

Improving the quality of multi-level governance and strengthening the  
resilience of island economies of Croatia, Greece, and Sweden

TSI - MCP/23EL34

# Policies for island development

## GREECE

Draft report

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## Introduction

Islands are vital components of Greece's geographic, socio-economic, and cultural landscape. With 114 inhabited islands across the Aegean and Ionian Seas, they form a uniquely complex governance environment—characterized by remoteness, environmental sensitivity, demographic shifts, and economic dependence on volatile sectors such as tourism.

This report explores the current state of Greece's island economies and argues for targeted, place-based policy interventions to enhance multi-level governance, boost regional resilience, and promote sustainable development.

Despite shared geographical and ecological traits, Greek islands are highly heterogeneous in terms of administrative status, population, economic specialization, and accessibility. Their economies range from hyper-tourism-dependent hotspots like Mykonos, Kerkyra, Kos and Santorini, to more diversified or maritime-cantered economies such as Chios and Kastellorizo. Many small islands face "double insularity," limited public service provision, and declining demographic trends, while others experience overtourism and environmental degradation.

The islands contribute significantly to Greece's GDP—largely through tourism and shipping—but remain structurally fragile/vulnerable to external shocks. South Aegean, the top-performing island region in terms of GDP per capita, still lags behind EU averages and ranks low on both innovation and competitiveness indices. Meanwhile, sectors like manufacturing and agriculture are underdeveloped or disconnected from the main economic drivers.

Environmentally, water scarcity, waste management, and seasonal overuse of infrastructure remain critical concerns. Socially, access to healthcare, education, and year-round transport affects the well-being of residents and the viability of long-term settlement. The policy landscape, while evolving, still struggles to align national, regional, and local efforts into a coherent island development strategy.

The dominant tourism-led growth model, while beneficial in the short term, is proving unsustainable. Issues such as population decline, seasonal volatility, pressure on services, and environmental degradation underscore deeper structural weaknesses.

Economic vulnerabilities are compounded by heavy reliance on imported goods, revenue leakage, and underused local potential. Greek islands also score among the lowest in the EU in productivity and innovation, as shown in the Regional Competitiveness Index and Innovation Scoreboard.

Despite policy efforts, gaps persist in implementation capacity, data governance, and intergovernmental coordination. While some national programmes—like Law 4770/2021 and the NEARCHOS infrastructure fund—offer promising frameworks, a more integrated, place-sensitive, and multi-sectoral approach should be needed.

This report analyses the socio-economic and environmental dynamics of Greek islands, evaluates national and EU policies, including case studies like Chios and Kastellorizo, and proposes a development narrative centered on resilience, innovation, and sustainability. Using a multi-dimensional resilience framework—economic, social, and environmental—, it recommends tailored place-based strategies to promote inclusive growth and address structural vulnerabilities.

"Insularity" should not be seen as a limitation, but rather as a defining characteristic that—if governed wisely—can be a platform for innovation and inclusive development. With strategic investment and participatory governance, Greek islands can shift from being seen as peripheral to becoming pivotal actors in Europe's transition toward a sustainable and resilient future.

The report offers a comprehensive analysis of Greece’s islands, beginning with an overview of their administrative structure, demographics, and development challenges (Chapter 1). It examines current development models and promotes sustainable, inclusive tourism tailored to each island’s unique characteristics (Chapter 2). Case studies of Chios, Oinousses, Psara, and Kastellorizo highlight the difficulties faced by low-tourism, maritime islands—such as double insularity and population decline—while proposing alternatives like the blue economy (Chapter 3). Emphasising the diversity of the islands, the report advocates for place-based policies that enhance resilience and sustainability (Chapter 4). National programmes and government support measures are reviewed, with a focus on infrastructure, governance, and regional competitiveness (Chapters 5 and 6). The final chapter (7) presents recommendations for achieving long-term sustainable development across all Greek islands.

## Greek islands outlook

The current state of the Greek islands is complex and should be examined across multiple spatial scales. The term “Greek islands” here refers to the 114 inhabited islands identified in the latest census, encompassing 80 administrative units at various levels—from local communities<sup>1</sup> (LAU2, which fall under a LAU1) to regions (NUTS2).<sup>2</sup>

Administratively, these islands are distributed across 26 Regional Units, as shown in [Table 1](#) and [Figure 1](#).

**Table 1. Administrative status of Greek islands**

Region	Regional Unit	Islands
Anatoliki Makedonia Thraki	Evros	Samothraki
	Thassos	Thassos
Kentriki Makedonia Thessalia	Halkidiki	Amouliani
	Sporades	Alonissos, Skiathos, Skopelos
Ionia nissia	Zakynthos	Zakynthos
	Kefallonia	Kefallonia
	Ithaki	Ithaki
	Kerkyra	Kerkyra, Erikoussa, Mathraki, Othoni, Paxi
	Lefkada	Lefkada, Kastos, Kalamos, Meganissi
Stereia Ellada	Evia	Skyros
	Fokida	Trizonia
Peloponissos Attiki	Lakonia	Elafonissos
	Nissia Attikis	Agkistri, Aigina, Antikythira, Kythira, Poros, Salamina, Spetses, Hydra,
Voreio Aigaio	Lesvos	Lesvos
	Limnos	Limnos, Agios Efstratios

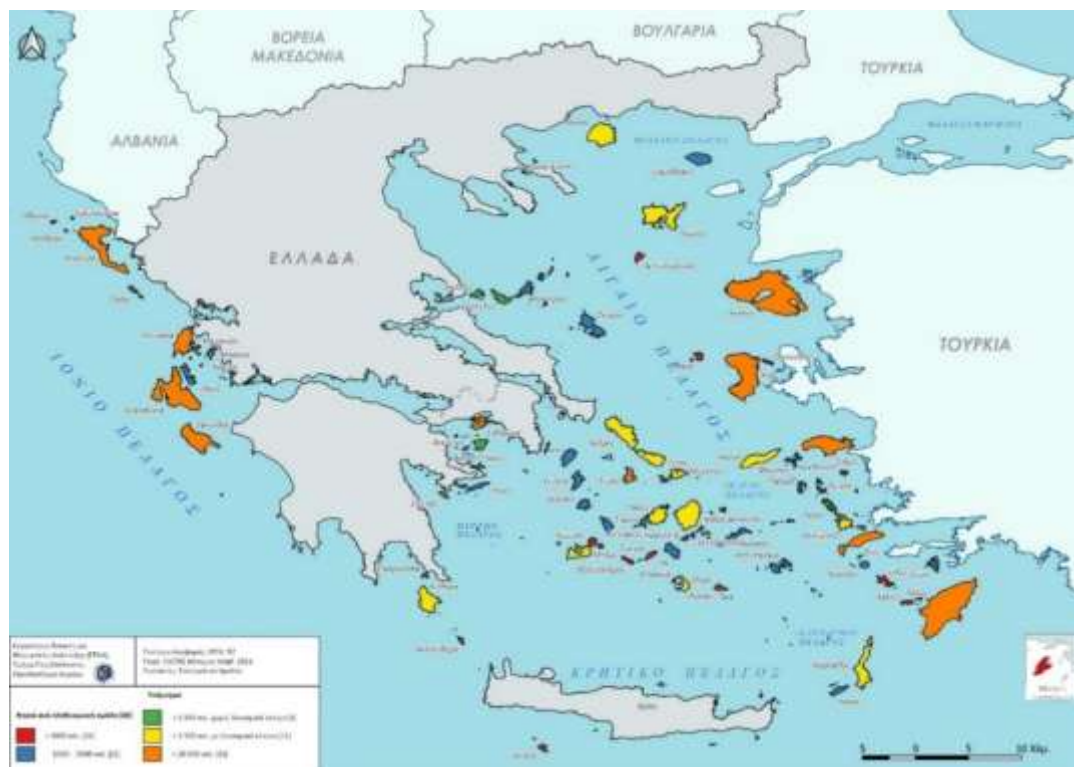
<sup>1</sup> ELLSTAT (Greek Statistics) generally gives economic data for the Regional Units and demographic ones up to LAU2 level, only the total population is available for LAU3, 4 and 5 levels (LAU5 being the level of settlement). Overall, 34 islands fall within this category (below LAU2) the largest of which is Pserimos with 80 inhabitants, part of the Municipality of Kalymnos.

<sup>2</sup> Crete as well as Evia (that cannot be considered as an island from the European point of view as it has a bridge connecting it with Greece mainland) are not included in the current analysis.

	Chios	Chios, Oinousses, Psara
	Samos	Samos
	Ikaria	Ikaria, Fournoi, Thymaina
Notio Aigaio	Kalymnos	Kalymnos (Telendos, Pserimos), Leros (Farmakonissi), Patmos, Arkoi, Agathonissi, Astypalaia, Lipsi,
	Kos	Kos, Nysiros
	Rodos	Rodos, Tilos, Chalki, Symi, Kastellorizo
	Karpathos	Karpathos, Kassos
	Syros	Sytos
	Andros	Andros
	Milos	Milos, Kimolos, Sifnos, Serifos
	Thira	Thira, Thirassia, Ios, Sikinos, Folegandros, Anafi
	Naxos	Naxos, Shinoussa, Koufonissi, Donoussa, Amorgos
	Paros	Paros, Antiparos
	Mykonos	Mykonos
	Tinos	Tinos
	Kea-Kythnos	Kea, Kythnos
Kriti		Gavdos

Note: In blue, zones that are coastal and include islands. Kriti and Gavdos are not considered in this report because of typology.  
Source: Authors' elaboration

Figure 1. The administrative status of Greek Islands



Source: ELSTAT, mapping by the authors

## Population

Islands are classified based on both population size and land area: while the permanent population is key to attracting private services, land area provides a broader indication of an island's capacity to sustain residents and economic activities.

**Table 2. Classification of Greek islands that are administrative units according to land area and permanent population (Case study islands in bold)**

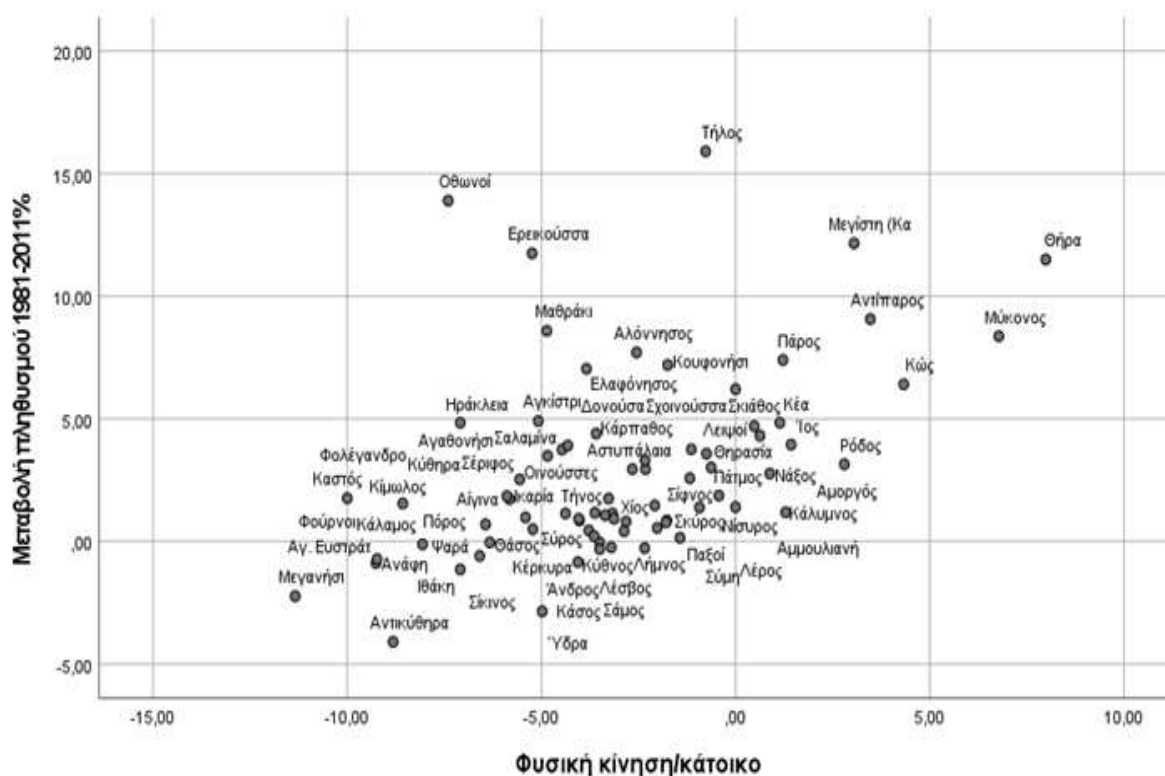
	Less than 1,000 inhabitants	1,000-3,500 inhabitants	Less than 3,500 with administrative center	3,500-20,000 inh.	More than 20,000 inh.
Less than 40 sq.k	Trizonia, Erikoussa, Kastos, Schinoussa, <b>(Kastellorizo)</b> , Othoni, Agathonissi, Lipsi, Meganissi, Kalamos, Folegandros, Anafi, <b>Psara</b>	Mathraki, Koufonissi, Amouliani, <b>Megisti</b> , Thirassia, Donoussa, <b>Oinousses</b> , Elafonissis, Antikythira, Chalki, Kimolos,	Agistri, Poros, Paxi, Fourni, Patmos, Antiparos	Spetses	
40 -100 sq.k	Sikinos, Ag. Tilos, Efstratios,	Nisyros, Ydra, Symi, Alonissos, Kassos, Sifnos, Serifos, Astipalaia, Kythnos	Ithaki	Skiathos, Leros, Thira, Aigina, Mykonos, Skopelos	Syros, Salamina
100 – 500 sq.k		Ios, Amorgos, Samothraki, Skyros	Kea	Kalymnos, Milos, Tinos, Paros, Ikaria, Kythira, Karpathos, Thassos, Andros, Naxos, Limnos,	Kos, Lefkada, Zakynthos, Samos
More than 500 sq.k					Kerkyra, Cephalonia, <b>Chios</b> , Rodos, Lesvos

Source: ELSTAT, processing by the authors

Population size and land area are not the only factors to consider; location, natural resources, and historical context also play a significant role in shaping the conditions and dynamics of the islands. Seasonal population fluctuations further influence the provision of public and private services—even for short-term stays—especially given the islands' high seasonality.

Changes in population, driven by natural balance (births minus deaths) and migration flows, provide a useful initial indication of an island's attractiveness, particularly when compared to national and island-specific averages.

Figure 2. Natural balance/capita versus population change % for Greek islands



Source: ELSTAT, processing by the authors

Other factors contributing to a place's attractiveness include employment opportunities with positive career prospects, a good quality of life—such as access to essential public services of acceptable standards—high environmental quality, effective governance, and more.

Table 3. Selected regional (NUTS 2) indicators for Greek Islands' Regions

	Employment rate (% pop 20-64)	Unemployment 2022	% of early leavers from education or training	Population at risk of poverty or social exclusion, 2022	People born outside EU %	Deposits per capita	Index	Basic human needs	Well-being	Opportunities
Greece	66,3	12,4	3,7	26,3	5,8	18583	79,7	86,2	83,7	68
Attiki	69,3	10	3,5	21,8	7,2	27856	81,7	90,2	83,3	70,1
Voreio Aigaio	67,3	11,5	4,2	27,8	7	14112	87,2	91,8	87,1	81,5
Notio Aigaio	64,4	10,7	4,3	22,6	8,1	19291	83,4	88,9	83,7	76,2
Kriti	68,8	12,1	5,2	17,8	5,6	14705	85,7	92	82,5	81,4
Ionian nissia	64	12,9	1,2	31,8	10,9	16002	73,1	80,4	82,6	55,2
EU	74,6	6,2	9,8	21,7	9,6					

Source: EU, 9th cohesion report, 2024 & EU regional Social Progress Index (EU-SPI) 2.0, 2024 edition

Tourism plays a dominant role in the economies of all islands, contributing to higher in-migration rates and, notably, high per capita bank deposits (South Aegean is the second after the Region of Attica, which accounts for nearly 50% of the country's population and over 54% of its total GDP).

As shown in Table 3, significant performance differences exist between the island regions—particularly between the South Aegean and Ionian Islands, regions with similar tourism intensity. Despite the Ionian Islands' relatively large populations, stronger mainland accessibility, and robust tourism development, the European Social Progress Index indicates weak performance in this region. This may help explain the continued population decline observed there, especially when compared to the South Aegean islands.

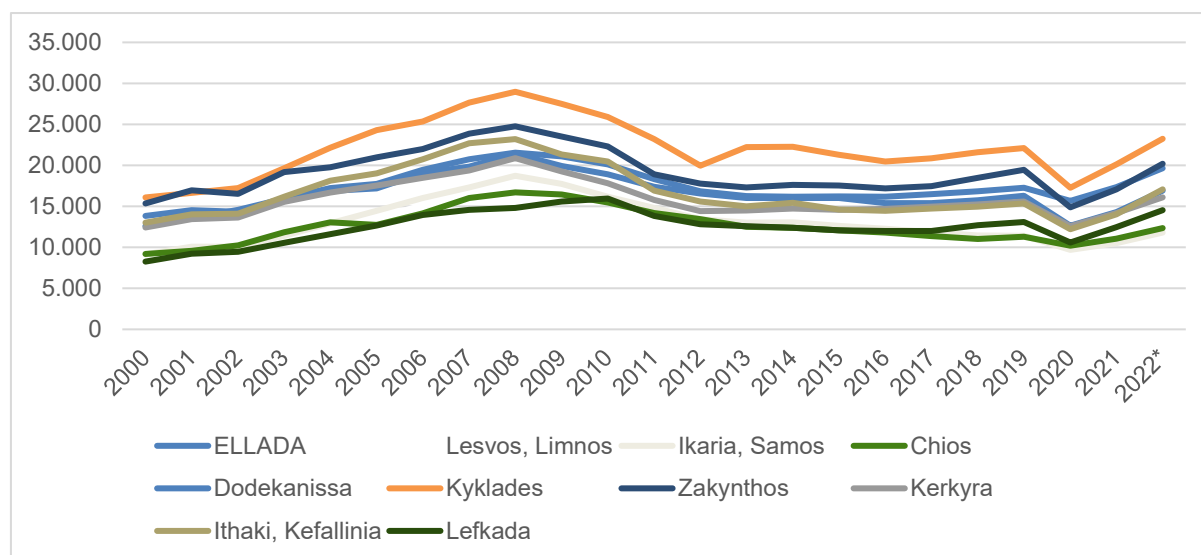
## Economy

Economic efficiency and competitiveness are often assessed through GDP growth. In a growth-driven system, a more competitive economy produces greater volumes of goods and services. The evolution of GDP per capita indicates that the Greek islands have broadly mirrored national trends: a steady rise until 2008, followed by a sharp decline due to the financial crises, international and mainly Greek that has continued during all the 2010s.

This downturn was driven not only by domestic restrictions on public and private spending but also by the global financial crisis, which severely affected international tourism until around 2012. A slow recovery of the total economy began after 2015 but was disrupted again by the COVID-19 pandemic. Although tourism has rebounded rapidly increasing its part in national income and employment.

By 2022, Greece's GDP per capita had fallen to 67.3% of the EU average, down from 84.2% two decades earlier, placing the country 26th among EU member states. Among Greek regions, the South Aegean ranked highest, second nationally, with GDP per capita also at 67.3% of the EU average. The Ionian Islands followed in fifth place (57.4%), Kriti ranked seventh (56.4%), and the North Aegean came last, at just 41%.

Figure 3. GDP evolution (2000-2022) for Greece and islands LT3 (NUTS 3) areas



Source: ELSTAT, processing by the authors

According to the Regional Competitiveness Index (RCI) and the Regional Innovation Scoreboard (RIS), there remains significant room for improvement in both national and insular regional performance. In the RCI, the South Aegean ranks 224th out of 234 EU regions, followed by the Ionian Islands (220th), North Aegean (218th), and Kriti (210th). At the national level, Greece ranks 26th among EU member states, underscoring the need to enhance regional competitiveness.

In terms of innovation, the RIS classifies the South Aegean, Ionian Islands, and North Aegean as “Emerging Innovators+,” indicating a foundational capacity for innovation that can be further developed. Notably, Kriti performs better, scoring 82.1 and ranking 150th among EU regions, earning the status of “Moderate Innovator” and showing encouraging progress in research and innovation.

The economic structure of the Greek islands differs significantly from the national average. The combined added value of the sectors “Wholesale and retail trade,” “Accommodation and food service activities,” and “Transportation and storage” ranges from 20.2% in Chios to 52% in Zakynthos and the Cyclades—well above the national average of 25%.

Real estate activities contribute more evenly across regions, from 10.8% in the Dodecanese to 18.2% in Ithaki-Kefalonia, close to the national average of 16.1%. In contrast, the share of public services—including public administration, defence, social security, and education—varies widely, from 9.4% in the Cyclades to 32.1% in Lesbos, compared to a national average of 18.2%.

These sectoral variations largely reflect differing levels of tourism development across the islands.

Figure 4. Composition of added value by sector for Greek island NUTS2 areas (2022)



Source: ELSTAT, processing by the authors

A more detailed picture emerges from business register data at the regional unit level (NUTS 3, Figure 5), covering 18 economic sectors. Concerning the competitive activities accommodation and food services continue to form the backbone of the island economies and in some cases are 4 or 5 times higher than the national level. Traditional activities like agriculture and manufacturing (mainly of agriculture products) are continuing to shrink. In recent years, sectors such as information and communication, financial and insurance services, and arts and entertainment have also begun to contribute to regional activity.

