



MONITORING THE MEDITERRANEAN STRATEGY FOR SUSTAINABLE DEVELOPMENT(MSSD)

AGRICULTURAL AND RURAL DEVELOPMENT National Study Greece

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II. PART 1: CONTEXT AND TRENDS

1. INTRINSIC POTENTIAL AND CONSTRAINTS: CHARACTERIZATION OF THE GREEK RURAL ENVIRONMENT

The Greek territory is characterized by the discontinuity and fragmentation of its area, due to the marked presence of mountains (60% of the national territory), as well as to the numerous islands (114 inhabited islands), strewn all around the continental country. Accordingly, the Useful Farm Space (UFS) and, above all, fertile farmland, is somewhat limited. Greece presents difficult geo-climatic conditions for most farmers, located in zones characterized as mountainous or as disadvantaged: steep mountains, prevailing slopes, surface soil, predominantly narrow plains, low rainfall and prolonged dry weather in the summer.

Nowadays, rural land cover and organization are the outcome of an evolution marked by population movement and intensification of agriculture in plains, as well as by the development policies conducted, thus contributing to its space differentiation. The latter is characterized by three types of areas presenting specific socio-economic dynamics and agrarian systems.

1. The mountain zones constituting the backbone of the country, traditionally characterized by a thin urban fabric and by a dominant extensive ovine/caprine stock-breeding, are at grips with a desertification phenomenon. The relative depopulation of these areas has led to their weakening and to a marked shrinkage in the activities, resting—for the major part—on breeding. Paradoxically enough, this shrinkage—followed by a reduction of the total area of utilised pastures and a concentration around villages—has led to an overexploitation due to a concentration of the herds on these pastures. However, it is worth distinguishing these inland areas, where economic diversification remains very limited, from the coastline mountains, benefiting from the windfalls of tourism development. While mountain zones have borne the brunt of development models adopted by the country, they do, nonetheless, vaunt many assets and much potential both in terms of natural and cultural resources. Today, the disadvantage of the mountain in an intensive agricultural system tends to turn out to be an advantage due to fairly abundant resources and accessibility of mountain zones, considering the layout of the Greek space. Not only the distances between the coastline and the mountain are relatively small, but also access is facilitated by the density of the road network, a density due, in part, to the importance of the organized communities of the diaspora whose intervention capacity has contributed in easing the landlocked nature of mountain zones.
2. The plain zones, which encompass the larger portion of small cities, have constituted the favourite area for development policy action. These policies focus on stepped up provision of small cities with infrastructures and equipment, on the one hand, and on the adoption, since the 1960s, of an intensive agricultural pattern further reinforced by the implementation, since 1981, of the Common Agricultural Policy (CAP). Irrigated industrial crops are dominant—such as cotton, corn, tobacco, beet and tomato. This agricultural pattern has induced a strong modernization in the areas concerned. The irrigation system most eloquently attests to it: its continuous updating by the adoption of most innovative techniques reflects a flexibility and

capacity for adaptation characteristic of plain areas. The intensive practices have, nevertheless, induced an overexploitation of the land and soil resources, with inescapable environmental impacts: water pollution by nitrates, land quality loss from a pedological point of view, etc. These zones experience today a phase of reorganization, made necessary by CAP reforms and by market constraints. The diversification of their economy depends on the capacity of this reorganization (i) to induce an increase in value added and (ii) to gain control over the process of optimising local resources.

3. The semi-mountainous zones are areas characterised by:
 - a. A major part of the population living in small neighbouring towns and distantly operating their land;
 - b. Maintaining extensive and traditional production systems, i.e. ovine/ caprine stock-breeding, tree-planting and extensive farming (fodder crops and durum wheat crops, in particular) practiced on pasture reclaimed land or based on land clearing.

The impacts of deforestation and harrowing on the slopes consist mainly in soil erosion and leaching, as well as floods in the plains. In the current context of change of rural areas, these semi-mountainous zones present all conditions necessary for re-optimising their links with mountain and plain, within the framework of local development projects based on proximity, the quality of their traditional products, and the opportunity of converting low yield lands into less demanding crops (organic, energy...).

The forest, which occupies 20% of the national area, is mainly located in mountain zone. Primarily State property, it is governed according to a restrictive legislative principle, limiting possibilities of its exploitation. Such a situation, coupled with a deficiency in terms of maintenance, has led to a great exposure to fire hazards, regularly devastating the national forestry stock, with an aggravation of the situation over the past 10 years (1999, 2003, 2007).

As regards water resources, Greece has a fairly satisfactory rainfall. However, there is a dissymmetrical distribution of rainfall between the Ionian catchment in the west and the Aegean catchment in the east which is much drier, with a relative correspondence between rainfall and relief. The dissymmetry between the two catchments is all the more troublesome as the best arable lands are on the Aegean catchment where the largest plains and basins are located. Water works are, thus, necessary for an abundant and regular agricultural production: drainage of the plains and basins to avoid the effects of heavy winter rains (floods, extended marshland), water conveyance for irrigation, water transfers from the wetter Ionian catchment to the Aegean catchment. Such a situation is likely to give rise on regional level to tensions around the water resource, especially around the heavily “agriculturally prompted” plains. The intensive exploitation of this resource results both in a decrease in availability and a rise in pollution. The case of the Thessalia region clearly reveals these challenges: increasing demand for water on the coastline and in the major cities in direct competition with its intensive exploitation by agriculture in the western part of the region, to the extent of creating imbalances likely to give rise to conflicts.

With regard to cultural resources, a large part of Greek rural areas hold a rich architectural and religious heritage, a historical legacy of the mountain as “refuge”. Housing is grouped under the form of villages with a marked cultural identity; the latter being further reinforced by the maintenance of ties with the homeland by many townspeople. The cultural resources are a fundamental common asset for the country; but they are, above all, an element of cohesion and integration of the diaspora via the associative world. The permanence of socio-cultural bonds is indeed maintained by the role played by the many cultural associations established either in the

villages, or having their headquarters in the cities, but whose members belong to the same homeland. There are now over 15.000 cultural organizations established throughout the country, while about one cultural association out of two is based in Athens or in Thessalonica. The involvement of the diaspora in the life of their village of origin is exercised on the local institutional level, with a large possibility for them to participate in local governance. On the socio-economic level, this diaspora constitutes for the homeland an opportunity of a larger market, while presenting the non negligible advantage of being at the same time a specific and controllable market. This resource could, nevertheless, be better optimised via a true integration of the diaspora in a development sector.

2. SOCIO-ECONOMIC ROLES OF RURAL AREAS

Greece is one of the EU countries presenting a relatively low demographic growth, a growth due almost exclusively to migratory balance. If the population increased by about 7 % between 1991 and 2001, this is owing to the establishment of some 780 000 foreigners in the country, the population of Greek origin itself having increased by a mere 1.2 %. After a long period of rural migration, starting in 1960, having generated a marked ageing in rural areas, there may be observed a stoppage in the process, resulting in a relative stabilization of the population. Without significant inflows of foreigners—their number having multiplied by five within 10 years—the rural areas would have undergone a net population loss of about 4 %, as well as an even more marked ageing. All in all, the population living in rural areas (85 % of the national territory) now accounts for not more than a quarter of the total population. While the permanent rural population, just as the agricultural population, tends to decrease over time, this effect must be qualified. Apart from this overall trend, the most outstanding fact is the proven trend towards the settlement of the populations in the small towns of rural areas, thus giving rise to new types of housing and operation of households. There are, then, new space and organisational relations between the household and its various activities thus emerging. The living and activities space tends to widen insofar as the settlement of the household in an urban centre does not mean final abandonment of the village, as this movement is accompanied neither by the sale of the family house nor the forsaking of the farm. Work on the farm depends, therefore, on the presence of local paid labour, partly consisting of economic immigrants, but also on the mobility of the farm head and a system of mutual assistance among the close neighbourhood. This form of remote operation is not evenly spread throughout the country; it partly depends on the local production system. The more the latter is intensive, the less possible is this new settlement pattern, unless here is a small town nearby which is at the same time capable of exerting a spill-over effect on its hinterland. To this form of quasi-pendular mobility, there may be added a mobility connected with frequent return during the year by the native population in their village.

These changes, coupled with the impacts of the agricultural policies, contribute towards elucidating why the weight of traditional economic activities (farming and breeding) in GDP formation should be steadily on the decrease, passing from 11% in 1995 to about 5% in 2007. The function of agricultural production remains, however, a dominant element in the operation and organization of the socio-economic fabric of rural areas, as it gradually tends to use the opportunities offered not only by the new functions of the rural areas but also by the new environmental needs and challenges (in terms of energy, in terms of quality and health, in terms of biodiversity...).

The housing function, in full development, plays a key role in the evolution of the socio-economic fabric of rural areas. The modes of housing vary according as to whether the area is on

the coastline or not, as well as according to its characteristic dynamics. Like elsewhere in Europe, one notes the emergence or development of "classical" modes of housing, such as the tourism housing mode, in the strict sense of the term, or the permanent mode in suburban areas. The Greek originality lies rather in the increasing role of the intermittent housing function, connected with the bond to the place of origin and/or the distant keeping of an agricultural activity, and in the emergence of living spaces polarized around small rural towns.

The current trend is for a more balanced re-optimisation of space. As mentioned above, a first factor is the reinforcement of small urban poles in rural areas. This reinforcement is the outcome of the area-focused national policies in the 1970s with regard to public services, then with regard to the development of trade and services to the inhabitants whose incomes increased thanks to the European agricultural policies. The other factor of this dynamics is the attachment by the natives having migrated to large cities to the home areas, thus inducing an increasing interest among the urban populations in rural areas. It is not investment which sustains the attractiveness of these areas, but rather the existence of a socio-cultural bond.

There may be distinguished various groups of players involved in these new dynamics of rural areas. Major tourism investments, such as hotels and ski resorts, involve external investors. On the other hand, such institutional actors as municipalities or development agencies, by implementing integrated development programmes (of the LEADER or PIDER type), induce a movement of local and external players connected with the area (natives), and foster the development of new forms of collective action (women cooperatives) or the strengthening of those already in place (cultural associations). It is, actually, in view of these dynamics that we may today look upon these integrated development programmes as real innovations, insofar as they have allowed the emergence of new activities and the participation of all these players in the development of the projects.

In terms of activity and wealth creation, the land property structure of the farms could no longer bear the costs of economic liberalisation. The adaptation of agricultural activities, therefore, requires an increase in the value added of the products, while integrating the economic potential represented by an optimisation of the natural and cultural heritage. Such an adaptation underlies a reorganisation of the crop systems and of the technical-economic orientation of the farms towards high value added products (energy crops, niche products and quality products), as well as a rationalization of the costs generated by these activities. The substitution of conventional energies by renewable energies, for instance, can ensure the development of new crops, while allowing non negligible savings not only on the environmental level, but also on the purely economic level. These are practices in progress, and feedback from experience already helps appreciate their effectiveness and their potential, all the more so as they present a close correlation with all the activity sectors of the rural areas. However, the main impediment to the development of these practices lies in the existence of an organisational gap between potential project bearers on local level and the decision-making and financial authorities on national and regional level. Greek rural areas suffer from a lack of intermediate bodies of a collective type capable of ensuring coordination of the actions and of serving as an information, guidance and support structure for the design and implementation of projects.

3. INSTITUTIONAL AND POLITICAL CHARACTERISTICS

As regards the mainstreaming of the protection and conservation of the environment in sustainable development, Greece ratified the whole range of global and European conventions since 1995 and implemented such European directives as Natura 2000 and the Framework Directive 2000/60/EC on water management.

In fact, the main strategic trends for an agricultural and rural development are largely determined by the corresponding policies of the European Union, these policies increasingly taking into account the global framework in which they belong, notably in matter of environment and sustainability. The implementation of the National Strategic Development Plan (ESPA 2007-2013) envisages four strategic orientations:

- - maintaining and enhancing the competitiveness of agriculture, sylviculture and the agri-food sector: gradual shift from a competitiveness on the level of raw materials to a competitiveness based on processing and the quality of agricultural products. The funds allocated to the former axis are of 3 101 million euros, that is 47.2% of the total budget;
- - environment protection and sustainable management of natural resources: these concepts are increasingly mainstreamed in the global strategies (combating climate change). Standing at 1 767 million euros, this second axis accounts for about 26.9% of the budget;
- - improvement of quality of life in rural areas and reinforcement of diversification of the rural economy: shift from an approach in terms of improvement of infrastructures to the implementation of immaterial infrastructures allowing the development of the entrepreneurial dimension and attractiveness of rural areas. The funds allocated to this third axis (about 1 125 million euros) account for 17.1% of the total budget;
- - local capacity building with a view to promoting employment and developing a diversification of activities in rural areas through the LEADER approach. This involves the capacity of the local populations to take over their development within a process of area based devolution. The LEADER axis is allocated a budget of 478 million euros, that is, 7.3% of the total budget.

