Esta es la versión de autor del artículo publicado en:
This is an author produced version of a paper published in:

INTERNATIONAL JOURNAL OF URBAN AND REGIONAL RESEARCH 42.1
(2018): 36-50

DOI:  https://doi.org/10.1111/1468-2427.12566

Copyright:  © 2018 Urban Research Publications Limited

El acceso a la versión del editor puede requerir la suscripción del recurso
Access to the published version may require subscription
Abstract

In times of austerity, gentrification is promoted as a prime investment opportunity capable of reviving stagnating local economies. In Athens, pro-gentrification policies (using English slogans like ‘Re-launch Athens’ and ‘Re-activate Athens’) have become increasingly defined in their targeting of specific areas. Moreover, planning in Greece is characterized by spontaneity, fragmentation and tolerance of speculation, specifically favouring the gentrification process. In many cases, the state’s ‘absence’ after promulgation of regeneration projects acts as a clear strategy for inner-city gentrification. After discussing the emergent relations between state policies on urban intervention and gentrification in the post-crash era, this article will focus on the peculiarities of the Greek planning system and how these have led to the gentrification of an inner-city area called Metaxourgio.

Introduction

Gentrification is an urban process related to emerging investment opportunities, spatial displacement and dispossession of the vulnerable (Harvey, 1989; Smith, 1996; Slater, 2006; Lees, 2008; 2012). State intervention is key to this urban expression of creative destruction (Schumpeter, 1942) merely by its support of the process, essentially creating a revanchist strategy of urbanism (Hackworth and Smith, 2001; Smith, 2002). In times of crisis, when state dismantling is accompanied by increased intervention in spatial restructuring (Smith, 2002) and public order (Tonkiss, 2013), gentrification may be especially favoured (Hackworth and Smith, 2001). Indeed, systemic crises only serve to create grounds for yet more gentrification, acting as a constitutive element of contemporary capitalism, its commodity-based housing systems and neighbourhoods (Davidson, 2011).

In Athens since 2010, austerity has been expressed by loss of sovereignty or, to paraphrase Swyngedouw (2005), an upwards rescaling of the state in favour of the European Union, International Monetary Fund and European Central Bank (commonly known as ‘the troika’). A fall in incomes, withdrawal of welfare support and soaring unemployment have been accompanied by dispossession of public assets and land (Hadjimichalis, 2014). Within this framework, gentrification is transforming a landscape of former working-class neighbourhoods into a series of entertainment playgrounds, producing new settings for the alternative hype of the city. Although it has been stated
that there are urban policies dealing (implicitly or explicitly) with gentrification in this context (Leontidou, 2014: 553), other research sees the situation differently, claiming that Athens is ‘ungentrifiable’ on account of a lack of clear-cut state intervention (Maloutas, 2007; Karachalis and Defner, 2012).

This article develops evidence for the suggestion that gentrification occurs even in the case of ‘absent’ state intervention. The non-action or indeed the abstract action of the state comprises, in Bauman’s (2000a) terms, a liquid strategy promoting gentrification, tolerating speculation and overlooking displacement. In Athens, gentrification has emerged from the fractures of a spasmodic planning system - a system in which politically networked social groups and the elite are able to change the planning framework and impose their own rhythms upon space production.

Focusing on the way planning policies have shaped the city centre and specifically their vague implementation in an inner-city area called Metaxourgio, the article argues that a planning tradition of clientelism and spontaneity has been key to the emergence of gentrification in Athens. In addition, political networking, policy transfer practices and gentrifiers’ topological imagination complete the jigsaw of inner-city socio-spatial restructuring. This qualitative research was based on 75 in-depth interviews with city planners (3), politicians (4), realtors (3), entrepreneurs (10), gentrifiers (27), lifelong residents (13), Roma (2), migrant inhabitants (12) and a teacher (1) in Metaxourgio. Every interview was transcribed and coded in accordance with key categories of gentrification theories (e.g. income, house prices/restoration costs, land-use change, speculation, displacement) and categories which emerged through fieldwork (e.g. experience of living abroad, networking, fear, etc.). Research was further supported by contextual analysis of urban policy archives (legal documents and regeneration proposals); research via web pages and blogs; newspaper and magazine articles; plus in situ observation, photographs and mapping of land uses.

The article proceeds with a look at the broader academic discussion over state intervention and the variegated strategies for gentrification, then turns to the city of Athens and the ambiguity of its planning system (which actually encourages gentrification), before focusing on how gentrification has been promoted in Metaxourgio (where the state has laid out its vision of future spatial reinvention by launching regeneration proposals, changing land uses and allowing market forces to expose the area to cyclical capital speculation).

**Gentrification as strategy and tool of urban ‘revival’ beyond the crisis**

State support for gentrification ranges from policies incentivizing market forces for urban restructuring to direct state intervention (Hackworth and Smith, 2001; Lees, 2012). For example, gentrification in crisis-stricken Mediterranean cities is driven by free-market housing policies, accompanied by new entertainment and nightlife uses, alternative art and cultural projects, plus tighter control of the public space (Alexandri,
2014; Janoschka et al., 2014; Semi, 2015). This differs somewhat from the Anglophone discourse, which tends to characterize gentrification as state-driven and firmly linked to financial operations (Hodkinson, 2011; Watt, 2013; Paton and Cooper, 2016). Often gentrifiers have themselves engaged with urban politics, directly facilitating the process (Ley, 1996; Smith, 1996; Shaw, 2008).

