



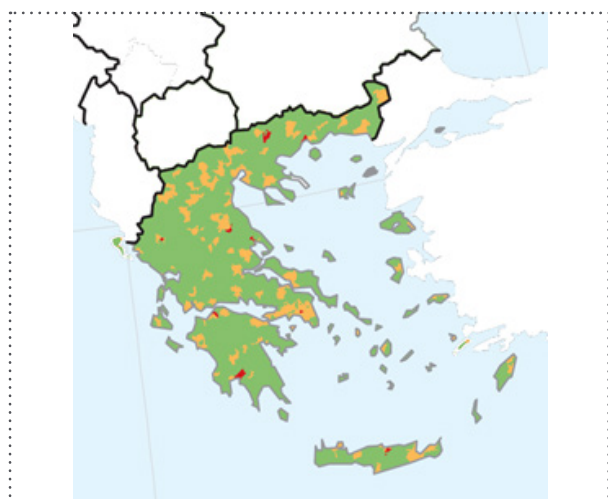
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# GREECE

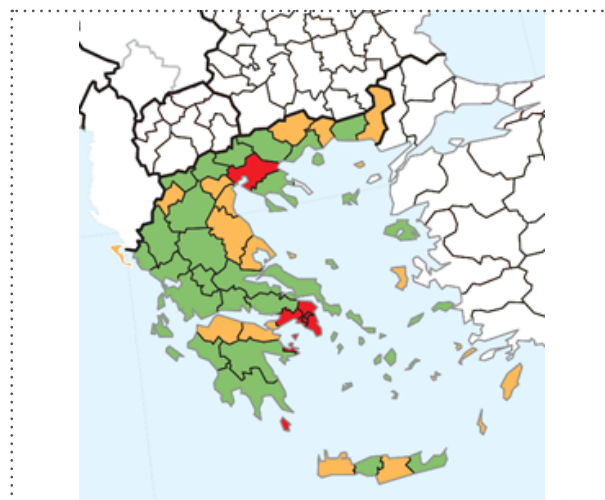
  
INSIGHT PAPER**Authors:** Andrea Lorenzini, Giorgio Ambrosino  
*MemEx Italy***Date:** 05.04.2019

## RURALITY (1)

**Degree of urbanisation for local administrative units level 2 (LAU2)**

- Cities
- Towns and suburbs
- Rural Areas
- Data not available

Source: Eurostat, JRC and European Commission Directorate-General for Regional Policy, 20 January 2014

**Urban-rural typology for NUTS level 3 regions**

- **Predominantly urban regions**  
(rural population is less than 20% of the total population)
- **Intermediate regions**  
(rural population is between 20% and 50% of the total population)
- **Predominantly rural regions**  
(rural population is 50% or more of the total population)
- **Data not available**

Source: Eurostat, JRC, EFGS, REGIO-GIS, December 2016

## DISTRIBUTION OF POPULATION

38,3%

Share of people living in cities

30,5%

Share of people living in towns and suburbs

31,2%

Share of people living in rural areas

Source: Eurostat, 2017

## GEOGRAPHY

In territorial terms, Greece is widely a rural country: 66.0% of the territory is classed as predominantly rural regions and 28.3% as intermediate regions (NUTS level 3 regions). Regarding the regional structure, Greece is organised in thirteen Regions, subdivided into a total of 325 municipalities; the 54 (old) prefectures and prefecture-level administrations have been largely retained as sub-units (NUTS level 3 regions) of the Regions, and seven decentralized administrations group one to three regions for administrative purposes on a regional basis. The service industry is the most vital sector of the Greek economy, followed by industry, agriculture and deep sea shipping transports and logistics. In particular, the tourism sector represents an important entry, accounting for around 15% of annual capital, and employing 16.5% of the labor force directly and indirectly. The agricultural sector, however, contributes 3,9% of the Greek Gross Domestic Product (2016) and, in terms of employment, accounts for 13.2% of the total.

Rural depopulation has been one of the most important issue of the latest period for Greece. In about 10 years, the share of people living in rural areas has decreased significantly: according to Eurostat, in 2017 it stands at 31,2% while in 2008 it accounted for 47,7% (more than 10 points higher) and consequently about half of Greek population lives in the two metropolitan areas of Athens and Thessaloniki. Greece has been the country most affected by the economic crisis of 2009. The unemployment rate in rural areas, which reached 25,0% in 2013, now stands at 18,3% (the highest of any European country), being more than twice the European average. The situation is even more concerning with respect to the youth: in the rural areas of Greece, the share of young people aged 18–24 neither in employment nor in education or training is 33,3%, the highest value in Europe. In Greece, the share of people at risk of poverty or social exclusion is 38,9%, again one of the highest values in Europe.

