

THE ODYSSEY OF ADMINISTRATIVE REFORMS IN GREECE, 1981–2009: A TALE OF TWO REFORM PATHS

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In Greece, two distinct reform paths led to institutional building and economic managerial types of reform. These two reforms, with the exception of the period 1996–2004, when both institutional and economic reforms were attempted, did not attract the same degree of attention. Institutional reforms were more successful than attempts at managerial reforms; reform implementation on the other hand varies. Economic and managerial reforms can be observed with regard to economic competition, the opening up of the market, and reducing the size of public sector, all areas where pressure from the EU has been stronger. Decentralization reforms were more important politically than administratively. Citizens' rights and service delivery were conceived as reforms of democratization and modernization rather than as managerial reforms. 'Agencification' amounted to circumventing existing ministerial structures. Change was incremental, and reforms were minimally guided by the New Public Management paradigm, because of little emphasis on changes imbued by managerial and economic values. Reform dynamics benefited not only from outside pressures but also from the operation of internal, 'modernizing' forces.

INTRODUCTION

Southern European states, compared to their Northern and Western European counterparts, are sometimes seen as laggards in terms of reform. Their 'reform capacity' is under question. However, this general view may veil a variety of changes that have occurred but that only partly correspond to the reform 'orthodoxy' described by New Public Management (NPM). In the case of Greece, our argument will be that the image of the 'backwardness' of the Greek system is both stereotypical and false since it only tells half the story of reform. The paper aims at putting some misconceptions in context by linking reforms to the long-standing historical features of the Greek state and society. In the process, the paper presents a brief account of two reform paths and discusses the degree to which corresponding reform types have been accomplished as well as the importance of the changes introduced.

ANALYTICAL FRAMEWORK AND HISTORICAL CONTEXT

The case of Greek public administration may lend itself to the insights of historical institutionalism (Hall and Taylor 1996; Peters 1999; Thelen 1999, 2004; Pierson 2004; Streeck and Thelen 2005). Long-term patterns include: (1) patronage in the recruitment to the civil service; (2) centralizing tendencies in state organization (Spanou 1995, 1998b); and (3) the heavy presence of the state in the economy. These are indications of a historical trajectory of state-society relations. As we will try to show in this paper, the same trajectory, is followed today, though only to a certain extent.

HISTORICAL LEGACIES

How have historical legacies influenced the Greek public administration? The Greek state was created in 1830 along the lines of the Napoleonic model (Spanou 2008). While

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Napoleonic aspects such as law, formality and uniformity (Peters 2008) characterize public administration in Greece, there is a gap between formal and informal aspects of institutional operation. Institutional 'mimesis', that is formal structures imported from abroad, may account for this gap. Modern institutions, introduced to Greece in the 19th century, were adopted as formal structures, but were not supported by the Greek context: that of a pre-modern, agrarian economy. As a result, it was inevitable that they should mix with pre-existing patterns of operation and organization. Furthermore, the new born bureaucracy was permeated by the rationale of party conflict (Sotiropoulos 1993, 2006). The survival of patronage practices is a case in point. Though always denounced, clientelistic practices managed to resist any effort to contain them (Spanou 1996).

In the 20th century, Greek political life experienced the interference of successive monarchs (that is, Palace coups), in parliamentary politics, government instability, and short-lived dictatorships. A divide between right and left then led to the 1946–49 civil war in Greece, followed, until 1974, by the purge of communists and left-wing sympathizers from the Greek state apparatus. Throughout, the joint effect of patronage and political authoritarianism undermined the legitimacy of the state. Moreover, even in the period of economic growth (1949–73), social policies were absent and in their place safety valves, such as emigration and public employment, were used (Pagoulatos 2003). The legitimacy problems associated with the post civil war period culminated in the imposition of a military dictatorship which lasted for seven years (1967–74). The post-authoritarian period inherited political and institutional issues that had to be dealt with, including democratization, legitimization of the political-administrative system, and patronage practices (Featherstone 1990, 2005).