Legislative tools promoting gentrification are mostly to do with planning, such as zoning, restrictions and sustainable regeneration plans (Lees, 2008; Zukin, 2010), backed up by emblematic architecture (González, 2010; Lees, 2012), surveillance tactics (Davis, 1992) and economic incentives (Smith, 1996; Hodkinson, 2011). Such interventions facilitate the conversion of use values into exchange values, optimize (i.e. render more profitable) land use by comparison to pre-existing practice (Smith, 1996) and generate better investment opportunities (Beauregard, 1986; Ley, 1996). The pioneering euphoria of touristic and/or cultural regeneration projects (Harvey, 1989), creative industries and people (Porter and Shaw, 2009), slum clearance, brownfield development and the promotion of social mix in public housing lies at the heart of revanchist practices of gentrification and resultant spatial appropriation.

Urban policies promoting gentrification are often disguised using a variety of different notions: ‘urban regeneration’ in the late 1990s, ‘urban sustainability’ and ‘social mixing’ in the 2000s (Lees, 2008) and most recently ‘urban diversity’ (Freeman, 2009). As Lees (2008: 2452) observes, such terms ‘are used instead, avoiding the class constitution of the processes involved and neutralizing the negative image that the process of gentrification brings with it’. The use of terms borrowed from biosciences and environmental studies (such as regeneration, diversity and sustainability) serve to soften the impact of the process and distract from the issue of displacement. Following the neoclassical economic rationale, gentrification is then projected as a ‘rational and normal’ outcome of urban evolution. This linear discourse becomes legitimized in public discussion, restricting space for theoretical challenges. However, the end result of every gentrification initiative is always the socio-spatial purification and class appropriation of contested spaces. Hence there is nothing neutral or natural in gentrification, as it generates violent (visible and invisible) forms of spatial dispossession and social displacement. Gentrification is colonialism at local level (Clark, 2005) and, in each individual case, the power politics lurking in the background are as various in time and in space as the diverse geographies of gentrification (Lees, 2000; 2012).

This eccentric flow of capital fuelling gentrification of the built environment is linked to systemic crisis (Weber, 2002). By capturing productive forces in fixed forms (such as constructions), barriers to further movement of capital are introduced (Harvey, 2007). Hence, (re)creation of the built environment serves to perpetuate the crisis into the future. It is precisely this ‘creative destruction’ tendency that becomes the driving force for the next crisis. Entrepreneurs, realtors and governments are forced to adopt innovative ideas and actions, create new needs and discover new places, to facilitate
capital movement in space and discover new markets, destroying any pre-existing structures (Harvey, 1989) and constructing new enclosures, particularly for the middle class (Stavrides, 2005; Hodkinson, 2012).

Socio-spatial restructuring forged by systemic crisis is moreover related to the rescaling of the state. National states are being ‘hollowed out’ through the complex replacement of state powers by market powers and supranational governance institutions (Keil, 2003). The state powers are being reshaped at all spatial levels, remaining consolidated at the urban level where surpluses and new markets may be produced. In this whole rescaling process, the state becomes a social relation bearing the stamp of the bourgeoisie (Poulantzas, 2003). The transformations of the capitalist relations of spatial production interrelate with the transformations of the elites. The bourgeoisie makes use of the state to turn economic and spatial power to their own direction and the state serves to organize the dominant classes and disorganize the dominated classes (ibid.). The elite’s relationship to the state varies according to the specific interests of the faction exercising hegemonic power (Sotiris, 2015). The role of the state guarantees hegemony of monopoly capital and the long-term reproduction of the bourgeoisie’s interests in a complex process of strategic readjustment (ibid.).

While the elements of crisis are constantly reproduced in capitalist societies, the genesis and rhythms of the crisis must be related to the politics, the class relations and the conflicting interests of the ruling classes (Poulantzas, 1976). It is in times of crisis that urban strategies are restrained. The state may ‘both transform the social climate that surrounds the built environment and institutionalize the climactic changes that are thereby imposed on the positions of investors and consumers’ (Zukin, 1989: 150). The emerging rent gaps and surplus values are an actual indicator of the state’s ability to absorb financial risks and boost speculation (Swygendouw et al., 2002). The initial risks inherent in ‘regeneration’ are underwritten by the state, while the bourgeoisie enjoys the profits. Therein lies the reason why the recreation of space focuses mainly on the ‘outsider, the investor, the developer businessman or tourist’ (ibid.: 454); state-sponsored creative destruction underpins ‘capital’s restless search for profits which requires constant renewal through galelike forces that simultaneously make way for the new and devalue the old’ (Weber, 2002: 522). As Paton and Cooper (2016) shrewdly point out, in the post-crash era ‘it’s the state, stupid’ that points, endorses, provokes, supports and drives gentrification, in line with the interests of global and local investors and elites.

Even in cases like that of Athens, where gentrification is characterized as privately led (Leontidou et al., 2007), the process has been encouraged by state policies.

As will be discussed subsequently in this article, latent in ‘absent’ state intervention is an implicit and nuanced planning strategy which has promoted gentrification in specific inner-city neighbourhoods.
City planning in Athens; in between state and market

Greek planning is a never-ending process of creation of barely implemented plans, addressing urban issues in spasmodic and fragmentary ways (Tsoulouvis, 1996; Hadjimichalis, 2014). In post-second world war Athens, urban development and construction (of housing) came about largely through assertive self-interest (antiparochi) and informal settlements (Leontidou, 1989; 1990; Mantouvalou et al., 1995). Planning laws were promulgated after construction activities had already changed the landscape, encouraging spontaneity in city development (Leontidou, 1990) and legitimizing speculation in space production (Tsoulouvis, 1987). In the city centre, the implementation of the antiparochi system led to the uncontrolled demolition of most of the low-rise housing stock and its replacement by sprawling developments of high-rise flats; moreover it led to a form of vertical social segregation (Leontidou, 1990), with upper- and middle-class households occupying the higher floors and poorer residents the lower floors and basements.