These new strategies are geared towards two levels of intervention, a first level corresponding to the scale at which the difficulty actually arises (catchment area, groundwater, forest stock...), and a second level corresponding to the scale of a geographical and/or territorial unit.

The implementation of the National Strategic Development Plan mainstreams in a cross-cutting way the concept of sustainability; with, in the competitiveness axis, the integration of such measures as the concept of sustainability of activities and processes (e.g.: mainstreaming the concept of quality product or rationalization of the production of small enterprises in the competitiveness axis). This plan envisages subjecting assistance to mainstreaming the environment in projects and to the design of an urban development plan or an operational development plan on local level.

There are land use and sustainable development plans that define the role and the objectives of the development of rural areas, such as: the national plan, regional plans, and dedicated sector frameworks. Each local government has tools such as the local land use programme. Concerning development planning, there are the same tools on national, regional and sectoral level. On local level, the local government is required (for a basic administrative unit (Deme) of over 10 000 inhabitants) to design an operational programme.

However, the rural area has become partner to the State in planning on all levels, without having the means (financial, institutional, technical...) necessary to assume this role. The law on decentralization has organized the devolution of authority from central level to broadened communes (municipalities), that is to say grouping the 6 000 municipalities into 1 000 basic administrative units (Demes). But these reforms are fairly recent and do not allow as yet an organization and a sufficient improvement of the operation of these communities to be fully effective on the operational level. It must be emphasised that, already, the National Land Use and Sustainable Development Plan proposes within the coming four years a new administrative reform cutting down by 2/3 the number of basic administrative units, as well bringing down the number of departments (from 52 to 17) and regions (from 13 to 5).

The organisational weakness of the basic administrative units, coupled with the weakness of the local and regional intermediate bodies, do not allow the rural community and its players to efficiently participate in the organization and the operation of the new institutions supposed to run the new protection and management areas (catchment areas, Natura 2000 areas, natural reserves...), nor to participate in the development and implementation of local development reviews and actions.

A major impediment to the sustainable development of agricultural and rural areas relates to the development of activities and of employment towards sustaining a demographic dynamics in these areas. Indeed, the local community does not have efficient mechanisms of information and support to potential project bearers. Even though development agencies have a key role with regard to the economic development of rural areas, they tend more to support and coach projects of collective interest than to act as a customised window for information on and support to individual initiative. To this, there must be added the absence of real mechanisms of monitoring and evaluation of the policies aimed at boosting the entrepreneurial and employment dynamics. The only evaluation of the efficiency of these policies relates to the level of consumption of the funds allocated to these programmes, and no monitoring is effected in the medium and long term such as to allow consideration of the viability of the enterprises and projects financed.

All in all, the organisational weakness of the local institutions adds to the acuteness of the difficult coordination between the two intervention levels/tiers (rural area and new management zones), and does not allow the establishment of the support and information mechanisms necessary for the implementation of a sustainable development of rural areas by the local community.

III. PART 2: RISKS OF THE EVOLUTIONS OBSERVED AND CASE STUDY

1. CONSERVATION OF NATURAL RESOURCES

Until the 1990s, there could be noted an extension of cultivated land to the detriment of vast rangeland grounds and bush formations in the hill zones in particular. Between 1995 and 2006, farmland loss remained limited, standing at about 4 %, but it was marked for arable land, as it stood at about 7 %. This arable land loss is probably underestimated, owing to the fact that statistics account only belatedly for abandonment phenomena, since—as very often happens—the owners of these lands do not declare that they no longer cultivate them. Thus, arable land loss does not correspond systematically to a process of desertification, but rather to the forsaking of their farming or to a change of technical-economic orientation, insofar as, simultaneously, there may be noted an extension of tree-growing. Besides, arable lands, being concentrated in plain and hill zone, have undergone in the past few years a drop in their quality and their yield capacity, connected with their overexploitation in the plains (pollution, erosion) and to slope harrowing in hill zone (soil leaching).

With 9 and 5 million head of cattle, respectively, sheep and goats account for 70 % of the country's ruminant animal units (AU). Some 77 % of the farms with sheep and 77 % of the animals are in difficult or mountain zone, which figures are as high as 81 % for the caprine herd. The overwhelming majority of these farms are characterized by an extensive system based on a pastoral use of rangelands, on land of collective or common property status. Over the past twenty years, while the number of farms has significantly decreased (by about 40 %), the animal population did not regress, thus revealing a reorganisation. The quality of the rangelands has markedly regressed since they now provide for only 3 to 5 months of the herd needs (March-April to June-July); stockbreeders thus largely resort to purchased fodder and feed. The pasture provides not more than 40 % of the annual needs for sheep and 80 % for goats, with variations between the North (65 %), the Centre (45 %) and the Islands (30 %). For a decade now, ovine breeding has tended to develop in the more privileged areas, in substitution for the crops less subsidized since the reform of the Common Agricultural Policy and under the form of a fairly large-scale semi-intensive and stall breeding farms (200-1500 sheep) which grow part of their fodder.

The emergence of innovative practices for rest-rotation grazing or the management of common rangelands remains limited to a few scientific tests, in Natura 2000 zones in particular. Pastoral breeding has impacts deemed to be minor in matter of water pollution (nitrous, pesticide, pathogenic, etc). However, the development of fodder crops is sometimes implicated in processes of groundwater pollution in plain zone, and traditional cheese dairies are often sources of effluent disposal in watercourses. While overgrazing has impacts on erosion and low soil absorption capacity, herd keeping is also analysed as a necessary means to combat bush proliferation and to keep control over vegetation around the villages. The presence of the herds also mitigates the abruptness and extent of Mediterranean fires.

The biodiversity level of Greece is among the highest of the EU, its index being estimated as 0.55, as against a European average of 0.43 and a maximum of 0.59. Two factors lie behind this high biodiversity level: on the one hand, human action has been fairly soft so far and, on the other hand, the geomorphology of the country is such that most of the ecosystems are located in mountain zone, thus contributing to maintaining this biodiversity.

Prior to the establishment of Natura 2000 network by the European Union, protected areas accounted for a mere 3 % of the national area. Unlike in the other European countries, these areas were all integrated in the Natura 2000 network, which—as of 2006—covered 19.1 % of the total area of Greece. This high figure is mainly due to the fact that the programme was perceived, on local level, as a financing opportunity for the management of natural resources. However, out of the 359 Natura 2000 listed areas,¹ only 27 have set up a management authority.

Since the adoption, in 1990, of a law related to the protection of the country's plant genetic resources, an inventory of the plant genetic resources is kept and regularly updated by the National Agronomic Research Institute of Thessalonica. The corresponding Gene Bank is in process of establishment, and from 1995 to 2005, the number of inventoried species passed from 7 220 to 10 650, following a set of field missions conducted throughout the country. The national program "Establishment of a Genetic Data Base", financed by the operational agricultural development programme 2000-2006, provided for conducting a large number of missions until 2007, the objective being to list 4 000 additional species. Apart from this data base, various institutes (universities and other bodies) also take part in activities of collection and maintenance of the species. For instance, the Cereals Institute of Thessalonica holds a collection of 1 582 Greek samples corresponding to 57 varieties of cereals. The Vine Institute of Athens holds an almost complete collection of Greek varieties of vine (567).

In accordance with the IUCN Red List of endangered animal species, the country has established, under the supervision of the Greece Zoological Society, an inventory of these species. The works allowing the compilation and updating of the inventory are financed by the Environment Operational Programme. This list classifies the 645 species inventoried according to their extinction risk. The classes of threat are, in descending order, as follows: (1) Extinct (1 species), (2) Extinct in wild state, (3) critically endangered (17 species) (4) endangered (25 species), (5) vulnerable (53 species), (6) quasi-endangered (64 species) and (7) minor concern (444 species). To these, there may be added two further classes concerning species for which the data are insufficient or for which there is no evaluation owing to lack of data (41 species).

Despite the progress thus made, it is estimated that, for the time being, only 25% of the animal species are known, while very scanty reliable data have been collected concerning micro-organisms and mushrooms. Moreover, only 700 animal species and 900 plant species are protected by law.

Research on the conservation of natural resources is conducted both by agronomic and environmental schools or university departments, as well as by the National Agricultural Research Foundation and its various specialized research centres (Institute of Cereals, Institute of the Vine of Athens, Institute of the Olive and Tropical Plants of Chania, Forestry Research Institute, Institute of Mediterranean Forest Ecosystems, etc) belonging under the oversight of the Ministry of Rural Development and Agri-food. Their participation in various national, and also European, research programmes (EU-LIFE Nature, INTERREG, Natura 2000, etc) helps towards the keeping of inventories and data bases concerning the various plant and animal genetic resources of the country. These programmes offer, in addition, the possibility of organising a large number

¹ Out of the 359 Natura 2000 areas approved by decision 2006/613/EU, 239 have the status of Area of Community Interest, 151 have the status of Specially Protected Area, and 31 have double status.

of exploratory missions throughout Greece and conducting research works aimed at a better optimisation of these resources, such as, for instance, the programme of preservation and optimisation of the flora of the Balkans, financed within the framework of the INTERREG IIIA programme.

Several university laboratories are involved in the Natura 2000 programme and had, in this capacity, conducted between 1994 and 1999 the inventory, evaluation and mapping of the Greek ecosystems, as well of the flora and fauna.

The creation of regional universities allowed the setting up of new departments which have an increasingly active role in research on the conservation of biodiversity, but the budgets financing research do not evolve at the same pace. Indeed, the national budget allocated to research on environment protection and control² grew almost threefold between 1995 and 2006, but its relative share hardly increases (about 4%). While research related to the protection of natural resources and biotopes henceforth accounts for 11% of environmental research, as against 5% in 1995, conversely the relative weight of research related to water resources passed, for the same period, from 19% to 9%.

2. POPULATIONS NEEDS AND SOCIAL DIMENSIONS

In spite of a steady drop in poverty in the country since the early 1980s, Greece remains still a country marked by levels of relative poverty higher than a good number of European countries.³ This situation is the outcome not only of a lagging development but also of a range of demographic, social and economic trends. The significant ageing of the population, reporting the highest rate of old age dependence among the 27 countries of the EU,⁴ is actually a decisive factor insofar as the level of retirement pensions, especially those paid to farmers, remains far below the European average. To this, there must be added the impact of the gradual changes in family structure, with the increase in the number of single-parent households, while unemployment—or at least under-employment—remains high, especially in rural areas.

Thus, social and economic inequality indices, such as calculated by the National Social Research Centre, remain markedly higher for the rural areas. The percentage of individuals incapable of reaching the mean subsistence and quality of life level of the community is estimated as 39% in rural areas, as against 29.5% in urban environment. Besides, there are significant inter-regional disparities: indeed, insular rural areas present the lowest socio-economic disparities, owing to the fact that they benefit, inter alia, from the tourism windfall. Conversely, the rural areas of the most mountainous or underprivileged regions continue to present quite significant disparities, with the poverty index nearing 50% for these areas in Epirus, as well as in eastern Macedonia and in Thrace, in the North of the country. These are areas where traditional stockbreeding remains dominant, partly thanks to foreign labour. The significant weight of micro-economic farms, the increased ageing of the population and the sometimes too scattered makeup of the small urban poles in this type of areas do not foster a diversification of the activities, nor even the development of a multi-activity in the households.

² This budget relates not only to natural resources and water resources, but also to atmospheric and climate protection, the various forms of pollution and, again, protection against natural disasters.

³ Several fairly recent studies, in particular the publication in 2007 by the National Institute of Social Studies, entitled "Social Portrait of Greece in 2006", have conducted a range of estimates relating not only to regional disparities in poverty level, but also to social discrepancies. It is these data that are used here.

⁴ Between 1996 and 2007, the rate of old age dependence passed from 22.6% to 27.6%, as against 22.6 and 25.2% respectively for the EU (27 countries).