Following the transition to democracy, Greek politics took the form of a polarized conflict between the two major parties, New Democracy (ND) and PASOK (Panhellenic Socialist Movement), parties which have alternated in power since 1974. With the exception of 1989–90, when short-lived coalition governments were formed, the electoral system has allowed either party to rely on strong one-party majorities in parliament. Democratic consolidation proved successful on two testing occasions: first, in the government turnover in 1981, when PASOK came to power after two terms of ND in power (1974–81) and, second, when government instability in 1989–90 was rapidly overcome. Even though, after the elections of September 2007, five parties were represented in parliament, key features of the system, such as political polarization and adversarial political discourse (Lyrintzis 2005), which affected the traditional politics-administration nexus (Spanou 2001), have been preserved. Equally, these features of the political system have influenced state reform that was systematically conducted in a conflictual environment, failing to achieve consensus and falling victim to party competition. While administrative reform has constantly been on the political agenda, policies and measures taken by one government would be discontinued or dismantled by the next one in power (Spanou 1996).

We therefore share the view of March and Olsen (1983) that 'administrative reorganizations provide useful insights to the nature of politics more broadly conceived' (...). Taken as the 'dependent variable', administrative reforms are closely shaped by the political context as well as by past arrangements among political elites, corps of public employees, and public sector unions. But 'comprehensive administrative reform is only a small fraction of administrative changes', while persistence and successive reform attempts may prove to make a difference over a longer time period (March and Olsen 1983, p. 288). While wholesale reform has remained a constantly unfulfilled electoral promise

in Greece, reformers have been able to break through path dependency to some extent, as follows:

1. by attempting piecemeal privatization and introducing new managerial methods in public corporations;
2. since the mid-1990s, by creating independent administrative authorities;
3. since the early 1990s, by proceeding to decentralization and the transfer of competences from central to regional and local government;
4. by institutionalizing the participation of social partners in decision-making processes;
5. by enhancing citizens' rights and establishing new contact points between citizens and administration.

In other areas, however, such as recruitment to the civil service and promotion in the civil service hierarchy, reformers have either been indecisive in action or 'locked-in' by patterns instituted in the past by political elites and public sector unions. The result is a symbiosis of traditional and modern elements, a symbiosis which mirrors the wider context of Greek state-society relations.

INSTITUTIONALIST PERSPECTIVES ON REFORMS

According to historical institutionalism, the institutional organization of the polity or political economy is the principal factor structuring collective behaviour and generating distinctive outcomes (Hall and Taylor 1996, p. 937). In other words, formal and informal procedures, routines, norms and conventions, shape reform directions: 'path dependency' thus conditions what is otherwise called 'reform capacity'. However, we should not forget that the idea of 'reform capacity' may actually reflect an 'orthodoxy' in administrative reform, such as, in the past 20 years NPM, as practiced in other states and propagated by international organizations. We distance ourselves from this orthodoxy in order to adopt a more comprehensive approach to undertaken reforms and their particular features (see Toonen 2003, pp. 467, 475).

Moreover, we submit that symbolic and cultural factors, as described by sociological institutional theories (DiMaggio and Powell 1991), often account for important aspects of reform processes and the direction of reform. An example is the emphasis on democratization, which implies institutional reforms with high political visibility, attempting to reverse authoritarian or centralizing features of the Greek state, while strengthening its weak legitimacy. In reviewing the reforms of the past 20 years, some distinctions are important. Various types of reforms may address different aspects of state operation and refer to different values. From the point of view of the values served (Hood 1991; Toonen 2003), and the level affected, reforms may be distinguished as two types: (1) institutional reforms; and (2) economic-managerial reforms. Institutional reforms refer to the strengthening of institutional operation, control mechanisms, and citizens' rights; revising the centralized state organization; de-politicizing sensitive areas of reform (recruitment, rights, and independent authorities); and democratizing the administration's relations to citizens. In Greece, such reforms have long been overdue. The purpose of the reforms was to strengthen the rule of law and the Weberian aspects of state operation, serve the values of integrity, and enhance the reliability of the political-administrative system. On the other hand, it is to the value of responsiveness that economic and managerial reforms (including market liberalization, privatizations and changes in human resources management, managerialism, agencification, and service delivery) most closely correspond.