Such urbanism was the outcome of the highly centralized and bureaucratic nature of Greece’s formal planning system, which was further linked to ‘the importance of patron-client relations in Greek politics. Central control of local processes meant that political personalities who had access to the government could exercise pressure for the extension of the City Plan and the modification of the building regulations to the benefit of their clientele’ (Tsoulouvis, 1987: 502). Tolerating illegal private construction and public land dispossession became a planning strategy, creating consensus between the state and the urbanizing population. Moreover, this tolerance assured political support for the dominant political system (Hadjimichalis, 2011; 2014).

More formal land policy emerged in Greece during the mid-1970s, in anticipation of European Economic Community (EEC) accession (Leontidou et al., 2007), while planning rescaling in the 1980s and 1990s sought to align with European standards and directives in order to obtain access to European funding (Kourliouros, 1997). However, urban planning remained highly centralized and tied to physical planning (Tsoulouvis, 1996), while reliance on national government funding sustained vertical dependencies for local and regional governments (Chorianopoulos, 2012). Even after the most recent (2010) state restructuring, although local governments were entrusted with new competencies in urban planning and welfare policies, and regional governments with spatial planning competencies related to environmental, waste management and public works, central control remained intact with detailed planning still a ministerial competency enacted by presidential decree (ibid.; moreover see Table 1).

---

1 Antiparochi refers to a system emergent during the 1950s, whereby housing production was negotiated between landowners and small construction companies, with the support of the state.
Against this backdrop of spasmodic fragmentation, bureaucratic centralization and clientelism, the most prominent event that introduced neoliberal restructuring into planning was the 2004 Olympics (Leontidou et al., 2007). Ad hoc planning frameworks were implemented under a ‘state of exception’ for construction projects and redevelopments related to the Olympics (Stavrides, 2005), strengthening links between the central state and local business elites and international investors, and giving new impetus to clientelism (*ibid.*). The central state passed planning amendments to assure profits from works undertaken by a multitude of fragmented agents of the state, local authorities and public—private partnerships, while any environmental and social consequences were suffered by the local population (Leontidou et al., 2007; Petropoulou, 2015). New developments in the centre of Athens, such as metro lines and stations, pedestrianized zones, regenerated public spaces and building beautification projects,

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Master Plan</td>
<td>Metropolitan Interventions: Reconstruction of the city centre (encouragement of cultural routes) Plan for Integrated Urban Intervention for Athens: upgrading of Eleonas and Akadimia Platonos, dual regeneration of Alexandras Avenue, intervention in Panepistimiou Avenue, completion of the archaeological walk of Athens: connection of Keramikos with Elesina and Akadimia Platonos via Plataion and Salaminos street. Preservation of historical and cultural infrastructures, restoration of architecturally important buildings, regeneration of public spaces, redefinition of the land uses, preservation proposals for the historic centre Promotion of policies for housing, improvement of the city image, highlighting of the city centre: attraction of new residents and businesses, touristic highlighting, enhancement of productive entrepreneurial, entertainment, cultural uses</td>
<td>Master Plan and the General Plan of Athens supervision Spatial Planning monitoring Building restrictions modification Appropriations’ revocation Transport, traffic lights, lighting, hydraulic works and land reclamation management Taxation fees enforcement</td>
<td>Implementation of regulatory plans, Implementation of the General Urban Plan, Implementation of planning studies, Urban redevelopment of problematic areas, Approval of planning proposals Environmental protection decision Municipal waste management Cemetery and cremation locations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Master Plan</td>
<td>Metropolitan Interventions: Reconstruction of the city centre (encouragement of cultural routes) Plan for Integrated Urban Intervention for Athens: upgrading of Eleonas and Akadimia Platonos, dual regeneration of Alexandras Avenue, intervention in Panepistimiou Avenue, completion of the archaeological walk of Athens: connection of Keramikos with Elesina and Akadimia Platonos via Plataion and Salaminos street. Preservation of historical and cultural infrastructures, restoration of architecturally important buildings, regeneration of public spaces, redefinition of the land uses, preservation proposals for the historic centre Promotion of policies for housing, improvement of the city image, highlighting of the city centre: attraction of new residents and businesses, touristic highlighting, enhancement of productive entrepreneurial, entertainment, cultural uses</td>
<td>Master Plan and the General Plan of Athens supervision Spatial Planning monitoring Building restrictions modification Appropriations’ revocation Transport, traffic lights, lighting, hydraulic works and land reclamation management Taxation fees enforcement</td>
<td>Implementation of regulatory plans, Implementation of the General Urban Plan, Implementation of planning studies, Urban redevelopment of problematic areas, Approval of planning proposals Environmental protection decision Municipal waste management Cemetery and cremation locations</td>
</tr>
</tbody>
</table>
Moreover, the recent memorandum treaties signed with ‘the troika’ have ensured continuity for this ad hoc planning. Privatization of public assets and land, urban projects and strategic investments are promulgated using ‘fast track’ procedures, as special exceptions to the existing planning framework, facilitating speculation and prompt abstraction of surplus values (Hadjimichalis, 2015; Petropoulou, 2015; Arampatzi, 2017). The Olympics ‘state of exception’ has thus become a permanent political condition of planning, with intensified clientelism plus shadowy negotiations between state, investors and hedge funds resulting in ‘justifiable’ dispossessions in the name of debt repayment (Lapavitsas, 2013; Kaika and Karaliotas, 2016; Karaliotas, 2016; Kaika, 2017; Alexandri and Janoschka, 2018).