Other sectors—including trade, construction, water supply, professional and administrative services, and public services—primarily cater to local demand.

Based on the data presented in Figure 5:

- The three most competitive sectors—agriculture, manufacturing, and hotels & restaurants—along with retail, account for over 70% of the total local economic turnover and more than 60% of total employment.

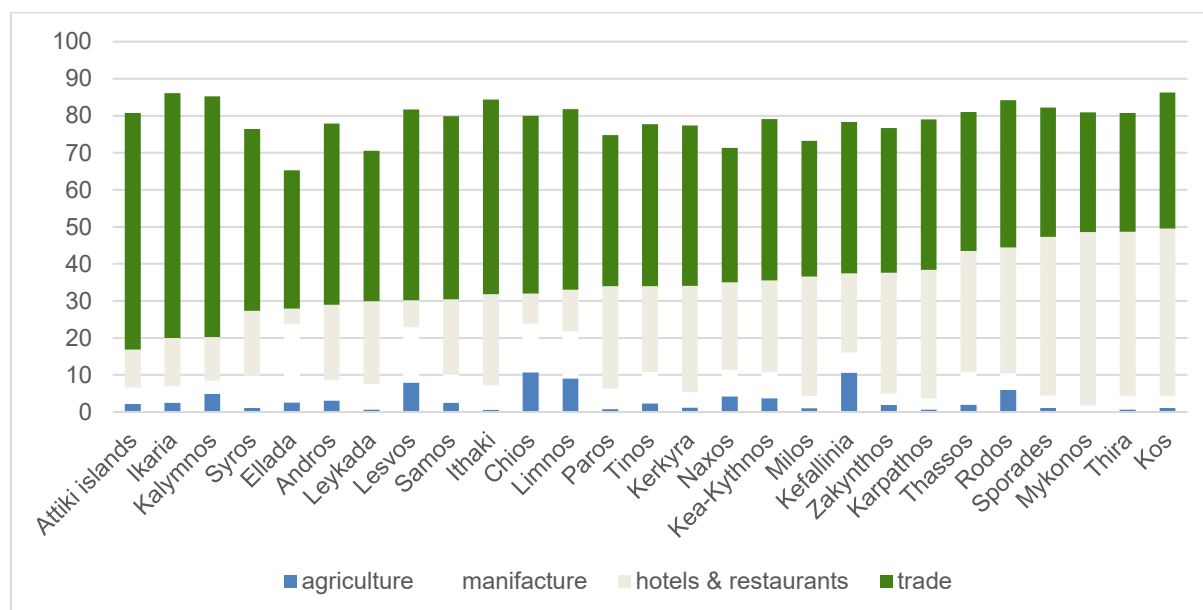
- The "hotels & restaurants" sector is significantly more prominent on the islands than the national average (4.2% of turnover and 15.3% of employment), often exceeding 30% of turnover and 50% of employment in many cases.<sup>3</sup>
- the presence of manufacturing in all the islands is extremely low in comparison to the national average (21.1%) that in turn is lower than the European average,
- the presence of agriculture ranges from 0.9% in Syros and Rhodes, to over 10% in islands in the North Aegean Region, where tourism activity is relatively low. This disparity suggests that tourism does not exert a strong "pull" effect on other competitive sectors of the local economy. Instead, many of the goods and services needed to meet both tourist and resident demand are imported from outside the islands.
- The varying importance of the trade sector across the islands reflects differences in tourism development models and their relationship to population size. When the trade sector (both wholesale and retail) outweighs accommodation and food & beverage services, it suggests that an island is less reliant on tourism and more dependent on other economic activities. In contrast, islands such as Kos, Thira, Mykonos, and the Sporades—known for mass tourism and a strong hotel-based model—fall into the second category of islands (Figure 5).
- Exports from island enterprises to the mainland are minimal and limited to a few islands, with little published data available. Observations and Transport Equivalent Policy data (Kizos et al., 2023) show a significant imbalance: on average, only 4% of transport movements are exports, and these exports account for just 7% of the value compared to imports. Islands with strong agricultural production like Lesbos, Chios, and Naxos have relatively higher export-import ratios, while those focused on tourism, such as Kos and Kerkyra, have much lower ratios. Rhodes falls somewhere in between.

Data on the economic structure of the islands indicate that only activities directly linked to tourism and local consumption have a significant presence. This points to a high level of economic leakage, largely due to the reliance on imported goods and services. Additional leakage occurs through entrepreneurs and workers who are not permanent residents, further limiting the retention of economic value within the islands.

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<sup>3</sup> Employment data are provided by businesses and not from a census as they are typically provided and therefore record also seasonal employment and people that are not permanent inhabitants on islands.

Figure 5. Business turnover % for selected branches in insular regional units (NUTS2, 2022)



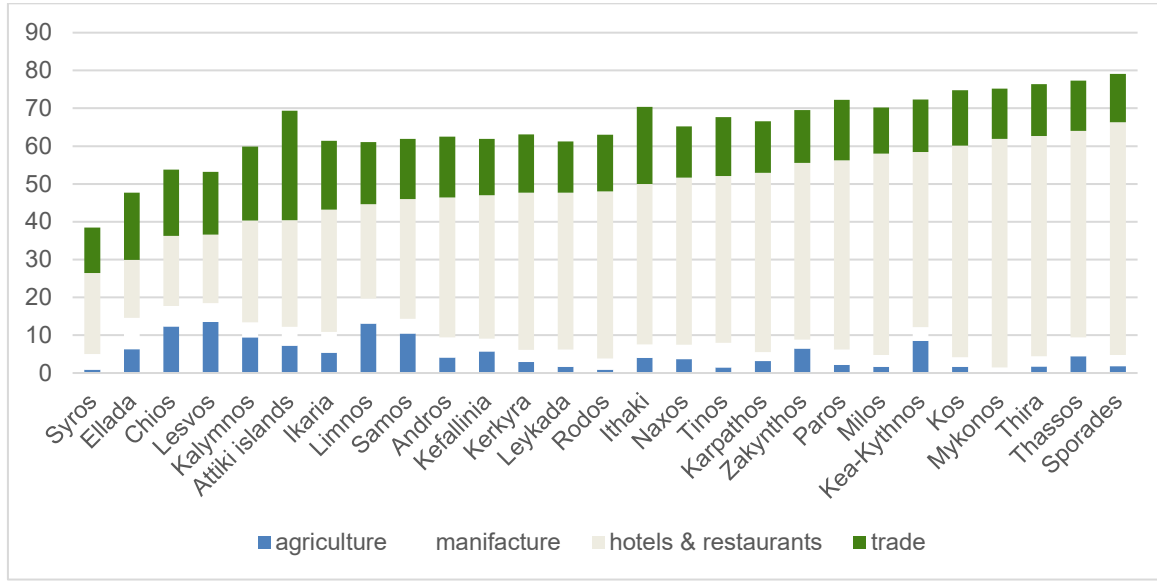
Source: ELSTAT, elaboration by the authors.

Productivity remains a structural challenge in the Greek economy, consistently noted in reports by the EU and OECD. A key contributing factor is the low level of investment, especially in the aftermath of the financial crisis. Moreover, a significant share—approximately 45%—of gross fixed capital formation is directed toward housing, rather than productive sectors. Both private and public spending on Research and Innovation also remain limited.

Island regions display considerable disparities in productivity (Figure 6). In terms of productivity per employee, the South Aegean ranks second among Greek regions (€19,933 per employee), though it remains well below Attica (€39,103). The Ionian Islands and North Aegean lag further behind, with productivity levels of €10,809 and €9,752 per employee, respectively.

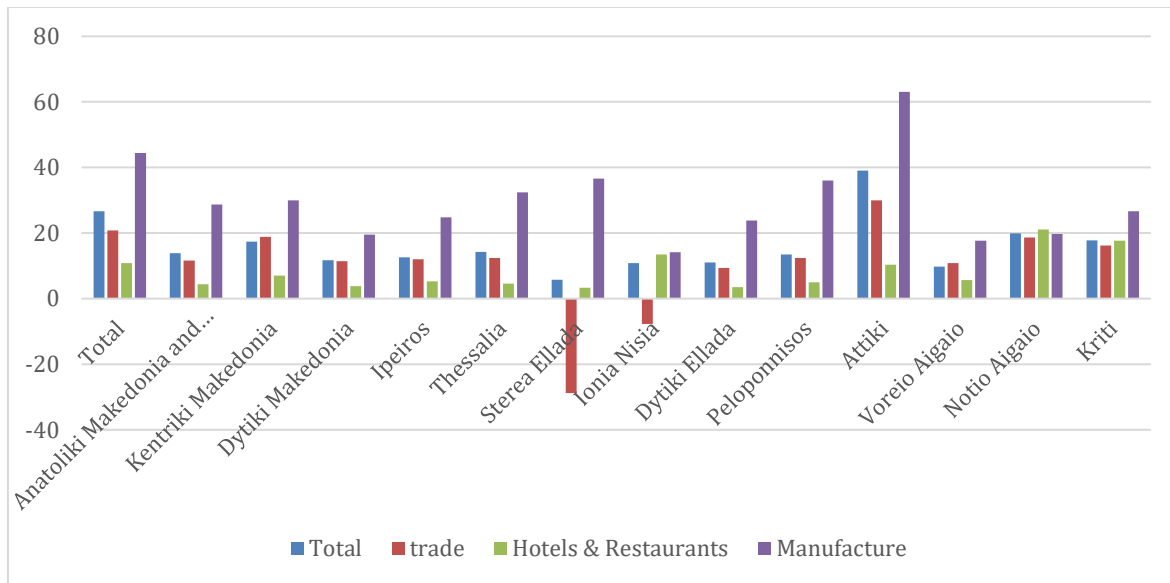
The “Hotels and Restaurants” sector—central to many island economies—shows generally low productivity, averaging €10,794 per employee, compared to the national average of €26,660. Notably, the South Aegean outperforms other island regions in this sector, reaching €21,131 per employee.

Figure 6. Employment in businesses for selected branches in insular regional units (NUTS2, 2022)



Source: ELSTAT, elaboration by the authors

Figure 7. Employment productivity of Greek Regions for selected branches



Source: ELSTAT, elaboration by the authors

**Environmental issues**

The development model adopted by many Greek islands—largely centered on tourism—has begun to expose its socio-economic limitations, while also threatening one of their key assets: their unique

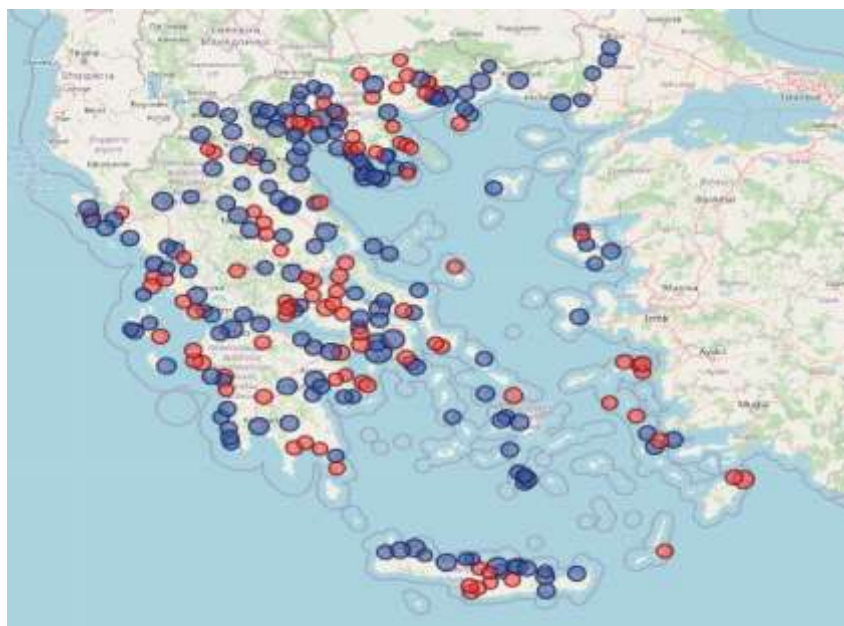
environmental capital. Critical concerns relate to the quality and availability of air, water, soil, and biodiversity.<sup>4</sup>

Environmental challenges are significant, as highlighted in the 9th EU Report on Economic, Social and Territorial Cohesion. Air pollution, particularly from Particulate Matter (PM2.5), poses a major public health risk. Greece ranks 26th among EU member states, just above Poland and Bulgaria. Although pollution levels in island regions are lower than the national average, they remain noteworthy.

Water scarcity is among the most urgent environmental issues facing the islands. Xerothermic climatic conditions limit underground water reserves, while the growing demands of tourism have intensified the crisis. According to the Water Management Plans for Island Regions, approximately 85% of island water use is sourced from underground aquifers. Although irrigation accounts for just 43% of total water use (compared to nearly 80% nationally), there is still a need for 62 desalination units—13 in the North Aegean, 32 in the Cyclades, and 17 in the Dodecanese—with a combined capacity of 77,236 m<sup>3</sup>/day. Additionally, a substantial but unrecorded amount of bottled water is consumed, placing further strain on transportation systems and waste management.

Wastewater management remains another key challenge. While treatment plants have been built on many islands, including smaller ones, high construction and operational costs can limit their efficiency. As a result, ensuring the consistent, safe, and sustainable reuse of treated water continues to require further attention and improvement.

**Figure 8. Location of water and solid waste treatment plants**



<sup>4</sup> A report for the pressures exerted by tourism to environment is published by the Greek ombudsman Sustainable Tourism Development: Framework, Infrastructure, Resources. Special Report 2024, <https://www.synigoros.gr/el/category/eidikes-ek8eseis/post/eidikh-ek8esh-2024-or-biwsimh-toyristikh-anapty3h-plaisio-ypodomes-poroi>

Source: ELSTAT

Waste management has become an increasingly important priority for island regions, as systems originally designed for small, low-density populations are now strained by the growing demands of tourism. Identifying suitable sites for solid waste disposal is particularly challenging on smaller islands with limited land availability. Nonetheless, efforts are ongoing to develop sustainable and space-efficient solutions. Recycling systems also face logistical difficulties, as recyclable materials must typically be transported to mainland facilities—primarily in Athens—raising both costs and environmental impact. There is significant potential to implement circular economy strategies tailored to island contexts, which could reduce waste generation and enhance overall sustainability. Tilos zero waste program is considered as a successful application of the European directives with the active participation of locals.

Soil health and sustainable land use are gaining attention, especially as some islands face risks of soil degradation and desertification. These issues are often linked to land use changes, such as the decline of traditional agricultural practices and the expansion of livestock farming in certain areas. However, there is growing awareness of the need to balance tourism development with land stewardship, as landscape is an important part of tourism's attractiveness. Tackling overgrazing and promoting climate-resilient land management practices can help prevent erosion and support long-term soil quality.

Protected area management is also advancing, with many regions already designated for conservation (Figure 9). While management plans are still being developed, these designations mark an important step toward preserving biodiversity and natural heritage. As these plans are finalized, they will provide a crucial framework for long-term environmental protection and sustainable development across the islands.

**Figure 9. Protected areas in the NATURA 2000 network in Greece**



Source: ELSTAT

According to the last EU Cohesion report, Greece is among the EU member states projected to experience the highest impacts from climate change. Nearly all Greek NUTS3 regions are ranked among the most vulnerable in Europe. Notably, Kerkyra tops the list, with climate-related impacts estimated to impose an additional cost equivalent to 10.9% of its GDP. In contrast, the Kyklades and Dodekanisos regions are projected to face relatively lower economic impacts, at 1.9% and 1.8% of GDP, respectively.

Greek regions are also highly exposed to a range of climate risks, including river flooding, windstorms, coastal flooding, water scarcity, and wildfires. Among the island regions, Lefkada has the highest share of its population exposed to these hazards (85.4%), while Chios has the lowest (37.3%). These findings underscore the urgent need for tailored adaptation strategies and targeted investments to strengthen climate resilience across the islands.

### ***Service provision***

As previously noted, the small population sizes of many islands often make it difficult to justify the provision of extensive public and private services, especially on the smaller and more remote islands. This limited access to essential services can reduce the islands' attractiveness for both residents and businesses. Among these, the most vital are classified as Public Interest Services, even when delivered by private providers. These include healthcare, education, transportation, communications, utilities (such as water and electricity), and social services.

Healthcare consistently ranks as the top concern for island residents, as highlighted in both academic research and public opinion surveys. In Greece, several measures have been implemented to address this issue:

- Larger islands are equipped with hospitals—5 in the North Aegean, 7 in the South Aegean, and 5 in the Ionian Islands—providing secondary healthcare services.
- Smaller islands and remote areas on larger islands are served by health centres and regional clinics, offering primary care. However, for specialised treatments, residents often need to travel to larger islands or the mainland when tertiary care level services are needed.

While the number of healthcare facilities appears sufficient, ongoing efforts aim to improve the quality of care by addressing persistent challenges such as staff shortages, outdated equipment, and aging infrastructure (Kefala A-M et al, 2024). Over the past two decades, significant investments in e-health and telemedicine have provided valuable insights and opportunities to improve remote healthcare delivery. The National Emergency Medical Service (EKAB) continues to play a critical role in emergency response and medical transport, with ongoing initiatives focused on enhancing its capabilities through improved staffing and modernised equipment.

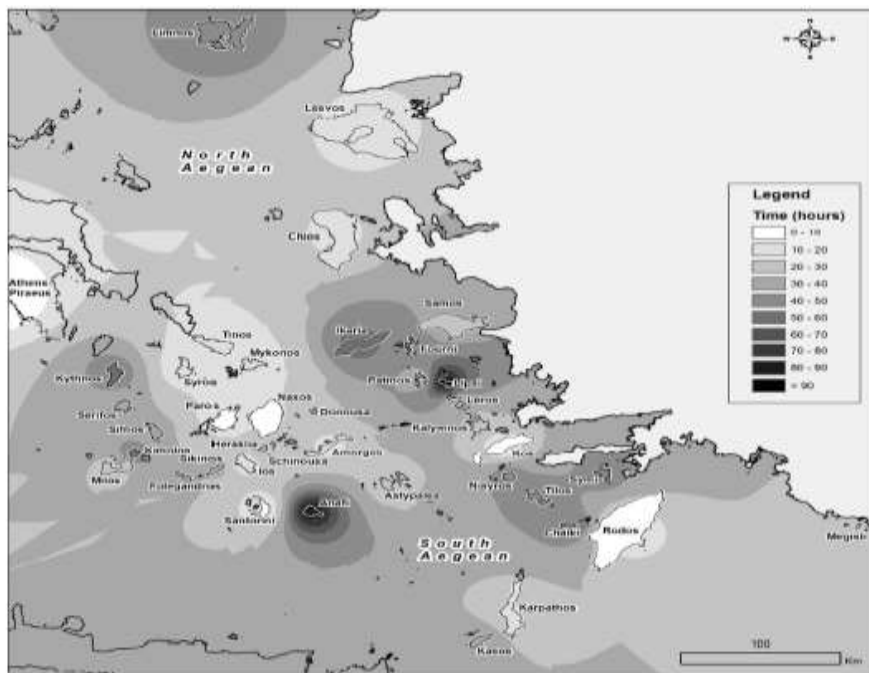
Education services on the islands have shown gradual improvement. Elementary schools operate wherever there are school-aged children, and most islands also provide secondary education. While challenges related to staffing and infrastructure persist, they have underscored the importance of sustained, targeted investment in the education sector. Smaller schools typically offer a core curriculum, but there is growing recognition of the need to expand technical and vocational education, especially in crucial sectors such as tourism. In Cyclades, for example, the absence of tourism-focused vocational training represents a significant development opportunity that could strengthen the quality and the diversification of offered services.

Communication services play a critical role in reducing the isolation of island communities. Recent efforts have focused on improving digital connectivity, although disparities in speed and reliability remain across different areas. Nevertheless, advances in digital infrastructure are creating new opportunities for remote

work, online learning, and access to essential services—contributing to a narrowing of the gap between island and mainland living standards.

Transportation and accessibility are vital for both quality of life and regional cohesion. Many islands are served by airports—4 in the Ionian Islands, 5 in the North Aegean, 8 in the Dodecanese, 6 in the Cyclades, and 4 along the mainland coastline. However, effective connectivity depends not only on infrastructure but also on travel time, affordability, and the frequency of service—particularly during the off-season. In the winter months, many islands, such as Serifos, face reduced routes and limited travel options, highlighting the need for more reliable, year-round transport links. Figure 10 illustrates the disparities in connectivity during the winter period. Efforts are underway to improve the affordability of transport, particularly for high-speed ferries and air travel. Enhancing accessibility for smaller islands and the inter-island connection are becoming an increasing priority. Promising examples—such as the Chios archipelago—demonstrate the feasibility of efficient, same-day travel solutions that better serve residents' needs. While some subsidised ferry routes still depend on older vessels, this has spurred initiatives aimed at fleet modernization and raising service standards. With continued government support and strategic investment, there is strong potential to align transport services more closely with the everyday needs of island communities, promoting both social inclusion and economic resilience, but also green transition with low carbon and/or electric vessels.