For a long time, relative poverty had been, above all, the lot of rural areas, even though the estimates made would need to be somewhat qualified in view of the significant role played and still being played—though at a lesser level—by family solidarity, mutual assistance in work, as well as non remunerated participation by the members of the household in the operation not only of the farms but also of the small-sized enterprises and family trades. Over the years, it seems, however, that the classical contrast between rural areas and urban areas in terms of poverty is on the wane, and this, for two types of reasons: on the one hand, there may be noted the emergence of new forms of poverty in major cities and, on the other hand, certain socio-economic changes contribute in an improvement of the living environment and life conditions in rural areas, as access to infrastructures and basic services was facilitated thanks to the efforts made in this regard since the 1980s based on investments largely financed by European funds. The distribution of decentralized services was done according to a prioritisation whose objective was to cover the entire population and not according to an administrative distribution.

The country is henceforth provided with a satisfactory health care infrastructure, and the distribution of public health care hospitals and centres over the territory attests to the recent effort that the country undertook to equip the province. While Attica and the department of Salonica are the best equipped in terms of hospital beds and number of medical doctors per 1000 inhabitants, certain departments of less importance present, nevertheless, very positive evolutions. Otherwise, rural areas experience a deficit in matter of private health care which exists practically only in the cities, so much so that the disparities noted between dominant urban departments and rural departments still apply.

The development of primary education and secondary education dates fairly back in time, due to the efforts invested throughout the country and the progress made in schooling. Today, nearly 60% of the population aged between 25 and 64 years has at least completed upper secondary school, while the same percentage was a mere 42% in 1995. However, disparities between urban and rural population remain quite marked, with the percentage in 2001 for the rural population remaining within 30%, as against 55% in urban areas. The development of higher education is much more recent: it is during the 1990s that university institutions multiplied, with the creation of a university in almost every region and, especially, the multiplication of tertiary education sites and higher education technological institutions, located in many provincial towns. This evolution allowed, in spite of the maintaining of a *numerus clausus* policy, an appreciable increase in the number of students. This virtuous geographical extension for regional development should not, however, be taken at face value, insofar as Athens and Salonica continue to drain the overwhelming majority of university students, thus claiming about 70%. Conversely, the distribution of the students of technological institutions is balanced, as only 40% of the total are located in the two largest metropolises.

Besides, the improvement of the road network and the construction of new motorways of national and international use, such as the Egnatia road and the Ionian road, contribute in the opening up of many of the country's rural areas. This road network, complemented with a comprehensive bus network, allows connection of all the villages to the small cities polarizing the rural areas, as well as to the chief town of department. Opening up is also fostered by the development of new information and communication technologies (ICTs), including in the rural areas, even though, according to a recent study by the Observatory on the Information Society, the country is lagging behind in terms of their use both by the micro-enterprises of 1 to 9 employees (unlike those of more than 10 employees) and by the older population aged 35 to 54 years. However, in spite of the efforts made, the disparity between the urban and tourist areas and the rural areas remains quite significant. The internet network use index reports a mere 20%

in most rural areas (Western Greece, Thessalia, Epirus), as against 43% in Attica and 40% in Northern Egea.

In rural areas, proximity has thus been improved mainly via the development of transport and ICT networks. Such easy movement also sustains the mobility of the population which tends to settle in small cities in order to benefit from proximity to the services and to engage in multi-activity in order to compensate for the drop in agricultural incomes. In the face of the risk of impoverishment, the agricultural households thus seek new alternatives without—unlike in the past—seeking to migrate to the country's major metropolitan centres. This process of new distribution of the population in rural areas contributes in the emergence of a new territorial organization, fostering a diversification of economic activities, at a time when there may be observed in many rural areas, especially in mountain zone, the emergence of a residential economy, largely sustained by regular return of the members of the diaspora to their homeland.⁵ There obtains, indeed, thanks to this population, a system of indirect remittances concerning the rehabilitation of housing, if not the land plot and/or house purchase, thus feeding the local economy insofar as this phenomenon offers new outlets for a whole range of craftsmen and small enterprises of the construction sector. Moreover, there has developed, for two decades now, an intensification of direct remittances via investments made in the rural tourism sector (accommodation, catering, etc).

The National Social Research Centre (EKKE), created in 1959, belonging under the oversight of the Secretariat-General of Research and Technology, is the main public institution as regards social research. One of its institutes is specialized in issues relating to urban and rural sociology. Its chief research purview concerning rural areas relate to social geography, the needs of agricultural communities, family agriculture, agricultural reorganisation and its impacts on rural employment, development of tourism and the social changes which it generates, as well as all forms of socio-economic discrimination. Besides, the recent development of universities, especially in the countryside, has largely contributed in the rise of university research. However, relatively few university research teams and/or research laboratories are specialized in issues pertaining to sustainable development of rural areas, contrary to the many teams addressing issues dedicated to agriculture and stock-breeding.

For the country as a whole,⁶ the public funds allocated to social and humanities research programmes grew threefold between 1995 and 2006 and account for about 20% of the total budget. A major portion of these funds is due to universities insofar as the latter take an active part in research and studies belonging under European programmes, such as the EQUAL initiative, allowing the production of many studies related to employment, entrepreneurship, addressing socio-economic inequalities, as well as the promotion of social and solidarity economy.

As from the 2000s, a remarkable development of research has been observed particularly in three fields of a direct bearing on rural areas, namely education – training, cultural activities and, finally, the management of enterprises.

Financing and investment needs

Today, the needs relate less to major infrastructures and/or heavy investments than to an improvement of the operation of the structures and of the quality of the existing services:

⁵ Other than a mere maintaining of socio-cultural bonds, the migrant has been engaged, for over two decades, in a residential movement which allows him, in certain cases, to reinforce his influence on the space asset and to actively gain a grasp over the equity capital. By his presence at regular intervals, the immigrant, as a consumer, thus feeds in local economy. He constitutes a manageable clientele for the local markets and becomes the main link in the networks of the immediate channel of commercial economy. Via this process, the diaspora community joins the resident local society and creates the conditions for a area-redistribution movement.

⁶ It is worth emphasizing here that the data available on the financing of research – development do not help distinguish the funds specifically allocated to the research programmes dedicated to rural areas.

- development of Information and Communication Technologies (ICTs) towards a better accessibility of rural areas (e-information, e-work, e-learning and on line services generally);
- development of continuous training to strengthen the level of qualification of the rural population;
- support for renewable energies and their integration in the rural areas (local production and consumption);
- investments for a reorganization of education in most remote rural areas.

3. IMPLEMENTATION OF THE POLICIES

During the previous plan (2000-2006), the national strategy in matter of rural development rested primarily on the Operational Rural Development Programme of the Ministry of Rural Development and Food (total budget amounting to 3 208.45 M€), while the Regional Operational Programmes specified this strategy on the level of each of the 13 regions. The strategic objectives of the programme clearly mainstreamed the sustainability dimension, as they related to:

- Enhancing the competitiveness of the Greek agricultural sector vis-à-vis the challenges of an increasingly competitive international environment;
- Sustainable and integrated development of rural areas in order to enhance their competitiveness;
- Attractiveness of rural areas as a “living environment” in such a way as to boost its social and economic functions;
- Protection and optimisation of the environment and the natural resources of rural areas.

Apart from this programme, other sectoral operational programmes (environment, economic development, etc.) also comprised measures and actions related to rural areas.

But it is mainly through the Integrated Rural Development Programmes (PIDER) that the sustainability dimension was really implemented. However, by adopting criteria relating to existent marginalisation to define their action zones rather than a focus on functional geographical units (around small dynamic urban centres), these programmes contributed only modestly to the development and cohesion of rural areas. Moreover, the existence of two types of PIDER, with some being managed by the Ministry and others by the Regions, has given rise to real problems of coordination between the two tiers of authority.

With regard to the period of the new plan (2007-2013), Greece draw up, in accordance with the European directives, a National Strategic Development Plan (ESPA) which constitutes the overall reference framework for the country in relation to implementing the new EU strategy of socio-economic cohesion and the mobilization of credit by the European Funds. Quite logically, the choice of the strategic axes and priorities refers directly to the revised Lisbon Strategy. In this regard, the National Plan was formulated on 4 levels, namely:

- strategic axes,
- thematic (5) and territorial (3) priorities,
- general objectives (17) for which each priority theme is analysed,
- specific objectives, as well as mechanisms (tools-instruments) set up for the achievement of the objectives.

Alongside with this, Greece developed, for the same period 2007-2013, its Strategic National Rural Development Plan (ESSAA), implicitly taking into account both the new directives ensuing from the CAP Reform and the priorities arising from the National Programme of Reforms for Development and Employment (2005-2008) within the framework of the implementation of the Lisbon Strategy. The new rural development policy will henceforth be focused on three priority axes:

- enhancing the competitiveness of agriculture, silviculture and stockbreeding,
- protection of the environmental and landscapes,
- improving quality of life and fostering the diversification of rural economy.

To these three axes, there must be added a cross-cutting axis based on the experience gathered via the LEADER initiatives, thus allowing the application of local approaches to rural development (bottom-up).

The management bodies of the ministries and regional authorities are responsible for the programming, coordination, management and monitoring of the programmes belonging in their purview. The implementation of the strategies and priority axes is the outcome of a participatory process bringing on board many players and bodies, such as farmer union representatives, trade representatives, local associations, together with experts, academics and researchers from major institutions, of which the National Foundation for Agricultural Research (Greek INRA) and the National Social Research Centre (EKKE).

Within the framework of **implementation of the programmes and actions**, various actors are directly involved in their management, even though supervision belongs systematically in the purview of the ministerial and regional authorities. It is worth emphasizing in this respect the decisive involvement of the Development Agencies which intervene on department level and which manage several programmes, of which LEADER. They also have a major role as regards awareness raising among the actors and the local community. The Centres for the Development of Enterprises and Technology (KETA) and the Hellenic Organization of SMEs and Handicrafts (EOMMEX) see, in their turn, to the management of the programmes related to the "competitiveness" of enterprises.

The main **tools and instruments** allowing the implementation of the programmes may be summarized as follows:

Laws and regulations (*)	<ul style="list-style-type: none"> ⇒ Law on sector-based investment, allowing direct support to productive investments ⇒ Thisseas Programme which finances local government towards the preparation of feasibility studies related to targeted development actions. This programme is managed by the Region and implemented by the basic administrative unit (Deme) ⇒ Sectoral operational programmes, regional operational programmes, strategy papers allowing the implementation of policies ⇒ ministerial regulations and decisions controlling legal compliance of private and public investments in the primary sector, processing, trade and tourism
Awareness-raising mechanisms	<p>Each operational programme explicitly envisions awareness-raising campaigns which are either directly assumed by the Management Authorities of these programmes, or commissioned to specialised external partners upon tender.</p> <p>On local level, other actors also intervene, such as Development Agencies and the Regional Network of Extension to Rural Population (composed of local institutions—NGOs, cultural associations, women cooperatives—and of experts from the university, in particular).</p>
Initiative support mechanisms	<ul style="list-style-type: none"> ⇒ 13 Regional Centres for the Development of Enterprises and Technology (KETA), with their departmental focal points (Investors Reception Centres) ⇒ Development Agencies on departmental level, ⇒ Community (Municipality) Development Enterprises ⇒ Departmental Centres for Rural Development ⇒ Trade and Industry Chambers, operating on departmental level
Financial instruments	<ul style="list-style-type: none"> ⇒ Agricultural Credit to farmers via agricultural cooperatives was in operation until 2001 ⇒ The Small and Micro Enterprises Guarantee Fund was established in 2004 ⇒ Interest rates subsidised for farmers ⇒ Establishment allowance for young farmers ⇒ Tax-relief measures

(*) The institutional framework is not differentiated according to the scope of application, which gives rise to problems of eligibility, evaluation and differentiation of the criteria and incentives dedicated to the rural environment.

The **involvement of regional and local NGOs** in matter of support to needy populations is a recent phenomenon in Greece and relates, in particular, to implementation, coordination and management:

- (a) of awareness-raising and training programmes, with the objective of sustaining the development of agriculture and the restructuring/reorganisation of rural areas. These programmes are conducted by the various Vocational Training Centres, Development Agencies, Cooperatives...
- (b) of needy population assistance programmes, such as home-assistance programmes.

While progress was made with regard to the involvement of NGOs, the problem arises as regards their contribution in setting the objectives of the programmes which are designed by the central and regional authorities. These programmes are, therefore, unlikely to take into account the actual needs of the rural Demes (basic administrative units), for lack of intermediate bodies. Lastly, it is worth pointing out that the role of NGOs in matter of support to the rural populations is largely dependent on the funds which they obtain via the programmes. Accordingly, an acute problem arises as to their sustainability in the more or less long term.

