

Greece

Key facts and issues

Greece is a unitary country and the most centralised in the OECD with regards to public expenditures. Out of a population of 10.9 million, around 46% lives in predominantly urban regions. The Attica region, which includes Athens, contributed 40% of the country's GDP growth between 2000 and 2013.

At almost USD 26 600, Greece's GDP per capita is 65% of the OECD average. This low average is accompanied by the lowest inter-regional disparities among small regions (TL3), as measured by the Gini index. Greece's employment performance is lagging far behind OECD averages, with the highest unemployment rate in the OECD, and the 7th widest regional disparities in unemployment rates. Greece also has the 2nd highest youth unemployment rate and 2nd widest inter-regional gaps in youth unemployment. Greece has the 3rd highest regional range of youth neither in employment, nor in education and training (NEET). Greece's metropolitan areas have had the largest increases in unemployment rates in the OECD between 2008 and 2014, with a 21 percentage point increase. In terms of productivity performance, most of the country's regions are merely keeping pace with the best performing regions, while the others are losing ground. Some regions such as the Ionian Islands, the South Aegean and Central Greece, have experienced negative annual labour productivity growth on average between 2000 and 2013.

Greece: regional, urban and rural development policies

Policy Area	Enabling Document, Strategy, or Framework	Strategic Objectives and Means	Lead Ministry, Agency or Committee
Regional	Partnership Agreement (PA) with EU (2014-2020) Law 4314 (2014)	Addressing structural weaknesses of the country through a mixture of infrastructure investments (transportation and energy), business and innovation support as well as environmental protection	Ministry of Economy, Competitiveness and Shipping
Urban	General Framework for Spatial Planning and Sustainable Development (2008)	Mix of strategic and regulatory planning; economic development with a focus on infrastructure, systems of cities and sustainability	Ministry of Environment and Energy
Rural	Rural Development Program (RDP) (2014-2020)	Direct support to agriculture, environmental sustainability, and quality of life (LEADER)	Ministry of Rural Development and Food

General policy approach

Greece's regional policy is aligned with the use of EU regional policy funds, as set out in 7 sectoral and 13 regional Operational Programmes. The overarching focus is to address structural weaknesses in the economy that have been exacerbated by the crisis. Urban policy is mainly focused on spatial planning considerations, along with sustainable development. Rural policy derives from the EU Rural Development Programme along with other national and EU sources that benefit different types of rural regions, including islands.

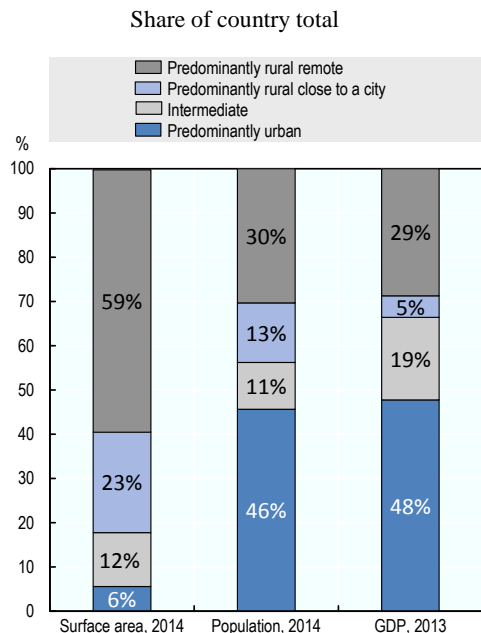
Recent policy changes

- Management of regional operational programmes is now the responsibility of regional management authorities.
- Greece has introduced Integrated Territorial Investments (ITIs) on sustainable urban development through regional operational programmes of EU cohesion policy.
- The new 2014-2020 Rural Development Programme (RDP) is more focused on targeted sectors that have added value for the national economy, enhanced environmental sustainability, innovation and knowledge for integrated agricultural supply chains, and a greater use of Community Led Local Development/LEADER for more bottom-up approaches. Given employment trends, job creation has also become a priority in rural development policy.
- Several management changes have been put in place for the RDP, including: administrative simplification efforts, improved monitoring and evaluation, delegation of some of the funds to regions, and greater use of financial instruments.