We therefore argue that reforms in Greece have taken two distinct paths, leading to two corresponding types of reform: the institutional and managerial type. We further contend that the two paths were not followed in an unwavering manner, but that deviations occurred and that, since the early 1980s, the institutional type of reform has dominated the reform agenda. This is a type of reform with high visibility and symbolism, because it essentially refers to democratization, an important issue in the Greek context. Further, institutional reform represents the completion of a process inaugurated with the fall of the Greek colonels' authoritarian regime in 1974, but that was eventually put into practice after the 1981 elections. Both post civil war arrangements and historical legacies had slowed down the democratization process, and the claim to democratic liberties and institutions was to a large extent fulfilled only with the consolidation of post-authoritarian democracy. Thus, if administrative reorganizations are 'symbolic and rhetorical events of some significance to the wider culture' (March and Olsen 1983, p. 290), in the case of post-authoritarian Greece, in which the values of democratization prevailed, there was a wider opportunity for institutional reforms than for economic and managerial reforms.

Since the mid-1990s, the balance between the two types of reform has slightly changed. The EMU and Maastricht criteria favoured – and thus created windows of opportunity for – economic and managerial reforms. In other words, economic and managerial reforms were incorporated rather late in the reform agenda, partly as a response to the 'logic of instrumentality' generated by EU membership pressures. Compared to institutional reforms, economic and managerial reforms were not only delayed, but were both less visible and less daring. Furthermore, the 'reception' and perception of these reforms in Greece were rather more ideological than in other countries, a pattern that may be attributed to political-historical legacies such as ideological polarization, and to the competing priority of the long-awaited institutional reforms.

Both paths towards reform were taken, successively in the 1980s and 1990s. Both have, however, had noteworthy effects on the Greek state, as implied by the fact that they have changed the institutional landscape (citizens-administration relations, decentralization, and the configuration of state-economy relations). Thus, compared to the previous state of affairs, important change has occurred: in public administration and in the public sector. The rules of the game have clearly been redefined in both areas. However, the impact of centralizing legacies may be seen in the preservation of (indirect) central state dominance over the periphery and of (indirect) state control over privatized corporations. At the 'cultural' level of analysis, path dependency can be also detected in the ways and means used to achieve these results since they remain in a traditional mind-frame and include old style processes. Typical examples are legalism in introducing managerial techniques; centralization and detailed legislation in recruitment policies; as well as relative stagnation in civil service reform, implying the preservation of the long existing politics-administration nexus.

The 1981 election in Greece constitutes a major critical juncture for institutional reforms. It brought a socialist party (PASOK) to power for the first time ever. It was possible to launch institutional reforms aiming at democratization and these continued during the 1990s under the pressure to increase the weak legitimacy of the political system and the state. For economic-managerial reforms, besides the rhetorical reference to fashionable managerial terminology imported from international organizations such as the OECD, at the beginning of the 1990s, a critical juncture can be traced. At that time, the state expansion of the 1980s along with political corruption had created a window of opportunity for 'shrinking the state'. Neo-liberal ideas to some extent influenced

reform policies (as clearly evidenced by public sector reform). First, the advent of the ND (conservative) party to government in 1990 and later the return of the socialist party (PASOK) to government in 1993 broke the ice of statism. The Simitis socialist Cabinet (1996–2004), especially, which followed the last Papandreou Cabinet of 1993–1996, along with institutional modernization, marked a significant turnaround in the strategy of state expansion, undertaking a wide privatization programme. This can be explained by European integration requirements (Spanou 1998a, 2000; Featherstone and Kazamias 2001). We must also add the global financial pressures put upon governments during the 1990s; thus, the public sector became a major reform area. Thus, economic and managerial reforms have eventually affected the scope of state intervention more than the administrative apparatus as such.

REVIEW OF NATIONAL REFORMS IN GREECE

In the discussion that follows we give a brief account of reforms undertaken IN 1981–2009. We do not include reforms which were set forth in late 2010 by the PASOK government (in power since October 2009), as the reforms were still under way in 2010–2011. To recap, according to the criteria introduced above, reforms fall in two broad categories, namely, institution building and economic-managerial reforms.

Institution building reforms

Democratic consolidation was accompanied by popular claims for the democratization of political life as well as of state-society relations. In the 1980s these claims were translated into concrete policy measures as a result of the high expectations following the two consecutive electoral victories of PASOK in 1981 and in 1985 (Sotiropoulos 1996; Lyrantzis 2005). The democratization of public administration meant strengthening local government, improving citizen-administration relations, the opening up of the state apparatus to prospective employees with no reference to their (left-of-centre or left-wing) political beliefs, the participation of trade union representatives in decision making, and the open expression of political beliefs on the part of civil servants.