Monitoring and evaluation of the policies are conducted on the level of each operational, national and regional programme. Each of these programmes provides for internal monitoring and evaluation actions undertaken by the management authorities. External review is made by independent review experts hired on tender. The latter are required to proceed, based on a set of indicators (impact indices, results, credit consumption, etc), to ex-ante, mid-term and ex-post

reviews. It is based on this system that the evaluation of the Operational Programme for Rural Development (2000-2006) was conducted. The latter highlighted a certain number of deficiencies both in relation to its management and in terms of the results expected:

- the existence of a single system for the management of programmes, irrespective of the type of actions envisioned, facilitates neither the implementation nor the monitoring of the actions;
- the concentration of a large number of files within the same ministerial department raises problems with regard to their processing and entails delays in the implementation of the actions;
- on the level of results, it is worth pointing out a decrease in the total number of AWUs (annual work units), whereas the income index per AWU increases, thus highlighting a rise in agricultural labour productivity. However, the relative weight of the Agricultural Value Added in GDP over the period 1997-2003 has been steadily on the decrease, thus highlighting, in the final analysis, a low competitiveness of the products.

This evaluation over time of the Operational Programme for Rural Development had led to 4 mid-term readjustments between 2003 and 2006, in particular to address a non consumption of credits, or, again, to align the programme with the European new strategies and directives.

4. WHICH ECONOMIC ALTERNATIVES?

4.1. A productive and rational agriculture

The analysis of the data concerning the area of the farms reveals a marked prevalence of very small farms, of which 40% are less than 2 ha. From 1995 to 2005, the number of farms of 2 to 10 ha tended to decrease in favour of farms of more than 20 ha, while very large farms (> 50Ha) remain marginal and account for a mere 1% of the total. A similar trend may be observed concerning the economic size of the farms: between 1995 and 2005, the share of those less than 2 ESU passed from 43% to 36%, while the farms of more than 16 ESU account for 10% now, as against 4% in 1995. The very small size of the farms, such as it obtains from the official data, must be qualified for three reasons:

- there exists in Greece not one but many agricultures, according to their location and their technical-economic orientation;
- this category of farms incorporates, for a large part of them, stock-breeding units;
- there exists in Greece a grouping of lands, according to family ties, for purposes of their operation. This “de facto” grouping has allowed a modernization, as well as the development of intensive farming in the plains, by a pooling on a family scale of the equipment and operation costs.

The share of irrigable farms clearly shows the degree of modernization of the farms, and this, irrespective of their size, since two thirds of the farms of less than 10 ha are irrigable, a proportion equivalent to the national average. More still, while one observes an increase in the irrigable total area, passing from 31 to 40% between 1995 and 2005, this increase is even higher in the case of small farms (from 37.5% to 48.1%). Regular renewal of equipment for the adoption of more technologically innovative systems, and the noticeable farm conversions show quite well the capacity of adaptation and flexibility of the farmers, who tend to be quite responsive to the new opportunities offered by the evolution of the national and European agricultural policies, as well as by the evolution of market trends.

On the land property level, the departure of a landowner does not lead to the sale of the land; the latter is left on lease within the family group. The land grouping system, resting on family ties, thus allows control over the land by the local population, even if there is not really any land property market.

The credit system is fairly well adapted to the land property structure of the farms, since they are not subject to a minimum area. However, accessibility to credit remains limited, all the same, insofar as the banks do not recognize informal groups of producers when requesting a joint investment.

For such industrial crops as cotton, tobacco or tomato, as well as for dairy productions, the market is largely controlled by the major processing and/or distribution industries. The problem, in this regard, does not so much relate to access to the market itself, but more to the possibility for the producers to negotiate the prices, while the volumes are subject to the quotas set by the EU. For the more specific products (processed products, local products and niche products), the possibility of outlets depends, above all, on the type of market. A distinction has to be made between, on the one hand, the small market made up of the networks of acquaintances and controlled by the family, and the "popular" markets (local markets), and, on the other hand, the more distant and organized markets. While the local community and the farmers control the former two rather well, the absence of intermediate bodies does not allow easy access to the latter, though this represents an opportunity for the development of products adapted to the demand of urban consumers.

The production framework of intensive farming practised until today has induced two types of effects: (i) a downward trend of yields coupled with environmental problems, while the costs of inputs are on the increase, particularly with regard to water and energies, and (ii) a drop in incomes worsened by economic liberalisation and the evolution of national and European policies, especially as regards subsidies. The farmers are more and more faced with the need to shift orientations and practices towards crops allowing not only savings on inputs and/or labour, but also a mitigation of environmental costs. In this regard, the development of energy crops (biomass) and extensive stockbreeding, including in plains, may be regarded as innovative. Besides, in order to compensate for their loss of income, the agricultural households tend more and more to seek extra jobs, thus inducing a growth in multi-activity.

The absence of support mechanisms and of intermediate bodies on local level constitutes one of the main impediments for the set up of alternative and innovative practices, as well as for access to markets. In order to actually improve the productive framework of agriculture, an easing of the political and institutional systems is necessary, bearing in mind the manner in which the agricultural family has responded to the deficiencies of the agrarian structures, i.e. by informal cooperation and multi-activity. In such a context, the objective of a geographical unit project would be to mainstream these family strategies.

Financing and investment needs

Water management:

- investments in water reserves and tapping systems;
- support for water saving irrigation systems (drip irrigation).

Development of new crops:

- financial aid to sustain the processes of reorganization and/or conversion of farms;
- development of research and experiments related to little demanding and well adapted plants to local needs and the environment;

- support for energy crops (biomass): needs related to equipment for production, processing and consumption, and need to develop incentive mechanisms to promote the adoption of biomass-fired equipment.

4.2. Towards more value added of Mediterranean products

Current certifications as regards quality products are those recognised and/or established by the European Union, namely biological products, Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and the Traditional Speciality Guaranteed (TSG). It was in the early 1990s that Greece set up a biological and quality products certification system, in the framework of the European regulations, the Departmental Directorates of Agriculture being entrusted with its implementation. It was not until the creation in 2000 of the Agricultural Products Certification and Control Authority (APCCA - Agrocert), an independent body belonging under the oversight of the Ministry of Agriculture, that this system became really efficient. To illustrate: with regard to the biological sector, the number of certified operators passed from 3 000 to 5 300 between 1997 and 2000, reaching as many as 23 900 as at end of 2006. A quite comparable evolution may be observed with regard to cultivated areas (2 400 ha in 1995 to 26 700 ha in 2000 and to 77 600 in 2006, that is 2 % of the UFS). While certification and control belong exclusively in Agrocert, three authorized private bodies are entrusted with control of the sector (BIO ELLAS, DIO and SOGE). The coaching and monitoring of the producers are entirely ensured by ten Regional Associations of Organic Producers, grouping all the producers of bio-products of each region. The efficiency of this system is fairly satisfactory, and this, all the more so as, besides the steady increase in the number of operators involved, the forsaking of organic farming by some attests to the efficiency of the control.

Organic stock farming concerns, for the major part, ovine – caprine, dairy and/or cheese-making breeding. It is worth mentioning the high growth of porcine breeding, in response to an increasing demand (main meat consumed in Greece). More broadly speaking, Greece has a comparative advantage as regards organic stock farming, owing to favourable pedo-climatic conditions, abundance of natural resources in mountain and hill zone, and the existence of very little intensified breeding presenting the possibility of a rapid shift of practices and techniques to the organic pattern.

To date, 62 PDO and 23 PGI have been recognized in Greece, according to European regulations, covering 388 approved companies. Among these labels, 285 relate to various types of cheese, the remaining 103 relating primarily to olive products and, to a lesser extent, pistachios, raisins and figs. One Greek characteristic lies in the recognition of "national" cheeses (such as Feta, Graviera, etc...). Other quality certification procedures have been established on national level, concerning compliance with the terms and conditions of production and processing. Out of the six types of procedures controlled by Agrocert, only two are effective: products of poultry raising and beef.

The evolution of the demand of urban consumers on quality products is reflected in the emergence and development, since the mid 1990s, of dedicated local shops and markets, and, more recently (2005), of dedicated shelves in department stores.

While there is no Traditional Speciality Guaranteed (TSG), there is, however, another form of quality products that are quite common in rural areas: these are traditional, "authentic" products, such as wild herbs, medicinal or aromatic plants, for instance. These are products whose qualification process is based on traditional lore and know-how, on a conveyed image of "natural" product and/or on trust in the producer based on personal acquaintance. These

traditional products have not yet been integrated in the formal processes of recognition and certification, nor even in local development projects, and belong rather in individual initiative to meet a demand due at the same time to attachment by the Greeks to their homeland and to development of rural tourism.

A large part of quality products, contributing in the image of the area, are intended for on-site consumption within the framework of the tourism activity (shops, restaurants, cake shops...). They are also sold via the family and acquaintance networks and on local markets. These short-channel commercialisation forms, of a more or less formal character, are controlled directly by the producers, via the integration of the scope of influence of the family and relations group. As regards the sale of the products on remote and more organized markets, this belongs rather in the intervention of cooperatives unions or enterprises and firms, the absence of collective forms of organisation not allowing the producers to negotiate directly with large department stores. Yet, one should not overlook the importance of the role of the networks of natives who were the initiators, back in the 1980s, of the establishment of specialised stores in the large cities, selling homeland products. This phenomenon of opening up of rural areas onto urban and foreign markets, via the diaspora networks has gained momentum in the past few years and contributes in the emergence of remote markets directly controllable by the producers.

In the area of the plains, to compensate for the loss of incomes from traditional intensive farming, the producers turn to higher value added productions. In cooperation with consultancy and agricultural support private enterprises, there have developed a trend towards the promotion of small sectors dedicated to niche markets. The example of the resurrection of certain local products is particularly interesting when studying these sectors in terms of distribution of the value added among the various players concerned. The reinstatement of traditional crops better adapted to their environment (such as leguminous plants, for instance), coupled with the adoption of advanced technologies for their processing, is sustained by an aggressive marketing strategy in terms of packaging and image, resting on an optimisation of the identity and the cultural heritage of the area. Such sectors generate multiple benefits: reduction of environmental costs, enhancing the prices for the producers (from 30 to 50 % in case of biological certification), and participation in the promotion of the image of the homeland. The development of such sectors constitutes, moreover, one alternative to the control enjoyed by large firms on rural products and areas. They demonstrate the capacities of adaptation and innovation of the producers and private investors in responding to the increasing demand of urban markets. But the producers, just like private investors, need stronger support in terms of funding and equipment, so as to be able to develop these activity niches. As for the rural areas of Greece having not experienced an intensification and a modernisation of their agriculture, they have potential assets to move directly to a form of quality agriculture, in mountain stockbreeding and farming mainly. This requires the definition of dedicated national and regional strategies and the design of the corresponding policies of support to investment, the coaching of producers and processing enterprises and, hence, the strengthening of technical support and consultancy services.

4.3. Financing and investment needs

Equipment for processing, packaging and marketing of higher value added products:

- equipment of processing plants and workshops, in particular for products whose certification requires compliance with dedicated standards;
- support for the promotion of the products: packaging and seeking out a promotional image;

- investment and assistance in the operation of sale exhibition sites dedicated to quality products;
- Immaterial needs:
- information, training, coaching and support to producer groups and production based cooperatives;
 - development of bodies dedicated to the coaching and control of production and certification processes;
 - financial support and coaching of short commercialisation channels to facilitate their organisation.

Diversification in rural environment and in the farms

The abandonment of agricultural activities in Greece is a relatively slow process, the number of farms having decreased by not more than 2% between 1995 and 2005. This trend is the outcome of two phenomena: on the one hand, the farmers having reached retirement age maintain their activity quite often until a fairly advanced age; the number of farmers of over 65 years strongly increased between 1995 and 2005, passing from about 250 000 to over 306 000. It is, therefore, likely to envisage, during the coming ten years, a marked reduction in the number of farms. On the other hand, the takeover of the family farm is still largely ensured by one of the descendants who, in addition, operates the land on behalf of the other members, the latter preserving nevertheless the status of head of farm – landowner for the share of the land due to them.

Alongside with this, the modernization of agriculture has contributed to a drop in agricultural employment, as well as to the development of multi-activity outside the farm, the time devoted to agricultural work being steadily on the decrease. Full-time work on the farm decreased by 6% between 1995 and 2005, a drop equivalent to that reported between 1990 and 1995, a period when the effects of modernisation were largely felt. The share of agricultural employment in rural areas remains quite high even though it passed from 50 to 41% during the 1990s, and this, in favour almost exclusively of employment in services.