Within this setting of spatial dispossession, gentrification is especially encouraged. It has been at the heart of central and local government plans for Athens ever since the 1980s; it appeared sporadically in the 1990s, intensified during the 2004 Olympics and, interestingly enough, has since 2010 developed a rigid spatial form in former working-class neighbourhoods. The fragmentation of the planning system and the central state’s controlling position in urban schemes facilitated the evolution of this process. As Table 1 shows, most planning competencies for the regeneration and renewal of the centre of Athens remain under the jurisdiction of central government, with the Municipality of Athens restricted to implementation and consultation roles.

Before focusing on the planning arrangements established for the area of Metaxourgio specifically, a few examples may shed light on why planning credentials in Athens have become so complex. Responsibility for some of the city’s major street maintenance falls within the jurisdiction of the Ministry of Environment and Energy (MEE)\(^2\), i.e. the central state. Various avenues and parks are supervised by the Region of Attica (i.e. the regional state), while public squares and spaces and the majority of streets fall within the jurisdiction of local government. Moreover, the Ministry of Culture (i.e. the central state) undertakes cultural regeneration projects to highlight the historic past of the city (in other words, attract tourism and disrupt current usage) and the Ministry of Economics allocates ‘objective’ values in respect of each neighbourhood\(^3\), thereby influencing the private market. Interestingly, during the recent ‘crisis’ the Ministry of Citizen Protection has become more active in urban affairs via socio-spatial cleansing projects, especially in ‘deprived’ central areas (the same areas designated for regeneration by the Ministry of Environment, Energy and Climate Change).

---

\(^2\) Formerly called Ministry of Environment, Energy and Climate Change, and prior to that the Ministry of Environment, Planning and Planning Works.

\(^3\) The ‘objective value system’ is a calculation system whereby the state, based on certain minimum values for real estate, assigns ‘price zones’ by area.
However, as Table 1 shows, planning remains a centralized affair, with the majority of legislative power in the hands of the central state (the Ministry of Environment, Energy and Climate Change), leaving the local state largely with executive powers. It is exactly this kind of erratic and highly centralized planning system that provides capital with adequate time to reshape central areas for the middle class, simultaneously encouraging political networks and maintaining clientelism in spatial (re)production. These aspects will be amply illustrated by the Metaxourgio gentrification case.

Gentrification emergent from a fractured planning system

Lying to the southwest of the centre of Athens, Metaxourgio’s name (meaning ‘silk’, in reference to a nineteenth-century factory which operated there) recalls the working-class history of the city. Most of its buildings still benefit from exceptional views of the Acropolis (the antiparochi system did not entirely transform the area, thanks to stagnating land values induced by industrial activity). Building heights are relatively modest and a significant part of its stock comprises neoclassical and Bauhaus architecture dating from the early twentieth century. The area has nearly 9,000 inhabitants, with a significantly above-average number of elderly households, migrants and Roma. Since the 2000s the Roma population has shrunk due to evictions and displacement, while there has been a significant influx of gentrifiers since the mid-1990s. Unsurprisingly, Metaxourgio has been at the heart of regeneration plans since the 1980s.

- The central state and planning initiatives for the city centre

As discussed, planning is highly centralized, with the state mandating planning jurisdictions right down to the neighbourhood level. Since the late 1980s, various laws have focused on the need for regeneration of western parts of central Athens. Laws L. 567/D/1979 addressing the ‘designation of the traditional part of the city of Athens’ and the (more detailed) Athens Master Plan (L. 1515/1985) and the General Urban Plan of Athens (L. 80/D/88) (Ministry of Environment, Planning and Public Works, 1979; 1985; 1988 respectively) highlighted the importance of urban regeneration by changing cultural land uses and restoring housing for the beautification of the built environment. This legal framework primarily addressed physical factors such as buildings, streets and land use, with scant reference to any neighbourhood social context. In most policy documents, the district’s ancient name of Keramikos is used in preference to Metaxourgio (see Table 1)4.4 The reflected glory of its ancient cemetery serves as a better symbol of the revival of the area than any reference to Metaxourgio’s (recent and dirty) working-class history.

---

4 In classical Athens, Keramikos was an area lying both inside and outside the city walls. The part of Keramikos outside the city walls was used as an ancient graveyard. The Dimosio Sima was that part of the outer Keramikos where important Athenian public figures (among them Pericles and other warriors) were laid to rest.
During the same period, law L. 33/A/84 (Ministry of Economics, 1984) prohibited industrial activity in the city centre; in Metaxourgio this ended land use related to warehouses, workshops and garages (the backbone of the local economy). By the late 2000s, the magic of gentrification meant that most former industrial buildings had been transformed into leisure uses such as theatres, artistic spaces, tavernas and gourmet restaurants; some of the largest were turned into folk-themed nightclubs, often without planning permission (Alexandri, 2015). Paraphrasing Zukin (1989: 148), when a productive non-productive use like entertainment replaces more productive uses like industry, it poses problems related to speculation, rising land values, harassment and displacement.

More explicitly for Metaxourgio, in 1998 a presidential decree (law L.616/D/1998) determined 'land use, specific conditions and building restrictions'. According to this legislation, housing was designated as the primary land use; building heights were restricted to three floors, while (noisy) land uses affecting housing were banned. But why was such a restrictive framework implemented by the central state specifically for the neighbourhood of Metaxourgio?