## RURality (2)

38,9%

Share of people at risk of poverty or social exclusion in rural areas, **2017**

11,7%

Share of people aged 16 and over who reported unmet needs for health care in the previous 12 months due to expense, distance to travel or length of waiting list in rural areas, **2017**

18,3%

Unemployment rate, persons aged 15–64, in rural areas, **2017**

33,3%

Share of young people aged 18–24 neither in employment nor in education or training (NEETs) in rural areas, **2017**

Source: Eurostat

## NATIONAL POLICIES RELATING TO RURAL MOBILITY AND PUBLIC TRANSPORT

In Greece, specific national policies on rural mobility and public transport are not implemented. The issues related to transport and mobility in rural areas, in most cases, are being deferred to the Regions, which plan transport services independently. At the same time, rural mobility is also addressed by several ministries/agencies as part of different planning/policies tools (policies for cohesion, development, economic growth); this results in special regulations, emanated by different ministries, lacking a national level of coordination. In a nutshell, in Greece there is not a specific policy addressing the rural mobility and defining the strategies for ensuring adequate transport services for rural population.

It bases itself upon the following Thematic Objectives:

- supporting the shift towards a low carbon economy in all sectors,
- promoting climate change adaptation, risk prevention and management,
- preserving and protecting the environment and promoting resource efficiency,
- promoting sustainable transport and removing bottlenecks in key network infrastructures.

Recently, the Ministry for Infrastructures and Transport (MIT) of Greece has appointed a technical consultant to support the development of the National Transport Plan that will facilitate the identification and justification of future necessary policies and investments in the transport sector.

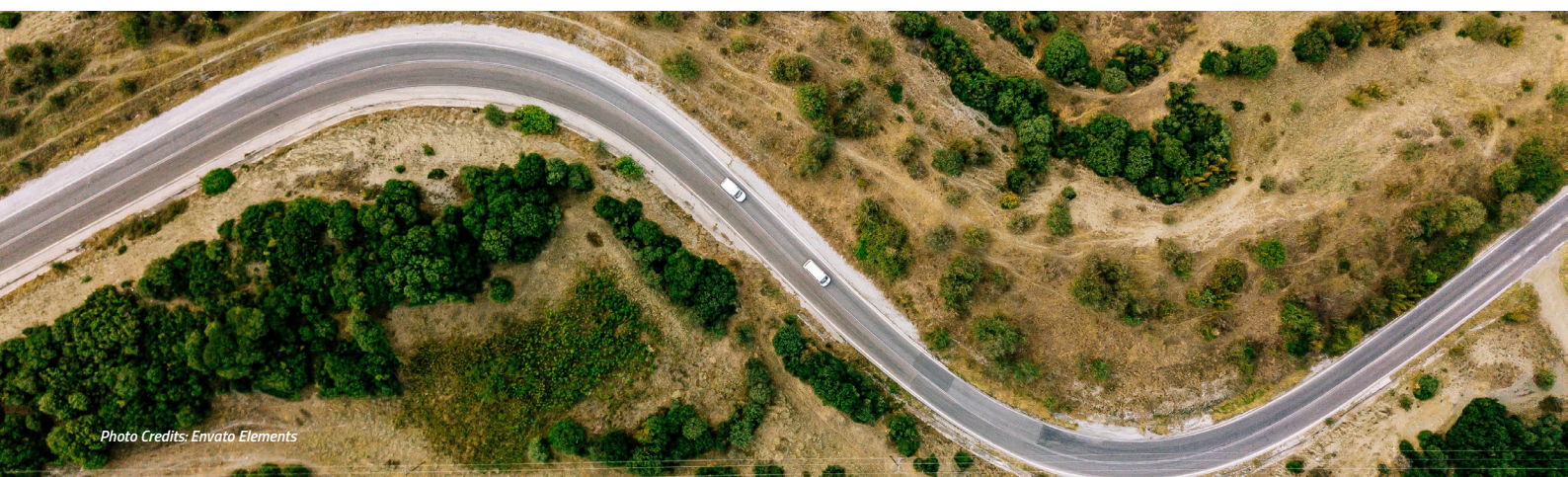


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The General Framework Plan for Spatial Planning and Sustainable Development (OJG 128 / A / 03.07.2008) provides guidelines for the spatial structuring of transportation networks and services. Further upgrades of railway and marine infrastructure are envisaged, in order to make these transport modes more competitive as compared to road and air transport, especially concerning freight transport, while on passenger transport, the Framework Plan calls for updated security standards, for both the networks and the transportation means, as well as the further introduction of environmentally friendly means of transportation.