Figure 9. Accessibility airplane and ferry from Athens metropolitan area to the Aegean Islands



Note: Accessibility: Isochrone maps (in hours) showing airplane and ferry connections from the Athens metropolitan area to the Aegean Islands  
 Source: Karampela S., Kizos Th., Spilanis I., 2016

## Island development, attractiveness and Tourism

Traditional economic theory suggests that regions should specialise in sectors where they possess a comparative advantage to attract activities and population. From 1950 onwards, islands around the world were considered as ideal places for an "escape" from everyday life; a new attractiveness era came to substitute the previous one, based on integration trade and transport maritime networks.

Since the 1950s, islands have increasingly specialized in tourism, a trend enabled by advancements in transportation. The dominant tourism model, mass heliotropic tourism, —based on standardized, resource-intensive and low added value services— creates new investment and profits opportunities from their integration into the global economy. However, the limitations of this model became evident recently.

The UN Tourism Report (2018) acknowledges that while tourism can contribute to economic growth, it often does not translate into local or sustainable development. The report calls for a radical transformation in the way tourism is produced and consumed, urging governments, businesses, and tourists to adopt fundamentally different models that prioritise long-term sustainability over short-term gains.<sup>5</sup>

Building on this, the OECD report on regional development in Greece post-2020 offers a roadmap for achieving more sustainable, inclusive growth across the Greek islands. The report proposes strategies such as:

- Strengthening the link between tourism and local value chains,
- Encouraging grassroots innovation beyond traditional sectors,
- Expanding the concept of innovation through smart specialisation strategies tailored to local contexts,
- Enhancing collaboration between entrepreneurs and researchers,
- Promoting blue and circular economy models,
- Creating quality jobs and building local skill bases.

These strategies not only respond to the UN's call for systemic change but also provide actionable steps for implementation. Importantly, they shift the focus from high-volume, infrastructure-heavy tourism toward integrated, small-scale, high-value projects that reflect the unique characteristics of each island.

Such a shift is essential to reduce pressure on local resources, prevent economic leakages, and provide more stable, inclusive employment. It also supports a development approach grounded in quality, sustainability, and local empowerment. With strategic planning and improved governance, the Greek islands can evolve into resilient regions that balance economic viability with environmental and social well-being.

However, unlocking this potential requires a deep understanding of how tourism impacts island life. Over recent decades, tourism has played a central role in driving regional disparities and transformations, coinciding with a decline in the productive and demographic bases of many islands. A 2023 study by the Aegean Sustainable Tourism Observatory provides critical data in this regard. It classifies islands according to tourism pressure, a concept referring to the total number of tourist beds in both professional

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<sup>5</sup> The 12<sup>th</sup> of the 17 SDGs is dedicated to "responsible consumption and production".

accommodations (e.g., hotels, campsites) and private ones (e.g., vacation homes, short-term rentals), based on census data by considering the vacant properties.<sup>6</sup>

This pressure has a direct impact on infrastructure and public services—such as water supply, transport, and healthcare—which are typically designed around permanent resident populations. When the influx of visitors far exceeds local capacity, essential systems become strained. The study underscores the need for island-specific planning and investment that reflects not only visitor numbers but also the real experiences and perceptions of residents regarding their islands' liveability and prospects.

Understanding and integrating residents' views into tourism planning and governance mechanisms is crucial. It enhances the legitimacy of development decisions and ensures that tourism policies align with community needs and values. The study's quantitative framework, which groups islands into four categories based on tourism pressure (see Table 4), can serve as a tool for differentiated policymaking. It allows planners to design tailored interventions that are sensitive to each island's carrying capacity, development potential, and community priorities.

- The first category includes 20 islands experiencing low tourism pressure, with fewer than 0.28 tourist beds per resident.
- The second category comprises 18 islands with moderate pressure, ranging from 0.28 to 0.89 tourist beds per resident.
- The third category includes 20 islands under high pressure, with between 0.89 and 1.6 tourist beds per resident.
- The fourth category consists of 19 islands facing very high pressure, with more than 1.6 tourist beds per resident.

**Table 4. Tourism intensity and natural balance of Greek islands**

Professional beds/inh	Positive natural balance	Low negative natural balance	High negative natural balance
<0.28:1	Kalymnos	Thirasia, Chios, Lesvos, Leros	Oinousses, Psara, Antikithira, Kastos, Salamina, Kalamos, Erikoussa, Mathraki, Othonoi, Agios Efstratios, Lemnos, Kasos, Agathonisi, Ikaria, Fournoi
0.28:1 - 0.89:1	Kastellorizo	Nisiros, Simi, Lipsi, Skiros, Chalki	Siros, Samos, Aigina, Kimolos, Gavdos, Andros, Spetses, Ithaki, Samothraki, Kerkira, Meganisi, Tinos
0.89 – 1.6:1	Rodos, Naxoa, Schoinoussa, Kea	Patmos, Zakinthos, Tilos, Paxoi	Idra, Kefallinia, Astipalaia Poros, Lefkada, Anafi, Kithira, Karpathos, Donousa, Alonisos, Milos, Kithnos
>1.6:1	Kos, Mikonos, Paros, Thira, Antiparos, Skiathos, Ammouliani, Ios	Amorgos, Sifnos, Koufonisi	Skopelos, Elafonisos, Agkistri, Sikinos, Serifos, Thasos, Folegandros, Irakleia

Source: <https://tourismobservatory-n.ba.aegean.gr/index.php/erevnes/>

<sup>6</sup> The classification of islands comes from “Insularity and new programming period 2021-27”, by the Laboratory of Local and Island Development for the Hellenic Company of Local Development (EETAA), in Greek (<https://www.eetaa.gr/wp-content/uploads/2023/06/nisiotikotita-2021-2027.pdf>)

The analysis considers tourism is the main driver of development by correlating tourism data with three demographic indicators: island population size and administrative status, population change from 1981 to 2011, and natural population balance from 2011 to 2019/2021. Natural population balance is identified as the most indicative of long-term demographic trends, although population growth driven by migration or seasonal residents does not necessarily imply sustainable development or a growing active workforce.

The study also examines the impact of tourist beds per resident, finding that high ratio—especially on smaller islands with negative population growth—may soften but do not reverse depopulation and population ageing. A distinction is made between “vacation islands” dominated by private homes and “hotel-based islands” with more professional accommodations.

Environmental pressure, measured by an island’s peak-season population capacity, is another critical factor for strategic and spatial planning. Overall, while tourism can bolster island economies and demographics, it also creates pressure that must be addressed through targeted infrastructure, tailored policies, and long-term sustainability strategies that reflect each island’s specific conditions and development level.

The following tables outline a strategic framework based on the above classification of islands on their general and tourism attractiveness. Each table identifies critical problems or needs, outlines strategic and specific objectives, and proposes indicative actions tailored to address the particular challenges faced by the different groups of islands. **Table 5** focuses on islands with high overall and tourism appeal. **Table 6** shifts the focus to islands with high tourism but low general attractiveness. **Table 7** covers islands with both low general and tourism attractiveness, aiming at foundational improvements in infrastructure, services, and demographic sustainability. Together, these tables create a nuanced roadmap for sustainable island development through targeted planning and governance.

In detail, **Table 5** reveals that highly attractive islands, both generally and for tourism, are facing significant pressures from overtourism, uncontrolled development, and strain on infrastructure. The strategic responses focus on implementing governance tools such as sustainable tourism charter, observatories, and spatial planning with stricter regulations. The emphasis on controlling tourism development and protecting the built and natural environment illustrates a clear shift from quantity to quality in tourism policy. Measures like prohibition of new beds, regulation of short-term rentals, and improving traffic conditions suggest an urgent need to balance tourism influx with resident well-being and ecological preservation. This table underscores the vulnerability of popular destinations to their own success and the complex governance mechanisms required to ensure long-term sustainability.

In contrast, **Table 6** addresses islands with high tourism but low general attractiveness, where the central challenge is the dominance of 3S (sun, sea, sand) tourism and high seasonality. The strategies here are rooted in diversifying both tourism offerings and the broader economy by leveraging natural, cultural, and productive capital. Notably, there is a strong focus on developing niche tourism such as fishing, wellness, ecotourism, and conference tourism, which can extend the tourist season and provide more meaningful engagement with local resources. Furthermore, integration of tourism with local production through support for agriculture, vocational training, and innovation indicates a deliberate effort to create synergies between tourism and other sectors. These actions aim to create resilient island economies that reduce dependency on a single tourism model.

Finally, **Table 7** presents a more foundational development agenda for islands with low overall and tourism attractiveness. These areas require substantial investment in basic infrastructure, public services, and social cohesion to reverse trends such as demographic shrinkage and economic stagnation. The proposed actions include improving healthcare, education, housing, and mobility services, alongside support for entrepreneurship and circular economy initiatives. Strategic tourism development is addressed as a tool

not just for economic growth but for broader community revitalization. The inclusion of brand creation, satisfaction surveys, and destination management bodies highlights a commitment to establishing a structured identity and feedback mechanism. Overall, Table 7 outlines a path toward comprehensive regeneration through inclusive, community-centered planning and investment in quality of life.

**Table 5. Islands with high overall and tourism attractiveness**

<b>Critical problem / need</b>	<b>Strategic Objectives</b>	<b>Specific Objectives</b>	<b>Indicative actions</b>
Trend for Overtourism & exceeding Carrying Capacity	Control of tourism development Diversification of the economy Improving the resilience of the island Improvement of visitor satisfaction and residents' well-being	<ul style="list-style-type: none"> <li>• Control of uncontrolled construction</li> <li>• Prohibition of the creation of new beds</li> <li>• Strategy for transforming the destination into a sustainable one</li> <li>• Development of a tourism governance system</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of a Tourism Observatory to monitor the implementation of the program and evaluate the results</li> <li>• Creation of a Sustainable Tourism Charter</li> <li>• Implementation of existing spatial plans and drafting of an integrated spatial plan with stricter provisions (e.g. complete prohibition of construction outside settlements)</li> <li>• Public accountability for the results of the plan</li> <li>• Improving public infrastructure and services to reduce social and environmental pressures</li> <li>- Destination certification</li> <li>• Establishing a Quality and Responsibility Label for Local Businesses</li> <li>• Housing policy for public officials and young people - Control of short-term rentals</li> <li>• Participation of the destination in similar networks for the transfer of good practices (e.g. INTERREG-MED programs)</li> </ul>
Degradation of the built and natural environment (including the landscape) from uncontrolled development of activities and construction	Protection of the built and natural environment	<ul style="list-style-type: none"> <li>• Control of pressure on the natural and residential environment</li> <li>• Redefining land uses and general urban planning regulations</li> <li>• Elaboration of a plan for the development of responsible residents and entrepreneurs</li> <li>• Reduction of business footprint</li> </ul>	<ul style="list-style-type: none"> <li>• Supervision of compliance with existing zoning and land use rules for public spaces, especially in the coastal front</li> <li>• Management of terraces</li> <li>• Utilization of buildings inside and outside the settlement with new uses that are consistent with current needs</li> <li>• Information to visitors for environmentally friendly behaviour</li> <li>• Change in behaviour of producers to reduce their environmental footprint</li> </ul>

Traffic congestion, noise, accessibility	Improving traffic conditions for visitors and residents	<ul style="list-style-type: none"> <li>• Designing medium-term interventions</li> <li>• Immediate measures to alleviate traffic</li> </ul>	<ul style="list-style-type: none"> <li>• Developing a sustainable island mobility plan</li> <li>• Provision for actions such as: <ul style="list-style-type: none"> <li>- Development of public transport with a size adapted to local needs</li> <li>- Creation of parking spaces, sidewalks, cycle paths and low-traffic roads,</li> <li>- traffic and parking regulations for private and public vehicles,</li> <li>- promotion of electric mobility using public transport</li> </ul> </li> <li>• Awareness-raising and information actions for residents and visitors regarding their movement with active modes of transport</li> </ul>
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Source: Authors' elaboration

**Table 6. Islands with low general but with high tourism attractiveness**

Critical problem / need	Strategic objective	Specific objectives	Indicative actions
3S tourism dominance, high seasonality	<p>Diversification of tourism product by utilizing local natural, cultural and productive capital</p> <p>Improvement of visitor satisfaction and residents' well-being</p>	<ul style="list-style-type: none"> <li>• Highlighting natural resources</li> <li>• Enriching the tourism product with cultural heritage experiences</li> <li>• Highlighting and upgrading productive activities</li> <li>• Upgrading and diversifying the operation of businesses to welcome visitors outside the tourist season</li> <li>• Developing a tourism governance system</li> <li>• Developing activities related to nature, culture for the direct involvement of tourists (wellness and experience tourism)</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting innovative activities in relation to the sea such as fishing tourism by informing professional fishermen and promoting the product, highlighting marine protected areas and ecotourism activities within them, diving activities or organized visits within fish farming parks, the construction of marine tourism infrastructure, the exploitation of shipwrecks for diving, etc., taking advantage of the relevant tradition especially on small islands</li> <li>• Restoration-reuse of existing and/or creation of spaces for the presentation of the production process of emblematic products of the islands (mines, dairies, tanneries, olive mills, wineries, salt pans, etc.) with the possible production of products in collectible packaging</li> <li>• Promotion of natural resources by creating, maintaining, marking and displaying walking routes, protecting and highlighting protected areas, exploiting hot/thermal waters, etc. and development of ecotourism</li> <li>• Highlighting intangible cultural resources (e.g. mythical and historical figures, music, dance, arts) and history, past and present (using public archives) with appropriate interactive activities,</li> <li>• Creating conditions for the development of scientific, educational and conference tourism in relation to unique/significant resources (material and intangible) that have been highlighted</li> <li>• Tourism education, training, retraining and skills upgrading programs for employers, employees and young people in new products</li> </ul>

			<p>and new horizontal skills (sustainability, accessibility, digitalization)</p> <ul style="list-style-type: none"> <li>• Creation on each island of a multi-space for the promotion of local history &amp; identity (self-knowledge centre) and its connection with material and intangible resources and today's reality</li> <li>• Preparation of a strategic tourism development plan</li> <li>• Creation of a DMMO and a Tourism Observatory for the management and promotion of the destination</li> <li>• Participation in international networks with corresponding objectives for gaining experience</li> <li>• Creation of a Sustainable Tourism Charter</li> <li>• Preparation of a local spatial plan</li> </ul>
Economic Monoculture	Diversification of the economy by adopting a strategy of quality products and services based on the utilization of local resources and existing productive tradition.	<ul style="list-style-type: none"> <li>• Support for agricultural production of quality products and connection with tourism with infrastructure, education, networking projects</li> <li>• Support for the standardization/processing of quality agricultural products, connection with tourism and promotion of exports</li> <li>• Strengthening the introduction of innovation in businesses</li> </ul>	<p>Creation of a support structure for the transfer of know-how and innovations to local businesses</p> <ul style="list-style-type: none"> <li>• Strengthening and promoting very small industries</li> <li>• Linking productive activities with tourism</li> <li>• Creation of vocational training programs in arts that utilize local resources (e.g. use of stone, clay, sheep wool) and/or intangible traditions</li> <li>• Creation of a destination image and a mechanism for promoting products and services</li> <li>• Improvement of public infrastructure necessary for the establishment of businesses</li> <li>• Location of disruptive businesses</li> </ul>
Diversification of employment	Improving the attractiveness for the establishment of activities outside tourism Support for entrepreneurship, self-employment, innovative entrepreneurship and the social economy	<ul style="list-style-type: none"> <li>• Upgrading human resources - strengthening work qualifications</li> <li>• Attracting tourist nomads with the idea of ??their permanent stay</li> <li>• Development of social housing for "new" residents</li> </ul>	<ul style="list-style-type: none"> <li>• Support for vocational education and lifelong learning (mainly for women)</li> <li>• Support groups of the population to undertake business activity by utilizing local resources and "waste" through the circular economy approach</li> <li>• Creation of a support structure for entrepreneurship in collaboration with the Chamber</li> <li>• Development of real estate of the Municipality</li> <li>• Improvement of infrastructure and digital connections</li> </ul>

Source: Authors' elaboration

**Table 7. Islands with low general and low tourism attractiveness**

Critical problem / need	Strategic objective	Specific objectives	Indicative actions
Low competitiveness of tourism and businesses	Differentiation of the product provided • Creation of the region's identity	<ul style="list-style-type: none"> <li>• Differentiation of the product provided</li> <li>• Creation of the region's identity</li> <li>• Support for entrepreneurship</li> </ul>	<p>Networking of businesses in the tourism sector with businesses in other sectors</p> <ul style="list-style-type: none"> <li>• Creation of a structure tourism education with the aim of</li> </ul>

	<ul style="list-style-type: none"> <li>• Support for entrepreneurship</li> <li>• Improvement of services provided by businesses</li> <li>• Improvement of visitor satisfaction and residents' well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement of services provided by businesses</li> <li>• Improvement of visitor satisfaction and residents' well-being</li> <li>• Highlighting local comparative advantages</li> <li>• Utilization of existing productive tradition</li> <li>• Improvement of the accessibility of the region</li> <li>• Improvement of services provided by the public sector</li> <li>• Improvement of public infrastructure</li> <li>• Introduction of innovation in businesses</li> <li>• Promotion of the circular economy</li> <li>• Adoption of a strategy of quality products and services</li> <li>• Reduction of energy costs and the environmental footprint of businesses</li> <li>• Establishment of a Quality and Responsibility Label for Local Businesses</li> </ul>	<ul style="list-style-type: none"> <li>• implementing initial training, retraining and retraining programs for employers, employees and new entrants to tourism</li> <li>• Infrastructure to support access to tourist areas and facilities (sea, environmental and cultural attractions, tourist facilities)</li> <li>• Creation of a support structure for entrepreneurship in collaboration with the Chamber</li> <li>• Development of a tourism governance system</li> <li>• Creation of a Destination Management and Promotion Body (DMPP)</li> <li>• Preparation of a Sustainable Tourism Plan with political commitment for its implementation</li> <li>• Creation of energy communities</li> <li>• Participation of the destination in similar networks for the transfer of good practices (e.g. INTERREG-MED programs)</li> <li>• Satisfaction surveys of tourists, entrepreneurs, residents, employees</li> <li>• Brand creation and marketing plan preparation</li> </ul>
<p>Low quality and accessibility of public interest services</p>	<ul style="list-style-type: none"> <li>• Upgrading of services offered by the Municipality</li> <li>• Participation of all in services</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement and expansion of services offered in the fields of education, health, sports, culture</li> <li>• Accessibility improvement plan in public transport</li> <li>• Improvement of transport - Sustainable mobility plan</li> <li>• Improvement of infrastructure and services provided to residents such as kindergarten, primary school, high school, GEL/TEL, social tutoring, training programs</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement of infrastructure and services provided to residents such as kindergarten, primary school, high school, social tutoring, training programs</li> <li>• Improvement of infrastructure and support of human resources of public health structures</li> <li>• Improvement and completion of sports infrastructure - Sports for all with the aim of improvement of public health</li> <li>• Creation and operation of cultural structures in collaboration with legal entities, associations and citizens</li> <li>• Programs for the protection and promotion of intangible cultural heritage (song, music, crafts, dance, etc.)</li> </ul>

Demographic shrinkage	Improving the attractiveness for the settlement of residents	<ul style="list-style-type: none"> <li>• Support for social housing for needy and young couples</li> <li>• Plan to attract tourist nomads with the idea of their permanent stay</li> <li>• Support for social, cultural, sports, etc. services</li> <li>• Job creation plan</li> </ul>	<ul style="list-style-type: none"> <li>• Recording and creation of a plan for the utilization of the school property with development and social goals</li> <li>• Plan for the utilization of closed and abandoned private homes for use by "new" residents</li> </ul> <p>Support groups of the population to undertake business activity by utilizing local resources and "waste" through the circular economy approach</p> <ul style="list-style-type: none"> <li>• Creation of a support structure for entrepreneurship in collaboration with the Chamber</li> </ul>
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Source: Authors' elaboration

## The case study islands: Archipelago of Chios and Kastellorizo

The case study islands present a contrasting model to the typical tourist-oriented Greek islands. Characterized by low levels of tourism and deep-rooted maritime traditions, many of their residents have historically worked as shipowners or crew, deriving wealth from international shipping rather than tourism. Especially for the smaller islands with limited land resources, the sea has long been the only viable source of livelihood. As a result, transitioning to a tourism-based economy was neither necessary nor desirable.

These islands also maintain vibrant overseas communities, underscoring the global nature of their maritime heritage. A key question now is whether the modern "blue economy" can support sustainable livelihoods on these islands—and what kinds of policy support might be required to achieve that goal.

A shared challenge among these islands is "double insularity"—the added complexity of relying on larger, yet still insular, regional centres. This issue is more acute in the Regional Unit (RU) of Chios—home to islands like Psara and Oinousses—than in the RU of Rhodes, which includes Kastellorizo, due primarily to differences in distance and connectivity.

Psara and Oinousses maintain daily ferry services to Chios, with morning departures and early afternoon returns, allowing round trips without overnight stays for locals. However, Psara's ferry journey is lengthy—around four hours—due to the vessel's slow speed. By contrast, Oinousses is just a 30-minute trip from Chios, with the additional option of a sea taxi. Kastellorizo, located much farther from Rhodes, has infrequent connections. These typically follow the standard model of service from the larger island to the smaller and often require up to two overnight stays in Rhodes.

### ***The state of Archipelago of Chios (Chios, Oinousses, Psara) & Kastellorizo***

The main challenge for the islands is achieving sustainability, which depends on factors like population trends and GDP. However, assessing this is difficult due to limited or unreliable qualitative data, especially in small areas where local events can greatly influence outcomes. Most islands in the North Aegean Region show significant population decline. Rhodes is a notable exception, having experienced steady population growth from the post-WWII period until 1981, unlike most other islands affected by migration-driven decline.