Decentralization reforms

The Greek political-administrative system is traditionally centralized. This centralization of political power – a trend associated with the concentration of the Greek population in relatively few large urban centres – exhibits a double-sided rationale. First, control by the governing party and, second, the central government's control over centrifugal tendencies and fragmentation (for example, through the monitoring of recruitment to the civil service and the functioning of control bodies). These two aspects often intermingle, when institutional arrangements cannot resist party-led political influence.

Reversing this long-standing feature of the Greek state constituted a major challenge. In 1986, for the first time, 2nd tier local self-government was introduced (Law 1622/1986). After many amendments and political hesitations, prefectural elections took place, also for the first time, in 1994, setting in motion a new dynamic (Law 2218/1994). The elections led to the establishment of a second-tier local government with an elected prefect instead of the traditional government appointee, who used to be nominated by the governing party (Chlepas 1999). This was a politically important and long-awaited reform, one that was legitimized with reference to the democratic character of local government and corresponded to domestic reform dynamics.

In 1997–1998, another major reform was the compulsory merger of first-tier local government units on the basis of Law 2539/1997. The boundaries of municipal authorities, which used to be numerous (approximately 6,000), and weak in terms of power, responsibilities and resources, were redrawn. As a result, until 2010–2011, when a new local government reform was under way, there were 1,034 municipal authorities. The 1997–1998 reform was legitimized mostly in terms of increasing the efficiency and effectiveness of local government.

These two reforms (elections of prefects and merger of municipalities) repositioned the levels of prefecture and municipal government *vis-à-vis* the central government. Equally, they opened the way for the reform of the country's 13 regions (Law 1622/1986). Created in 1986 under the authority of a political appointee of the government, regional authorities had initially been limited to planning activities and had been linked to the policy priorities of the Ministry of Economy and more specifically to the management of European regional programmes. Their reform in 1998 involved the strengthening and widening of their decision-making scope; until the major re-organization of regional government in progress in 2010–2011, regional authorities remained de-concentrated units of government under the authority of a government appointee (Law 2647/1998).

These reforms have changed the rules of the game in terms of centre-periphery relations. On the other hand, in terms of real policy-making capacity, elected prefects seem relatively restricted in their powers since their jurisdictions and funds are limited; the influence of central government on local government continues to remain pervasive (IMF 2006, p. 14).

Independent authorities

In the 1990s, independent authorities, created in order to protect citizens' rights or the regulation of politically sensitive areas such as recruitment to the civil service and radio-television, flourished in Greece. Examples were the Ombudsman (established in 1997, Law 2477/1997) and the Hellenic Data Protection Authority (2472/1997). Not surprisingly, governments or individual politicians tend sometimes to view the function of the new authorities with suspicion. Despite occasional difficulties, however, these authorities represent 'an independent voice' in the Greek party-dominated context.

Citizen-administration relations

A series of legal provisions, passed in 1986, 1999 and 2006 (Law 1599/1986, article 5 of Law 2690/1999, Law 3348/2006), endowed citizens with rights (for example, citizens' access to documents, justification of administrative acts, deadlines for response by public services, protection of personal data, rights to appeal) to hold the public administration in Greece accountable. Independent authorities took on the task of safeguarding these rights. Today the legal and institutional armoury available to citizens in contacting the state is without precedent in modern Greek history.

Civil service

Personnel issues and the merit system (in recruitment, transfers and promotions) constitute a recalcitrant reform area in Greece. There is frequent change of the legal framework but poor results, especially concerning the career ladder and politicization of top civil servants. Under PASOK, recruitment and career issues were dealt with in 1994 with the foundation of ASEP, that is, the Higher Council for the Selection of Personnel (Law 2190/1994). Moreover, in 1999 a new civil service code – Law 2683/1999 – was produced after a 12-year long incubation. It should be noted here that since then the civil service code

has often been amended. In 2004–09, when ND was in office, new legislation passed in 2005, 2006 and 2007 addressed the same issues. The most significant change was made by Law 3528/2007, which made the criteria of selecting heads of administrative units more transparent, while introducing personal interviews, a technique often discredited in the Greek context. Civil service politicization has never been admitted by governments which by law have leeway concerning promotions at the middle and the top ranks of the civil service and claim to select candidates for these ranks on a merit basis. Despite such rhetoric, in practice, until 2010 when the formulation of new personnel policies aimed at making promotions transparent and standardized, all governments used to handpick their own supporters among prospective higher civil servants.