This overriding feature of agricultural activities reflects a real problem of under-employment of part of the family agricultural labour which is gradually led to seek a steady job outside of the farm, a feature that also explains the extent of the phenomenon of "remote operation". This type of operation applies to about 13% of the Greek farms, while this same percentage can exceed 20% in certain rural areas polarised by a small town. By settling in the small town while maintaining the agricultural activity in the village, the agricultural family strengthens the cohesion of the area polarised by the small town. Seeking employment outside of the farm is by no means easy, which is reflected in the share of paid labour in the economic (non agricultural) activities that does not exceed 40% in rural areas, as against 69% in urban environment. The very small size of the enterprises and the smallness of the labour market explain the fact that many of the working population should seek to be self-employed, thus setting up their own enterprise. The self-employed and professionals account, indeed, for over 30% of the working population, as 12% in the cities. It is, therefore, the individually-owned or family enterprises which form the backbone of the rural economic fabric. Rare are, in fine, the enterprises of more than 10 employees.

Thus, there gradually takes place a process of diversification of economic activities, fostered not only by the increase in the productivity of agricultural labour and the decrease in agricultural incomes, but also by this need for self-employment. This diversification is manifested by the existence in rural areas⁷ of an excessively high number of catering enterprises and, especially, of small shops, and this, in spite of the development of large department stores and of their

⁷ Studies conducted in the region of Thessalia have estimated that the number of shops in the small rural towns could be of 1 unit per 25 inhabitants, a particularly high rate.

increasingly marked establishment in the departmental chief towns. This resilience of proximity shops, a quite distinctive feature of Greek rural areas, is largely due to the maintaining of the solidarity bonds and family relations allowing the shopkeepers to keep their local customers.

In the processing sector, the enterprises serve in a fairly limited number of economic activity sectors and, more especially, construction, furniture, beverages and pastry - bakery. Besides, the overwhelming majority of ovine/ caprine breeding farms also hold a small processing plant, their production capacity being at least of 1 ton/year and likely to be, in certain cases, significantly higher.

Moreover, with the maintaining of agricultural activities and the modernisation of the farms, it is also a whole range of activities related to agriculture that persist until now. These include not only agricultural equipment repair and maintenance workshops and the sale of inputs and small tools, but also consultancy firms held by agricultural engineers. The latter offer the farmers/ stockbreeders a whole range of services, of which the preparation of the various files giving access to subsidies, as well as to the various programmes of modernisation, and even certification, of the products.

It is in the field of tourism in rural environment that one observes the most marked evolutions, with the multiplication of holiday cottages and, above all, “bed and breakfast”, authorised by the National Tourism Authority as part of meeting an increasing demand on the part of city dwellers. This domestic tourism offers a real opportunity for a better optimisation of local and traditional products. It is, indeed, in places where rural tourism has developed that there may be observed the strongest optimisation of this type of products, while it is in these same areas that innovative practices, such as the creation of women cooperatives producing and selling local traditional products, have developed. While short-stay tourism and, more generally, domestic tourism are booming in many rural areas of Greece, international tourism has only a very limited impact. Admittedly, it may be held that a trend to international tourism increasingly focused on quality creates a favourable framework, but so that the windfalls are felt on the level of rural areas, it is indispensable that the latter should engage in a process of diversification of the tourism services offered and not be contented any longer with mere accommodation and catering. Thanks to certain European Initiatives, such as LEADER, there may be observed the emergence of alternative forms of tourism and, consequently, of a diversification of the services provided to the visitors, particularly in mountain zone, while the coastline remains specialized in a mass tourism of low value added.

Other than the exclusive tourism activity, Greece as a whole is now involved in the new residential and recreational functions of the rural areas, fostered in particular by the diaspora, on the one hand, and the role of the cultural associations, on the other hand. This phenomenon considerably contributes, though rather in an informal way, in the cohesion of rural areas and in a better linkage between the various activity sectors, unlike the tourism investment projects which did not integrate these other sectors.

Among the most remarkable alternative and innovative practices, the following are worth mentioning:

- the women cooperatives, a movement incepted some twenty years ago and which has gained an undeniable scope today throughout the country. This movement has reached today an elaborate form with the networking of these cooperatives and the diversification and creation of new activities, particularly in catering and the small crafts industry;

- the development of niche activities mixing local know-how with the technologies acquired via international cooperation (Cigar making cooperative of Domeniko in Thessalia and Asparagus Producers Group in Evros).

Although there are national and European sectoral policies which urge the farmers to diversify their activities, it is often observed that these activities are not integrated into the local socio-economic fabric.

Concerning research on diversification in rural environment, this appears to be quite fragmentary as there are only very few research institutions specialized in the study of the rural environment and not just in the agricultural environment. It is, therefore, most often one-off research works that are conducted, according to the opportunities offered by national and/or European programmes. However, over the past few years, researchers and academics have very often been enlisted in programmes such as PIDER,⁸ or, again, in such EU programmes as EQUAL, LEADER, INTERREG (Mediterritige), which thus allowed them to develop empirical research not only on the local production systems, optimisation of local products, entrepreneurship and development of local tourism, but also on the impacts of the changes experienced by rural areas.

On national level, the research dedicated to agricultural production and to related technologies accounts for not more than 6% of the public expenditure on research, as against 11% in 1995. The only fields where a real increase in expenditure on research is observed relate to, on the one hand, fishery and fish-farming and, on the other hand—though to a lesser extent—agri-food technology. Lastly, research on industrial production and technology is somewhat limited, its relative share in the total expenditure remaining stable, i.e. about 10%. Further still, within this category of research, the programmes related to the processing of foodstuffs and beverages now account for a mere 1%, as against 4% in 1995.

All in all, this research still remains too much focused on the agricultural environment, without taking into account the trend towards multi-activity and the problems of a statutory nature that this gives rise to.

Financing and investment needs

- financing of development plans on local level, to better take into account the local dimension of the multi-active rural household;
- development of financial and technical support for individual and cooperative initiatives aiming at a reinforcement of multi-activity: ensure viability of non agricultural activities;
- reinforce the networking of enterprises in rural areas;
- assistance to training and investment towards the development of alternative forms of tourism and integration, by the tourism reception services, of the whole of the local activities.

⁸ Integrated Rural Development Programmes financed by the Ministry of Rural Development and Agri-food or by the Regions. These programmes require, in their design phase, that a thorough study be conducted to identify the potential (assets and threats) of the rural areas concerned.

5. CASE STUDY: THE RURAL AREA OF MOUZAKI

The small town of Mouzaki and the close borough of Mavromati, forming a bi-pole, are the centre of a native homeland of 553 km², of which the larger part corresponds to the mountain zone of Argitheia (382 km²), one of the most populated mountain zones of Greece. This area consists of 4 basic administrative units (Demes)⁹ grouping 11 communes (municipalities) located between the plain (2) and the mountain (9) (cf map 1 in annex). Historically, Mouzaki constitutes one of those small centres whose existence and growth were due to an optimisation of their situation of intermediary between mountain economy and the neighbouring Ottoman cities (Prevelakis 1994). The decline of Mouzaki was connected with the weakening of this traditional exchanges network at the beginning of the 20th century, worsened by the urban and regional development policies, after 1960, in favour of departmental capitals. The geographical closeness to the cities of Trikala and Karditsa, once advantageous for Mouzaki, has turned into a disadvantage (Sivignon 1992). The final phase of the decline dates back to German occupation and the civil war (1940-49) leading to a significant rural migration and the disintegration of the economic and social fabric of the mountain areas. The role of rural centre breaks down due to the loss of the network of exchanges, which it historically controlled, between the mountain, as a production site, and the city, as a market.

The current distribution of the population reflects this evolution: there are 13 432 inhabitants, as against 24 000 in 1951.¹⁰ Some 84 % of the population are concentrated in and around Mouzaki. The area of Argitheia counts a mere 2 380 inhabitants, as against 9 140 in 1951. The densities range from 2 to 61 inhab. per km² in descending order from high mountain to plain. There should be added to this population some 7 000 inhabitants who, from April to October, stay there continuously or periodically, of whom 6 000 for the only area of Argitheia (cf Table 1 in annex). These are mostly members of the diaspora, pensioners, in addition to some stockbreeders practising transhumance.

In this context, Mouzaki, just like the major part of the small rural centres of Greece, has been witnessing a substantial growth in its population from 1980 onwards. It is becoming a services provision and residence centre during the winter for part of the population of mountain villages, but also a site where the members of the rural families of the neighbouring villages can undertake multi-activity. In the winter, the population of the bi-pole exceeds 7 000 inhabitants, as against 4 000 according to the official census data.

To this new pattern of population settlement, the administrative reform of 1997 responds by grouping the 11 communes into four Demes (basic administrative units). However, the organization, operation and cohesion of this area are closely connected with the coexistence of two “informal” space and relational systems: the space system, polarised by the economic centre of Mouzaki, and the relational system, operating between the micro-region as a whole and its diaspora. The former system operates within a space framework comprising over 12 000 inhabitants and 450 enterprises. It presents various forms of cooperation within a fairly diversified local economy, as well as a significant mobility of the multi-active farming population, the latter being likely to make up a fairly flexible and skilled labour potential. The latter system rests on the relations which this area maintains with the diaspora. The latter is physically present in an intermittent way (tripling of the population), but also via the socio-cultural and economic ties that it maintains with its area of origin.

⁹ Demes of Mouzaki, Argitheia, Acheloos and commune of Eastern Argitheia.

¹⁰ Population Census of 1951. National Statistics Service of Greece.

5.1. The role of the Diaspora

The members of the diaspora are organized into communities and cultural associations whose headquarters are located where they live: small and medium-sized towns of Thessalia, Salonica and Athens, without forgetting the 500 immigrants between 1955-1970 in the United States, Canada, Australia and Germany. Part of this population is back in the country, constituting—with the contribution of exogenous settled persons—an appreciable fairly young population (cf table 2 in annex). These associations are officially recognized, have schools, organize feasts and events according to the traditions of their region of origin where they keep land and the family house.

Actually, part of the permanent residents of the mountain villages live in Mouzaki in the winter and thus constitute the bond between the diaspora, the villages and the rural centre. This population frequent their “own” coffee shops, places of exchange of news, meeting with the diaspora, contact between the customers (diaspora) and the enterprise owners of the area, contact with the Development Agency (ANKA) and the municipal authority. The municipality also contributes in the cohesion of the area: the mayor represents this population native of the mountain villages and, indirectly, the villages located beyond the borders of the new municipality. He confers, in this way, upon this symbolic area, the political function which the administrative system has not ensured, thus reinforcing the solidarity and cohesion effects, but also its bargaining power.

5.2. The local productive system

During the period of rural decline and of “agriculturisation” of the small area, Mouzaki managed to maintain family micro-enterprises optimising the local resources, specialized in woodwork (38 of which 31 are craftsmen businesses), masonry (40) and, to a lesser extent, in agri-food. The agricultural activities, of a family type, are characterized by an extensive stockbreeding totalling 80 000 goats and sheep, of which 55 % are located in mountain zone for about 1000 AF, and by intensive production systems in plain zone (tomato, cotton, vegetables...).

5.3. Informal evolution (1980)

In Mouzaki, the inception of the development process is primarily due to the fact that the diaspora has taken up the mountain as a consumption space (second home). During this period, the funding of structural policies and of the CAP was limited to infrastructures (roads, etc), modernisation of the AF and financing training seminars (European Social Fund).

General interest in the mountain has developed a climate that is conducive to micro investments. The construction and public works sector has benefited most. Then, other activity sectors (weekend tourism, local agri-food products) also benefited, finding thus new outlets. The local enterprises, accordingly, injected significant capital in the area, while the diaspora strengthened its ties with Mouzaki having become the hub for all this movement.

The strengthening of bonds between the motherland and the diaspora via second homes and their shift initially into economic actors (consumers) have fostered a change of the socio-cultural bonds into networks of an economic dimension. These networks have allowed the local enterprises to control the nascent market and to create competitive advantages with respect to the neighbouring urban centres.

This rise of local crafts specialisations has led certain small enterprises to seek to conquer new supra local markets. The limited penetration, within a first phase, in localities where the diaspora lives, was boosted by the support brought by new forms of governance and the various funding opportunities offered by European and national policies. This then ushers in the 2nd phase which may be described as that of opening up to, planning and integration of the national and European policies. The new issues arising are those related to participation by the local stakeholders in the preparation of development projects and in the institutions that will represent them.