**Table 8. Population evolution (1928-2021)**

	1928	1951	1961	1971	1981	1991	2001	2011	2021	1928-2021
Chios	72452	64663	60061	52487	48100	51060	51936	51390	50361	-43,9
Oinousses	2440	1448	1586	974	705	686	1050	826	911	-167,8
Psara	788	703	576	487	460	438	422	458	420	-87,6
Kastellorizo	2230	587	481	268	222	275	430	492	584	-281,8
Rhodes	54800	58946	63951	66606	87831	98175	117007	115490	125113	56,2

Source: ELSTAT

Natural population change on the smaller islands is more negative than both the national average and that of Chios. In contrast, Kastellorizo—and especially Rhodes—show markedly different trends. As previously noted, Rhodes serves as the exception to the overall pattern.

**Table 9. Natural movement (2021)**

Population	births	deaths	natural movement	NM/pop
Greece	1.006.686	1.337.965	-331.279	-3,2
RU Chios	5.264	6.573	-1.309	-2,5
Chios	5202	6423	-1221	-2,4
Oinousses	36	81	-45	-4,9
Psara	26	69	-43	-10,2
Kastellorizo	49	26	23	3,9
RU Rhodes	14465	10918	3547	2,7

Source: ELSTAT

The qualitative characteristics of the population present an “atypical” picture, likely influenced by the unique conditions of being border islands. All three islands in the Chios Regional Unit—especially the two smaller ones—exhibit a very high proportion of elderly residents.

**Table 10. Age pyramid (2021)**

age pyramid	0-9	10-19	20-29	30-39	40-49	50-59	60-69	70-79	80+
GREECE	8,4	10,2	10,0	12,0	15,2	14,7	12,6	9,5	7,3
RU Chios	8,7	10,0	10,3	12,8	14,3	13,6	12,5	10,2	7,7
Chios	8,7	9,9	10,2	12,8	14,4	13,6	12,5	10,2	7,7
Oinousses	8,1	7,1	7,3	12,3	13,5	14,5	16,6	10,7	9,7
Psara	6,1	13,8	15,2	10,9	10,7	10,9	13,6	10,5	8,1
Kastellorizo	8,3	17,5	16,2	16,2	13,1	8,9	9,4	5,5	4,1
RU Rhodes	10,0	11,1	11,1	13,7	16,0	13,6	10,7	9,0	4,8

Source: ELSTAT

The level of education in the Chios Regional Unit is comparable to the national average. This is not the case in Kastellorizo, and even in Rhodes, where the local population tends to have relatively lower educational attainment. In Rhodes, this trend has been largely influenced—both in the past and to a lesser extent today—by the ease of finding well-paid employment in tourism without the need for higher education.

**Table 11. Education attainment (2021)**

	L6+	L5	L4	L3	L2	early school leavers	born after 1/1/2016
Greece	21,1	6,0	27,2	13,1	18,7	9,3	4,6
RU Chios	20,8	4,9	28,3	13,0	20,3	7,9	4,8
Chios	20,8	4,9	28,2	12,9	20,3	8,0	4,9
Oinousses	20,1	3,8	20,6	14,9	29,1	5,0	4,5
Psara	17,0	6,3	35,3	14,8	17,1	6,1	2,8
Kastellorizo	16,7	4,1	37,0	12,6	16,9	6,6	5,1
RU Rhodes	16,8	6,8	28,5	14,9	18,4	8,9	5,7

Source: ELSTAT

Immigration is another sign of attractiveness of a place as people migrate either for a better job (this is globally the case for people coming from poorest countries), or for a better quality of life, or for both (table 12). RU Rhodes presents a high attractiveness for job looking people as tourism growth has created high needs of employment, mainly of unskilled manpower.

**Table 12. Permanent residents with no Greek nationality (2021)**

	non-Greeks	EU except Greeks	Rest of Europe
Greece	7,3	1,1	4,2
RU Chios	5,1	0,6	3,3
Chios	5,1	0,6	3,3
Oinousses	5,9	0,9	5,9
Psara	7,9	2,2	5,0
Kastellorizo	6,0	2,2	3,4
RU Rhodes	11,3	2,6	7,5

Source: ELSTAT

The economic characteristics of the population reveal key challenges. Psara has an extremely low percentage of economically active residents, highlighting structural problems. Chios also shows a low activity rate, reflecting a weak local economy.

**Table 13. Active, employed and unemployed population (%) 2021**

	employed	unemployed	Total active population
Greece	38,0	6,3	44,3
RU Chios	34,8	5,4	40,2
Chios	35,1	5,4	40,4
Oinousses	52,4	4,5	56,9
Psara	13,0	7,9	20,9
Kastellorizo	39,5	5,5	45,0
RU Rhodes	43,7	4,9	48,5

Source: ELSTAT

Regarding economic activity, the two main sources of data — the census and the companies register — produce significantly different results. The main reason for this discrepancy lies in the differing data

recording systems: the census is based on the place of permanent residence and companies register on the place of work., This means that individuals recorded in the companies register may not be permanent residents either of the island or even of the country. This explanation is plausible, especially considering that the largest differences are found in the “Accommodation and Food Service Activities” sector, which is known to employ a significant number of seasonal, non-resident workers. A similar pattern is observed at the regional level, as shown by the data for Rhodes (Table 14).

**Table 14. Economic Activities**

Cod e NAC E Rev. 2	Greece	Greece CR	Chio s RU	Chio s RU cr	Oinouss es	Oinouss es cr	Psar a	Psar a cr	Kastellori zo	Kastellori zo cr	Rhod os	Prod os cr
	3.986.515	4.621.511	18.009	15369	221	71	119	59	232	159	56.578	65.548
A	357.268	290.772	1.750	1.894	25	7	19	13	10	8	1.265	591
B	6.853	6.174	12	x	0		0		0		49	x
C	355.813	381.529	843	834	6	2	3	1	8	3	2.005	1.921
D	25.880	31.162	121	66	4		3		3		364	119
E	28.148	17.841	173	29	6		3		8		467	251
F	184.763	171.400	1.067	706	14	7	5	3	14	14	2.640	3.186
G	719.760	823.788	2.788	2.685	20	8	5	5	22	17	9.340	9.829
H	210.180	192.842	1.520	412	53	3	31	1	11	5	2.443	1.756
I	437.234	707.864	1.792	2.866	16	10	11	8	42	89	19.879	28.999
J	103.054	108.953	159	135	3		0		0		461	462
K	76.562	78.201	237	148	5		0	2	6		437	257
L	13.437	30.357	29	72	0	0	0		0		86	666
M	254.447	296.480	872	841	11	4	4		3	1	2.288	2.532
N	124.506	185.565	283	273	3	1	0		4	5	2.201	2.247
O	348.064	413.756	2.987	x	30	20	25	20	88	16	4.788	x
P	296.089	353.902	1.586	1.637	8	2	6	1	6		3.371	5.617
Q	271.854	303.416	1.157	1.114	6		6	1	7		2.205	2.285
R	56.853	86.606	184	216	0	2	0	3	3		876	1.565
S	93.284	130.748	375	488	17	3	3		3	1	1.148	1.541

Source: ELSTAT

Understanding the substantial discrepancies in data between the two registration methods is particularly crucial for the smaller islands. These differences may, in part, be attributed to the electronic nature of the last census. Accurately interpreting these figures is essential for assessing the actual state of the local economy. In many cases, the economic base of the smaller islands appears so limited that they are best characterized as predominantly residential in nature. However, this classification may not be appropriate for islands like Chios, which exhibit a more diverse and potentially productive economic structure.

Table 15. Number of companies, turnover and employment at RU of Chios

	2011			2019			2022		
	no of companies	turnover	employment	no of companies	turnover	employment	no of companies	turnover	employment
A*	97	33.713	231	2.495	41.028	2.219	2.716	66.012	1.894
B	5	1.124	25	x	x	x	x	x	x
C	382	75.302	1.247	280	67.589	812	293	81.276	834
D	42	3.605	139	33	2.713	57	41	3.723	66
E	7	3.845	61	x	x	x	27	1.891	29
F	877	30.396	1.887	511	19.452	618	555	32.365	706
G	1.469	350.573	4.055	1.142	254.711	2.641	1.105	295.329	2.685
H	251	43.143	889	216	16.931	441	207	20.013	412
I	689	41.319	1.840	629	44.079	2.786	579	50.180	2.866
J	84	12.483	273	62	17.087	194	75	5.393	135
K	71	1.710	136	93	3.007	152	83	3.216	148
L	45	1.929	100	31	1.264	34	44	2.823	72
M	587	17.551	1.274	547	18.030	756	581	21.009	841
N	144	7.386	340	112	7.536	208	159	8.692	273
O	7	119	67	10	162	649	x	x	x
P	140	3.506	323	123	2.228	1.692	138	2.938	1.637
Q	205	14.575	535	245	12.136	1.035	254	13.005	1.114
R	102	3.414	223	98	2.021	195	112	2.168	216
S	157	3.600	335	192	3.684	422	221	4.390	488
W	25	111	47	94	27	93	17	9	34
	5.386	649.404	14.027	6.925	519.315	15.031	7.219	615.840	15.369

Note: A\*: the data for the primary sector in 2011 are partial as concerns only the exploitations declared as companies.

Source: ELSTAT

Table 15 shows several important observations. The economy's turnover in 2022, in current prices, is lower than it was 11 years ago, during the third year of the financial crisis. It's also worth noting that the increased use of credit cards in recent years has contributed to a reduction in the "black economy".

Overall employment has increased, particularly in the "I – Accommodation and Food Services" sector. However, the rise in employment figures in the "P – Education" and "Q – Human Health and Social Work Activities" sectors is largely due to changes in the registration system, as the public sector contracted following Greece's economic collapse in 2010.

The increase in employment despite a decline in turnover suggests a reduction in both wages and overall productivity.

Three export-oriented and competitive sectors follow in terms of turnover share, that is totally different from what is happening to most of the islands:

- "C – Manufacturing" with 13.2%,
- "A – Agriculture" with 10.7%, and
- "I – Accommodation and Food Services" with 8.1%.

The drop in turnover within the "G – Wholesale and Retail Trade" sector reflects the decline in disposable income. Nevertheless, this sector still accounted for 48% of total turnover in 2022, compared to 54% in

2011. Similarly, three more sectors highly dependent on the domestic economy —“F – Construction”, “H – Transportation and Storage”, and “M – Professional, Scientific and Technical Activities”—have experienced a decline.

Based on more detailed data from the Companies Register and other sources, the most important competitive activities in the region are:

- Primary Sector. Mastic cultivation, fish farming, livestock farming, citrus cultivation, and wine production.
- Manufacturing. Production of ouzo and other alcoholic beverages, cheese production, and the development of mastic-based products.
- Tourism. Chios hosts a relatively small number of hotels and bed & breakfast establishments, offering around 5,500 beds. The other islands have very limited capacity—approximately 350 beds in Kastellorizo and just 50 in Psara. Oinousses has not official tourism beds.

Chios, like its neighbouring island Lesvos, has struggled to replace the decline in both manufacturing (e.g., tanneries, olive-soap production) and agricultural activity, a consequence of the broader transformation of the production system described earlier. However, the high involvement of the population in marine-related activities has sustained a relatively high standard of living and income levels—visible in the quality of housing across the three islands—even though this activity is offshore and not directly reflected in Chios's production structure.

Mastic production in Chios exemplifies how island economies can achieve sustainable development by leveraging unique local resources. Initially dependent on unprocessed exports to the Middle East, the sector suffered from regional instability, leading to financial crisis. In response, the Mastic Producers' Association transformed its strategy—shifting to value-added, branded products supported by research, innovation, and modernization, which led to an increase of both, the demand and the supply and an increase of the price paid to the producers. This included also the establishment of a museum and of a research centre, successfully linking the product to the island's identity and ensuring long-term economic resilience.

## Interpreting the Greek islands landscape

The Greek islands present a complex and diverse territorial fabric that is shaped by their history, physical geography, demographic trends and economic structures. Despite their varied size, population, and distance from the mainland, all islands grapple with the challenges of “insularity”—limited land and labour, remoteness, and fragile ecosystems—but also offer unique opportunities through cultural richness, tourism appeal, and emerging digital and green economy sectors. This duality demands nuanced, place-based policy approaches. The success of Greece's island policy depends on, primarily a European and national specific policy framework and secondarily of tailoring strategies to the specific needs of each island, recognising their heterogeneity while fostering inclusive and sustainable development.

Economic resilience in the islands is tightly intertwined with tourism, which is both a strength and a vulnerability. Mass tourism has driven GDP and employment growth in popular destinations such as the Cyclades and Dodecanese but has also contributed to economic leakage, overdependence on seasonal activity, and mounting environmental pressure. In contrast, islands like Chios or Kastellorizo exhibit more diversified or maritime-focused economies but face challenges of depopulation, economic stagnation, and service accessibility. Across the spectrum, a key policy conclusion is the need to move from quantity-based tourism to a quality-focused, integrated approach that strengthens local value chains, encourages niche and year-round offerings, and links tourism to other sectors such as agriculture and culture.

A horizontal proposal could be to focus on:

- Wellbeing/wellness tourism by transforming the 3S tourism product, to a qualitative and high added value product using the cold (sea) and the hot (thermal spring) water, the local cuisine, the environment, the myths and the history plus the culture (tangible and intangible) of the islands
- Blue economy, by (re)using the sea as essential tool of prosperity based on different activities other than coastal tourism within a maritime spatial planning.

Public service provision remains a critical barrier to quality of life and economic sustainability, particularly on smaller and more remote islands. Healthcare, education, transportation, and digital connectivity exhibit significant disparities, which diminish islands' attractiveness for residents, investors, and potential new settlers. While progress has been made through telemedicine and decentralised infrastructure planning, the evidence indicates that access to these essential services must be further prioritised, particularly in low-density areas. Policy responses should continue to support targeted investment in e-health, e-learning, and reliable transport networks, complemented by administrative simplification and coordination across government levels.

Environmental sustainability is not just a policy priority—it is a prerequisite for the long-term viability of the islands. The intensive use of resources, exacerbated by peak-season tourism, places stress on water, waste, and land systems. A shift toward circular economy practices, responsible spatial planning, and protected area management is urgently needed. The deployment of renewable energy, sustainable mobility solutions, and desalination technologies also requires strategic investment. Climate resilience must be integrated across all sectors, with vulnerability assessments and adaptive planning tailored to island-specific risks, from coastal erosion to wildfires.

Finally, governance capacity and institutional alignment are foundational to successful island development. The report reveals the importance of subsidiarity and participatory planning, underpinned by high-quality data and robust local engagement. Integrated strategies must be co-created with communities, balancing the interests of residents, visitors, and businesses. The classification of islands by tourism pressure and attractiveness—low, moderate, high, and very high—offers a valuable lens for differentiated policy design. From managing overtourism on Mykonos and other islands to revitalising marginalised islands like Psara, tailored governance tools such as sustainable tourism charters, destination management bodies, and multi-level coordination mechanisms will be essential in ensuring that the Greek islands evolve into resilient, inclusive, and prosperous territories.

A forward-looking island policy should therefore be grounded in the principles of sustainability, addressing three key pillars:

- *Economic resilience.* Policies must promote an economy that is both productive and environmentally responsible. This includes supporting the production of competitive goods and services, ensuring business viability, attracting new investments, and guaranteeing fair wages and decent working conditions. The aim is to enhance economic efficiency and drive growth in GDP and employment.
- *Social resilience.* Island policies should foster inclusive societies with sustainable population levels, balanced demographic structures, and equitable access to employment, income, healthcare, education, and overall well-being. High quality of life and social justice must be central objectives, leaving no any population group behind.
- *Environmental resilience.* Protecting and restoring the natural environment is essential. Policies must ensure the availability of vital ecosystem goods and services—such as clean water, clean air,

food production capacity, and overall environmental quality—which underpin both human life and economic activity on the islands.

These facts underscore the need for integrated, long-term strategies that treat islandness not as a limitation but as a foundation for innovation and sustainability in policy design.

## Key national programmes for island development

Greece demonstrates a strong commitment to island governance through the Ministry of Shipping and Island Policy, which stands out with a clearly articulated and operational strategy—implemented via its General Secretariat of the Aegean and Island Policy—providing a solid foundation for effective policy development and implementation, even as a fully overarching national island policy continues to evolve.

### ***Legal framework towards a National Growth Strategy***

In 2013 the Ministry of Shipping and island policy has introduced by the law 4150/2013:

- The insularity clause
- The creation of the Institute of Insular Policy
- The creation of the Insular Council

In 2018 has introduced by the law 4551 the Maritime Transport Equivalent

In 2021 and as part of its National Growth Strategy, the Greek Government defined a specific policy for islands: “Sustainable Development of Greek Islands”. This policy included several priorities for island development, such as improving accessibility; protecting the natural environment of islands; infrastructure and energy efficiency; digital islands; farming and fisheries; public health care.

### ***Law 4770/2021***

In 2021, the Hellenic Parliament at the initiative of the Ministry of Maritime Affairs and Insular Policy (YNA.N.P.) adopted Law 4770/2021 that sets the foundation for a forward-looking national strategy aimed at integrated maritime governance in insular areas. It highlights sustainable development and introduces the innovative “NEARCHOS” funding program, designed to support impactful interventions across island regions.

Key topics of the Law include:

- The core pillars of Insular Policy—Insularity, Maritime Economy, and Blue Growth—form a dynamic and strategic framework for sustainable island development.
- Greek islands represent 18.7% of the country's land area and are home to 15.1% of the national population, showcasing the vibrant human and cultural capital of these regions.
- The country's seas, islands, and coastal zones are invaluable assets, contributing more than 25% of Greece's GDP (net value-added), driven by thriving sectors such as shipping, tourism, and maritime professions.

- There is growing recognition of the need to better integrate the economic and social value of island and coastal areas into national policymaking, presenting a strong opportunity for inclusive growth.
- Greece's maritime regions—including the Aegean, Crete, and the Ionian Sea—play a crucial role not only nationally, but also at the European and international levels. Strengthening island communities ensures both prosperity and the effective protection of national sovereign rights.
- The distinct features of the island economy—such as geographic uniqueness, local market dynamics, and specific infrastructure needs—are now being addressed through targeted, forward-thinking development strategies that aim to unlock their full potential.

### ***National Strategy for Integrated Maritime Policy in Insular Areas 2021***

The law also introduces the National Strategy for Integrated Maritime Policy in Insular Areas (NS-IMPIA), a key component of Greece's renewed commitment to island development. This strategy sets clear, measurable objectives at both national and regional levels, defines tailored development policies for different island groups, and outlines the financial and institutional resources available to support their successful implementation.

#### *Core Principles*

The new Institutional Framework include the following core principles:

- Implementation of specialized programs for small and very small islands, recognizing and addressing their unique characteristics and needs.
- Design of targeted development policies that reflect the distinct challenges and opportunities of island regions.
- Enhanced parliamentary oversight and representation through dedicated committee structures, ensuring island voices are heard in national decision-making.
- Adoption of special sectoral programs, aligned with the priorities of each island region.

#### *Strategic Priorities – Minimum Areas of Intervention*

The National Strategy identifies key areas where coordinated development efforts will be focused, including:

- Port Policy and Maritime Infrastructure – Modernizing and expanding island port facilities.
- Essential Infrastructure for Energy and Water Management – Ensuring reliable and sustainable services.
- Coastal Shipping and Maritime Transport – Enhancing connectivity and accessibility for island residents and businesses.
- Insular Competitiveness and Entrepreneurship – Promoting innovative island-based production models and economic diversification.
- Maritime Surveillance and Strategic Security – Strengthening Greece's strategic presence and resilience in maritime zones.
- Blue Professions and Investment in the Blue Economy – Creating jobs and attracting investment in sustainable maritime sectors.
- Institutional Capacity and Digital Governance – Supporting effective public administration and digital transformation in island communities.

- Technical Support for Implementation – Particularly focused on empowering small islands to successfully plan and execute development projects.

### *Effective Governance Mechanisms*

The law introduces a robust set of governance mechanisms to ensure the transparent, efficient, and results-driven implementation of the National Strategy for Integrated Maritime Policy in Insular Areas. These include:

- Annual Policy Evaluation Report for Insular Areas. By March 31st each year, the Island Policy Council prepares a comprehensive evaluation report assessing the previous year's policy outcomes. This report is submitted to the Minister of Maritime Affairs and Insular Policy and subsequently presented to the relevant parliamentary committee within the first half of the year—promoting accountability and continuous improvement.
- National Register of Maritime Economy Entities. Hosted by the General Secretariat for the Aegean and Island Policy, this register brings together entities active in sectors aligned with the National Strategy. It serves as a dynamic tool to promote strategic objectives, map key stakeholders, and foster coordinated actions—particularly in maritime economy and Blue Growth initiatives.
- Special Institutional Strengthening Program for Maritime Economy Entities. A dedicated funding programme supports the capacity-building of organizations in the maritime economy. It enables research, systematic market monitoring, and the development of evidence-based policy proposals, enhancing the strategic alignment of all involved entities with the goals of the National Strategy.
- Unified Monitoring and Documentation Platform ("Sharing Knowledge Platform"). This advanced digital system collects, tracks, and analyzes relevant data to support evidence-based decision-making and strategic planning. It promotes knowledge sharing and ensures an integrated, functional framework for the Ministry's operations, boosting both strategic coherence and operational efficiency.