Recruitment procedures present an eloquent example of centralization – full control by the system’s centre on the periphery – which, in the Greek system, is a synonym for rationalization. In 1994, the apex of centralization of recruitment procedures was reached with the establishment of ASEP. Since World War II, the declared intention of successive governments has been towards containing particularistic/clientelistic practices and rationalizing recruitment. However, relevant measures were always undermined by counter-measures circumscribing the provisions of previously adopted policies or by the lack of implementation of meritocratic and/or rationalizing policies (Spanou 1992). The ASEP authority has managed to guarantee selection on merit in a difficult political environment, though in 2004–2009 the ND government’s recent practice of bypassing this authority in various ways reduced ASEP’s scope for supervision. Meanwhile, the wide use of temporary contract employment reproduced a kind of spoils system when temporary employees claim and obtain tenure just before (or just after) general elections, benefiting from the usual pre-electoral generosity of the governing party or the largesse of the winner of elections. The sum of such practices accounts for misallocation of human resources. These dynamics also explain why decentralized recruitment to the civil service and the development of ‘contract employment’, with the purpose of making public employment flexible and adaptive to new conditions, would be an unsuitable alternative for Greece.

Human resources development

The Greek civil service enjoys low prestige and lacks an administrative elite (Sotiropoulos 1996 and 1999). Since the mid-1980s, the National Centre of Public Administration (founded in 1983, under Law 1388/1983) has been assigned two missions: (1) to ‘produce highly skilled top cadres’ for public administration by providing pre-entry training through a National School of Public Administration (similar to the French ENA); and (2) to provide in-service training for civil servants. The first mission would have served to remedy the absence of an administrative elite, but ran against resistance from within the civil service. The second objective was more successful in terms of training output, but not so in terms of its impact on the operation of public services (see further discussion below).

In 1999, an important institutional reform was the introduction of collective bargaining rights for civil servants (Law 2738/1999). Although there were limitations to this development, in terms of collective bargaining there was a convergence between the private and public sector, which was owed to the implementation of international labour law stipulations. Collective bargaining between the government and the civil service unions may reshape the absolute subjection of (individual) civil servants to political influence, to the extent that it promotes a more responsible and independent civil service organization.

To date, however, civil service unions have not risen to this challenge, while successive governments also remained indifferent to the Law's implementation.

Inspection and control bodies

Since the early 1990s, new inspection and control bodies (with a horizontal or sectoral responsibility) have been created as a means of safeguarding the legality and enhancing the accountability of public administration. Inspection and control constitute long-standing administrative deficiencies that reformers intended to reverse. Besides specialized bodies in sectors such as health, transport and environment, two more bodies were founded. The first was a body of general competence, 'Public Administration Inspectors' (Law 2477/1997). The second was a 'General Inspector's Service', created in 2002 (Law 3074/2002) which assumed a coordinating role and was further entrusted with combating corruption. Both have helped to start changing the landscape of inspection and control.

Economic and managerial reforms

While the aforementioned reforms amount to changes in the institutional architecture of public administration in Greece, economic and managerial reforms, to which we now turn, are meant to curb the state's interventionism in the economy and the managerial inefficiency of public services' operation. This group of reforms presents some similarities to the NPM paradigm, without necessarily making an open reference to it. Though this is certainly not the dominant paradigm for reformers, its influence can be to some extent found in certain policy areas that have been more or less affected by wider economic changes (for example, reducing the scope of state intervention, market liberalization); other reform aspects often associated with NPM (for example, changes in the bureaucratic structure and operation) are also present, though in a relatively discrete or symbolic way.

Public sector reform

During the 1990s, political parties converged on the need to restructure the public sector, most often under the pressure of European integration priorities. In the 1990s, public sector retrenchment undertaken in the banking sector but also gradually in public utilities (telecommunications, electricity) represented a reversal of the entire post-war policy paradigm (Pagoulatos, 2005, p. 359). The two Simitis' governments especially (1996–2000, 2000–2004) redrew public-private sector boundaries and set a trend which continues. While public employment itself has not been affected, the extent of state intervention in the economy has been reduced. More recently, private-public partnerships are intensively promoted at all levels (national, sectoral and local).