By 1995, the initial wave of gentrifiers—renowned artists and affluent professionals (architects, lawyers, academics, bankers, curators) with access to political networks—had moved into the area, renovating its low-rise houses. Challenging the stage model theory of gentrification (Ley, 1996; Shaw, 2008), the first gentrifiers in this case study were middle-class people with high economic capital, who had already experienced gentrification in Western cities (e.g. New York and London) and enjoyed access to political information regarding future upgrading of the area for the 2004 Olympics. Already familiar with the process, gentrifiers rushed into Metaxourgio before the closure of the rent gap. In many interviews, it was highlighted that 1995 land prices in the area were rather low compared to Plaka (which was already gentrifying apace) and other inner-city areas, with a low-rise house plus plot of land (circa 230 square metres) costing around 55,000 euros. As made clear by a well-to-do gentrifier, L. 616/D/1998 would not have been promulgated had gentrifiers not mobilized:

Personally I had a starring role in this case ... we were lobbying the ministry and I pushed a lot so that building height limits in the area got lowered ... in collaboration with the lawyer advising Simitis ... a man of great prestige ... we managed to proceed legally ... and certainly the

---

5 I use the term ‘upper class’ for participants who claimed to earn 3,500–5,000 euros monthly income, and ‘middle class’ or ‘creatives’ for those who claimed to earn 1,200–3,500 euros monthly income and engage with arts and culture.

6 Kostas Simitis was prime minister of Greece from 1996 to 2004.
presence of two deputy ministers [helped,] otherwise nothing would have happened (Yiannis⁷, university professor).

With the state seen as lethargic in direct planning interventions, gentrifiers activated political networks, forming a pro-gentrification legal framework favouring their desired land uses: low building factors (from 1.4 to max 2.6 corresponding to heights less than 27 m), green spaces and housing restoration, i.e. establishing specific conditions to satisfy their aesthetic sensibilities. The new legislative framework prevented direct exploitation of land surpluses via tall antiparochi buildings (that provided high building factors of more than 2.4 corresponding to higher buildings up to 32 m), satisfying the new order of gentrification. Given that the state is characterized by structural selectivity in the way it creates, transforms and builds realities for the fractions of the ruling class it so consistently serves (Poulantzas, 1978), only those with access to government can exert pressure for changes to the land-use plan (Tsoulouvis, 1987). This selectivity was expressed by the promulgation of the L. 616/D/1998 presidential decree, favouring elements of the middle class with access to political networks, intensifying speculation in the local real estate market and encouraging the difference between the potential and the capitalized ground rent (i.e. the rent gap).

As expressed by a Metaxourgio realtor, after the promulgation of the 1998 presidential decree, investors and landowners:

went completely nuts. They would come and show me the front page of Kathimerini⁸ making claims about future projects ... that Lazogkas, Galani, Nikolakopoulou⁹ had moved in to the area ... ‘I want 2,000 euros per square metre’ ... in Metaxourgio, prices were around 300 euros per square metre; they rose to 1,500 euros (Kostas, realtor).

The state is aware of the planning tools which may be used in order to trigger speculation and time is a crucial factor in gentrification (Lees, 2000; 2012). Time as a tool (Bauman, 2000b) creates space for more gentrification. The more fragmentary and contradictory planning laws are, the more probable it is that they create opportunities for those able to use the law as a means of abstracting value from the city (Tsoulouvis, 1987). In the case of Metaxourgio, this relationship between space, profit and time became apparent: in the 1980s, the area was designated for cultural and housing regeneration, and by the late 1990s an explicit legal framework had been established. The state actually pinpointed the space where the rent gap emerged. Land prices more than quadrupled between the mid-1990s and 2007: in the mid-1990s, house prices were around 300 euros per square metre; with the announcement of the 1997 presidential decree they started rising; by 2007 house prices had reached 1,700 euros per square metre.

---

⁷ All names are pseudonyms as interviewees were promised anonymity.
⁸ A high-quality national daily newspaper.
⁹ A well-known artist, famous singer and renowned composer respectively.
metre. It should be noted that, for the rest of the city, prices only doubled between 1993 and 2007 (Simigiannis and Chondrogiannis, 2009). The rise in Metaxourgio land values is a clear indicator of the way speculation encouraged gentrification.

<table>
<thead>
<tr>
<th>Neighbourhood</th>
<th>New built</th>
<th>Used</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales Price</td>
<td>Price Difference</td>
</tr>
<tr>
<td>City Centre</td>
<td>2011</td>
<td>2008-2011 (%)</td>
</tr>
<tr>
<td>Kolonaki</td>
<td>5,000</td>
<td>-80</td>
</tr>
<tr>
<td>Pagkrati</td>
<td>2,000</td>
<td>-50</td>
</tr>
<tr>
<td>Ampelokipi</td>
<td>2,000</td>
<td>-35</td>
</tr>
<tr>
<td>Kipseli</td>
<td>2,000</td>
<td>-32,5</td>
</tr>
<tr>
<td>Petralona</td>
<td>1,900</td>
<td>-37</td>
</tr>
<tr>
<td>Gkazi</td>
<td>1,700</td>
<td>-47</td>
</tr>
<tr>
<td>Metaxourgio</td>
<td>1,400</td>
<td>-28,5</td>
</tr>
</tbody>
</table>

Table 2: House prices per square metre (in euros) for Athens’ city centre neighbourhoods.

Note: Kolonaki is an inner-city area of affluent households, Pagkrati is a mixed area with enclaves of affluence, Ampelokipi and Kyspeli are mixed areas with significant migration, and Metaxourgio, Petralona and Gkazi are gentrifying areas.