### *Financial Tools and Mechanisms*

The law introduces a comprehensive suite of financial tools designed to empower island communities, support innovation, and foster sustainable growth across the insular economy. Key initiatives include:

- Public Infrastructure Funding – "NEARCHOS" Programme. To support the implementation of the National Strategy, public agencies can obtain investment loans from the Deposits and Loans Fund for critical infrastructure projects under the "NEARCHOS" programme. Loan repayments are covered by either the national or co-financed portion of the Public Investment Program (PIP) of the Ministry of Maritime Affairs and Insular Policy. The focus is on projects that enhance essential infrastructure, energy resilience, and environmental sustainability in island regions.
- Island Entrepreneurship Financing Programme. This programme provides a tailored mix of financial tools to foster fair, sustainable, and inclusive economic development in island communities. It addresses structural challenges such as market fragmentation and geographic isolation by offering support for operational costs, improved access to financial markets, export promotion, and other business-enhancing services—ensuring local entrepreneurs can thrive in a competitive environment.
- Maritime and Blue Economy Fund. Dedicated to advancing innovation and entrepreneurship in the maritime and Blue Economy sectors, this fund supports a wide range of initiatives in line with EU policy frameworks. It finances maritime technologies, shipbuilding and maritime equipment, digital

applications, and the use of advanced ICT solutions—strengthening Greece’s position as a leader in sustainable maritime development.

### *Scope of the National Strategy*

The National Strategy for Integrated Maritime Policy in Insular Areas applies broadly across Greek territory, reflecting the country’s diverse and widespread insular geography. It encompasses:

- Strictly insular regions such as Crete, the Ionian Islands (including Lefkada), the North Aegean, and the South Aegean.
- Regions with island clusters or individual islands, including Eastern Macedonia and Thrace, Thessaly, Attica, Central Greece, Central Macedonia, and Western Greece.
- Specific island territories such as Evia and Elafonisos (Laconia), which, despite being geographically connected or proximate to the mainland, face distinct insular challenges.

### ***Action Plan of the General Secretariat for the Aegean and Island Policy (GSAIP) 2024***

The General Secretariat for the Aegean and Island Policy (GSAIP), though currently a smaller contributor compared to national and EU funding sources, has strong potential to drive better coordination and strategic alignment in island development. The main opportunity lies not in more funding, but in creating an integrated, long-term vision that addresses the unique needs of the islands. Strengthened multi-level governance—connecting national, regional, and sectoral strategies—can significantly improve the impact and efficiency of development efforts.

The GSAIP’s action plan for 2024 is structured around nine key priorities, aiming to further refine and implement the National Strategy:

- Specialization of the National Strategy. Adapting the overarching strategic goals to the specific characteristics and needs of each island region.
- Upgrading Governance Structures and Procedures. Enhancing administrative efficiency and coordination in both island governance and maritime policy.
- Deployment of Financial Instruments. Applying and customizing financial tools to support growth in the Blue Economy and island development.
- Strengthening the European and International Dimension of Insularity. Promoting Greece’s insular interests on the European and global stage, reinforcing the international recognition of insular challenges.
- Digital Transformation for Insular Public Policy. Accelerating digitalization to improve public services and decision-making in island areas.
- Strengthening Social Cohesion. Fostering inclusive development with a strong emphasis on cultural heritage and the well-being of island populations.
- Integrated Water Resource Management. Implementing sustainable and effective water management systems tailored to the unique conditions of island regions.
- Improving Interconnectivity and Territorial Cohesion. Enhancing transportation and communication infrastructure to better connect islands with each other and the mainland.
- Policy Transparency and Monitoring. As of now, there are no publicly available documents detailing the implementation progress of the above initiatives, making it difficult to evaluate their effectiveness or overall impact.

## Current government support

Greece is adopting progressive policy measures to address the unique challenges of its islands, with a strong focus on sustainability, equity, and inclusive growth. This approach reflects a broader recognition of the islands' strategic role in the country's cultural, economic, and environmental future. Continued investment in these areas is laying the groundwork for a more resilient and prosperous island network.

### ***Islands' Transport Equivalent***

Islands' Transport Equivalent is a standout example.<sup>7</sup> Introduced in 2018 by the General Secretariat of Aegean and Insular Policy (GSAIP), reflects a strong commitment to improving connectivity and economic conditions across island territories. Its key features include:

- *Passenger transport support.* Islanders receive subsidies covering the difference between ferry fares and equivalent land (bus) transport costs, helping to ensure affordability and mobility. The scheme is designed with equity in mind, offering more support to less-populated islands, as their inhabitants have to move more frequently out of their island.
- *Freight subsidies for businesses.* Businesses benefit from direct financial support compensating the over cost of maritime freight compared to the terrestrial to offset the higher cost of transporting goods to the islands, enhancing competitiveness and encouraging economic activity in remote areas.
- *Fuel price equalization.* Subsidies are available for owners of commercial and private vehicles living in small islands, as well as operators of fuel-powered machinery, to bridge the gap between island fuel prices and those in Attica—ensuring fairness and supporting daily life and productivity.

### **Taxation**

Greece has introduced targeted fiscal policies to address the structural and economic challenges faced by its island communities. These measures aim to promote fairness, reduce the cost of living, and support local economies, particularly in smaller and more remote islands. Examples include:

- *Enhancing fairness in taxation.* In recognition of the structural challenges faced by smaller island communities, residents of islands with fewer than 3,100 inhabitants enjoy a more favourable income tax calculation, with a 50% increase in the taxable income threshold of the first bracket. Additionally, certain islands are exempt from direct taxation, reflecting a deeper understanding of the need to support economic resilience.
- *VAT reductions to strengthen local economies.* Progressive tax reforms, including Law 2093/1992, extended reduced VAT rates to most Aegean islands, including besides those of the three insular regions, Thassos, Northern Sporades, and Skyros. These measures promote affordability and economic stability in areas that face increased costs due to insularity. While adjustments in 2016

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<sup>7</sup> For a analytical presentation of the ITE, Lekakou et al. 2019, The methodology for the application of the Islands' Transport Equivalent to the Greek islands, Conference: 27th Conference of the International Association of Maritime Economists, Athens & Stefanidaki et al, 2021, Measuring the impact of a transport policy. The Islands' Transport Equivalent in Greece, 29th Conference of the International Association of Maritime Economists, Rotterdam.

limited these benefits to five islands significantly impacted by the migration crisis, there is growing dialogue about expanding support mechanisms to other regions facing similar pressures.

### **Investments**

Greece is promoting investment and innovation across its island regions through targeted support measures that aim to strengthen local economies and enhance sustainability. These initiatives, often backed by EU co-financing, focus on fostering entrepreneurship, regional equity, and sectoral transformation—particularly in agriculture. Examples include:

- *Encouraging investment and innovation.* Investment subsidies, supported largely through EU co-financing, provide enhanced rates for less-developed regions, including island regions and sectors with strong potential on islands. This not only promotes regional equity but also opens doors for innovation, entrepreneurship, and sustainable development.
- *Towards a smarter agricultural policy for islands.* While current agricultural subsidies under the European Agricultural Fund for Rural Development (EAFRD) are mainly crop-based, there's significant opportunity to evolve toward a place-based approach that recognises the unique potential of island agriculture. A more integrated vision—linking island food production with tourism and local markets—could create a powerful “from the field to the tourist’s plate” model, retaining value within the island economy and enriching the visitor experience. A positive example of existing targeted support is the “Special Supply Arrangement for Small Aegean Islands”, which helps reduce the cost of essential goods through subsidies on imports. Looking forward, expanding this initiative to reinforce local production could further empower communities and reduce dependency.
- *Towards a Just energy transition in islands.* Within the wider project for energy transition concerning the substitution of fossil fuels by renewable energy and the socio-economic problems arising from, islands are going to be financed from the Just Transition Fund. The Greek Government together with the European Commission decided to implement a wider project in order to sustain Greek islands: the GR eco Islands project. Instead of focusing only on the energy transition, the “GReco Islands” initiative, aims to transform the islands as a model of fair, crisis-resistant and sustainable development and focuses on entrepreneurship, the transition to more “green”, “smart” and attractive islands, so that no region of the mentioned ones is left behind in development and social cohesion. After the very recent publication of the Charter, the responsibility for the spatial planning of the initiative is assumed by the municipalities of the islands in question, with the support of the NSRF in both planning and implementation. Greco Islands initiative transformed the initial approach for a sectoral intervention for above, to an integrated local strategy from bellow.

### **Good practices**

There is two ways to consider policy measures as successful, in order to examine if it must be sustained and expanded:

- At a first level is to see if the specific measures applied have been implemented in a successful way producing sustainable results i.e. electrification of the local transport system, development of renewable energy plants, amelioration of the waste management, or amelioration of the connectivity through either digitalization or transport projects. So far, in the vast majority of cases, it concerns top-down policies that were implemented on some islands through strong external

(regional, national, European or even corporate) funding, initially with the consent of local authorities and gradually of more or all citizens. The cases of Astypalaia (electrification of the public transportation network), of Chalki (installation of a solar panel and creation of an energy community, digitalization of municipal services), of Kythnos (smart electric grid), of Tilos (smart electric grid, zero waste project) are the most famous. Skyros, Tilos and Kalymnos have succeeded -at least for a period for Tilos- to ameliorate their connectivity with affordable ticket prices for the locals, based on local initiatives. Are these actions sustainable? Will they succeed in having wider impacts?

- At a second level is to see if structural problems of the islands, as population diminution and ageing, monoculture, lack of resources etc have been addressed by a combination of different policies within an explicit or implicit strategy. In this second case, there is two small islands, Tilos and Lipsi that have succeeded over a period of about 40 years to inverse the severe population decrease of the period 1951-1981 and put the local economy in a sustainable path as shows Table 16 a&b.

**Table 16a. Population data for Tilos & Lipsi**

Population		1951	1961	1971	1981	1991	2001	2011	2021	
	Tilos	1052	789	349	301	279	533	780	746	
	Lipsi	885	724	597	574	606	698	790	778	
Age pyramid		0-9	0κτ-19	20-29	30-39	40-49	50-59	60-69	70-79	80+
	Tilos	9,9	6,8	12,4	11,1	11,5	11,5	16,9	14,1	5,5
	Lipsi	7,6	9,0	9,9	12,2	12,7	16,3	14,8	11,7	5,7
immigrants		non Greeks	EU except Greeks	Rest of Europe						
	Tilos	15,3	5,3	7,6						
	Lipsi	11,3	8,2	2,1						
		employed	unemployed	total active						
	Tilos	38,4	4,7	43,07						

Source: ELSTAT, Authors' elaboration

**Table 16b. Employment per sector (\* census 2021 \*\*/\*\*\*companies register 2022)**

economic	*	**	***	*	**	***
activities	Tilos	Tilos cr	Tilos cr+	Lipsi	Lipsi cr	Lipsi cr+
A	13,5	1,3	4,1	5,6	9,5	21,1
B	0,0	0,0	0,0	0,0	0,0	0,0
C	6,1	0,0	0,0	2,1	5,5	4,9
D	1,2	0,0	0,0	0,0	0,0	0,0

E	1,6	0,0	0,0	2,1	1,8	1,3
F	11,9	3,6	5,3	6,3	8,2	8,5
G	12,3	8,9	10,7	5,9	11,4	11,9
H	7,8	0,9	1,5	1,0	6,4	5,9
I	16,0	58,0	55,6	18,8	35,9	29,6
J	2,0	0,0	0,0	1,0	0,0	0,0
K	1,2	0,0	0,0	0,0	0,5	0,5
L	1,2	0,0	0,0	0,0	0,9	1,0
M	3,7	1,3	1,5	1,4	5,9	3,9
N	2,5	4,5	5,3	3,1	1,8	2,1
O	11,5	17,4	11,8	18,8	7,7	4,6
P	6,6	0,9	1,2	5,6	0,0	0,3
Q	3,3	1,3	1,2	3,5	1,4	1,0
R	0,0	0,4	0,6	1,0	0,9	1,0
S	0,0	1,3	1,2	3,1	2,3	2,3

Data from census (\*) include permanent residents, employers and employees, data from companies register (\*\*) include only employees, data (\*\*\*) includes employers and employees (authors' elaboration)

Source: ELSTAT, Authors' elaboration

The data are not all positive for the two islands, but the overall situation for them appears better than for others of similar or bigger size. The key factor of these success stories is the mayor and how the islands are governed. It is about two personalities that have studied abroad and came back to their islands in 1982 with a vision: to change the trend of their islands towards a development<sup>8</sup> path. They knew (and had a plan) how to attract the necessary public investments to increase the attractiveness of the island and to motivate people to come back and invest on the island. At the same time, they knew the limits of the island and they have very early managed its resources and try to maintain an equilibrium.

What type of policies can create same or similar results, not as outcomes of individual actions, but as an overall positive impact on the sustainability and resilience of islands? The Greco island program, that is based on the same principles (vision, strategic plan, public participation, social innovation etc), can have a positive impact to small Greek islands if well managed.

## Building a sustainable future on Greece's Islands

Effectively tackling the common challenges faced by Greek islands demands coordinated action across all levels of governance—European, national, regional, and local—within a strengthened multilevel governance framework. Development strategies should be place-based and tailored to the unique characteristics and diverse development paths of each territory.

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<sup>8</sup> The terms "sustainable" and even more "resilient" were unknown that period.

### ***The European level***

At the European level, Article 174 of the Treaty on the Functioning of the European Union (TFEU) establishes the legal basis for the EU's cohesion policy. It commits the EU to promote harmonious development by reducing disparities between regions and addressing the specific needs of less-favoured areas. Crucially, the article highlights regions facing structural challenges, including islands, mountainous areas, and sparsely populated regions, as priorities for targeted support. By doing so, it underlines the EU's responsibility to implement tailored, supportive measures that promote sustainable and inclusive development in these territories.

Building on Article 174, the European Union has an opportunity to strengthen the existing policy framework for supporting island economies—not only by taking targeted steps itself, but more importantly by encouraging and facilitating Member States to better acknowledge the distinct and permanent characteristics of islands while enabling their long-term development and resilience.

The recent position of the Commissioner Fito to “launch a consultation on the development of a Strategy for Islands and on an updated Strategy for OuterMost Regions” (COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL A modernized Cohesion policy: The mid-term review, -COM (2025) 163 final) is promising. The focus has to be given for the adaptation of European Policies and Operational Programs to islands' specificities through an “Insular Pact” comprising:

- Island Impact Assessment of the important policies and regulations for the islands (transport, concurrence, agriculture policy, environment).
- extra funding (specific budget line) to address the additional operating costs of businesses, households and the state on the islands (operation of SEGI, higher level of support through De Minimis regulation etc)
- a specific structure within GD Regio for continuing assessment of the measures taken and the achievement of the goals.

### ***The national level***

The national level plays a vital role in shaping a strong legislative framework and integrated development strategy that can drive sustainable growth, especially when aligning European policies with national realities. Greece's Constitution (Article 101(4)) and Laws 4150/2013 & 4770/2021 lay a solid foundation for ensuring island areas receive tailored attention and support. These provisions call for policies that reflect the unique challenges and opportunities of these regions, and while not yet fully implemented, they offer a promising path forward.

To unlock the full potential of Greece's islands, a focused national policy agenda could prioritise (in order of relevance):

- Empowered local governance, with clear roles, structures, and support for effective administration adapted to islands' specificities.
- Development strategies that integrate islands into the broader national plan, especially those under tourism pressure,
- Health and social care services designed to meet local needs, with an emphasis on prevention,
- Education and training programmes that empower island residents with knowledge and skills,
- Innovative energy policies, advancing energy efficiency, renewable energy, and community-led initiatives toward a carbon-neutral future,

- Support for the primary sector, promoting high-quality, sustainable local products and revitalizing rural areas,
- Integrated island transport systems, improving connectivity through coordinated networks and clean energy technologies,
- Resource and waste management through circular economy practices tailored to island conditions,
- Proactive civil protection measures, enhancing resilience against natural disasters and promoting environmental care,
- Access to appropriate housing at an affordable price mainly for young people wishing to establish on islands to address rising demand for tourism/short term rentals, increasing housing costing (including energy bills), housing supply shortage

Looking ahead, the strengthening of a comprehensive national spatial and development strategy will be key to guiding local efforts and maximizing impact. With strategic direction and coordinated support, municipalities—especially those involved in the Gr-Eco Islands initiative—could confidently implement local action plans as part of a broader, cohesive vision for sustainable island development.

### ***The regional and local levels***

Differentiated policy approaches at the regional and local levels offer a powerful opportunity to reflect and build upon the unique diversity of Greece’s islands. Moving forward, there is great potential to strengthen these approaches through more integrated and coordinated efforts—building on experience with Operational Programmes primarily supported by European funding and gradually expanding national engagement.

The aim is not to impose uniformity or compare islands against large urban centres or mainland regions. Instead, the vision is to empower each island to thrive on its own terms—by unlocking its specific strengths, addressing local challenges, and creating attractive conditions for population retention and sustainable economic activity in today’s dynamic and competitive landscape.

This vision is not abstract—several island regions are already positioned to lead by example.

Island regions such as the North Aegean have a unique opportunity to turn their challenges into strengths by adopting a bold, innovation-led development model. Instead of merely upgrading existing sectors, the path forward lies in cultivating a resilient, high-value economy rooted in the islands’ rich natural, cultural, and human capital.

By leveraging their distinctive assets—such as maritime traditions, rich marine biodiversity, historical and cultural heritage (e.g., mastic cultivation, UNESCO sites, Byzantine and Genovese legacies), unique architecture, vibrant gastronomy and local products, strong artistic and literary traditions, and the academic presence of the University of the Aegean—these islands can emerge as dynamic hubs of sustainable growth and creativity.

Through smart specialization—the process of identifying and investing in unique local strengths—and integrated development strategies, island regions can foster the production of high-quality, value-added goods and services driven by innovation and a skilled workforce. These strategies also create a framework for addressing longstanding structural challenges.

While the natural characteristics of islands cannot be changed, their impact can be mitigated and managed through well-designed, place-based policies:

- Resource limitations can be addressed by boosting efficiency through smart, high-quality products and services, and by promoting responsibility among enterprises, residents, and visitors.
- Geographical isolation can be overcome by enhancing connectivity—through improved transport and ICT infrastructure and services—in line with the concept of smart islands.
- Cultural and environmental fragility must be respected and leveraged—not exploited—to reinforce local identity and resist homogenization.

To turn this vision into actionable policy, a strategic framework is essential. A three-fold approach is proposed, focused on developing Qualitative, Green, and Equal Opportunities islands:

- *Qualitative islands.* Island enterprises must remain competitive in European and global markets by capitalizing on local natural and cultural assets. Products and services rooted in local know-how have proven to succeed. However, innovation, new knowledge, and skilled human resources are critical to sustaining this competitiveness.
- *Green islands.* Islands must adopt strategies that reduce the consumption of key resources—water, land, and energy—and promote waste recycling. While greening the economy is part of the quality agenda, its significance for islands warrants separate emphasis. Achieving responsible production and consumption, especially by small enterprises and communities, requires targeted innovation and knowledge.
- *Equal opportunities islands.* Ensuring equal access to Services of General (Economic) Interest (SGI) for all European citizens is vital for both quality of life and competitive entrepreneurship. As highlighted in the European Spatial Development Perspective (1999) and reinforced by the Lisbon Treaty (Article 14 and Protocol 26), SGIs are fundamental to economic, social, and territorial cohesion.

### ***Towards policy recommendations***

Addressing the complex challenges faced by Greek islands requires a cohesive and well-coordinated approach that spans all levels of governance—European, national, regional, and local. These territories, marked by geographic isolation and structural vulnerabilities, demand a tailored, place-based policy framework that respects their unique identities and development trajectories. Strengthening multilevel governance is not merely a procedural adjustment; it is a strategic imperative that enables each level to play a complementary role in fostering resilient, sustainable, and inclusive growth across island regions<sup>9</sup>.

The EU Cohesion policy offers a clear mandate to support less-favoured areas such as islands. Greece has laid important legislative foundations to promote island-sensitive strategies. However, a more robust implementation of these provisions—centered on local empowerment, integrated planning, and investment in social services, education, energy, and infrastructure—will be critical for unlocking the islands' full development potential.

Regionally and locally, the path forward involves leveraging the distinctive assets and comparative advantages of each island through integrated and innovation-driven approaches. Rather than applying uniform models, policy must promote smart specialisation, respect environmental and cultural heritage, and foster local economies rooted in quality, sustainability, and equity.

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<sup>9</sup> An analytical proposal concerning the governance system for Greek islands is going to be presented in the next section.

