

Conference
Islands in Cohesion Policy
How to take into account specific characteristics of islands
European Parliament- Strasbourg
10.03.2016

‘THE SOUTH AEGEAN REGION: THE GREAT PATIENT OF COHESION POLICY’

Dear Members of the EP,
Dear Mrs. President of Regional Policy,
Ladies and Gentlemen,

Let me begin by saying that the Regional Governor of South Aegean, Mr. George Chatzimarkos, sends his regards and sincere thanks to all of you who stand fighting by our side, by the side of islanders, so that islands have an equal standing within the EU Cohesion Policy.

A policy that unfortunately has not taken into account the particularities of insularity and the specific problems that derive from it, such as:

- the limited and expensive access
- the excessive charges in infrastructure and services
- the lack of economies of scale
- the limitations of market size for the local manufactures
- the general financial, social, environmental and cultural vulnerability.

Not to mention the inequalities that exist between island regions (interregional), but also within regions (intraregional). An example in point : the geographically unified island region of Crete (one island) bears no resemblance to the South Aegean island region, which is an archipelago with multiple islands and which in turn presents extreme intraregional inequalities.

POSITION OF THE SOUTH AEGEAN REGION (SAR) IN THE WIDER GEOPOLITICAL SYSTEM

The South Aegean Region is without a doubt the very definition of insularity. It includes 79 islands, of which 50 are inhabited and of which 39 (three quarters) have a population smaller than 3.000 inhabitants; not including the multitude of islets that exist within this archipelago.

Due to its geographical position in the south-east Mediterranean border of Europe, it is a region of immense geopolitical importance, which, unfortunately, is plagued at this time by huge refugee and migration flows, as does the whole of Greece.

WHAT INSULARITY MEANS FOR THE S. AEGEAN ARCHIPELAGO

Every island of the SAR is beautiful, unique, with its own distinct identity. Many are popular tourist destinations, such as Santorini, Mykonos, Rhodes, Kos, Syros, Naxos, Kalymnos, Karpathos, et.al.

It is through this beauty, uniqueness and attraction that the greatest difficulties emerge, stumbling blocks that we face in our everyday lives and in every developmental effort aiming at the improvement of the living conditions of the islanders.

The great distances that exist between the islands, both from the seat of the region and the capital of the country, constitute a “triple insularity”, which leads to increased demands for spacial, financial and social cohesion. A classic example: An inhabitant of Kasos who needs to travel to the seat of the region, Syros, will have to travel over 20 hours, at a high cost (about 250€) and, of course, will need to do so only when transport is available, which, especially in the winter season, is very sparse. (The Odyssey of an Islander)

What is considered as a given in a continental area cannot be implemented in our region. We cannot take advantage of any economies of scale and any important infrastructure in one island cannot have a direct impact in the development of the others. On the contrary, every island, even the smallest one, demands an adequate set of infrastructures: a safe port and road network, a modern water and sewage system, reliable and staffed infrastructures of health and education, an appropriate waste management system.

S. AEGEAN REGION: NEEDS IN BASIC INFRASTRUCTURE

Let us suppose that the SAR was geographically unified, like Crete; its needs in infrastructure would be much smaller, as we would need, in terms of Public Services, **3 ports, 4 tourist ports, 1 airport, 1 hospital, 10 health centres, 8 sewage plants, 4 sanitary landfills and 1 power plant.** In real life, as an archipelagic Region, we need multiple such basic infrastructures, as our inhabited islands are 50.

Therefore, **additional resources** are necessary, both because of the need for every island to acquire a network of public infrastructures **and** the increased cost in construction and business, which *trebles* due to the distance from the metropolis.

THE SOUTH AEGEAN REGION AMONG THE MOST DEVELOPED REGIONS.

A **gross injustice** has been imposed against our archipelago in the last decade, due to the devastatingly leveling statistic that considers only the regional GDP as a measure for the islands’ well-being.

While during the **2000-2006 period** the SAR was in **Target 1**, in the programme period **2007-2013**, due to a statistical ‘distortion’, it fell under **Target 2**, view «Regional Competitiveness and Employment» (Article 37 of the Regulation 1083/2006), as the per capita GDP of the five bigger islands of **Rhodes, Kos, Santorini, Mykonos and Naxos**, increased the total regional GDP, pushing the other less developed islands (45 in number!) to that Target.

An injustice that continued in the new programme period **2014-2020**, as the SAR was categorized under the **More Developed Regions**: an aberrant statistical categorization that basically diminishes the EU cohesion policy in our islands.

THE RESULTS OF THIS INJUSTICE

- Widening of the inequality between the 1st, 2nd and 3rd speed islands and between the Region as a whole and other European regions
- Lack of developmental prospects
- Inability of the Region’s harmonization with the EU2020 Strategy in many areas
- Reduced resources – inadequacy in relation with the real needs

THE SITUATION TODAY

The South Aegean Region is the European region with the highest reduction of GDP, at a dramatic -35 % of the per capita GDP from 2010 to 2013, according to the latest Eurostat figures (2014).

WHAT THIS MEANS

That means that if the last regional GDP statistics were used to calculate eligibility for Structural funds in 2011, 2012, 2013 and not in 2008, 2009 and 2010, the S. Aegean region should change category from **More Developed Region** to **Transition Region**, being very close (1%) to the threshold to be considered as a **Less Developed Region**.

If we take into consideration the 2 major problems that emerged in S. Aegean from 2014 to 2016:

- ❖ The uncontrolled influx of refugees/migrants to our islands,
- ❖ The abolition of the Special VAT status (reduced by 30% for products and services, as stipulated by article 17 of the law 1642/1986),

both factors that affected our tourist product and the socio-economic cohesion of our islands, **then the S. Aegean should be categorized as a Less Developed Region for the programme period 2014-2020.**

HOW COHESION POLICY CAN HELP

- ❖ **Review of European region categorisation** (as analysed earlier)
- ❖ **Support to European islands for the realization of the EU2020 targets**

We need to develop the necessary support mechanisms and financial tools for the realization of projects that will contribute to the realization of the EU2020 targets with a particular focus on resolving the specific issues faced by islands.

This practically means more resources for the development of a broadband network infrastructure, for E&A as islands are lagging behind in that regard, for realizing the energy targets 20/20/20, for fighting population reduction and poverty, among others.

- ❖ **Institutionalising the Insularity Clause in all European and national policies**

Despite the fact that insularity has a legal basis both at an EU level through the Lisbon Treaty (Article 174 paragraph 3) and at a national level (Greece) in the last constitutional review of 1975, where there are 2 separate verbal references to islands (articles 101, par. 4 and 106, par. 1), **in practice** the insularity clause is still a requisite, is it not?

CONCLUSION

Insularity has its own codes, its own semiology and carries its own issues that diversify from island to island and from region to region.

The moral basis for a fair insular policy in the framework of our Cohesion Policy should be based on the dictum: "**Treat equals equally and unequals unequally in proportion to their differences**", which simply means that when one treats in an equal way those that are not equal this leads to a violation of the Principle of Equality.

Thank you for your attention.