Source: Rousanoglou (2012, reproduced by permission of the journal Kathimerini)

Even for after the 2008 crisis, prices in newly built constructions stabilized at 1,600 euros per square metre, as gentrification in Metaxourgio acted as a safety net preventing a major drop. Relative to other neighbourhoods, the fall in Metaxourgio house prices was much more modest. As Table 2 shows, other more affluent areas such as Kolonaki, or mixed areas like Ampelokipi, suffered greater decreases than gentrifying areas such as Metaxourgio, Gkazi and Petralona. In Metaxourgio, prices (excluding new-build) dropped by only 25%.

This decline in real estate prices has favoured middle-class gentrifiers who engage with culture and the arts, and began colonizing the area around 2005. The rent gap freeze further transformed spaces into cultural hotspots, taking their names from other gentrification landmarks such as Kreuzberg; new restaurants and kafenia were named after exotic places such as the Seychelles, San Francisco and the Bahamas, indicating how the gentrification imaginary is constructed in Athens. Many of these new land uses...
do not have planning permission (e.g. apartments turned into performance spaces, backyards into cafes, etc). Moreover, the cultural hype produced by such spaces has encouraged social and professional networking amongst newcomers, who then settle in Metaxourgio as permanent residents. The relatively low rents of unrestored houses and *antiparochi* apartments have facilitated the inflow of these gentrifiers, who share space with friends and colleagues in the area. Echoing the choice of name for the district in planning legislation, many gentrifiers say they live in Keramikos: notions of ancient Athens better suit their aspirations. Nonetheless, this inflow of artists and cultural initiatives has displaced migrants and members of the Roma community, who experience harassment and evictions.

Moreover, in the early 2000s, the Ministry of Civilization embarked on a pedestrianization project linking important archaeological sites as part of the city’s beautification strategy for the 2004 Olympics. Central to this project was a touristic walk through historical areas from the Acropolis to the neighbourhood of Akadimia Platonos (Plato’s School), passing the Dimosio Sima (Perikles’ grave site) in Metaxourgio (see Table 1). This designation indicated future surplus values and further attracted gentrifiers with access to privileged information. As indicated in an interview:

> I always wanted to live in the city centre and in my job I had worked a lot there, in planning structuring for the Olympics, so 13 years ago we decided to buy this house and we moved in (Io, architect).

The expectations created by preparations for the Olympics, as well as access to privileged information regarding upcoming redevelopment projects, facilitated gentrification. The relevant legislation and announcements were similar to those pertinent to the gentrification of the Plaka neighbourhood (by the Acropolis) in the late 1980s. Such proclamations for Metaxourgio created high hopes for a similar gentrifying future, especially among those familiar with the process. Moreover, during this period, 64 neoclassical and Bauhaus buildings were listed as buildings of architectural importance by the Ministry of Civilization. As well as intensifying gentrification trends, this also led to the desertion of historic buildings, as lifelong owners who could not afford to undertake the restoration work specified by law abandoned their homes. Eventually, incidences of arson in old buildings allowed their owners to claim exception from the law (interview with lifelong resident). But abandonment and fire risks go hand-in-hand with gentrification, as the outflow of poorer inhabitants creates investment opportunities for wealthier people, as ‘populations move or are forced to move in reverse directions and both contribute to displacement’ (Marcuse, 1986: 171).

Since the 2010s, the crisis has further exacerbated neglect of the city centre. The minister formerly heading the Ministry of Environment, Energy and Climate Change announced new initiatives in the Athens Master Plan targeted at returning the middle class to the city centre via tax incentives (*Eleftherotypia*, 2010; see Table 1). Carefully
chosen wording articulated the gentrification vision among dominant political circles. Multiple combinations of words beginning with ‘re’—such as re-use, re-think, re-launch and rehabilitate the city centre—were copiously applied. Against a backdrop of the city centre as a collapsing space, gentrification was hailed as the cure for the crisis disease. The objective was to lure pioneering couples and individuals, creative people who can ‘leverage the city centre’ (Kaltsa, 2011), i.e. attract the gentrifiers.

The Ministry of Environment, Energy and Climate Change, in collaboration with the Ministry of Economics, implemented economic incentives for the further rehabilitation of Metaxourgio. These consisted primarily of tax reductions for the restoration and rehabilitation of dilapidated buildings (a tax deduction of 80% of rehabilitation costs over a decade for restoring/rehabilitating a house or shop), reduction of conveyance tax to 3% (instead of the 10% rate applicable elsewhere in the city) and tax exemptions for restoration costs (equivalent to 20% up to 3,000 euros and 10% between 3,000 euros and 6,000 euros). Once again, gentrifiers were pivotal in the establishment of this planning initiative. Upper-class gentrifiers using the services of Oliaros, a prominent realtor active in the area, formed a non-profit organization called Protypi Geitonia (Model Neighbourhood)\(^\text{10}\). They become aware that:

The ministry was planning the improvement of the city centre but Metaxourgio was not in the plans, so we pushed by sending proposals about what we wanted to do and how, collected signatures ... we decided that Metaxourgio should get the same tax incentives ... as there was potential here (Maria, Oliaros executive secretary).

Under gentrifier pressure, the state declared Metaxourgio a redevelopment zone eligible for special incentives. It is interesting to note the gentrifiers’ growing influence on the formation of planning initiatives in times of crisis; financial incentives were for those with the economic capacity to get on with the rehabilitation of buildings, i.e. the gentrifier population. Poorer households were excluded from tax breaks, as they did not meet the income requirements laid down in law. Nor could they take advantage of the economic incentives for building restorations, as they lacked the initial capital.