The goal is not only to mitigate the disadvantages of insularity but also to turn these characteristics into engines of transformation. A future-oriented policy framework could consider the following actions, listed by policy priority:

### ***Governance & Institutional capacity***

- **Elaborate an insular strategy.** Taking advantage of the reference to the necessity of an Island Strategy at European level in Commissioner Fito's statement presenting the mid-term review of cohesion policy, it is necessary to develop a comprehensive framework that covers all levels of governance, from European to local. Insist on the necessity to implement the "insular clause" to both European and national policies through Regulatory Impact Assessments and programme evaluations.
- **Prioritise islands in existing national and EU funding programmes.** Earmark a fixed percentage of regional and recovery funding (ERDF, ESF+, RRF) for island-specific initiatives in national programming documents e.g. by (i) including an "Island Chapter" in Operational Programmes, identifying tailored interventions, (ii) setting up mechanisms of fast-track approval for island-focused projects such as: business incubators for SMEs in remote islands, digital infrastructure and remote work hubs, youth entrepreneurship programmes (linked to Erasmus+, ESF+).
- **Ensure long-term infrastructure investment and environmental stewardship.** Develop and fund long-term infrastructure projects that improve connectivity, digital access, and environmental resilience. Emphasize sustainable tourism, renewable energy, and water resource management to protect fragile island ecosystems and improve residents' quality of life.
- **Establish multi-level governance and inclusive stakeholder platforms.** Create permanent, inclusive structures (i.e Island Policy Council) that connect regional and national policymaking with the private sector, academia, and civil society. These platforms will enhance transparency, foster co-created policy solutions, and increase buy-in across sectors. Align regional innovation strategies with national frameworks, such as the Greco Islands program and the Islands' Charter.
- **Build capacity of island stakeholders for strategic planning and project implementation.** Transform islands regional authorities into "Island Capacity Hubs" to strengthen the administrative, technical, and leadership capabilities of local authorities, community organisations, and business associations. These hubs should offer tailored training programmes, peer-learning exchanges, and mentorship schemes on topics such as EU fund absorption, digital tools for governance, green transition planning, and inclusive policymaking. Encourage secondments and twinning arrangements with well-performing mainland administrations and create a roster of island-experienced technical advisors to support project design and delivery.
- **Encourage interregional cooperation and knowledge transfer.** Facilitate collaboration among islands and between islands and mainland regions through shared initiatives such as Aegean Cuisine and maritime clusters. These partnerships will enhance market access, disseminate innovation, and minimize duplication. Results from cross-border and transnational projects should be systematically reviewed and used to inform regional planning.

### ***Economic & Sectoral transformation: Quality islands***

- **Offset high operating costs for island businesses.** Launch an "Island SME Cost Relief Fund" providing vouchers or tax credits to cover: freight transport and logistics, renewable energy adoption and storage, digital tools for remote business operations. Condition support on green or digital transition milestones (e.g., shift to electric vehicles, adoption of solar microgrids).

- **Develop sectoral ecosystems based on regional strengths.** Promote high-value-added sectors such as agri-food, tourism and culture, environmental services, and blue economy activities by leveraging local heritage, biodiversity, and traditional know-how. Encourage the clustering of related industries and the establishment of collaborative innovation platforms involving businesses, universities, and civil society.
- **Focus rural development on innovation and food security on island.** Create an “Island Agri-Innovation Lab” funded through CAP Pillar II to test: climate-smart farming, digital agriculture and water-saving technologies, cooperative marketing models for small producers. Dedicate minimum CAP rural development allocations for island regions and monitor uptake annually.
- **Prioritise innovation and the commercialisation of research.** Strengthen the role of regional innovation bodies (e.g., Regional Innovation Council, RIS) to support a continuous “entrepreneurial discovery process.” Improve coordination between past and future research efforts by systematically integrating results into local production systems. Tailor support mechanisms to ensure the successful commercialization of innovation, particularly in digital transformation, the circular economy, and marine conservation.
- **creation and implementation of a system to promote and reward corporate responsibility**

### ***Social services & Human capital: islands of equal opportunities***

- **Improve access to basic services through local compacts.** Pilot “Island service compacts” co-signed by local governments, service providers, and national ministries, co-financed through EU technical assistance or cohesion policy funding. Launch a competitive call for proposals (under ESF+ or Interreg) for: mobile health and telemedicine units, mobile classrooms and e-learning hubs, seasonal transport services (ferries, buses), social services, aligned with local needs.
- **Invest in human capital for future-ready economies.** Island economies must prioritize education and lifelong learning, focusing on green and digital skills aligned with local development needs. The University of the Aegean can serve as a central hub for technical upskilling and social innovation, ensuring that the workforce is prepared to support sustainable transitions and seize emerging opportunities.

### ***Strengthening environmental management: green islands***

- Implement integrated plans for environmental management for each island to minimise the risks/damages from intense natural phenomena
- Implement integrated plans for climate adaptation and mitigation for each island concerning all the natural resources (water, land, biodiversity, sea, air), the treatment of waste, the infrastructures and the functioning of the activities (tourism, agriculture, livestock, logistics, construction)

elaborate and implement a circular economy plan for islands

### ***Policy instruments & Monitoring***

- **Create a Institute of Insular Development** in order to to provide **scientific support** to the **government, political leadership, and local authorities** in **designing and implementing** island

policy (island impact toolkit, business observatory, sustainability observatory, innovation dissemination etc)

- **Integrate islands into “impact assessments” procedures.** Develop an “Island Impact Toolkit” for policymakers, e.g. modelled on the SME Test.<sup>10</sup> Include an “island lens” checklist in Regulatory Impact Assessments and programme evaluations. Mandate policy reporting s by selected Ministries on how island-specific impacts were addressed in legislation and funding decisions.
- **Establish an observatory on doing business in island economies.** Create an “Island Business Observatory” to collect, analyse, and publish data on the unique challenges and opportunities facing businesses in island territories. The Observatory should monitor cost structures (e.g. transport, energy, digital access), access to finance and markets, regulatory bottlenecks specific to insular SMEs, innovation and digital uptake. Deliver annual “Island Business Barometers”, comparing performance across island regions and benchmarking progress on green and digital transitions.
- **Establish an observatory on the sustainability of islands.** Create a monitoring tool for the overall evaluation of the policies implemented in islands and their contribution towards the fulfilment of the SDGs and the documentation of the awarding for sustainable islands included in Greco islands program.

These suggestions offer a pathway toward sustainable island development by embracing an innovation-led, place-based approach that respects the unique identity and capacities of each region. By building strategic capacity, improving governance, and investing in knowledge and infrastructure, islands can transition from structural fragility to competitive resilience.

## Governance issues. An action plan

Governance can be defined as “the totality of interactions in which public as well as private actors participate, aimed at solving societal problems or creating societal opportunities; attending to the institutions as contexts for these governing interactions; and establishing a normative foundation for all those activities” (Kooiman, J. *Governing as Governance*; SAGE Publications: London, UK, 2003). The concept of governance has evolved over the last century, starting from a theory of how to rule to a theory of how to implement and manage processes. It is now considered as a complex system or framework of processes, functions, structures, rules, laws and norms born out of the relationships, interactions, power dynamics and communication within an organized group of individuals. It sets the boundaries of acceptable conduct and practices of different actors of the group and controls their decision-making processes through the creation and enforcement of rules and guidelines. Governance is applied to social, political or economic entities such as a state and its government (public administration), a territory, a society, a community, a social

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<sup>10</sup> The SME Test is a tool used by the European Commission to ensure that the interests of small and medium-sized enterprises (SMEs) are considered during the development of new policies and legislation. It is part of the broader “Think Small First” principle, which aims to prioritize the needs of SMEs in policymaking.

group etc. Therefore, governance may take many forms, driven by many different motivations and with many different results.

The issues that are identified in the first part of this study are related to issues of governance and resilience of island economies and societies. These issues are:

- Lack of a holistic dedicated policy for islands at the national level, to create the necessary environment and the appropriate tools for policy implementation towards sustainability and resilience,
- Insufficient strategic planning and long-term initiatives essential for capacity building to diversify local economies and enhance their competitiveness through innovation. The focus on short-term measures to absorb available funding from various operational programs has proven to be limited in effectiveness.
- Inadequate stakeholder participation in the planning process due to the absence of a permanent structure that includes not only regional and local governments but also the business community, employees, universities, and civil society (quintuple helix model).
- Insufficient funding for ongoing infrastructure maintenance and upgrades, hindering sustainable development and long-term operational efficiency.
- Lack of a comprehensive plan for upskilling and reskilling human capital to foster innovation and adapt to emerging challenges, such as the green and digital transitions outlined in the Greco Islands program and the Islands' Charter.

The implementation of a special policy and an effective development strategy for island regions requires a fundamental change in the formulation and execution of the country's regional policy, the absence of which was highlighted by the OECD in its 2020 report. This arises for two additional reasons:

1. Islands constitute a significant portion of Greek territory (18%) and the Greek population (15%), fully covering four of the country's thirteen regions (including Crete) and partially affecting another four. Consequently, an island policy must be a comprehensive national-level policy that includes institutional and legislative changes beyond development planning (i.e., funding and its distribution). Therefore, it cannot be effectively implemented solely through fragmented interventions at lower administrative levels (regions and municipalities).
2. The deficit in the country's regional policy is a critical issue for sustainable development. It should be addressed simultaneously because the existing framework includes dysfunctions that, if not fundamentally resolved, will perpetuate the structural weaknesses previously identified. Notably, the absence of a national and spatial strategic development plan—replaced by disconnected sectoral and regional operational programs funded primarily by European and, to a lesser extent, national resources—has proven ineffective, as reflected by Greece's position in all European indicators, especially structural ones.

## Strategies implemented in other European countries with islands

What kind of island policies have other countries implemented? It has to be underlined that no other country has a specific governmental entity for Islands' Policy. This does not mean obligatory that they do not have national policies for islands. This is due to two main reasons:

- In all EU countries the territorial percentage and the population weight is less important than that of Greece,
- It is difficult to apply effective horizontal and territorial policies within a system with sectoral policy ministries.

From the 27 EU countries 12 have no islands, 2 are totally insular (Malta and Cyprus) and the rest 13 have islands having an administrative status varying from the NUTS 5 (commune) to the NUTS 2 (region)<sup>11</sup>. The last ones can be divided into two main groups:

- The countries with insular NUTS 2 regions, with very strong regional authorities which have the capacity to implement policies and specific strategies for their territory. It concerns mainly Italy, Spain, Portugal and France where island' regions have a specific status and the capacity to negotiate directly with EU.
- The countries with no island regions as Ireland, Croatia, Denmark, Estonia, Sweden with islands with a lower administrative status. In this group has to be added Finland (despite the fact that has a small NUTS 2 Åland with a specific status but a lot of small islands) and Scotland (despite the fact that is not a EU member state anymore).

Within the **first group of countries**:

In **Spain**, all the regions have autonomous status with the means to implement their strategy. For instance, the government of **Balearic Islands** has its own strategy for sustainability and in 2016 has established a "sustainable tourism tax" to finance this policy. The government of **Canary Islands** has established IRLab, a laboratory of ideas and actions that works from the archipelago to address the social, environmental, and economic challenges facing the islands by developing concrete and territorialized approaches. Their approach is based on five areas of intervention: territorial implementation of the 2030 Agenda, environmental responsibility of the islands, innovative management of migration flows, social innovation, and support for rural development. Through these levers, IRLab (<https://www3.gobiernodecanarias.org/noticias/el-gobierno-de-canarias-crea-irlab-el-laboratorio-de-ideas-que-permitira-disenar-el-futuro-de-las-islas/>) strives to transpose the major objectives of sustainable development into an island

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<sup>11</sup> For Germany and Netherlands islands have a very low importance

perspective. Its team also closely monitors the evolution of European policies in order to establish the link between the realities experienced on the islands and the future directions of the Union. In this spirit, the laboratory relies on a triptych of "reflection, participation, experimentation" to serve the resilience of the territory.

Responsible Islands Lab (IRLab), a strategic think tank created with the clear mission of "charting the future of the Canary Islands from the present, with a long-term, transformative perspective committed to the social, environmental, and economic challenges of the 21st century." To carry out this work, the Executive will have a team of experts working in five groups—Agenda 2030, Responsible Islands, Innovation in Migration Management, Social Innovation, and Rural Dynamization—who will focus their efforts on implementing the Sustainable Development Goals (SDGs). The goal is to promote territorial cohesion, generate employment, and support projects that emerge from within the region. This is achieved through various actions: training and professional development, support for entrepreneurship, promoting local products, restoring community spaces, and strengthening networks.

In **France, Corsica** has several institutions necessary to self-governance, even though is less "autonomous than the other regions of this group. The main bodies are:

- The Executive Committee
- The Assembly
- The Economic, Social, Environmental and Cultural Council
- The Chamber of Territories
- The Youth Assembly
- The Agency of Economic Development
- The Agency of Tourism
- The Agency of Urbanism and Energy
- The Office of Agriculture and Rural Development
- The Office of Environment
- The Office of Hydraulic Equipment
- The Land Office
- The Office of Transport

Corsica is committed to an approach to anticipating global changes with Corsica Pruspettiva (CP50), launched on October 27, 2022, by the Corsican Assembly. This project seeks to better understand how major contemporary upheavals (climate change, technological advances, geopolitical reorganizations) will influence the island's future by 2050. Far from being a prescriptive plan, CP50 is a tool to support collective decision-making, bringing together elected officials, experts, and citizens to address future challenges and opportunities. Led by a prospective laboratory of the Corsican Assembly, the approach relies as much on scientific expertise as on public debate and international partnerships, notably with the OECD. Thus, like the Canary Islands, Corsica is positioning itself as a true space for democratic and territorial innovation to prepare for the future, particularly in the Mediterranean context.

In **Italy, Sardinia** is with **Sicily** the two insular regions with specific competencies until the Italian regionalization of 1948. As a rather autonomous region has, as mentioned for Corsica, a number of institutional bodies and important competencies for its self-governance. Within this goal, the Region of Sardinia has elaborated its own Regional Strategy (<https://www.regione.sardegna.it/sardinia2030-english-version> ).

The Sardegna2030 Regional Strategy, approved on 6th October 2021, is the long-term vision for the Sardinia by 2030. An agenda of goals to be achieved and actions to be taken. It has been developed through a participatory process rooted in documents, plans and programmes, primary and secondary source data, and extensive information shared during the activities carried out in the framework of a governance that involves public and private stakeholders. The governance is working for the implementation of the Strategy with the same participatory, open, inclusive, and transparent approach.

Following the sustainable development method according to the 2030 Agenda and its SDGs, the Strategic Regional Goals of the Sardegna2030 Strategy are based on environmental protection, well-being and social inclusion, and prosperity and economic equity. All these elements are interlinked and cannot be compartmentalised; they definitely share the transverse focus of the education and the governance culture.

Human well-being is intrinsically linked to the health of the natural ecosystems to which it belongs, just as Sardinia is a constituent element of the global environment. Moreover, the climate crisis and the growing awareness of the effects of climate change, calls us to the need of economic and social models in terms of sustainable development. The Regional Strategy for Sustainable Development Strategy represents an important opportunity to integrate aspects of climate change mitigation and adaptation into the regional programming and planning. The Regional Climate Change Adaptation Strategy (adopted by the Autonomous Region of Sardinia on 5th February 2019), was drawn up based on a specific study on future climate scenarios of Sardinia to 2050. Then, the Objectives of the Regional Strategy for Sustainable Development have been developed within this specific regional framework.

The Regional Sustainable Strategy has 5 themes:

<https://www.isula.corsica/>



In **Portugal**, the insular regions, **Azores** (<https://portal.azores.gov.pt/en/>) and **Madeira** (<https://www.madeira.gov.pt/>) have a status of autonomy since 1976, totally different from the mainland regions which run under the direct control of the central government. They have both a political and administrative statute approved by law “proclaiming that Autonomy expresses Azorean/Madeiran identity, the free exercise of self-government and the promotion of the wellbeing of its People”. Both, they have a Government and a Parliament.

The Parliament has the initiative for a regional legislative decree is the responsibility of Members of Parliament, parliamentary groups and representatives, and the Regional Government. The original initiative takes the form of a bill when initiated by Members of Parliament, parliamentary groups and representatives, and a proposal when initiated by the Regional Government.

The government of Madeira has 8 secretariats, supported in their activities either by regional directories or by Agencies:

- Education, science and Technology
- Tourism, environment and culture
- Economy
- Health and civil Protection
- Finances
- Agriculture and Fisheries
- Inclusion, Work and Youth
- Equipment and Infrastructure

Within the **second group of countries**:

**Ireland** has a national driven policy named “Our living islands” which is implemented by the Department of rural and Community Development and the Gaeltacht (<https://www.gov.ie/en/department-of-rural-and-community-development-and-the-gaeltacht/policy-information/our-living-islands/>) The policy that actually runs has a period of implementation of 10 years (2023-2033) with a medium term plan (2023-26) and it is supervised by a Monitoring Committee. The policy ) is underpinned by five high-level strategic objectives, **identified by islanders themselves** as being of key importance for the sustainable future of their communities:

1. Revitalise population levels on the islands
2. Diversify island economies
3. Enhance Health and Wellbeing services
4. Empower Island Communities
5. Build smart sustainable futures

**Croatia's** island policy is characterized by a strong emphasis on island protection and sustainable development, recognizing their unique national, historical, economic, and ecological importance. This policy framework includes the [National Islands Development Programme \(NIDP\)](#) and the [Law on Islands](#), which aims to address specific island challenges and promote their balanced growth.

This Law regulates the manner of management and development of Croatian islands, including the rules regarding their protection. This Law further defines the terms of island development policies, rules regarding the competent bodies; this text also sets out the: official classification of Croatian based islands; monitoring and reporting issues also in relation to the development policy for the effective use of national budget funds, EU funds and other sources of financing. This text is divided into ten main parts and 53 articles. Some of the principal topics covered are here as listed: development of islands; institutional framework; objectives of island development; planning and programming; island rights; water for human consumption; recording and monitoring of island rights; rights in the public transport system; economic development of the islands; right to purchase.

Objectives of this Law are: stable economic development of the island, fair distribution of social opportunities for all islanders, protection of the island environment and increased resilience to climate change.

**Denmark** has a complex island policy, encompassing both the management of its overseas territories (Greenland and the Faroe Islands) and its domestic approach to islands and immigration. Concurrently, Denmark is also a leader in green energy initiatives, including the development of energy islands and sustainable practices on existing islands like [Bornholm](#)

Bornholm (a NUTS 3 area) has implemented the [Bright Green Island](#)' strategy since 2007 in response to an economic downturn resulting from the decline of traditional industries in Bornholm, such as fisheries, farming and heavy industry (Worldwatch Institute Europe, nd.). Local actors came together with a common goal: to go beyond simply addressing the challenges associated with being a small island community and instead turn these challenges into a competitive advantage. The result was a bold strategy that turned Bornholm into a testing ground for renewable energy, green business ideas, behaviour change programs and sustainable tourism strategies ([https://ec.europa.eu/regional\\_policy/projects/projects-database/danish-project-makes-an-island-community-greener\\_en](https://ec.europa.eu/regional_policy/projects/projects-database/danish-project-makes-an-island-community-greener_en))

There is also The Small Islands Committee (<https://www.thedanishparliament.dk/committees/committees/the-small-islands-committee>)

The Small Islands Committee works with living conditions on and the development of small islands. The committee examines challenges facing small islands, e.g. ferry services, access to schools and medical attention, shopping opportunities and other conditions that are of importance to small island populations.

Samsøe is one of the European pioneers in green transition. The "Samsøe policy" likely refers to Samsøe's various policies, including those related to terms and conditions, returns and exchanges, privacy, and sustainability. They also have a membership program called the [Samsøe Society](#) with its own terms.

<https://unfccc.int/climate-action/un-global-climate-action-awards/climate-leaders/samso - 1997>

<https://fedarene.org/best-practice/samso-inspires-sustainable-communities-around-the-world/>

<https://www.samsøe.dk/politik>

**Estonia** has not a national policy but a island strategy. Estonian islands expressed the need to develop an investment plan outlining all major assets. The project was initiated with the aim of developing a holistic roadmap towards a sustainable island community, considering the energy needs, networks, and local resources for generation, and putting forward concrete project propositions. With this, the project includes an overview of feasible solutions to climate change, economic developments, and ecological issues, and a vision of island developments on topics based on local resources.

The aim of the action is to bridge gaps between sectors to accelerate the frontier of sustainability and create a realistic and feasible energy utilization concept. Nevertheless, the biggest challenge

consists of getting the data from the municipalities and the different bodies involved. NESOI partners help in putting together all these data and identifying realistic solutions, both from the technical and the financial points of view.

In addition to being beneficial for the local economy, the project will also have a social impact as energy consumption and energy prices of the residents will be reduced. The goal is also to reduce opposition towards renewable energy projects, and through SEI, the communities will be more involved in the energy transition, a sense of ownership will be created, and opposition will be reduced.

Finally, even though the solutions proposed have been developed for the Estonian islands of Saaremaa and Hiiumaa, they could be replicated at any location where a trajectory towards sustainability is intended to be fixed.

Sustainable Estonian Islands (SEI) is a project supported by NESOI European Islands Facility, managed by our partners from [e.on](#), and promoted by Saare and Hiiumaa Development Centers.

**Sweden** currently lacks a unified island and archipelago policy, with island issues often addressed within broader rural or regional development strategies. This fragmented approach can lead to challenges in addressing the unique needs of island communities. However, there is growing recognition of the need for a more targeted policy to address issues like depopulation, infrastructure, and sustainable development on islands. During Rural Week 2025, a webinar was held to further explore the question of whether Sweden is ready for an island and archipelago law. All participants agreed that this is the case, but it will of course be some time before we know whether there will actually be a law.

In a recently initiated collaboration, islands areas (Region Gotland, SNIR and SRF) are currently working on the question of whether special legislation for islands and archipelagos is needed. Experience from, among others, Finland, which introduced an island law in the 1980s, shows that such initiatives can create better conditions for living and activities in island and archipelago communities.

Everyone who lives on islands and in archipelagos knows that access to public services such as healthcare, schools and waste management is a greater challenge on islands than on the mainland. When public transport, schools, home care and job opportunities are limited, it becomes difficult to stay, which risks leading to depopulation. At the same time, the islands are in many ways crucial for Sweden's recreation, tourism and business. And we know that Sweden's vibrant island communities mean a lot to large parts of the country's population.