The Sectoral Operational Programme "*Infrastructure for Transport, Environment & Sustainable Development*" is in progress; it includes in total 16 priority axes, divided amongst transport and environment.

The Transport Plan will be developed in tandem with the development of Strategic Transport Planning capabilities within the Ministry. The National Transport Plan for Greece will be released in 2019 and will define the transport sector development strategy for the next 20 years and will support Greece's economic development.

Regarding the policies on rural development, the Rural Development Programme (RDP) for Greece was formally adopted by the European Commission on 11 December 2015 (and last modified on 16 December 2017) outlining Greece's priorities for using the € 5.7 billion of public money that is available for the period 2014-2020 (€ 4.7 billion from the EU budget and € 1 billion of national co-funding). The Greek RDP focuses mainly on enhancing farm viability and competitiveness, preserving and enhancing ecosystems and promoting local development in rural areas.

## INSTITUTIONAL FRAMEWORK

After the economic crisis of 2008, the Greece Parliament, with the Kallikratis programme reform, bravely reduced the entities of local and decentralized government. The organisational structure of Greece is now composed of: 13 Regions (Περιφέρεια, Periferia) or “*peripheries*”, further divided in 74 second-level areas (regional units); 7 decentralised administration (ποκεντρωμένη Διοίκηση, Apokendromeni Diikisi), comprising one to three regions; 325 municipalities (Δήμος, Dimos), the lowest level of government. These municipalities are further divided in municipal units (Δημοτική ενότητα), municipal communities (Δημοτική κοινότητα) and local units (Τοπική κοινότητα).

institutional framework and preparation of legislation on KTEL services overall. The Directorates for Transport & Communications of the Regional Units (supervised by the Ministry of the Interior) are responsible for the implementation of the institutional framework and supervision of local KTEL’s.

As regard rail transport, the state-owned company that owns and maintains Greece’s railway network is called OSE, while TrainOSE, recently ‘privatised’, is the main (and until recently the exclusive) company responsible for operating all passenger and freight trains.



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The program also abolished the institutions of the self-governed prefectures and the remaining provinces.

Regarding the local bus services, that is the most used public transport in Greece, according to the article 186 of the Kallikratis program, the definition of the interurban bus lines, as well as the starting point, the route, the minimum service level and the fares, fall under the responsibilities of the Regions. The provision of the public transport services is offered by the KTEL’s (Κ.Τ.Ε.Λ.), that are 62 regional bus companies (that have begun historically as cooperative schemes of bus owners), usually named after the regional unit they serve.

Greece has a very centralised structure. The Passenger Transport Directorate (General Administration for Transport) of the Ministry of Infrastructure, Transport & Networks (Υπουργείο Υποδομών, Μεταφορών και Δικτύων) has the responsibility for the overall

A special mention has to be made for the two metropolitan cities of Greece. In Athens, the Urban Public transportation is organised by Athens Urban Transport Organisation S.A. (OASA, the transport authority) and its two subsidiaries: OSY S.A. that operates buses and trolleybuses and STASY S.A. that operates the metro and the tram. In Thessaloniki, the Transport Authority is a state-owned company (called: Οργανισμός Συγκοινωνιακού Έργου Θεσσαλονίκης, Ο.Σ.Ε.Θ., law. 4482/2017) which evolved from the Urban Public Transport Authority of Thessaloniki (THE.P.T.A.) which was the public administration body of the Greater Metropolitan Area of Thessaloniki, under the Central Government of the Ministry for Infrastructure, Transport and Networks.

## REGULATORY FRAMEWORK

Regarding bus transportation, the primary regulatory instruments in Greece are law. 102/1973, which established KTEL's as the operators of regular bus services; and Law 2963/2001 and the following amendments, which determined the operation criteria of the services. Pursuant to law 2963, the Greek local bus services are not awarded after an open and competitive process; this falls under the exception provided for in Article 8 of Regulation (EC) 1370/2007, for the direct award of contracts for regular intercity public services without competition. This regime is set to end on 31 December 2019. Under the mentioned Law, licenses to operate regular domestic bus services are held exclusively by KTEL companies, which provide transport services in urban, suburban and rural areas.