Moreover, an effort was undertaken, along with gradual privatization, to restructure public corporations (for example, the Greek Telecommunications Organization – OTE and the Greek Public Power Corporation – DEI) and gradually detach them from direct political control. Relevant legislation, passed in 1996 (Law 2414/1996) and 2005, allowed public corporations to operate in a more managerial way. It was intended to grant them flexibility over specific managerial functions (personnel and financial management) and curb the rigidity associated with the public sector so that public corporations could be run as private corporations. However, despite the drastic reduction of state-held shares in public corporations, the government has kept for itself the management of such corporations and (as a major shareholder) directly or indirectly supervises their operation (IMF 2006).

Agencification

A new generation of public organizations (single issue, decentralized and specialized agencies) has gradually and discretely emerged outside the formal boundaries of the public sector. They have taken the form of what can be called a ‘joint stock company’, where the state is the only (or the majority) shareholder. Most of these agencies operate under private law, fulfil new missions, and dispose of increased autonomy and resources to counteract bureaucratic stagnation. Keeping their distance from, or bypassing, central state apparatus, state agencies do not contribute to administrative capacity building, but they possibly improve (short-term) efficiency.

Similarly, during the late 1990s, regulatory authorities have been set up at arm’s length from ministries in order to regulate liberalized sectoral markets such as telecommunications, postal services, and energy. However, such authorities have not been sufficiently emancipated from the ministries which correspond to the policy areas in which they are involved. Their management is influenced by the government of the day, which has leverage in appointments, allocation of funds, and priority setting regarding these authorities, in addition to ratifying their decisions.

Introduction of new managerial techniques

New management tools are not a recent discovery in Greek administration. Subjects such as human resources development and management skills have been included in training courses for civil servants since the late 1980s. It is however difficult to assess whether administrative units whose staff has been through in-service training operate with heightened efficiency. This problem is due to the lack of preparation of the public administration as a whole for a shift to a managerial operation. For example, there were no opportunities for trainees to implement the techniques they had learned at a scale larger than their own unit. A law passed in 2004 introduced management by objectives and performance measurement and provided for the creation of ‘quality and efficiency units’ in central and regional public administration (Law 3230/2004). These units are not yet operational. More generally, managerial reforms seem rather symbolic due to a prevailing legalistic culture and a lack of preparation within public administration to adapt to changes.

MANAGEMENT OF REFORM PROCESS AND DECISION MAKING ON REFORMS

Administrative reform policies in principle fall under the jurisdiction of the Ministry of Interior. Reforms emanating from that ministry are high profile reforms. One has only to think of the merger of local government units, the emergence of the second-tier of local government, changes in the recruitment system, the civil service code, the citizen-administration relations, and simplification of administrative procedures, as well as the establishment of new independent authorities. However, the above mentioned ministry is not as strong when it comes to implementing reforms such as the internal reorganization of ministries, administrative simplification or the promotion of new operational methods (see further discussion below).

Nevertheless, the period 2004–2008 has been marked by the ‘intrusion’ of the Ministry of Finance into administrative reform policies. Some reform initiatives have been discretely initiated within the Ministry of Finance (for example, public sector liberalization, changes in the legal status of public corporations, and personnel issues) and in line ministries (for example, agencification). Technocrats – often in the capacity of cabinet ministers – rather

than traditional generalists have formulated reform priorities. In fact, there are close links between academia and politics. For example, some ministers, including former ND and PASOK Ministers of Finance, have left academia to enter politics. However, ministers do not consistently seek expert advice. Consultation with social partners and outside experts does take place but it is not systematic. Exceptions, such as reports solicited from international organizations on social insurance or public health, and opinions voiced by the Economic and Social Committee (OKE, a forum of dialogue among social partners), confirm the rule. Expertise, other than knowledge of legal restrictions, is rare among higher civil servants, while top administrative officials operate in a mostly secondary role (Sotiropoulos 2007).

OBSTACLES TO REFORM IN GREECE

For certain reforms, such as managerialism and de-politicization of personnel recruitment and career development, there seems to be an important implementation gap. For others, related to decentralization, regulatory agencies, inspection and control bodies, we can see results that are promising but uneven in the medium term. Analysing the reasons why there is inadequate implementation or problematic sustainability of reform efforts, we encounter the factors outlined below, namely characteristics of the wider environment of state reform.