Advances in digitalization make remote working, drone transport and electric boats possible, but has this development led to a clear improvement in the conditions of island life? Everything from fiber installations to smart sewage solutions has opened up more opportunities, but many obstacles remain for Sweden's island life to flourish. Schools and home services are being closed

in several places, and it is often very difficult to, for example, pick up pharmacy products from local stores.

Sweden's islanders are enterprising and resilient, but if a lack of services makes life in the archipelago more difficult, residents may be forced to leave their homes. Therefore, there is a strong consensus among Region Gotland and SRF that Sweden is ready for an island law. All to ensure long-term sustainability and future, vibrant island and archipelago communities.

The island of Gotland (NUTS 3 area) has already its proper strategy named "Our Gotland 2040" as the island regions of the first group ([https://rus.gotland.se/wp-content/uploads/2021/05/Kortversion\\_english.pdf](https://rus.gotland.se/wp-content/uploads/2021/05/Kortversion_english.pdf) )

**Finland** is one of the countries with national policy (<https://www.islandpolicy.fi/>). Finland is the top country in Europe in terms of the number of islands, and the world's number one in terms of the proportion of inland waters. Archipelago policy is the oldest part of Finland's regional policy. It began as early as 1949. Its main features are:

- The Act on the Promotion of Archipelago Development (1981/494) was issued in 1981. The Act has not been systematically updated since then.
- The Archipelago Act is the institutional cornerstone of the development of archipelagos. Internationally, the Finnish Archipelago Act is unique. The law is very important for the islanders, as the state recognizes and acknowledges the special status of the archipelago. The aim of the law is to pay special attention to the special conditions of the archipelago.
- The Archipelago Act needs updating, both in terms of its structure and content. Other legislation has changed over the past forty years. Structural pressures for change are related, for example, to the Constitution that came into force in 2000. The archipelago as an operating environment has also changed. One of the biggest changes in the operating environment is the increase in the number of seasonal residents and the rising trend of multi-location housing.
- The Ministry of Agriculture and Forestry has appointed a working group tasked with preparing the update of the Archipelago Act.

The National Archipelago Programme 2024-2027 is called "Archipelago as a National Wealth". The name aims to highlight the international uniqueness of the Finnish archipelago.

**Scotland** has a national plan for its islands (<https://www.gov.scot/publications/national-plan-scotlands-islands/pages/15/>) and an Islands Minister who holds also the portfolios of energy and Connectivity.

The Plan sets out 13 Strategic Objectives which are practical, common sense, but will also be critical over the next five years to improving the quality of life for island communities. The Islands (Scotland) Act which was passed by the Scottish Parliament in 2018 sets out the purpose of the National Islands Plan. It sets out the main objectives and strategy of the Scottish Government in relation to improving outcomes for island communities. The Act sets out some of the key areas to achieve this – by increasing population levels; improving and promoting sustainable economic development, environmental wellbeing, health and wellbeing, and community empowerment; improving transport services and digital connectivity; reducing fuel poverty; and enhancing biosecurity.

From the 13 strategic objectives it must be underlined the Transport SG Strategy as it was one of the main sources during the implementation of the Greek Transport Equivalent policy.

Since 2007, the Scottish Government has invested over £1.9 billion in our ferry services, vessels and infrastructure that provide a lifeline to our island communities. That includes over £113 million in ports and harbours and £255 million in vessels for the Clyde and Hebrides and Northern Isles networks. The Plan sets out 13 Strategic Objectives which are practical, common sense, but will also be critical over the next five years to improving the quality of life for island communities. The Islands (Scotland) Act which was passed by the Scottish Parliament in 2018 sets out the purpose of the National Islands Plan. It sets out the main objectives and strategy of the Scottish Government in relation to improving outcomes for island communities. The Act sets out some of the key areas to achieve this – by increasing population levels; improving and promoting sustainable economic development, environmental wellbeing, health and wellbeing, and community empowerment; improving transport services and digital connectivity; reducing fuel poverty; and enhancing biosecurity.

Road Equivalent Tariff (RET) has brought significantly lower fares for passengers, cars, small commercial vehicles and coaches. These significant fare reductions have led to an 11 per cent increase in passenger numbers on Clyde and Hebrides services, providing a boost to tourism and island economies, and improving access to the mainland for islanders. They intend to extend RET to Northern Isles routes.

In 2012, Transport Scotland produced the first comprehensive Ferries Plan (2013-22) based on the needs of communities. This set out the Scottish Government's ambitious plans for Scotland's ferry services up to 2022. Work has now started on developing the next Ferries Plan, which will be an inclusive process and aligned with delivering wider strategic objectives around transport, equality, climate, islands, economy, infrastructure, health and wellbeing.

The Scottish Government has set out its ferry investment plans through successive Vessel Replacement and Deployment Plans, with the latest version published in the autumn. Transport Scotland is currently working with CMAL and CalMac to develop investment programmes for vessels and harbours with the aim of increased standardisation and improved resilience. This will also require collaborative working with port owners including local authorities, trusts and private companies. Scottish Ministers have confirmed that the next vessel, following the two

currently being built at Ferguson's shipyard, will be for the Islay route and is currently in initial design.

Common success factors of all the above cases can be summarized:

- **Good governance and local strategy**, intra-regional networking. In most cases, the driving force for the initiation of a project is the local government in association (cooperation) with different local stakeholders; the mobilization of endogenous forces is a starting point for the elaboration and the application of any strategy, all the more so this strategy is an innovative one.
- **Inter-regional networking** (interregional organizations and interregional cooperation programs) provided external scientific, organizational and financial assistance and mobilized the small and disparate regional and local authorities.
- **R&D and Innovation structures** are necessary for the adaptation and the efficient use of external innovations (i.e. wind power) but also of the existing local know-how (i.e. food production).
- **New skills of human capital** are considered as necessary for the enhancement of local economies so local authorities try to mobilize local population that has not the means to finance the acquisition of knowledge and skills out of the limits of the islands and/or abroad and local enterprises to employ them.
- **Extra financing** (European/national/regional) is necessary for the mobilization of the local stakeholders for innovative actions (i.e. green strategies, networking etc) and the provision of better public services to islanders.

**Greece** follows a different path from the other countries. Today, the Ministry of Maritime Affairs and Island Policy, particularly the General Secretariat for the Aegean and Island Policy (GSAIP) is tasked with island policy, as described above, under the authority of a Deputy Minister. It is essential to highlight that the institutional strengthening of policymaking and implementation body is significant, as evidenced by the 40-year history since the establishment of the Ministry of the Aegean (1985), as before that date, there was not any reference to any kind of insular policy. At the same time, regions, which are established as elected authorities only since 2011, are politically "weak" bodies, ruling rather as "executive bodies" of sectoral ministries' decisions and financing, than as "autonomous" ones<sup>12</sup>.

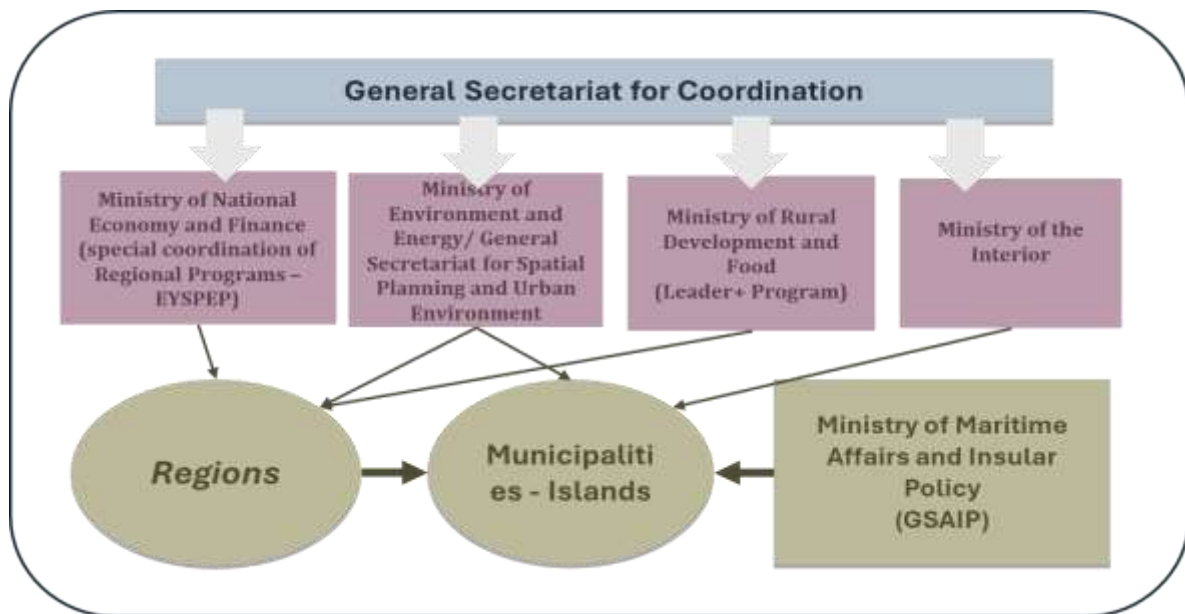
According to Law 4622/2019, the General Secretariat for Coordination of the Presidency of the Government is responsible for ensuring the coordination and coherence of government work, including regional policy. According to its official website, the Regional Development Plans (RDPs) (<https://gsco.gov.gr/periferiaka-schedia-anaptixis/>) represent a detailed record of

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<sup>12</sup> The insular regions have the same structure and competences as the continental ones.

projects and actions for each region, including a description and budget. These plans serve both as an accountability mechanism for government work and as an information tool for local communities and the public. However, an analysis of the attached programs by region reveals that these plans are merely a list of aggregate projects and actions than a spatial specialization of a national strategy aligned with OECD's philosophy.

The existing governance structure is depicted in Figure 1.



Source: authors

### Proposed Scenarios for Reforming Insular Governance in Greece

Based on the study's title regarding the improvement of multi-level governance to strengthen the resilience of island economies, as well as the numerous observations from the OECD 2020 report addressing the identified issues, a complete overhaul of how regional policy is designed and implemented in Greece—particularly in island regions would require. This includes significant institutional changes, which demand strong political will and long-term commitment<sup>13</sup>.

A strategy of this scale requires:

- **Changes to the institutional and legislative framework** that will facilitate or allow desired actions while preventing or prohibiting undesirable ones, based on the provisions of the Strategic Plan.

<sup>13</sup> Given that this study has been funded by this General Secretariat, it could be assumed that there is political will for an effective island policy.

- **Increased financial flows aligned with the strategic plan**, along with optimizing the processes for planning and implementing projects and other actions.
- **Strengthening the human resources** of the structures responsible for implementing the planning.

Considering that this is the most effective option, it will be developed as “Scenario 1”, the ambitious scenario demanding significant institutional changes. Additionally, a “Scenario 2” is proposed, which is less demanding in terms of institutional changes, focusing instead on upgrading the role of the General Secretariat for the Aegean and Island Policy (GGAIP) as the primary body for formulating and implementing island policy while largely utilizing the existing framework<sup>14</sup>. Greece has to create its own model of governance as traditionally has a very strong centralized administrative system and at the same time must face a complex insular reality.

### ***Scenario 1: Restructuring Regional Policy with a Focus on Island Regions/Municipalities***

This scenario involves significant change from the current situation, where there is no comprehensive national policy for islands despite constitutional provisions, while at the same time the implemented regional policy does not follow the principles of strategic planning. Existing measures, adopted from time to time mainly focusing on plus favorable financing regulations for businesses and projects as presented above, do not constitute a holistic strategy.

The proposed actions include:

#### **1st Proposal: Integration of the GGAIP into another governmental structure with greater authority**

Given that island policy is cross-sectoral (involving multiple ministries), it is considered more effective to be implemented at a high governmental level. The fact that the **General Secretariat for Coordination** has been upgraded into a structure with primary responsibility for shaping sectoral policies with a significant spatial impact—currently implemented and funded independently and often without coordination by different ministries (primarily the Ministry of National Economy, the Ministry of Environment and Energy, the Ministry of Rural Development and Food, and the Ministry of the Interior)—, the formulation of island policy at this (national) central level will constitute an net improvement over the current situation. A similar coordinating role was previously held by the Ministry of Coordination, which was abolished in 1982, while the Ministry of Economy, Competitiveness, and Shipping also held a relatively strong coordinating role during its brief existence (2009-2012).

The direct subordination of the **General Secretariat for the Aegean and Island Policy (GGAIP)** to the General Secretariat for Coordination could be an effective solution due to its oversight of

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<sup>14</sup> As presented, in other European countries, island regions have, due to the specific nature of insularity, increased responsibilities that allow them to design and implement specific policies without the intervention of the central state.

various ministries, as the Ministry of Maritime Affairs and Island Policy is explicitly not supervised by the General Secretariat for Coordination, as stated on its official website. Additionally, there is no reference to "island policy" on the same webpage. This gap cannot be addressed without a change in the existing governance structure.

An **alternative, rather weaker solution** would be to place the GGAIP under the Ministry of National Economy. Currently, the Ministry of National Economy plays a key role in the establishment and the financing of the regional policy through sectoral and regional operational programs but has minimal influence over sectoral policies themselves. The lack of a coherent regional policy strategy is also reflected in the ministry's internal structure, where there are separate General Secretariats for the **NSRF** (National Strategic Reference Framework – EU funding) and the **National Program** (national funding), as well as a distinct body for the design and implementation of the **Recovery and Resilience Facility (RRF)**. There is no dedicated **Directorate for Regional Policy** responsible for the formulation and implementation of strategic planning. Integrating the GGAIP into the Ministry of National Economy would require the re-establishment of a **General Directorate for Regional Policy** to consolidate all relevant competencies for strategic planning and use the different funds for its financing.

At the same time, in line with the **principle of subsidiarity**, the aim should not be to replace the role of regional/local government by formulating projects for and giving financing to each region and municipality at the national level. Instead, the national-level strategy should be developed for each group of spatial areas with common characteristics (urban, rural, coastal, mountainous, border and island), while regional authorities should select the policy tools they need based on their specific features and development needs. This approach—developing a strategy for each spatial area—becomes even more essential considering information suggesting that, during the next programming period, **EU Cohesion Policy** will not only face fiscal restrictions to fund new EU priorities but will also be reorganized to include only **one program per country**. This structure is going to replace the current model of multiple sectoral and 13 regional programs, which currently have distinct funding and content established through Greece's initial agreement with the EU.

The **"new" GGAIP** should focus its activities on:

- **Specifying** national policy for the islands -independently if they belong to an insular region or not- through the activation of the **island clause**, based on consultations with stakeholders.
- **Recording and evaluating** policies affecting island regions.
- **Securing financial resources** to address the documented needs of the islands and relieve regional and local authorities from the constant pursuit of funds for vital needs<sup>15</sup>.

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<sup>15</sup> The activation of the institutional framework of the GNAINP as it currently applies (Law 4770/2021) can ensure the necessary additional resources, as well as the design of special programs for the islands, especially the smaller ones with an emphasis on the Blue Economy (with the creation of the corresponding fund), as well as the entrepreneurship financing program, while with the NEARCHOS program it can strengthen public infrastructure.

- **Implementing cross-sectoral (mainly intangible) actions**, when it is considered as more effective (see the action plan)
- **Supporting regional/local authorities** in implementing initiatives that require specialized expertise, which is often lacking on the islands.

Some of these responsibilities are already legislated but have not yet been activated.

## 2nd Proposal: Activation of the Island Clause

This proposal pertains to the constitutional provision that mandates the legislator to enact special regulations for the islands. As mentioned in Section A (p. 25), the constitutional requirement for special legislative and administrative provisions regarding islands should have been implemented since 2013 (albeit with a 12-year delay from the constitutional amendment on 2001).

Several key areas that are considered crucial for establishing a **comprehensive island policy**<sup>16</sup> are already highlighted. Considering the priorities expressed by local communities, these areas could be prioritized as follows:

- **Health:** Planning for the provision of health and social welfare services on each island, including **e-health services** with a focus on prevention and ensuring timely patient transfer to well-staffed hospitals.
- **Accessibility:** This refers both to the **frequency of transportation services** (especially during the winter months) and to **affordable fares** for passengers and goods. Improving the system requires establishing a **special authority** responsible for the design, monitoring, and evaluation of an integrated transport network (including ferries, airplanes, and seaplanes) while supporting the introduction of **innovations** in the sector (e.g., electric ferries).
- **Access to Clean Water:** Implementing **special regulations** for water management on islands to ensure the provision of **safe drinking water**, addressing both water consumption (e.g., managing swimming pool use on islands), avoiding salinization of ground water and the **reuse of greywater**. This includes **funding reuse infrastructure** and developing a **water safety plan** for each island.
- **Access to Housing:** Designing a **special housing program** to provide **social housing** for young people wishing to settle on islands who cannot afford housing costs and for **public sector employees** required to staff island-based public services temporarily.
- **Quality of the Education System:** This includes ensuring **adequate infrastructure and personnel** on all islands and establishing **structures for formal and informal professional education and training**.

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<sup>16</sup> Several of the sectors concern Services of Public Interest, existing EU legislation should be utilized and, if necessary, expanded.

- **Stable and Affordable Energy:** Creating a **special framework** to promote **energy efficiency**, develop **renewable energy sources (RES)** tailored to the scale of the islands, and establish **energy communities** to achieve **zero-energy footprint** islands.
- **Special Policy for Research and Innovation:** Increasing the **penetration of innovation** in island-based businesses cannot follow the same processes as on the mainland. The **autonomy** and **small scale** of islands make them ideal for **laboratories of new methods** and innovative practices.
- **Special Policy for Resource and Waste Management:** Implementing a **circular economy** program specific to the islands, along with **special regulations** for the transportation and management of recyclable materials.
- **Special Regulations for the Primary Sector (Raw Material Production and Agri-Food):** Introducing policies to support and revitalize **primary production** as a means of preserving **island identity**, **diversifying the tourism product**, reducing **economic leakage**, and promoting **environmental management**.
- **Special Regulations for Civil Protection:** The **national civil protection plan** does not account for spatial differences, particularly for islands. Emphasis should be placed on **preventive measures** combined with **environmental management policies**.
- **Special Regulations for Local Governance on Islands:** These will be detailed in a subsequent section.
- **Specialization of Spatial Planning Guidelines:** Tailoring the **special spatial planning frameworks** for **industry**, **mining activities**, **renewable energy**, and **tourism** in island areas.
- **Specialization of Regional Spatial Plans:** Adapting **regional spatial plans** to address the unique characteristics of island regions.
- **Specialization of Local Urban Plans:** Customizing **local urban plans** to meet the specific needs of islands.

### 3rd Proposal: Re-establishment of the Island Policy Council

Re-establish the **Island Policy Council** with an expanded composition, like its structure in **2013**, to **evaluate the current state of the islands** and **propose measures** for island policy. Based on the **OECD's recommendation** for the direct involvement of key stakeholders in shaping island policy, the Council should follow the **quintuple helix model**, involving:

- Local Government
- Business Community
- Workers' Representatives
- Academic Community
- Civil Society

Specifically, it is proposed that:

- The **Plenary Session**, with an **expanded membership**, conducts an **annual review**, and makes **key decisions** and **guiding policies** for island-related measures.

- **Thematic Committees** operate to **develop and process proposals** on specific policy areas.
- An **Executive Committee** to make **decisions** and submit **recommendations** to the political leadership.
- A **Permanent Technical Secretariat** to **manage, monitor, and support** the Council's activities.

#### 4th Proposal: (Re)Establishment of the Island Policy Institute

(Re)Establish the **Island Policy Institute** to provide **scientific support** to the **government, political leadership, and local authorities** in **designing and implementing** island policy.

In cooperation with **local governance organizations** (such as the **Central Union of Municipalities -KEDE-**, the **Union of Greek Regions -ENPE-**, and the **Greek Company of Local Development and Authorities -EETAA-**), the Institute will be also responsible, in cooperation with Universities, for **training** elected officials, island stakeholders, and administrative personnel.

#### 5th Proposal: Amendment of the Law Governing Regional and Local Governance on Islands

Given that **regional-level projects** are largely absent on islands, and that **regional authorities** cannot maintain a **significant presence** on most of the islands (except for former **prefecture capitals**), a **new governance framework** for both **regional and local** authorities is needed based on **two main pillars**:

1. **Strengthening the Regional Authority's Role** in:
  - Adapting **island-specific** and other public policies to the **unique characteristics** of the islands within their jurisdiction.
  - **Improving economic resilience** by promoting **innovation, education, and workforce training** (including employers support) to increase business attractiveness.
2. **Enhancing the Role of Local Municipalities** in:
  - **Implementing projects and initiatives** that improve **residents' quality of life** and increase the attractiveness of the population on the islands.

For example, an insular Regional Authorities and Regional Authorities with islands should, with scientific support from the General Secretariat for Island Policy and the Island Policy Institute, specialize in areas such as:

- **Civil Protection Policy for Islands**: Tailoring emergency planning to the **island context**, which differs significantly from **urban, mountainous, or rural** areas, as territorial isolation

is crucial. Municipalities would be responsible for **the local implementation** of civil protection guidelines to **reduce risks** and **respond to emergencies**.

- **Sustainable Tourism Policy:** Defining and implementing **sustainable tourism** strategies that **support both businesses and local governments** in transitioning to sustainable practices.