In a document issued on 4 July 2007, the Ministry introduced rules applying to cabotage services undertaken by EU bus operators in Greece. These rules aim to clarify the "temporary" clause in the Regulation 12/98, and take into account the unusual characteristics of the bus industry in Greece. The restrictions introduced, among the others, were as follows:

- Other EU bus operators are allowed to undertake occasional and special regular services in Greece, in line with Regulation 12/98;
- No companies other than the KTEL, whether based in Greece or elsewhere in the EU, are allowed to carry out domestic regular bus services in Greece.

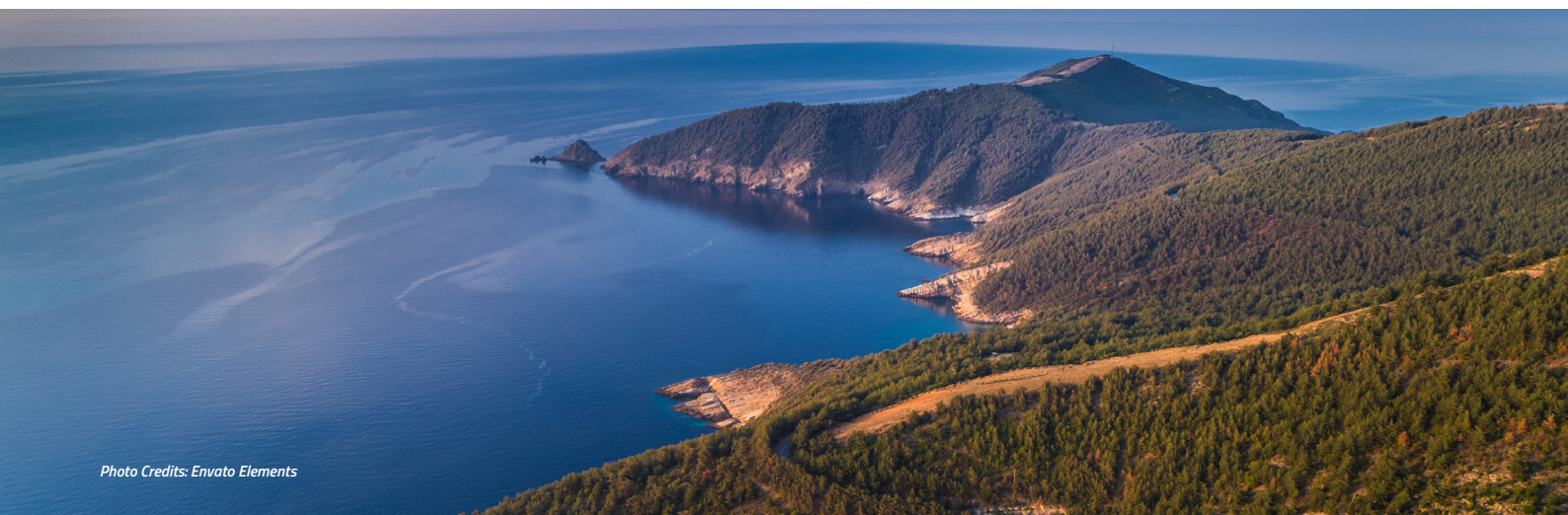


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An exception to this rule is the DES RODA operator serving part of the Rhodes island.

The KTEL are managed by elected boards. The main shareholders of KTEL companies are the individual owners of the public coach licenses who make their vehicles available for the use of KTEL through individual contracts.

In Greece, barriers to entry into the market for mobility services in urban and rural areas are explicit. In Greece, no companies other than the established KTEL are permitted to operate regular bus services. There are few regular bus services operated by Municipalities, usually in cases when KTEL are not interested to run these services. Examples can be found both in urban and non-urban contexts, especially in islands, e.g. Kalymnos, Skiathos, etc. In addition, the KTEL companies are also the owners of the terminals, which could in principle create a barrier to entry for other companies.

In November 2007, the Greek government introduced laws that allow the KTEL to set up General Tourist Agencies. As a result, the KTEL can also carry out special regular and occasional services through their General Tourist Agency division.

The regions of Attica (which includes Athens) and Thessaloniki have their own specific arrangements for the organisation and procurement of local public transport. In particular, laws no.2669/98 and no.3920/2011 set the legal framework for urban public transport operation in the Attica Region.

The taxis services are regulated by Law 4070/2012, which covers, among others, licensing terms and conditions, vehicles' technical requirements, and qualitative requirements to be met by vehicles' drivers and owners.