Greece: Main regional, urban and rural development policy tools

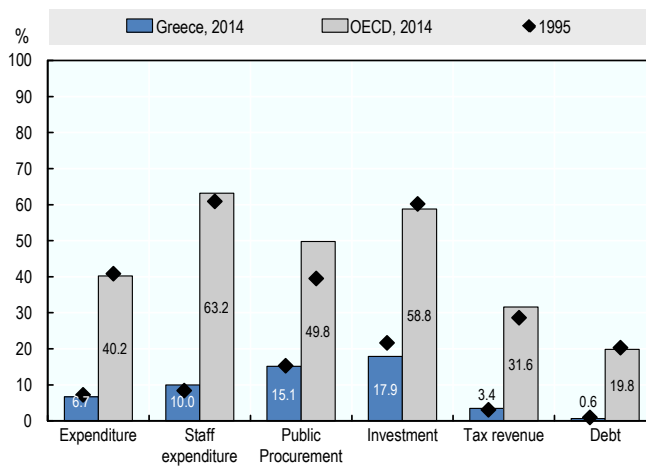
Policy Instrument	✓	Examples
Transport Infrastructure investments and systems of cities	✓	<i>Regional:</i> OP Transport Infrastructure, Environment and Sustainable Development, Regional Operational Programmes for the provision of road and rail infrastructure mainly, but also ports; sustainable urban transportation
Other Infrastructure investments	✓	<i>Regional:</i> OP Competitiveness, Entrepreneurship and Innovation, Regional Operational Programmes (research centres, energy efficiency and broadband, mainly)
Service delivery (subsidies for public services)		
Business development/ innovation support	✓	<i>Regional:</i> OP Competitiveness, Entrepreneurship and Innovation, Regional Operational Programmes , most of the funds are provided for sectoral initiatives
Urban renewal		
Urban form and land use	✓	Rural: RDP 2014-2020 , supported mainly through measure 4, e.g. actions for land redistribution
Sustainability policies		
Rural-urban linkages	✓	Rural: RDP 2014-2020 , supported mainly through measures 19 (CLLD / LEADER) and 16 (Co-operation)
Clusters/technology platforms/ centres of expertise	✓	<i>Regional:</i> OP Competitiveness, Entrepreneurship and Innovation, Regional Operational Programmes
Special economic zones	✓	
Rural landscape preservation	✓	Rural: RDP 2014-2020 , supported mainly through sub-measure 7.1 and measure 12 about natural sites
Skills/training programmes	✓	<i>Regional:</i> OP Human Resources Development, Education and Lifelong Learning, OP Competitiveness, Entrepreneurship and Innovation to provide a better skills match and implement training schemes
Capacity building for sub-national governments	✓	<i>Regional:</i> OP Reform of the public sector mainly for e-government and public sector efficiency

Land, population and economy in rural and urban regions



Subnational government role in public finance

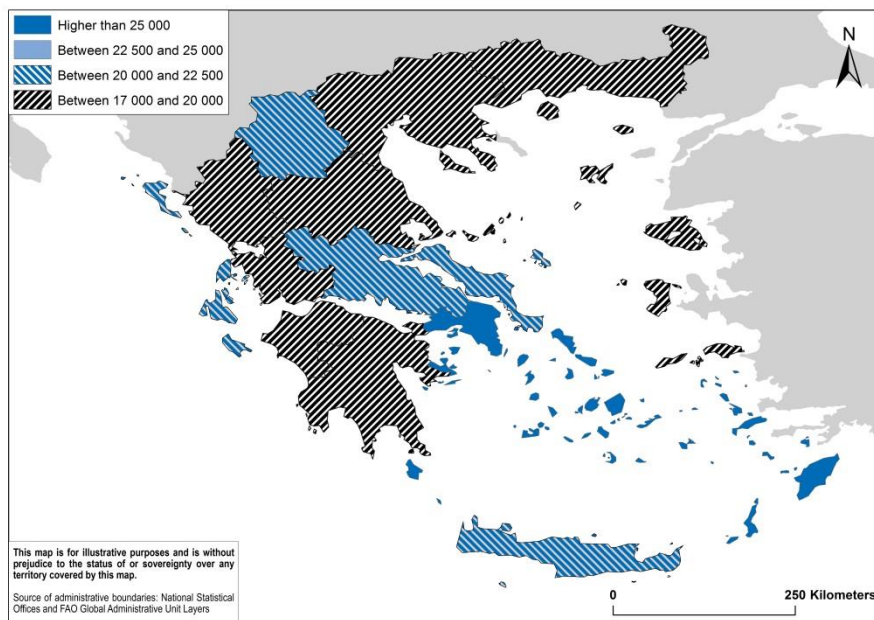
Share of general government



Number of subnational governments

Municipal level	Intermediary level	Regional or state level	Total
325		13	338

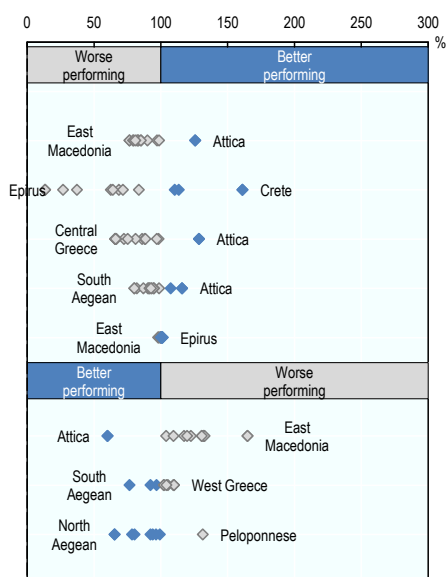
Regional differences in GDP per capita levels, 2013



Note: GDP per capita in constant prices and constant USD PPP (base year 2010).

