

Regional Investment Companies

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History has shown that some definitions have occasionally the good luck to survive of their creator, such as the definition of innovation as “creative destruction” by J.A. HUMPETER.

This definition of innovation is brought back in the greek scene by the Government officer’s continuous announcements of new innovative metres about the country’s economy improvement (many times previous metres were suspended). These metres are usually negatively judged by the opposition parties, the economic community’s intense questioning about these announcements and the uncertainty about the effectiveness of the new “innovative” regulations of the “encircled” investors and the scientists...

Indeed the “innovative” metres and the “innovatory” for the greek reality regulations are many in a structural trully “undercurrent” “innovative” level (some sections of Public Corporations and Organizations have stockholders), as well as in a statutory level (e.g. in a regional level of development Funds).

This last is provided by the law 2218/1994. In special regulation (article 53) of the law 2218/1994 obviously for the further support of the decentralization’s process, is established the place of Region’s, legal entity private law with the name “Regional Development Fund...” that has the name of the region and is supervised by the Minister of the Interior.

Among the main purposes and responsibilities of the Fund are included the following:

- a. The management, according to the Regional Council credits’ decisions of the Public Investment Program, financing Public Sector and other legal entities, financing coming from European Union’s Program and other International Organizations and other foreign entities, concerning the regional, the local and the special development programs of the region.
- b. The distribution of credits as well as the financing to the executives of these Programs.
- c. The imposition, assessment and collection of quotas, rights and contributions for the Fund, after the Regional Council’s approval.
- d. The performance of the Region fiscal administration.
- e. The participation in European Union’s Programs.
- f. The raise of loans with financing from both the interior and the external for the project’s execution, the rendering of services and the implementation of development programs.
- g. The support of the strategic planning of the region, to draw. To follow and the execution of the policy at the field of its responsibility, the project’s support, the technical support of the Region’s Services in exercising their responsibilities and the working and the implementation of the regional development Programs.

h. The rendering of services, the working execution and the carrying of researches and the working out of developing, technical-economic organization plan.

i. The conduct of researches and the working out of essays and Programs for the Prefectorial Council, Municipalities, Associations and other Legal Entities of the prefectorial's public judgement.

The Fund is directed by Board of Directors and by its Chairman, a. The Board of Directors is formed by decision of the Region's Secretary General, as Chairman, b. A representative of the Local Government of the first degree, c. A representative of the Local Government of the second degree, d. A representative coming from the Employer's Unions, e. A representative coming from Labour Unions, and f. of the Region Services named after the two supervisors of the Region's Services.

The Board of Directors attends the cases and interests of the Fund, decides for any matter that has to do with the Fund's authority, apart from the matters, that belong to the Chairman's authority. The Chairman of the Fund represents the Fund in Courts and in the sight of any Public Authority and takes the oaths, that are imposed to the Fund, carries out the decisions of the Board of Directors, signs the conventions that the Fund undertakes etc.

The main sources of the Fund are the following:

- A percent of the financing that are handled by the Fund.
- Incomes from the imposition of quotas, rights and contributions.
- Incomes from the participation in European Union's Programs.
- Incomes from raising loans.
- Incomes from the rendering of services, the work's execution, researches, studies and Programs.
- Incomes from any kind of allowances.
- Incomes from donations, legacies, inheritances.
- Incomes from the Fund's property.
- Incomes from any other source.

The economic management of the Fund is done on the basis of his own budget of incomings - outgoings. The fiscal year coincides with the calendar year. The Fund has its own cashier service and the Chairman undersigns, deputed by his legal deputy.

With Minister of the Interior's decision, with the approval of the familiar Regional Fund, the staff's Regulation of the Fund is set, that defines the staff office's positions. With that regulation the positions of special scientists are set, those may be hired on the basis of their qualifications, the way of hiring, salaries and any other essential details.

Special scientists, that are hired for a specific period of time withdraw after the end of the Board of Director's term, with no right compensation or any other demands. In addition to the Minister of the Interior's decision, the economic administration Rule and the Fund's management is set.

Besides, with Region's Secretary General decision, employees of the Public or Public Sector's Legal Entities, that may work within the confines of the Region, may be detached to the Fund. The detachment is done for a period of time up to two years and may be extended for another year.

Due to the fact that the 13 Funds have not meet the expectations and without talking about a "creative destruction" it might be better to search for other solutions directed to the development of other Region's areas of the country.

Among other solutions the idea of creating Regional Development Companies (financed mainly by the State) for every Region or prefecture may be useful. That draws from bonds etc., by the Western pattern, that have been practiced in other countries, or which some details follow.

In Belgium, the Regional Investment Companies (Societes Regionales d'investissement), financed by the State, play a triple role : firstly they work as Investment banks that intend to support the creation, and reform private enterprises, secondly support the promotion of States' financial assistance to the private enterprises and thirdly materialize in a regional level the national and regional industrial policy.

In Italy, runs the Institute per la ricostruzione industriale, that is a management organization financed by the State. The public investments in Italy must support the development under such conditions as :

- Must always maintain balance between public and private enterprises.
- In some sectors must be allowed the activation of public enterprises.
- Not only must the Public Sector contribute to the reduction of the regional problems, but also the Private etc.

In Sweden, the Public Regional Companies have been charged with the responsibility of the industrial development of the region in question. Their creation was judged necessary if the development of some Country's areas or field's activities, were the classical means didn't meet the expectations. Among others, mission of the companies is to contribute to the capital of the problematic enterprises, providing capital to small and medium enterprises, rendering of services management etc.

The answer to the question "which are the reasons of setting up new companies in Greece, as long as the Regional Development Funds are operating" can be formed as follows :

- Which one is more flexible the company or the Fund.
- The company is more flexible in changes, reviews, modifications of the initial plans, under circumstances during the materialization of its choices.
- The managers in charge might consider the political cost of their choices, while the Companies' managers might ignore it because they work on the basis of other criteria etc.
- Without any question of the morals and the abilities of the Executives and the Fund's staff in general, the difference in their official past and typical condition, their direct dependence from the Secretary Generals, the no other solution but the end of their business relations as a result of the Fund's management end of term. This kind of changes is not possible in companies.

The Funds do not involve in a direct and straight way in private investment matters' support, that counts the size of relevant actions and take under mind other Services, usually the Center etc.

Besides the fact that the signatory does not seek any "creative destruction" with this text, he greatly hopes that the pursuit of other forms of intervention in a regional level for the support of the local development. That might be the alternative solution in chronic problems.

In the signatory's point of view, the developing process must at last, be anthropocentric. Attention must be taken. Because from the time of numbers to be the time of the man's time, Aristotle, the Eschyle said that man desires the endless and sometimes not possible happiness
 μένεν ευ πράσσειν ἀκόρεστον ἔφην πᾶσι βροτοῖσιν...".