5.4. Integration in planning processes

At the time of the first study on Local Development, conducted by AN.KA in 1992-1993 and crucial to the possibilities of integration of the small area in the community programmes, the participatory process was limited to contacts between those in charge of the study and the local population to collect quantitative and qualitative data. In 1996, within the framework of LEADER, a second plan was developed, based on a real participation by the local community, thus allowing the definition of simple objectives that could be grasped by all. This progress in terms of participation is the outcome of a combination between the objectives of the LEADER programmes and the experience gathered in this field by AN.KA.¹¹ This led to a consolidation of the local asset thanks to information, awareness-raising, acquired know-how, awakening of the population as to the need for change. The role of ANKA is recognized and legitimised by its support to the rural population. Finally, and above all, this action belongs in the historical demarcation of the region of Mouzaki, integrating the whole of the diaspora, which—by this very fact—benefits from it and indirectly participates in it: infrastructures and services in the area which the diaspora uses, meeting of its associations in their settlement towns to decide about the strategies and actions to be conducted in their village of origin.

The development plan ensuing from this is simple: it aims at the development of the local resources, the know-how and specialization in certain crafts activities to ensure locally an increase in value added, taking into account the growing interest of the consumers in the rural areas and in quality products. The ownership of such an objective by the local community has ensured sustainability of the participatory process. Following the inclusion of the area in the programme LEADER II in 1998, two additional programmes, LEADER+ (dedicated to soft actions and networking) and PIDER (dedicated to major actions, such as the creation and modernisation of industries) were implemented in 2002. This funding involved 21 projects submitted by 17 enterprises, of which 7 in the wood sector and 8 for the processing of stockbreeding products (cf table 3 in annex).

5.5. Results

After a quarter century of implementation of European policies and 15 years of action by the Development Agency, the productive potential of the area of Mouzaki rests on three pillars:

1. 2500 family farms (FF), specialized in extensive breeding in mountain and piedmont zone and the main crop AF (cotton, corn ...) in plain zone. A large portion of the productions is sold via external trade networks on extra local markets. In the field of stockbreeding, a small portion of dairy products is claimed by local cheese-making factories and by farm production

¹¹ ANKA employs today 70 staff of diverse training backgrounds and is divided into 5 departments: Rural Development, Environment, Social Action, Innovation Entrepreneurship and Planning.

to meet the needs of a small market closely related to the diaspora. There is also a local market for meat, especially during the summer season. As for vegetables, they are sold directly on the markets of neighbouring cities, while the flourishing bee-keeping industry has its own markets.

2. 480 local trade companies and family enterprises of traditional handicrafts serve the local market which they control and in which is included that of the diaspora (construction of second homes, purchase of meats by the visitors, customers flocking regularly on weekends in the taverns). Many of them either have not been able and/or did not wish to participate in the various financing programmes, not so much for lack of initial equity (low interest rates after 1998), but more for lack of audacity, such as the enterprises of the clothing sector (cf table 5 in annex).
3. the remaining enterprises (23) which were modernised and most of which were integrated in the financing programmes under the aegis of ANKA comprise two main sub-groups:
 - a. The larger group belongs to the woodwork sector (furniture, joinery, kitchen). These enterprises comprise the design, manufacture and commercialisation of the products, while they have the possibility to recruit a locally skilled and flexible labour. The existence of immigrants in Germany has allowed the development of exchanges of know-how and technology between local and German enterprises. Today, their strategy aims at widening the markets via cooperation with construction enterprises and ones dedicated to marketing their products. The latter very often belong to natives of the country, established in the urban centres of the region and even in Athens, and they take over the launch and marketing of the product. They, thus, offer the enterprises of Mouzaki the possibility of achieving better efficiency (time of delivery, specialisation). Inter-enterprise relations are also developed: the task would be to reinforce diversification and specialisation in certain activities (framework timber, kitchens, furniture) under joint contracts. This type of cooperation seems to foster the emergence of a production system located west of Thessalia (Kalambaka, Trikala, Karditsa, Mouzaki), specialized in the wood sector. ANKA has already engaged in the process of optimisation of and support for this dynamics by proposing the set up of clusters via which it will then be possible for the local enterprises to extend their markets.
 - b. The second sub-group is composed of agri-food companies (butchery products, beverages, cheeses, tomato puree) whose markets are local, regional and national. Raw materials are partly derived from local production.¹² It is worth noting the importance of the cheese dairies to optimise and stabilise a high quality potential, as well as a local traditional know-how. The prospects are all the more positive as, since 2007, the feta (a cheese brand) holds a Protected Designation of Origin.

Since 1995 (cf table 4 in annex), the number of local enterprises has risen by 52%. This rise applies to Mouzaki and even more so to the nearby borough of Mavromati (117%). These enterprises cover the whole range of social, commercial and individual services. During the same period, the number of small crafts workshops in the Deme of Mouzaki passed from 44 to 57 (cf table 5 in annex). Most important of all is the striking growth of certain small entities based on an increase in their relative size and due to their modernisation. As a result Mouzaki had, in 2005, a number of trade, services and crafts enterprises incommensurate with its population and with its zone of influence.

¹² A large company producing butchery products based in Mouzaki, benefiting from the funds of the Structural Programme of the Ministry for Agriculture and the LEADER initiative, outsources its raw materials in Holland (pig) and France (ox), while it also sells its products on the local summer market.

5.6. Prospects

There are two dynamics underlying these processes: a formal dynamic (that of the European programmes) and an informal dynamic (ensuing from the participation of the diaspora), both of which are decisive for the development of Mouzaki over the past 20 years. Their convergence has allowed an opening up of the area onto the outside world, as well as access to new markets (Pecqueur 1989). This has created a new context favourable for relations between groups of producers and with the market. While today these two forces coexist and are complementary, they can in the future diverge, even become competitive.

The formal dynamics, being more selective than the informal one vis-à-vis the local productive system, responds to more sectoral objectives, criteria and regional evaluation levels. The cohesion of this area depends on osmosis between these two dynamics. The local authority seems, initially, to be best placed to ensure that this osmosis should allow the area-network to maintain at least its innovation and evolution capacities. However, certain pitfalls must be avoided:

- While the local project seeks to be better formalized, its success will depend on the degree of autonomy devolved to the local community, in order to achieve the objectives it has set itself. The strengthening of relations between the actors of local governance and the local community, as well as the flexibility of implementation allowed by the programmes constitute, in the final analysis, the key factors allowing the endogenous socio-cultural dynamics to thrive while leaning on a cooperation with the actors of the diaspora.
- ANKA and the local government can reinforce their role of intermediaries between all the levels involved in the choice of development actions and between the two dynamics. The strategy followed by ANKA rests on a continual dialogue with youth (unemployed, project bearers), and on training programmes in which there will participate, henceforth, the Vocational Training Institute and the IUT of Karditsa, both of which are specialized in joinery. There is, indeed, a need for training and qualification to sustain cooperation between enterprises and to maintain relations between the latter and the local community. Lastly, one of the priority objectives is to mainstream in the local projects initiatives emanating from the developers of the diaspora. The will to create an industrial chamber of the developers of the diaspora may be interpreted as the institutionalised expression of the territory-network/symbolic site.
- In the implementation of the programmes, the recent experience of the region shows that the lack of coordination between the local level and the higher levels sustains only the sectoral dimension, including in the case of local development policy. These programmes are more efficient in modernisation than they are in re-establishing the relations of the AF and the small companies in the area. Indeed, the dysfunctions observed on the level of coordination of national and regional authorities¹³ impede the undertaking of combined actions (for example, modernization of the farms and set up of local cheese dairies) which would contribute in a better optimisation of the local quality products. The centralized planning process (such as the Ministries' operational programmes) turns out to be little apt to factor in the socio-economic role played by the AF and the small enterprises within the local productive system. As for regional planning, it is not flexible enough to take into account the conditions and dynamics pertaining in the generic and specific resources of an area such as Mouzaki. This discrepancy between the AF modernization projects and those related to the processing and packaging of the products, caused by lack of consistency between programmes, has delayed the adoption of terms and conditions for local quality products,

¹³ These dysfunctions arise from bureaucratic conflicts (avoid the allocation of double subsidies) and are exacerbated by non integration of the development plans of AF in the local development projects (such as those of ANKA- processing and networking). This explains why the attempts at modernisation of stockbreeding farms in mountain zone, and consequently, the establishment of a cheese dairy, failed, while at the same time there is a perfectly exceptional cross breed of goat. The best ANKA could do was to install refrigerated milk tanks to improve the quality of milk.

such terms and conditions being perceived rather as bureaucratic procedure. Such a qualification process would, however, give the producers the possibility to gain better control over a fully thriving local market (residents + diaspora + quality tourism).

A area-based quality contract, besides the environmental and economic dimension, contributes to a better cohesion of the local producer groups and, hence, of the “motherland”. The participation by the local community to such a quality contract covering the whole range of local products, would ensure a better alignment of the economy with the culture and the local community. The local product acquires an additional value as a material element constitutive of the identity of the area, recognised by the customers and the diaspora. In fine, this movement legitimises not only the cultural demarcation of the local vis-à-vis a competitive market, but also the informal local dynamics in its encounter with the outside world.

5.7. The area and the diaspora

The movement towards the rural environment and the search for quality have fostered the development of Mouzaki and its area via a combined optimisation of the identity, the social and space asset, as well as the human and productive potential of a community part of which is immigrant (diaspora). In this context, attachment to the homeland and to identity creates proximities other than geographical and facilitates smooth interactions, as well as coordination, between remote actors. Its actors rally in and out of the new institutional, administrative and political framework that increasingly governs the relations between the local level and the higher levels.

The outcome of this "movement" was, above all, a consolidation of this micro-region becoming an identity land and a symbolic system, thanks to which the agricultural pole of Mouzaki recovered its role of intermediary between the mountain hinterland and the urban markets, and this, on a new basis: a) it restores its relations with the hinterland by developing it as a space for consumption, b) it controls via the informal networks (in which the diaspora is integrated) the multiplier effects of the phenomenon of second homes and develops it on scale level, and c) it extends its market and its customers to the whole region based on the assistance brought by the diaspora, local governance and LEADER type programmes. It is actually a "network-system" which reaches in and out of boundaries of the historical territory. This evolution is doubly beneficial for the area: it restores the socio-cultural bonds between the diaspora and the motherland, while conferring upon it, at the same time, an economic dimension.

The current competitive advantages of the area of Mouzaki rest on the strength and soundness of these bonds, corresponding to a strong feeling of belonging to the country, which, in its turn, fosters the solidarity within networks of an economic nature. So that this development could be sustainable, these bonds and networks must be maintained and they should preserve the effectiveness to adapt to future situations.

5.8. New context for a more effective local governance

In the case of Mouzaki, the economic integration of the diaspora has contributed in reinforcing and, obviously, in continuously reproducing these bonds and relations with its area, hence the latter's identity. This evolution which fosters local cohesion, solidarity and networking constitutes the true value added of the area, since it ensures a sustainable process of reproduction and accumulation of its socio-cultural asset. Local governance actors, having become aware of the

scope of this asset of which they are themselves stakeholders, increasingly contribute towards a greater osmosis between the informal dynamics and those of a formal character. The optimisation of this vitality of local culture and identity indeed allows (i) the local players to strengthen their capacity to reproduce the space and sociability, while acting upon them, and (ii) the area to undertake its development apart from a hierarchy resting on general principles inspired by the centre-periphery model.

However, if this rural area has managed to forsake its “non-community” and marginalisation status, it is thanks to the advent of a area-network. The latter, optimising the mode of organization into a network of its community and its asset (rules and values system), has been able to reinstate, in its favour, its human potential and to mainstream it in its productive system. It thus gathers a capacity which enables it to generate productive activities in a time and a space which are not always those of its initially limited geographical space.

Henceforth, this area-network should not lose its endogenous capacity of regeneration and innovation. Maintaining its cohesion becomes the strategic objective, since it is this very same cohesion which can build the confidence thanks to which the bonds and networks which have developed jell and thrive. Indeed, it is the role of the latter which has proved to be paramount for this relational economy in Mouzaki. They explain how this area-network could overcome the factors determining its former underprivileged position: (i) the relational proximity and the progress related to transport and NICTs have helped bypass the distance handicap, (ii) the active reinstatement of the diaspora actors partly compensates for the low density and, finally, (iii) a local governance allowing optimisation of public and private potential, as well as that of E.E. policies, and this, without getting exclusively through the major urban decision-making centres, makes up for the administrative deficit.