The announcement of these incentives was accompanied by intensified policing in Metaxourgio’s public spaces. Arrests of undocumented migrants increased, serving to purify the area of ‘unwanted others’. In times of crisis, any police attempts at social cleansing seem justified, regardless of the brutality inflicted upon ‘unwelcome’ groups. After all, key to the success of urban intervention in degraded areas is ensuring it via security monitoring and the creation of a safe environment (Davis, 1992). In Metaxourgio, police surveillance contributed to displacement of the most vulnerable groups, undertaken by the state in compliance with gentrifiers’ requirements.

\(^{10}\) Oliaros owns 4% of Metaxourgio’s building stock.
Local government and regeneration

The Municipality of Athens has limited (primarily executive) planning jurisdiction. Since the 1990s, however, it has published regeneration studies for decaying inner-city areas. Its 1993 Metaxourgio study emphasized the need for cultural regeneration. The proposal comprised planning suggestions on street pedestrianization, building restoration and incentives to attract younger households. As argued by the planner in charge, the process of regeneration had specific ingredients:

Firstly, land uses that degrade the area must be removed ... for example in the United States ... holistic regeneration of an area was achieved within 20 years ... you can turn a desert into the most upgraded area, so that even the richest person in Philadelphia aspires to ... a town house in Society Hill ... [In] the beginning who arrived in the area? Young couples and people who upgraded buildings on their own ... then the state proceeded with incentives ... so within 20 years there is completion (Dimos, planner).

In its quest for the ideal gentrification formula, the municipality employed a US-trained planner, an expert on inner-city regeneration (i.e. gentrification). Seeking to transfer policies in this way presumes that something similarly successful will occur in a different context (McCann, 2011). However, as González (2010) indicates, local practitioners who may not be directly active in any policy transfer take part in broader consensus-making and construction of hegemonic ideas. Ten years after the publication of the regeneration study, the local government proceeded with partial implementation of the proposals via pedestrianization, tree planting and partial beautification of the built environment (e.g. the neighbourhood’s central square has been regenerated three times since). The regeneration study and associated media publicity, together with the 1998 presidential decree and inner-city interventions for the Olympics, enforced gentrification. As explained by a gentrifier working at the municipal radio station:

I knew that there were plans for regeneration of the area. I work in the media, and this was no secret (Markos, journalist).

Topological imagination (Robinson, 2011) regarding future upgrading turned regeneration expectations into another gentrification driver. In the Athenian context, the time that elapsed between local government’s initial regeneration plans in the early 1990s and the mid-2000s was a catalyst for the establishment of the process.

The state has plans in its drawers that can complete the area ... the most important intervention was the municipal gallery ... the square had already been regenerated ... houses were bought and restored, inhabited by people of high cultural index (Alkis, city councillor).

Twenty years later, by the late 2000s (i.e. the crisis years), the Municipality of Athens had adopted a more proactive approach to regenerating Metaxourgio. In 2010, the
former silk factory became the municipal gallery, enacting another proposal from the 1993 regeneration study. As indicated in the interview (as per above extract) with a local councillor from the (conservative) party ruling the city for many years up until 2010, the state is fully aware of the mechanisms available for the stimulation of the real estate market: the regeneration of a square and an emblematic project may indeed serve to channel gentrification. After 2010, the newly elected (social democrat) mayor catered specifically for the interests of both local gentrifiers and Oliaros. Gentrifiers, frustrated that regeneration remained incomplete, undertook several beautification projects with the support of the municipality. For example, their gardening initiatives were provided with municipal services, tools and soil; the regeneration of Dimosio Sima was encouraged by the municipal cleaning department and received radio coverage; and an ample supply of recycling bins and sustainable lighting technology was readily made available. It is noteworthy that gardening initiatives by residents in non-gentrifying areas (e.g. Exarchia and Patisia) were dealt with by the state using tear gas, surveillance and arrests; by contrast, assets in the form of sustainable lighting technology and recycling bins are provided primarily for the more privileged inner-city areas (e.g. Kolonaki and Koukaki).

Since 2013, the Municipality of Athens has promoted several projects seeking to ‘restart’ Athens, such as ‘Re-launch Athens’, which focuses on the physical regeneration of ‘downgraded’ inner-city areas. The promotion of such projects creates a broader societal consensus, helping to resolve the abstract problem of conflicts arising between particular and general interests (Jessop, 1983). Within the ‘Re-launch Athens’ project, planning proposals drafted by Oliaros for the cultural regeneration of Metaxourgio (comprising specialized housing and creative entrepreneurial usage clusters) were promoted via the European Commission Jessica Project\(^\text{11}\). As the mayor stated at a city council meeting:

> We must applaud the fact that, through this project, people will find jobs and this area, no matter how problematic, will be regenerated ... Have we realized that the country is collapsing? Every day people lose their jobs. The public state, be it the central state or local government, is dead, it is bankrupt. We will go on with investments so that people can find jobs, so that there is regeneration of the city, especially now that we are in such bad shape (George Kaminis, mayor of Athens, quoted in Municipality of Athens, 2012).

Lurking discreetly behind the local government rhetoric advocating re-launch projects is the notion of gentrification. Gentrification is endorsed as a prime opportunity to

---

\(^{11}\) A European Commission initiative, developed in co-operation with the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB), the ‘Joint European Support for Sustainable Investment in City Areas’ project supports sustainable urban development and regeneration through financial mechanisms.
collaborate with the private sector—especially important now that the state is ‘dead’. It is in times of crisis that capital is invited to restructure the built environment without the impediment of planning restrictions. Against the backdrop of a fragmented planning system in a state of exception, tolerant of speculation and compliant to the will of the dominant class, private initiatives are portrayed as the only way to revitalize local economies. Then again, restrictive discussions relating planning to economic indicators may only encourage further speculation and abstraction of surpluses from space. The mainstream rhetoric of a city in crisis favours economic initiative and investment above all other considerations; any newsworthy sum related to investment effectively disqualifies any sum of numbers revealing the extent of impoverishment, displacement, unemployment and lack of social welfare. And in this setting, gentrification is effectively driven forwards.