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Inter-regional disparities (as a % of the country average)



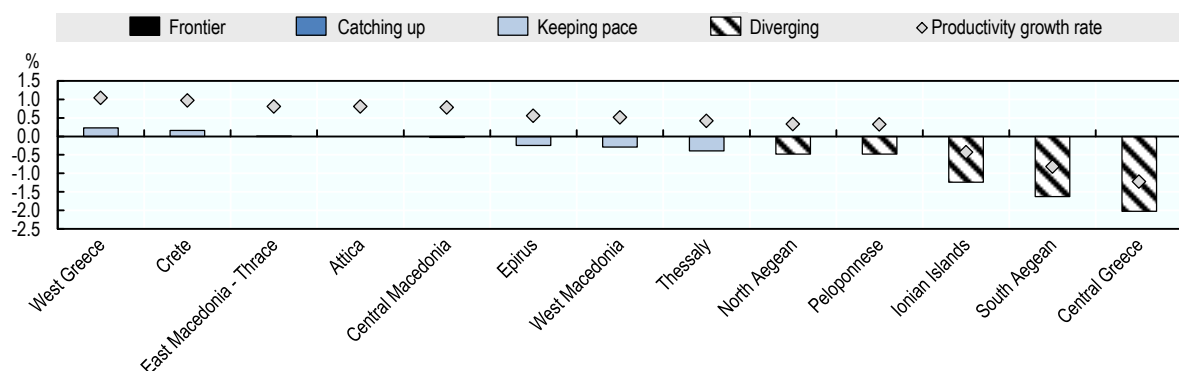
Variable	Min.	Max.	Country Avg.	OECD Avg.	Disparities up or down since 2001
GDP per worker (2013)	52 075	85 585	68 026	74 520	up
R&D expenditure as a % of GDP (2013)	0.09	1.08	0.67	2.4	n.a.
Share of labour force with tertiary education	20.3	39.6	30.8	32.3	down
Disposable household income (2011)	20 692	29 918	25 780	34 866	down
Life expectancy (2013)	80.0	82.6	81.4	80	down
Share of workforce with only primary education	16.5	45.2	27.4	25.2	up
Unemployment rate	20.1	28.8	26.2	7.3%	down
Gender gap in participation rate	-11.0	-22.1	-16.8	-15.9	up

Note: Each diamond represents a TL2 region. Unless specified, all data are for 2014. Disparity is measured as the difference between the top and bottom region in the country.

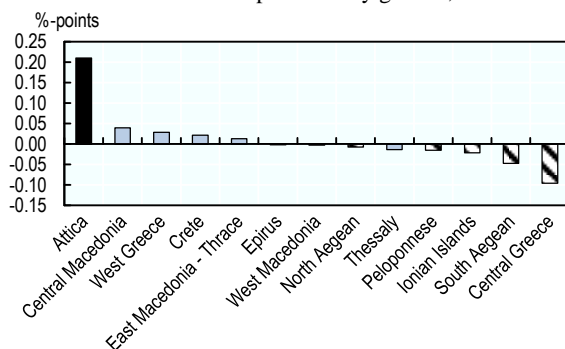
Productivity and catching-up trends among regions

Average annual labour productivity (GDP per worker) growth rate [diamonds] and deviation from the growth rate of the country's productivity frontier [bars], 2000-2013

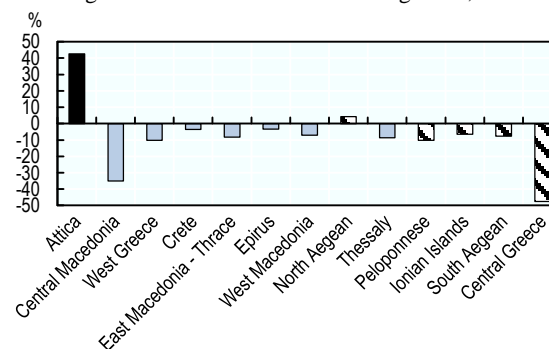
See country page notes for classification of regions



Contribution to labour productivity growth, 2000-13



Percentage contribution to national GDP growth, 2000-13



Note: Difference between national labour productivity growth as calculated with and without the indicated region.

Note: The contribution is the product of a region's GDP growth rate by its initial share of GDP.

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