It is important to highlight that as the **Ministry of Interior** is currently **codifying regulations** related to the **competencies** and **operations** of local governance in collaboration with KEDE and ENPE, propositions for insularity have to be taken into account.

### **6th Proposal: Strategic & Operational Planning in Each Region with Islands**

According to legislation, regional-level strategic planning must encompass both development and spatial planning, ensuring these two aspects are aligned. At the same time, Law 3852/2010 mandates the creation of an **operational plan** to implement the strategic framework through **participatory processes**, involving the **Regional Consultation Committee**, which mirrors the composition and the role of the **Economic and Social Committee**.

However, this process has been neglected in practice, as regional authorities tend to prioritize short-term projects that meet immediate needs rather than adhering to long-term strategic objectives, resulting in no significant improvement in key indicators. Additionally, there is a focus on securing funding through various financial programs without generating sustainable development outcomes.

**Re-centering strategic planning** within the **core functions** of regional governance is crucial for **enhancing the economic resilience** of the islands.

### **7th Proposal: Local Action Plan for Each Island**

Under **Law 3852/2010**, **municipalities** are required to develop a **strategic** and **operational plan** for the duration of their elected term.

Currently, there is a favorable opportunity due to two major ongoing initiatives:

- The implementation of the **GR Eco Islands** program, which supports small islands in achieving sustainable transition through projects aimed at reducing their environmental footprint and improving economic competitiveness and robustness.
- The development of Local Spatial Plans, which reflect local community's aspirations for growth while promoting resilience and preserving carrying capacity.

This convergence of initiatives could be leveraged to create a unified framework integrating development and spatial planning. The General Secretariat for Island Policy and the Island Policy Institute could play a supportive role in the formulation of these Local Action Plans, ensuring that expertise remains within local administrations and is shared across islands. This effort could lead to the creation of a new "Greek Island Governance Model" that can be applied and refined over time.

An important and permanent problem that has not been addressed till now and risks undermine not only the success of the proposed reform but generally the effectiveness of any policy is the understaffing of the insular municipalities and mainly the smaller ones. Before the first law of decentralization in 1994, any Prefecture (governed directly by the central state) had a specific service (Local Service for Municipalities and Communs – TYDK) to assist local authorities for every public work. Afterwards, the self-governed Prefectures continue to assist municipalities with its own services. To ameliorate the governance effectiveness on islands, several Provincial Authorities (Eparhio – Regional Unit nowadays) were created covering one or more islands<sup>17</sup>. These entities, that are existing till nowadays under the self-governed Region, use to have a department of Public Work for the same reason. During the implementation of the law on the unification of municipalities (law 2539/1997), the possibility to collaboration between municipalities for common purposes was institutionalized. The application of this possibility was very low. The legislative framework changed again in 2010, by the creation of self-governed regions and the “big” municipalities. The rule adopted for the islands was, with few exceptions, one island, one municipality. The small and medium size islands continue to face the same problem of under-staffing, that was exacerbated by the Greek financial crise due to severe cuts in funding and staffing.

Having done a brief historical review, the solution is always under quest. It has two folds: the political one and the administrative. The first concerns the priorities for financing and the second their implementation. Given that regional and municipal governments cannot operate independently, the best way to cooperate must be found. Two proposals:

- The first concerns the planning and the decision-making phase. As the regional authority's main purpose is economic development it has to limit its action to focus on entrepreneurship (including primary sector), innovation and human resources, and every other domain (i.e. inter-island transportation system) where horizontal/regional actions are needed. Municipalities have to focus on local affairs, infrastructures and

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<sup>17</sup> A peculiar political/personal competition was created between mayor and prefect with negative consequences for the island, mainly in the cases where the regional unit identifies to one island. This is part of a major problem, the difficulty of cooperation as it has been proved by the failure of every participative institution (i.e. the Regional/Municipal Committee of Consultation).

services that affect the inhabitants of the island<sup>18</sup>. The final decision must be made by a Provincial Council where the municipalities are participating together with the representatives of the Region where the decisions are binding.

- The second concerns the phase of maturation and implementation of the projects decided during the planning phase. Given the fact that municipalities and regions have been left without the appropriate personnel, the possibility given by the law 4647/2020 to create Development Organization of Local Government (DOLG) can resolve the lack of scientific and technical assistance for local governments. The creation of one DOLG by Regional Unit can also address jurisdictional disputes. This collaboration can resolve not only problems concerning the planning and the implementation process, but also during the maintenance of the infrastructure that has emerged as a very important issue. It can also address the lack of soft actions (as those included in GRECO Islands project) that the municipalities cannot undertake due to lack of adequate staff.

### ***Scenario 2: Strengthening Island Policy***

Assuming there is political will to strengthen island-specific policies, the scenario 2 suggests leveraging the existing framework and gradually enhancing it as implementation challenges are identified.

#### **1st Proposal: Activation of the Island Clause**

This is considered as the **most critical element** for establishing a **comprehensive island policy**. Failing to integrate the unique characteristics of islands (and mountainous areas) into spatial policies creates obstacles and undermines development efforts, even when additional resources are provided.

#### **2nd Proposal: Operation of the Island Policy Council**

This proposal suggests **implementing the Island Policy Council** as outlined in **Law 4676/2020, Article 50**, with a limited 10-member composition.

- Advantages of the 10-member composition include flexibility and efficiency.
- Including a representative of the Prime Minister (preferably from the General Secretariat for Coordination) would accelerate decision-making and policy implementation.

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<sup>18</sup> This approach is hampered by the fact that many local responsibilities belong to the region, while others also belong to the central state. For example, stream management and flood protection are regional responsibilities, while water management issues (e.g. drilling boreholes) belong to a state agency. Similar problems apply to the road network, the construction and management of ports but also the environmental management. The problems created by shared responsibilities must be resolved either by transferring responsibilities, resources and personnel to the island level, or by mandatory and binding cooperation of all levels of administration involved.

- Facilitate broader consultation, an annual conference could be organized with the wider group of stakeholders originally envisioned by the expanded council. This conference would allow for annual reviews and the submission of new proposals.

### **3rd Proposal: (Re)Establishment of the Island Policy Institute**

The **Island Policy Institute** would provide **scientific support** to both the **government** and **local authorities** in **designing and implementing island policies**.

- In collaboration with local government bodies such as KEDE, ENPE, and EETAA, the Institute would be responsible for training elected officials, local organizations, and public administration staff.
- In the interim, this role could be filled by a Scientific Committee under the leadership of a representative from the Rectors' Conference.
- If establishing the Institute proves infeasible, the Scientific Committee could assist the General Secretariat for Island Policy (ΓΓΑΙΝΠ) by overseeing, monitoring, and utilizing specialized studies to enhance island governance.

### **4th Proposal: Restructuring the General Secretariat for Island Policy (GSIP)**

This involves **reorganizing** GGAINP to **activate the existing legal framework** as previously described.

### **5th Proposal: Amendment of the Law Governing Regional and Local Governance on Islands**

Proposes **modifying** the legislation governing **regional** and **local** governance on islands, as already outlined.

### **6th Proposal: Strategic & Operational Planning in Each Region with Islands**

Reaffirms the **importance** of **integrating strategic and operational planning** at the **regional level**, as previously described.

### **7th Proposal: Local Action Plan for Each Island**

Proposes the development of a **Local Action Plan** for **every island**, consistent with the earlier proposals.

At Annex 1 a list of proposed actions by different national, regional, local and scientific actors related to islands to help islands move from vulnerability to resilience is available.

## Conclusion: from vulnerability to resilience

Demographic and production shrink were the main impacts of insularity under the pressures of the dominant during the 20<sup>th</sup> century economic model of mass production, putting them in a vulnerable situation.

Tourism growth during the last decades has changed the trend as islands are considered worldwide as very attractive places to visit. New incomes were created, at times very high, as well as new jobs. This evolution has created new challenges and another type of vulnerability:

- High consumption of limited natural resources such as land and water, high production of waste and high consumption of energy while climate change is putting even more pressure on them.
- High concentration of the economic activity (monoculture) to one rather volatile sector with low productivity, low added value and high leakages as the production of other sectors is limited and is shrinking
- High level of seasonal and unqualified jobs that do not attract young people to stay on the islands all through the year, particularly the most qualified.
- High level of negative externalities linked to the uncontrolled tourism growth to the local society's quality of life as cost of living, difficulty for housing, congestion, noise, pressure on infrastructure, natural resources and public services, but also to the same tourist product as the experience of tourists diminish.

The above challenges, combined with the problems posed by climate change - to which the islands are particularly exposed - need to be addressed with the appropriate overall policy.

The most important goal on islands, as for every place in the world, is (a) to be attractive both for people and businesses and (b) to remain within the sustainability limits. These goals can be achieved in the different types of areas only in their one terms, by respecting their specificities. For instance, quality of life is totally different in a big town, in a rural area and on an island; the same goes for how the economy can grow and how it will be sustainable. *“Attractiveness and liveability of an area do not only depend on the hard and tangible factors such as infrastructure, human capital and risk of hazards. Soft location factors are of increasing importance for an area to attract both investments and also skilled labour. Soft factors like governance, culture and high quality urban and natural environment are important parts of regions’ territorial potential and offer synergies for jobs and growth agenda”* (ESPON, Territory matters for competitiveness and cohesion, 2006, p. 7). Islands’ characteristics match more with the soft location factors than the hard ones.

In previous research the basic criteria of attractiveness are identified (ESPON, 2013, p. 154):

- For living: quality of health care system, trip frequency, regularity of water supply, job opportunities, quality of life, quality of education services, regularity of energy supply, cost of travel, cost of living
- For economic activities: trip frequency, economic incentives, regularity of water supply, development vision of local authorities, regularity of energy cost, travel cost,

effectiveness of public administration, supply of trained human capital and construction cost.

Most of the priorities as expressed by islanders and experts fall under the principle of **"islands of equal opportunities"** as presented earlier in the section on the principles that should govern island development. So, an action priority for enhancing attractiveness is to satisfy the above needs, as a prerequisite. The extension of the ***Transport Equivalent*** to an ***Island Equivalent*** is necessary to achieve this goal.

The regeneration and diversification of the economy is even a more difficult task. Entrepreneurship has to focus on the **"quality" principle** -as quantity is not sustainable- based on the sustainable utilization -and no consumption- of the resources that are in relative abundance but at the same time have a uniqueness (nature, culture, local products) as they have been "created" by the nature and sculpted by the people through the ages and of course the sea (blue economy) which has been a means of nutrition, communication and development for the islands throughout time. Quality products (i.e. POD and other traditional agricultural products, culture-based products) and services (i.e. thalassotherapy, experience tourism based on the identity of the island) create a value chain using good and safe raw "materials" (and intangible as the history of a place) and specialized human resources. So, tourism can move from low productivity and added value activity to another level.

At the same time, everybody should keep in mind that the sustainability and resilience of the islands must be preserved by a tailormade **islands' green transition**, respecting their carrying capacity that is affected by the small size and the lack of natural resources. Good educational experience can be gained, especially for the small islands that are more vulnerable, if the terms and objectives of the GReco Islands program are adhered to, with an emphasis on strategic planning, integrated approach and systematic consultation with the residents, and is not limited as usual to some large infrastructure projects. The transition from vulnerability to resilience cannot follow the same path as the islands are not in the same condition as mentioned in the first part of this report based on the analysis of the EETAA expertise (EETAA, 2023) and in tables 5 to 7 there is a description who to address different problems by setting strategic and operational goals and implementing actions that serve these specific goals. **What must remain constant in all strategic and operational plans are the principles of sustainable island development: quality, green and equal opportunity islands.**

None of the above goals can be achieved without changing governance patterns. The presentation of a credible action plan—including goals/sub-goals, priority actions, coordination, implementing stakeholders, timelines/completion dates, and expected outputs, requires decisions from policymakers across different levels of governance. The current system has not fully met the needs of the islands. Even if decision-makers are often criticized for not cooperating with each other, the establishment of institutions and legislation adapted to insular specificities, if combined with training of locals can yield better results.

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## Annex 1: Action Plan

	Priority (1-3)	Action	Main responsible for action or coordination	Key partners and stakeholders involved	Timing / completion date	Output / Deliverable
GOVERNANCE AND INSTITUTIONAL CAPACITY						
<i>Recommendations addressing the national level</i>						
<b>1. Institutional changes</b>	1	Creation of a new governance scheme for the islands	Cabinet, Parlement, GSAIP	Regional and Local Authorities	Q4 2025 Q3 2026	<ul style="list-style-type: none"> <li>New legislation and corresponding presidential decrees and ministerial decisions for their implementation</li> </ul>
<b>2. Elaborate an insular strategy</b>	1	Establish an insular innovation hub that provide SMEs with access to digital and green technologies, coupled with targeted tax credits and grants to incentivise sustainable and digital transformation.	General Secretariat for Coordination, GS for Aegean and Insular Policy, Ministry of Economy, Ministry of Employment, Ministry of Development	Regional and Local Authorities, Local chambers of commerce, Insular Universities, civil society (quadruple helix)	Q4 2025 Q3 2029	<ul style="list-style-type: none"> <li>Insular Strategy (European and national)</li> <li>Establishment of a multi-level governance and inclusive stakeholder platform (Insular Aeiforia Centre) on the principles of Rural Pact</li> <li>Establishment of strategic and operational goals for the different groups of islands</li> <li>Establishment of multi-annual action and financial plan through operational programs</li> <li>Establishment of a monitoring and evaluation system of islands' sustainability and resilience</li> </ul>
<b>3. Build capacity of island stakeholders</b>	1	Strengthen the administrative, technical and leadership capabilities of stakeholders for strategic planning and project implementation	Ministry of Interior, Ministry of Economy, GSAIP	Regional and Local Authorities, Local chambers of commerce, Insular Universities	Q1 2026 Q1 2028	<ul style="list-style-type: none"> <li>New legal framework for the operation of insular regional and local authorities</li> <li>Training programs for strategic planning and project implementation</li> <li>Hub for lifelong learning through offline courses and personalized assistance</li> </ul>
<i>Recommendations addressing the subnational level</i>						

	Priority (1-3)	Action	Main responsible for action or coordination	Key partners and stakeholders involved	Timing / completion date	Output / Deliverable
<b>4. Encourage interregional cooperation and knowledge transfer</b>	3	Participation of regional and local stakeholders to common actions – Participation to transnational networks on high interest topics (i.e. blue economy, responsible tourism, responsible SMEs)	Regional Councils	Universities, regional clusters, SMEs, and local government	Q4 2025 Q4 2030	<ul style="list-style-type: none"> <li>• Creation of formalised thematic networks between local government, academia and industry (e.g., advisory committees, joint R&amp;D consortia).</li> <li>• Participation to transnational projects</li> </ul>
<b>5. Elaboration of Strategic Plans</b>	1	Elaboration of Strategic Plan	Regional and Municipal Councils	GSAIP, business community, scientific community, locals	Q1 2026 Q4 2026	<ul style="list-style-type: none"> <li>• Regional and Municipal Strategic Plan</li> </ul>
<b>ECONOMIC &amp; SECTORAL TRANSFORMATION: QUALITY ISLANDS</b>						
<i>Recommendations addressing the national level</i>						
<b>6. Increase SME access to finance and innovation</b>	1	Creation of a support system for insular SMES to offset high operating costs, low access to finance and to innovation aiming to transform them into responsible businesses	Ministry of Economic Affairs Ministry of Employment, Ministry of Development, GSAIP	Local Chambers, Insular Universities	Q1 2026 Q4 2030	<ul style="list-style-type: none"> <li>• Creation of a technology support centre for technology adaptation and transfer on agri-food, tourism and culture, environmental services, and blue economy activities</li> <li>• New regulations on tax and other incentives for insular SMEs</li> <li>• Development of sustainable/responsible business certification programs for insular SMEs.</li> <li>• Creation of thematic/sectoral clusters</li> </ul>
<b>7. Increase innovation and food security</b>	1	Creation of a support system to enhance local food production and food security implementing the EU policy orientation “from farm to dish”	Ministry of Rural Development and Food, GSAIP	Associations of Producers, Local Chambers, local government	Q1 2026 Q4 2029	<ul style="list-style-type: none"> <li>• Creation of the Island Agri-Innovation Lab</li> <li>• Adaptation of the EU regulation for small Aegean islands to the new priorities</li> <li>• Creation of a specific pillar for insular rural development within the Greek EU agricultural program</li> </ul>

	Priority (1-3)	Action	Main responsible for action or coordination	Key partners and stakeholders involved	Timing / completion date	Output / Deliverable
<i>Recommendations addressing the subnational level</i>						
<b>8. Facilitate collaboration between SMEs, universities, and research institutions</b>	2	Establish regional programmes to support the creation and operation of regional innovation hubs, offering innovation vouchers and grants to incentivise SME-university partnerships and cross-sectoral R&D initiatives	Regional Councils, Local Chambers	Universities, regional clusters, SMEs, and local government	Q4 2025 Q4 2030	<ul style="list-style-type: none"> <li>• Upgrade the “Future Labs” of the University of the Aegean as antennas of the insular technology support centre for technology adaptation and transfer on agri-food, tourism and culture, environmental services, and blue economy activities</li> <li>• Creation of regional financial programs for innovative SMEs</li> <li>• Creation of local clusters on island level</li> <li>• Creation of an observatory of insular economy</li> </ul>
SOCIAL SERVICES & HYMAN CAPITAL: ISLANDS OF EQUAL OPPORTUNITIES						
<i>Recommendations addressing the national level</i>						
<b>9. Improve access to basic services through local compacts</b>	1	Ameliorate the quality and the cost of access of local population and business to Public Interest Services as health, education & training, transport, communication, social services, and other public services	GGAIP, different ministries	Regional and Local authorities, Civil society, Universities, Locals	Q1 2026 Q4 2030	<ul style="list-style-type: none"> <li>• Creation of “Island service compacts”</li> <li>• Evaluation of the service provided to local population for all the Public Interest Services.</li> <li>• Creation of Combined Transport Office (<a href="https://otc.corsica/">https://otc.corsica/</a>)</li> <li>• Program for social housing in islands for civil servants and young people</li> </ul>
<i>Recommendations addressing the subnational level</i>						
<b>10. Invest in human capital for future-ready economies</b>	1	education and lifelong learning, focusing on green and digital skills aligned with local development needs	GGAIP, Regions, Universities	Local Chambers, Local authorities, Civil society	Q1 2026 Q4 2030	<ul style="list-style-type: none"> <li>• Creation of a central hub for technical upskilling and social innovation with both online and offline courses</li> </ul>

	Priority (1-3)	Action	Main responsible for action or coordination	Key partners and stakeholders involved	Timing / completion date	Output / Deliverable
STRENGTHENING ENVIRONMENTAL MANAGEMENT: GREEN ISLANDS						
<i>Recommendations addressing the national level</i>						
<b>11. Adaptation of national Environmental Policy for insular ecosystems</b>	1	Differentiate national policies concerning the protection of environment to islands' specificities	Ministry of the Environment and Energy, GGAIP	Regional and Local Authorities, Civil Society, Universities, Local Chambers	Q1 2026 Q4 2030	<ul style="list-style-type: none"> <li>• New legislative framework with provisions for insular ecosystems</li> <li>• New operational program for circular economy concerning islands</li> <li>• Establishment of a monitoring system for the evaluation of the state of insular environment</li> </ul>
<i>Recommendations addressing the subnational level</i>						
<b>12. Environmental management</b>	1	Implementation of integrated plans for environmental management for each island to minimize risks /damages from intense natural phenomena	Regional authorities	Local Authorities, Civil Society, Universities, Local Chambers	Q1 2026 Q4 2030	<ul style="list-style-type: none"> <li>• Integrated Plans for environmental management for each island</li> </ul>
<b>13. Climate adaptation and mitigation</b>	1	Implementation of integrated plans for climate adaptation and mitigation for each island concerning all the natural resources (water, land, biodiversity, sea, air), the treatment of waste, the infrastructures and the functioning of the activities (tourism, agriculture, livestock, logistics, construction)	Regional Authorities	Local Authorities, Civil Society, Universities, Local Chambers	Q1 2026 Q4 2027	<ul style="list-style-type: none"> <li>• Integrated Plans for climate adaptation and mitigation for each island (the plan can be unified with this on environmental management – action10)</li> </ul>

	Priority (1-3)	Action	Main responsible for action or coordination	Key partners and stakeholders involved	Timing / completion date	Output / Deliverable
POLICY INSTRUMENTS AND MONITORING						
<i>Recommendations addressing the national level</i>						
<b>14. Insularity clause</b>	1	Develop an Island Impact Toolkit in order to evaluate policy measures for their impact on islands	GGAIP	Universities	Q1 2026 Q4 2026	<ul style="list-style-type: none"> <li>• Development of the Island Impact Toolkit</li> </ul>
<b>15. Institute of Island Policy</b>	1	Create a mechanism to: (a) collect, analyse, and publish data on the unique challenges and opportunities facing island territories in specific topics (tourism, business, transport) for policy evaluation; (b) to monitor the sustainability status of islands based on the Greco Islands Charter's goals; (c) Propose policy measures to central government in order to implement a coherent and integrated insular policy; (d) Propose innovative actions to regional & local authorities	GGAIP	Universities, Elstat, Regional and Local Authorities, Local Chambers, Civil Society	2026 Q4	<ul style="list-style-type: none"> <li>• Establishment of the Institute</li> <li>• Creation of the Atlas of Islands – Islands' Observatory</li> <li>• Elaboration of the Islands' policy</li> </ul>