**Conclusion**

Within hegemonic gentrification discourses, the state occupies centre-stage as the key actor orchestrating and driving the whole process. The case of Athens highlights the need for a re-examination of this Anglophone positioning, indicating the difference and variegation at play in state intervention. The continuous interrelation between contiguous direct legislation and indirect spatial practice, allowing discrete clientelism, creates a scenario of alleged non-action or ‘absence’ which creates the grounds for gentrification. This nuanced implicit interplay ultimately generates another continuum of state action comprising a panorama of indirect complex planning acts and legislation. But such legislative practice may chiefly be the outcome of pressure upon and control of the state by individual elites; hence the existence of gentrification may not only be the outcome of direct state action but also of state—elite interaction.

The state acts as a continuous apparatus of spatial domination exercised by elites. It facilitates gentrification through strategies ranging from non-action to direct intervention (reflecting the specificities of each case) as part of a broader societal strategy of class domination. But as the state is selective in its strategies, it satisfies the needs of elements of the middle class (Poulantzas, 1978) with gentrification aspirations. Even non-action by the state, or absence of direct intervention, is a phenomenon forming part of this conflicting structure of the state. Non-action has proven to be important for the maintenance of unity and organization of power blocs (*ibid.*). As Lefebvre (1996: 375) put it, ‘the production of space is carried out with the state’s intervention and the state mutually acts in accordance with the aims of capital ... What actually happens is that this vicious circle is set in train which for all its circularity is an invasive force serving dominant economic interests’.

Within this framework, the space of the city is produced by social and power relations emergent amongst diverse social groups and institutions. Against the backdrop of the Athens planning system, with its spasmodic implementation and clientelism,
gentrification emerges from the fractures. It is the very vagueness of the legal framework together with the predominant allocation of planning powers to the central state which perpetuates such erratic planning performance. The tolerated phenomenon of speculation (which formerly extracted value from the city through the *antiparochi* system) has now become a chief component of gentrification. The elapsing of time thanks to non-state actions produces *laissez faire* conditions for the reproduction of space and gentrification. Realtors and gentrifiers restructure space without any major restrictions. New urban conditions are developed in accordance with specific middle-class predilections, dispossessing lifelong residents and migrants, displacing Roma and poorer households. Neighbourhoods are reconstructed through new land uses, buttressed by the state. Does the non-action of the state comprise another strategy of socio-spatial restructuring? Reflecting on the way actual planning practices is mixed with clientelism and how speculation in space is celebrated as a new investment opportunity in Athens, yet another geography of gentrification may lie before our eyes.

I wish to thank the three anonymous IJURR reviewers for their invaluable comments that helped improve the content of this article. I would also like to thank Rouli Lykogianni for illuminating me about current amendments to Greek planning procedures. Finally I am grateful to Maria Kaika for her academic insights on post-crisis urban restructuring in Greece, and Gustavo Durán for hosting me in Flacso University and for the long discussions over the role of the state in gentrification research.


Kalsia, M. (2011) The housing market and planning interventions. Paper presented at the Seminars for the city centre organized by the National Centre of Social Research (NCRS) and the Department of Geography, Harokopio University, 24 May.


Ministry of Economics (1984) Υπουργείο Οικονομικών ΦΕΚ 33/A/1984 Ίδρυση, επέκταση, εκσυγχρονισμός, συγχώνευση και μετεγκατάσταση βιομηχανιών, βιοτεχνιών και αποθηκών μέσα στα όρια του ηπειρωτικού τμήματος του Νομού Αττικής και των νησιών Σαλαμίνας και Αίγινας [Law 33/A/84 Foundation, expansion, modernization, merger and relocation of industries, crafts and warehouses within the limits of the continental part of Attica and the islands of Salamina and Aegina]. *Governmental Gazette* No 33, 25 February.

Ministry of Environment, Energy and Climate Change (2014) Υπουργείο Περιβάλλοντος Ενέργειας και Κλιματικής αλλαγής Νέο Πυθμιστικό Σχέδιο Αθήνας Αττικής και άλλες διατάξεις N. 4277/2014 [New master plan of Athens Attica and other regulations law 4277/2014]. *Governmental Gazette* No 156/A, 1 August.

Ministry of Environment, Planning and Public Works (1979) Υπουργείο Περιβάλλοντος, Χωροτάξεις και Δημοσίων Έργων ΦΕΚ 567/Δ/1979, Περί χαρακτηρισμού ως παραδοσιακού τμήματος της πόλης των Αθηνών (Ιστορικό Κέντρο) [Law 567/D/1979, Designation of the traditional part of the city of Athens (historic centre)]. *Governmental Gazette* No 4, 3 September.


Simigiannis, G. and G. Chondrogiannis (2009) Housing prices: the recent experience from Greece. Paper presented at the ‘Real Estate Recent Developments and Potential’ conference, Central Bank of Greece, Athens, 29 April [WWW document]. URL http://www.bankofgreece.gr/BoGDocuments/%CE%95%CE%B9% CF%83%CE%A%CE%B3%CE%B7%CF%83%CE%B7_%CF%83%CF%84%CE%B7%CE%BD_%CE%97%CE%BC%CE%81%CE%AF%CE%B4%CE%B1_5. pdf (accessed 5 March 2014).