6. RURAL GOVERNANCE

With regard to women and youth participation in the election of local government, a law dating back to 2001 stipulates a threshold for woman participation (set at 1/3) in making up the candidates lists. Besides, a presidential decree issued in the Official Gazette in 2006 provides for the set up of youth municipal councils: to date, 200 councils have been set up on a participatory basis, and are due to be elected for the first time in 2008. This mechanism is steered by the Secretariat-General for Youth. As for cultural associations, they include among their members a large majority of youth.

On local level, the rural areas have such structures as women associations, cultural associations and, especially, women cooperatives. These various structures more or less integrate the diaspora networks. They participate, on a second level, in the national organizations of a rather trade-union character (Federation of Women Associations), but the question arises as to the coordination of these structures on local level for a better effectiveness of women participation in local governance.

For some ten years now, there have been many initiatives which fostered the creation of women cooperatives in rural areas. To date, 132 cooperatives are in operation and are distributed throughout the Greek territory, though with a significant variation according to the areas. Women cooperatives are involved in production and integration into the market, and they increasingly participate under the form of networks and/or clusters towards a more effective promotion of their products. They are, in addition, very often implicated in the information,

support and coaching mechanisms. More generally, it is worth noting the existence of a female entrepreneurship dynamics actively participating in rural development, irrespective of the relevant programmes. This dynamics is manifested in the women cooperative movement, but also in the rise of a multi-activity within the household focused on trade, or, again, in the emergence of a dynamic craft industry geared towards a high value added production targeted at a niche market.

The representation of farmers on local, regional and national level is channelled via various types of structures: producer cooperatives and groups, farmer associations or trade unions, and local organizations of land property improvement. They take part in the co-management of the agricultural sector on central level, via their national confederations. However, there are not representations of these structures on regional level, although the latter has been chosen by the State as the most relevant for specification of the national planning framework. In addition, the weaknesses presented by these bodies on both national and local level no longer enable them to efficiently represent the interests of the farmers. Indeed, even though there are in Greece 6 326 first tier cooperatives (one per village) and 112 cooperatives unions, the former are limited to the granting of agricultural credit, and the latter have been at grips with a crisis for the past twenty years. The main reasons for this crisis are connected with stronger competition on external markets, their operation which does not make a distinction between the elected body and that of the administrative technicians, and the absence of a productive purpose on internal level. In order to boost the participation of farmers in the planning and development of projects, on regional level in particular, it is necessary to reinforce the existing intermediate structures, and bring on board the new forms of producer groups.

In terms of devolution, there are two types of mechanisms relating to sovereign purview or traditionally belonging unto the State. One emanates directly from the ministries, and evolves according to a hierarchical system, and the other emanates from the regions (the last devolution level).

Under the direct supervision of the Ministry of Health, the National Health Care System evolves according to the distribution and the concentration of the populations. Apart from the hospitals located in the major urban centres, this system comprises a network of health care centres—established in small cities—and medical houses—in purely rural areas. This set-up is found in the education system which, although presenting a certain rigidity, has recently opened up to taking into account rural areas by mainstreaming, in school curricula, both local history and culture.

With regard to agriculture, the divestiture of the State in the field of extension is a fact. It remains active in the field of information on a general level, and intervenes locally in the field of training (e.g.: vocational training body of Dimitra farmers). All services concerning the implementation of the Common Agricultural Policy are also carried out and supervised by the devolved State services. On the other hand, within the framework of the European development programmes, it is development agencies which take over the coaching of the farmers. It is worth mentioning that a certain number of new services and structures are tested within the framework of development programmes for a future integration in the services devolved on the level of the nomarchie (department), such as the rural development centres and, outside of agriculture, the investors' reception centres.

The State exercises exclusive control over all matter related to the environment, ecosystems, forestry and water. But the legislative framework provides for the establishment of management authorities involving a representation of and a participation by the local community, even though, as already mentioned, the organisational weakness of the local communities and the intermediate bodies does not make it possible for local actors to participate in the organization and operation of the these new institutions.

The management and implementation of rural development policies are conducted by the devolved services up to regional level. The regional council, composed of representatives of the regional community, though not elected, participates in the design of the regional development plan. Control is ensured by a special management service, with approval by the secretary-general of the region.

The majority of the old services decentralised on departmental level were devolved to the decentralized body of the same level, the *nomarchie* (department). However, this integration has not led, for that matter, to a coordination of their interventions, which still proceed according to a rather sectoral logic, such as sustained by the European and national programmes, and this more especially as the real missions of the *nomarchie* are relatively limited. They are mainly of three types: counsel and proposal, participation in planning and its control, and observance of the legislation and regulations. This situation has weakened the status which could have been conferred upon it by the devolution laws of 1994 and 1995. One of the major deficiencies clearly lies in the fact that the purview of these second tier communities is not sufficiently precise compared to that of the regions and that of the first tier local government. The mission of the *Demes* or *communes* is the promotion of the economic and social, as well as the cultural, interests of their resident population, and they are called upon to become the true actors of the planning and implementation of local development. While the legislation has extended the devolution of many prerogatives to the local communities, the latter do not receive the financial resources allowing them to exercise such prerogatives. Indeed, the *Demes* do not have a dedicated taxation strictly speaking. Their incomes come from various sources, without they being fully under the control of the community:

- a direct State allowance according to the demographic size of the *Deme*;
- transfer by the State of a tax on electricity;
- direct levies on water consumption by the municipal water management enterprises on behalf of the *Demes*;
- possibility, for rural *Demes*, to lease part of the municipal land for an exclusively agricultural use;
- a new tax set up in 2007, in replacement of various taxes and related to the incomes and profit of the liberal professions, trades and enterprises established on the municipal area (ranging from 0.2 to 0.7 %, with a set minimum of 50 €).

Thus, the lack of experience and means of the local communities (local government) does not enable them to engage a true policy of development and land planning on local level, in consultation with the State devolved bodies and the local authorities.

The increasing implication of the local actors in European programmes presenting a trans-national and interregional component fosters an opening up of local communities to cooperation and allows the transfer of innovations and best practices for capacity building in matter of governance. But the sustainability of this implication is not systematically assured and it is largely dependent on the degree of competence of the institutional players steering the projects.

In fine, despite a well advanced process of devolution and a real participatory movement on local level, the current institutional operation does not help fully achieve the objective of addressing the inequalities of development on regional level and between urban and rural environment. This is due to four major reasons:

- the institutions and communities (*Demes*, departments, areas) are nascent and are still hampered by a lack of relations between them;
- there do not exist sufficient intermediate structures between the local actors (municipalities, enterprises), and the institutional actors (department, region, State). This lack of forums

for discussion, integration of interests and trade-offs does not allow an eliciting and consideration of the needs, for a better prioritisation and consistency of the actions. There are, consequently, few leaders and spokesmen sufficiently involved, recognized and charismatic capable of taking up unifying projects on local level;

- the level of implementation of the development actions (departmental and infra-departmental) is not the initiator of the selected orientations (State and Region decisions) and is deprived of dedicated financial means;
- finally, the local level experiences a lack of coordination of the range of existing participation structures and spaces allowing the implication of the local community, and with the local government.

IV. PART 3: MSDD IMPLEMENTATION

1. TRADE LIBERALISATION AND OPTIMISATION OF HIGHER QUALITY MEDITERRANEAN PRODUCTS

1. Promote awareness in view of the coming Euro-Mediterranean negotiations, while calling attention to the risks attendant upon a too rapid liberalisation and to the need to adopt gradual and asymmetrical approaches, with a view to particularly protecting the vulnerable rural populations of developing countries.

On the international scene, Greece stood in favour of a gradual liberalization whose pace had to take into account the necessary adaptation of the most underprivileged areas. According to this position, the possibility for the Greek rural areas—and, by extension, those of the Southern Mediterranean—to withstand global competition requires a reorganization of the productive systems which must be focused on a quality production of high value added.

2. Coordinate the regional and national initiatives aimed at mainstreaming, in the future Euro-Mediterranean programmes and neighbourliness agreements, the issues related to sustainable agricultural and rural development.

In view of its initiatives taken as regards Euro-Mediterranean cooperation or, again, the prospect of creation of a Mediterranean Union, Greece is increasingly emerging as a regional leader. During the Greek presidency of the European Union, its objective was an upgrading of the Barcelona process and the implementation of the action plan adopted by the 5th Euro-Mediterranean Conference of the Ministers of Foreign Affairs. It proposed the adoption of a new Community policy targeted at the "new neighbours", and gave priority order to policies related to the environment and sustainable development, by proposing in particular a principle of a larger contribution by the society of citizens to the implementation of the Barcelona process and taking this contribution into consideration by governmental bodies. Within the framework of its presidency of the Euro-Mediterranean Parliamentary Assembly (March 2007-March 2008), Greece put forward, as political priorities, environmental protection and addressing climate change, as well as energy efficiency, energy security, the development of environment friendly technologies and dissemination of renewable energy sources. As regards institutional priorities, it encouraged the adoption of initiatives for promoting the role of the Euro-Mediterranean Parliamentary Assembly (APEM) as a parliamentary institution of the Barcelona process, in order to contribute in the establishment of operational linkages between APEM and the works of Euro-Mediterranean cooperation.

As regards regional co-operation, Greece has incepted the implementation of an Economic Adjustment Plan of the Balkans (ESOAB). This five-year programme (2006-2011) should contribute in the economic stability and sustainable development of Greece's neighbouring countries (Albania, Bosnia-Herzegovina, Bulgaria, Montenegro, FYROM, Romania, Serbia and Kosovo). 79% of a total amount of 550 M€ are earmarked for heavy infrastructures, 20% for projects of productive reorganization in the processing and farming sectors, while the remaining 1% is dedicated to small projects (mainly of a social order) intended to be invested directly in the service of the local populations. Besides, a review of the bilateral cooperation of Greece with the

Mediterranean countries reveals that, over the past ten years, both the agreements signed and the actions undertaken have intensified, particularly with regard to agricultural and rural development. The cooperation programmes aim primarily at the development of a quality production with a high value added, and relate in particular to the training of agricultural staff (devolved or decentralized qualified services, agronomy schools...).

3. Promote a regional policy aimed at fostering local agricultural varieties and the recognition of the quality of such typical Mediterranean agricultural produce such as wine, olive oil, vegetables, fruits, flowers, durum wheat and animal products. Create a favourable regional environment likely to help the countries develop effective policies and procedures in matter of labelling, quality designations and certifications of foodstuffs, as well as promote the Mediterranean diet.

From a perspective of optimisation of Mediterranean emblematic products, Greece has implemented a programme of event-related test actions in order to promote Greek agricultural products of a particular interest, via the recognised model of Mediterranean diet. After selection of a range of quality products of high nutritional value, the mechanism consisted in the development of a top-of-the-range packaging referring to a strong emblematic image, and the promotion of these batches on the international scene, through events (Olympic Games, for instance) and by means of a whole range of ICT supports.

2. PROMOTION OF A PRODUCTIVE AND RATIONAL AGRICULTURE

4. Implement, in developing countries, agricultural policies aimed at improving the agriculture support framework, in particular land property and water policies, extension and training, access to credit and markets, strengthening of farmer associations and professional organizations.

Most of the elements have already been addressed in part 2.4.1 of the present report, in particular with regard to land property policies, and those related to extension and training, as well as access to credit and markets. Moreover, the policies in these fields belong within the larger framework of the common agricultural policy. It is, however, possible to clarify certain aspects, in particular the point that one of the originalities of Greece lies in the fact that—contrary to what is envisioned in the European Union guidance—there is no land property policy aimed directly at land concentration.

As regards the water policy, the management authorities (catchment areas, shallow aquifers) are in process of establishment, as provided by the National Land Use Plan and the EU Water Directive.

Extension is increasingly the purview of the private sector, and training is provided by public bodies (e.g.: Dimitra).

In the short term, access to credit is easy as there is no threshold for farm area; however, as already pointed out, the institutions do not recognise the pooling of farmers for the realization of investments.

Greece has supported cooperatives unions, but to no avail. The State attempted to reform the system of producer representation, by aligning its constituency division with that of the kapodistria reform (law on decentralization having established the Demes (basic administrative units)). New forms were proposed, such as producer groups and inter-professional product-based

groups, with mandatory participation; but these structures operate mainly as bodies with an administrative and subsidy management purpose.