## ORGANIZATIONAL FRAMEWORK

Due to the mountainous nature of Greece, the extent of the rail network is limited. Consequently, the main means of transport in Greece is the bus. The railways have a total extension of 2571 Km, which only consists of lines connecting the main urban centres. The rural and peri-urban areas can only be reached only by bus or by private vehicle.

Licenses to operate regular bus services are held exclusively by KTEL, cooperatives of individual vehicles owners. KTEL have their regional unit names labelled on KTEL vehicles that operate there. There are 62 KTEL Companies, with a fleet of about 4200 buses, which conduct 80% of all passenger transportation in Greece. The routes are decided and organized by each Region. Although the KTEL buses have always been, in most cases, the only connection between remote rural areas of Greece and the larger cities and capitals of each Region, it should be noted that usually the KTEL Companies have to operate on routes with very few passengers, under difficult conditions and with almost no profit.

In the islands of Rhodes and Kos, the bus services are operated by the Municipal operators, while in some of the isolated Greek islands, the KTEL companies are not present and the bus services are carried out by other operators. Some of these islands are Patmos, Skiathos, Kythira, Siknos, Serifos, Milos, Paxos, Agkistri, Antiparos.

There are also regulatory restrictions on companies able to operate special and occasional services. In particular, the current PT regulatory framework does not make explicit provisions for the development of Flexible Transport Services in urban and rural areas and allows the provision only of the fixed route transport services offered by KTEL.

As regards the targeted mobility services for special groups, based on law 3185/2003, a special mention should be made of the Thessaloniki Urban Transport Organisation (OASTh) which offers flexible transport services to people with special mobility needs free of charge after an appointment (1 day before). OASTh owns 3 buses for this purpose; in addition, the Municipality of Thessaloniki offers the AENEAS program for transferring people with limited mobility.

Tourist regular services in Greece have been traditionally carried out by the TEOM and General Tourist Agencies.

The TEOM are private bus operators that concentrate on the provision of special regular and occasional services while the General Tourist Agencies offer coach transport as part of a package of services including organizing excursions, holidays, booking hotels, airline reservations etc. Recently, the Greek government has introduced laws that allow the KTEL to set up General Tourist Agencies and own Tourist Coaches. As a result, the KTEL can also carry out most of the special regular and occasional services with the condition that only vehicles holding a tourist coach license are used for such services.

Regarding school transport, approximately 7,000 contracts with transport operators are signed every year. The school transportation systems and services are organised by the Regions and the Municipalities and are provided either by the existing public transport system (urban/interurban buses with special bulletins free of charge), or by Regions themselves. If the school transportation is impossible under the previous conditions, then the Regions proceed and sign services agreements with private transport companies under public bidding processes.

Taxi services are also available in the main urban centres of Greece, as well as in suburban and rural areas; there is no obligation for taxis or Special Hire cars to be affiliated to a dispatch centre under the relevant national legislation. However, in practice, radio taxis are often connected with a dispatch centre, which offers services through telephone or through the internet by becoming the intermediary between the taxi driver and the client. Although the Greek taxi sector has been reformed recently, in an effort to make it more modern and more competitive, the taxi market has remained closed, with quantitative barriers to entry – combined with minimum fares which lead to inefficiencies – and without a real alternative to the taxi service, since the hire cars with drivers are subject to stringent qualitative requirements which prevent suppliers from offering other services or from even entering the market.

With respect to the provision of ride-sharing and car sharing services in Greece, it should be noted that these activities have not been regulated to date. The provision of such services in practice, as for example is the Uber mobile application, which was launched in Greece in December 2014, have met fierce opposition by taxi operators.

## FINANCIAL FRAMEWORK

The local public transport services operated by KTEL companies do not receive any direct public subsidies.

The funding for the operation of the service come from the revenues from traffic (tickets selling). For this reason, the ticket prices are rather higher compared to other European countries. Only in the two Greek metropolitan areas is the framework different thanks to the financial contributions offered by the central Government of the cities. This allow the transport operators to offer the services at a lower cost.

Fares are set by the State on a per kilometre basis. KTEL companies are grouped into seven categories, based on the characteristics of their local markets, with the kilometric rate adjusted for each category.

There are some public financial supporting schemes on extraordinary cases or where a certain Level of Service is set by the competent Authority.

