terms of position and political behaviour can prove to be a decisive factor, since the political role of these strata has proven to be historically critical for the sustainability of production and governance models.

This last observation is of particular significance at the current moment of huge economic crisis; a crisis that was generated by the insatiable financial activities in the field of housing and urban development.