Real progress is reported with regard to adapting the products to the trend towards quality marking the demand (certification, traceability of products, indication of product features, improvement of packaging/ design). There is also assistance in marketing via promotion action (fairs, promotional documents, etc...), and the promotion of local enterprises is sustained by the Chambers of Commerce and Industry on departmental level. More and more programmes focus on cluster formation.

5. Foster and/or step up the creation of networks between Mediterranean countries to disseminate and implement dedicated and innovative agricultural practices, in particular to reduce the consumption of water, fertilisers and pesticides, to promote organic farming, local agricultural varieties, traditional know-how, to use alternative energies and to restore soil fertility.

Such networks were set up within the framework of the European Union INTERREG Programmes. However, these are programmes that do not facilitate the integration of the Southern Mediterranean Countries (SMCs), either because the eligibility criteria do not envision their participation, or because these countries cannot qualify for European funds even when they are integrated in partnerships. Moreover, as most of these initiatives emanate from Development Agencies, the handicap of the Southern Mediterranean countries lies in not having such structures. For instance, the trans-national component of the LEADER programme could not integrate countries from the Southern rim of the Mediterranean, the latter not having Local Action Groups. One of the major impediments to the creation of such cooperation networks on Mediterranean-wide scale arises from the lack of associations and participation forums representing and directly implicating the local community in the countries of the Southern rim.

6. Foster regional consultations between Mediterranean countries, in order to adapt to their specific needs the current legal framework which guarantees national sovereignty in matter of genetic pools, biodiversity and rights of control over the use of GMOs, as well as of regulation of their transport and their dissemination in conformity with the Cartagena Protocol.

The Cartagena Protocol was ratified by Greece in 2004. The country had taken a decision to prohibit GMOs on its territory until 2007, date on which the issue was due to be re-examined. However, the detection of traces of Genetically Modified Organisms in the products and their indication by labelling, if need be, are not effective.

3. RURAL DEVELOPMENT AND LOCAL GOVERNANCE

7. Step up the national efforts to promote sustainable agricultural and rural development programmes and plans based on local and participatory development, in order to mitigate regional and social imbalances and to improve the living conditions of the rural population. To this end, there is a need to grant particular attention to the upgrading of infrastructures and services and to economic diversification, in particular via rural tourism, clean industry, agri-food industry and services.

These actions are conducted not only via LEADER or PIDER type programmes, but also within the framework of planning, under the operational plans developed by the Demes (basic administrative units). The upgrading of infrastructures has mostly been completed (roads, drinking water supply networks, power networks, wastewater treatment plants and sanitation

networks, separate waste collection centres and waste treatment plants). These infrastructures have received and still receive national and European funds.

Development Agencies were established as from 1990 and cover all departments. Other support bodies increasingly intervene (Agricultural Extension Centres, Information Centres, Regional Centres for the Development of Enterprises and Technology, Investors Reception Centres, Centres of Administrative Services to the Population).

As regards activity diversification, agro-tourism, clean industries and agri-food have been promoted by the LEADER programmes (since 1992 and, more massively, since 1999) and/or PIDER programmes, via national investment laws or, again, via sectoral policies.

The obstacles hampering a stronger participation by the local actors to the formulation and development of local strategies and participation processes in general arise from lack of experience of the local communities and absence of adequate support mechanisms.

It is also worth noting the difficulties connected with non-synchronization between regional and sectoral policies, i.e. between the Ministries and the Regions. Lastly, the lack of mainstreaming of development actions in integrated projects does not allow multiplier effects of the investments on local level.

8. Promote regional policies and foster national programmes that optimise a multi-functionality of agriculture, in particular its aptitude to factor in landscapes on economic and environmental level, traditional lore and know-how, as well as the cultural heritage, via tourism and other activities.

Actions related to the optimisation of the landscape and the cultural heritage are integrated in the national and regional community development programmes, within the framework of European policies.

9. Build the capacities of negotiation and governance of the communities and local actors, in particular by fostering local rural development initiatives, and programmes aimed at fostering women participation in decision-making processes.

Decentralization has provided the institutional framework necessary to participation by the local community in the development of municipal operational plans. However, the small size of the rural Demes and the weakening of the role of the departments (second tier local authorities) are not conducive to the emergence of local governance. In this context, the Area (last devolution tier) remains still the nearest interlocutor for a number of isolated Demes.

The experience acquired by bilateral and interregional cooperation within the framework of such European programmes as LEADER or INTERREG has fostered the emergence and building of local community governance capacity, but the sustainability of such governance remains partly dependent on the maintaining of this type of programmes. There may be noted, nevertheless, a reinforcement of the participatory process on local level, and this, thanks to local associations and NGOs whose role has been boosted by their participation in national and European programmes in the field of social and solidarity economy (women cooperatives, networks...).

4. SUSTAINABLE MANAGEMENT OF RURAL AREAS AND THE MEDITERRANEAN NATURAL ENVIRONMENT

10. Identify and implement the relevant regional actions likely to contribute to the implementation of the International Conventions on desertification and biodiversity.

Greece has signed all the International Conventions on environment protection and biodiversity (RAMSAR, CARTHAGENA...), while it has promoted actions within the framework of the related EU directives (94/43/EC, 79/409/EEC and 81/854/EEC), in particular via the Natura 2000 network. Greece has had, since 1986, a national law (1986/1650) on environment protection (sensitive ecosystems, biotopes, rare vegetable and animal species).

With regard to desertification, Greece established, in 2000, the National Committee to Combat Desertification, under the aegis of the Ministry of the Environment, Land Use Planning and Public Works (see further down, item 16 of the MSSD).

11. Mitigate the impact of desertification and the irreversible loss of farmland and biodiversity. A desirable objective would be to reduce by at least a third, by 2015, farmland loss due to erosion, salinisation, desertification, urbanization or other forms of abandonment. An objective to be reached as regards biodiversity would consist in putting an end, by 2010, to the loss of land biodiversity in the EU Member States, and in substantially mitigating it in the other Mediterranean countries.

12. Promote, particularly in the underprivileged rural areas of developing countries, programmes of sustainable agricultural and rural development, biosphere reserves and regional natural parks, as well as contractual land development plans to incite the local communities to ensure a sustainable management of farmland, wooded rangelands and areas.

Greece has made progress in the characterization of protection areas, biosphere reserves and regional natural parks. It has also developed regulatory and incentive land planning frameworks for the management of the areas and the environment which the local management and development projects must take into account.

13. Promote initiatives for the reconstruction of degraded forestry stock in order to restore the forests' ecological functions and their capacity to contribute in a sustainable rural economy and to provide key ecological services.

The index of the average pace of evolution related to the reconstitution of the forest cover shows a relatively good capacity of Greece for post-disaster (fires) response. This index is of 0.9 for the period from 1990 to 2000, which ranks above the European average (0.69), even though the gap with respect to certain countries remains significant (maximum 3.70), thus showing that a quite considerable improvement is still possible.

14. Extend protected areas by providing them with sufficient means in order to enlist the implication of the local communities. A desirable objective would be to place under protected area status, by 2010, 10% of the Mediterranean land ecosystems.

Most of the elements have already been addressed in part 2.1 of the present report. Setting up the management authorities of the Natura 2000 areas (Law 3044/2002) falls within the purview of the Ministry of the Environment, Land Use Planning and Public Works. Out of the total 359 Natura network areas (covering 19.1% of the national territory), 144 have already conducted feasibility studies, and only 27 of them have set up management bodies. These bodies are faced with a lack of funds and technical support.

15. Promote political decisions aimed at protecting agricultural areas against artificialisation, based in particular on local and national land use plans having the force of law.

Greece has national and regional land use plans which define, inter alia, the protection of farmland. Over the past few years, more and more first tier local communities (local government) have developed local land use plans which regulate land use and protect in particular the more fertile (high yield) farmland. These plans propose today zonings which integrate areas characterized as being multi-functional.

16. Promote adaptation to climate change by developing scientific monitoring based on dedicated observatories, by optimising research on arido-culture (dry land farming) techniques and by planning possible adaptation or conversion of most endangered agricultural areas.

As mentioned above, there is a National Committee to Combat Desertification which, in 2000, issued a national report that took stock of the situation and put forward proposals. Since 2000, the institutional framework has envisioned the creation of an Institute on Combating Desertification; however, this institute has only a few full-time researchers and does not have funding for its operation.

Moreover, much of the research work is conducted by university research units or research centres within the framework of international or European programmes, without there being coordination on national level.

V. PART 4: RECOMMENDATIONS

1. / Family agriculture still holds a major position and plays a key role in the functioning of the Mediterranean society and economy. It is thus strongly recommended that the rural policies in the Mediterranean should take into account the characteristics of this agriculture and more especially:

- the existence of a cooperation developed within the extended family, thanks to which the latter has been able to, and still can, make up for the deficiencies of the agrarian structures (small size of the farms, fragmented character of the land),
- the development within this family agriculture of close relations with the socio-economic environment, especially through multi-activity. The latter, as an activity and a source of employment, constitutes an intermediate form likely to meet the requirements of conversion of agriculture and diversification of the activities. It is noted, however, in the Mediterranean, that this form of activity is still insufficiently recognized and mainstreamed in the institutional mechanisms.

In this regard, it seems essential:

- *to undertake a statutory recognition of multi-activity on the level of national policies, while its mainstreaming and its development must be fully ensured within the framework of local development projects;*
- *to design a flexible and adequate institutional framework, recognizing the de facto cooperation between the farms, while the eligibility criteria (projects terms and conditions, credit eligibility...) need to envision the integration of these forms of cooperation.*

2. / The efficiency of the projects (absence or weakness of the results) is very often put into question by a lack of organisation and coordination between the various levels of institutional interventions throughout the design, implementation and ex-post review process of a project integrating various activities or actions (e.g.: “branch” type projects).

This necessary coordination could take on a mandatory character, by means of a system of shared legal responsibility between the various institutions involved in the project, in order to minimize, in particular, the risks attendant upon cumbersome bureaucratic procedures.

3. / Nowadays, rural development is primarily approached via sectoral policies and/or according to the type of area considered, with—in addition—a focus on vulnerable, underprivileged or disadvantaged areas, without always integrating them in their local context. The programmes, be they integrated or sectoral, do not intervene on the level of territorial units, i.e. old geographical units, very often presenting a marked identity character and a space and economic cohesion. Even LEADER type programmes, though they are targeted at local communities, can intervene only in areas demarcated by the European Union. In the case of Greece, these eligible zones hardly identify with the rural geographical units.

In this regard, it is proposed:

- *to grant priority to the policies of development of rural geographical units and not of rural areas.¹⁴ Rural development policies must be focused on geographical entities in order to contribute in their “geographical*

¹⁴ A fuzzy concept which can hardly be demarcated with precision.

demarcation”, by inciting the local actors to design and submit integrated development projects within a functional and autonomous area. Such an approach would help ensure that none of the organic components of the geographical unit (small town, plain, vulnerable and/or underprivileged area) be neglected, if not excluded, from the scope of intervention. This would also avoid spreading the interventions too thin, while fostering a better mobilisation of the actors to achieve an efficient rural governance.

- *to increasingly mainstream rural development funding in policies that are less fragmented and more focused on the areas constituting or likely to generate a pool of employment and rural life. This would indeed contribute towards identifying new development units and, consequently, easing the constraint of an administrative grid.*

This shift of the policies towards a greater “geographical demarcation” can only obtain when a shift is made from a criterion of underprivileged and marginal areas to a criterion of integration of the activities within a local socio-economic fabric, which is indeed the very essence of an integrated project. Once it is the integrated character of the projects and the activities that is put to the fore, this then implies that new relevant indicators need to be selected in order to back up the national sustainable development policy and to allow for a more efficient monitoring. Among these indicators, the following are worth mentioning in particular:

- Ratio of top-down projects/ bottom-up projects,
- Share of investments generated by bottom-up projects in the total investments,
- Evolution of the number of projects implemented in geographical units comprising a small town,
- Number of rural Demes (basic administrative units) having implemented an operational plan,
- Number of bottom-up projects per operational plan,
- Implication or not of local associations and NGOs in the integrated projects,
- Implication or not of the natives (such as the diaspora associations) that participate in the implementation of the project,
- Share of the local employment created by the activities integrated in the projects.

It is worth emphasising that, in view of the nature of the indicators proposed, it is essential that at the time of the very design of the integrated project, a proper mechanism be designed in order to be able to monitor, on local level, the integration scope and centralize the information on departmental level.