Unlike the conventional services offered by KTEL, the school transportation (from home to school and vice-versa), is mostly financed by the Regions, as established by the Joint Ministerial Decision of 2013. In particular, the Regions provide students' special bulletins free of charge, if the distance from the residence to the school unit is over 1.2 km for primary school students, over 2.5 km for high school students aged 12-15 and over 4.0 km for high school students, aged 16-18. Additionally, the Regions sign public service contracts with private companies in order to serve primary school students living in a distance over 1.2 km from their school unit. All the above, require that the students are enrolled in a school unit in accordance with the spatial distribution of the relevant Primary and Secondary Education Directorates of the Ministry of Education, Research and Religious Affairs.

In addition, the Regions guarantee some allowances in the case where the provision of school transportation is impossible or financially disadvantageous according to the previous provisions mentioned above.

## OTHER INFORMATION

- At the moment, there is an ongoing debate/discussion on a new Act that is being promoted, in order to address the requirements of the EC Regulation 1370/2007, according to which the transport services when provided by private operators, have to be awarded after an open and competitive process (except for certain and limited cases foreseen by the Regulation).
- Flexible transport services cannot be implemented in Greece due to the institutional and regulatory framework that is currently in force.
- Few studies about the potential development of flexible transport services have been developed, for example, in particular for the mountain settlements of Thassos island, the mountainous area of Zagorochoria, the rural area of Langadas and the Kastoria city and its surrounding area.

restrictive system of regulation, managed by the Ministry of Infrastructure, Transport and Networks. Although there have been many complaints, ideas, requests and discussions between the different segments within bus transportation sector on whether and how government to reform this system, the market is still closed and the regulatory arrangements for local transport services prohibit the entry of new companies in the market. It remains to be seen how far this liberalisation of the market and unbundling of PSO services will go in the coming years.

Greek Law 4199/2013 is intended to implement Regulation 1370/2007 and specifically Article 5 on the award of public service contracts. The law provides a new framework, providing for the award of public service contracts, with or without compensation, based on calls for tenders in each Regional Unit. The new framework is intended to be implemented in full by December 2019, the date set out in Article 8 of Regulation 1370/2007, after which the exception granted to the KTEL system will no longer be permitted.

Unlike most European countries, in Greece bus transportation is the main means of transport. The bus system in Greece is subject to a particularly complex and

## KEY STAKEHOLDERS AND MINISTRIES ADDRESSING RURAL AREAS

TITLE	ROLE
<b>Ministry of Infrastructure, Transport and Networks</b>	The Ministry of Infrastructure, Transport and Networks is the government ministry for the transport sector; it is responsible for the planning and management of all transport infrastructure, as well as developing and implementing national policy addressing passengers and freight transport.
<b>The Ministry of Economy, Infrastructure, Shipping &amp; Tourism</b>	The Ministry of Economy, Infrastructure, Shipping & Tourism (General Administration for Transport, Passenger Transport Directorate of the Ministry of Infrastructure, Transport & Networks) is responsible for the overall institutional framework and the preparation of legislation on public transport services.
<b>Directorates for Transport &amp; Communications of the Regional Units</b>	The Regional Directorates for Transport & Communications (supervised by the Ministry of the Interior in their capacity as organic units of each Greek Region/Regional Unit) are responsible for the implementation of the institutional framework and consequently for the supervision of the respective KTEL.
<b>Ministry of Tourism</b>	The Ministry of Tourism is the authority primarily responsible for the institutional and regulatory framework for tourist coaches, with local administrations (whether Directorates for Transport & Communications of the Regional Units or local branches of the Ministry of Tourism) again responsible for the implementation of the framework.
<b>KTEL Association</b>	KTEL (Κοινά Ταμεία Εισπράξεων Λεωφορείων). The association of KTEL comprises of 62 regional bus companies (KTEL's), usually named after the regional unit they serve.

## LINKS TO WEBSITES

- Ministry of Infrastructure, Transport and Network [www.yme.gr](http://www.yme.gr)
- Ministry of Economy, Development and Tourism <http://84.205.192.59>
- Ministry of Shipping and Island Policy [www.yen.gr](http://www.yen.gr)
- Ministry of the Interior and Administrative Reconstruction [www.ypes.gr/el](http://www.ypes.gr/el)
- The Ministry of Agricultural Development and Food [www.minagric.gr/index.php/el](http://www.minagric.gr/index.php/el)
- Athens Urban Transport Organisation S.A (Oasa) [www.oasa.gr](http://www.oasa.gr)
- National Transport Plan for Greece <http://nationaltransportplan.gr>

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