Weaknesses of the reform process

In the Greek context, every new reform seems to have a short-term horizon within which it either has to produce its results or die. Given the absence of long-term policy goals, and the lack of serious preparation of reforms, ministerial turnover, even within the same government, leads to changes of policy priorities. In addition, government changes mean changes of staff in top administrative posts, and thus experience and 'institutional memory' are lost. This phenomenon is certainly linked to the way the political system traditionally operates and is repeatedly a source of fragmentation of efforts as well as lack of continuity and political commitment. It is also linked to the lack of sustainability or even to the abortion of reform efforts. In such a context, resistance to change may be accounted for by the fact that clientelistic or corporatist pressures find it easy to enter decision-making centres, distort official policy objectives, and allow implementation to drift. Such trends are typically reflected, for instance, in the delay or reluctance to issue the presidential decrees and ministerial ordinances necessary for new legislation to bear fruit as well as in the 'patchy' character and low quality of legislation. Thus, domestic political dynamics and informally operating procedures are at the centre of this type of obstacle to reform. In a different vein, budget constraints often hamper reform efforts. Typically, an incoming government embarks on a policy initiative, allocates limited funds to its implementation, and then starts cutting back on government spending until the whole thing expires.

A key political problem is the prevailing type of political competition and political culture, which takes various forms and affects the policy capacity of the system. Political tensions are not exclusively a result of ideological cleavages, but also of competing party-clientelistic machineries. Single-party majority governments aggravate these tendencies, spreading a 'winner takes all' mentality. Thus there is no political consensus, even when policy convergence appears plausible to everybody, since the prevailing adversarial political culture and polemical discourse, as well as bi-polar party politics, drive political

actors away from consensus and cooperation. Incumbent governments dominate the legislative agenda and operate on a zero sum game assumption of policy solutions. While the importance of administrative reform is widely accepted by parties of the whole political spectrum, in practice, reform initiatives lack continuity and persistence.

Administrative capacity

Though its origins are to be found in the way the political system operates, the underdevelopment of staff functions, such as planning and coordination, in public administration also accounts for the implementation gap. Insufficient preparation of reforms as well as absence of evaluation and follow-up, because of lack of implementation, are often substituted by sanctions. Such an example is the case of administrative simplification measures. The ministry responsible for horizontal administrative reform (the Ministry of Interior) not only lacks the means to implement such measures, but also fails to convince other ministries to take part in reform efforts. Instead of analysing the causes of insufficient implementation, it uses the threat of sanctions as a means of last resort.

The dominant administrative culture appears in general to be reluctant to embrace organizational change. Rather, it seems attached to traditional ways of organization and operation, manifested in a legalistic mentality and a low development of and interest in modern types of skills in the civil service. Since political dependency allows for a low level symbiosis between bureaucrats and politicians, politicization of staff and line appointments down to the level of the middle ranks of the civil service are part and parcel of this defensive reluctance to change (Spanou 2001). Younger, better qualified and more dynamic civil servants, such as graduates of the National School of Public Administration, rarely find their way to top management posts, unless they develop personal links to one of the two major political parties. The unwillingness of the political class to acknowledge the existence of a kind of spoils system for the top echelons is indicative of this class's interest to perpetuate the personal/political dependence of individual civil servants on government and parties. Institutionalization of rules and procedures for turnover at the higher echelons of the civil service would possibly regulate politicization and palliate some of its important drawbacks. Instead, formal rules are overridden by informal practices or are readily amended to suit the preferences of the government of the day. Political parties promise to operate in terms of merit and political neutrality, only to engage in informal practices refuting their own rhetoric. Most obstacles of this type are associated with weaknesses of the Weberian aspects of the Greek political-administrative system (Spanou 1995).

Insufficient social support for reform

Despite widespread dissatisfaction with the functioning of the bureaucracy in Greece, there is no significant societal pressure from outside the state apparatus for reform. In opinion polls registering problems which the general population considers acute, for example, administrative reform is ranked far below unemployment, the cost of living, safety and security, pensions, health and education. Low trust in state institutions is the flip side of low expectations from the institutions. This is linked to the weakness of Greek civil society itself (Sotiropoulos 1993, 2004). Despite heavy criticism from the media and citizens, public administration is not sufficiently under pressure to reform itself.

For recipients of public services, possibilities exist to access the administration through alternative informal networks. Citizens 'muddle through' a complex administrative system in order to get things done and thus social pressure for reform loses steam.

However, improvements of service delivery are welcome and immediately embraced by citizens who have to deal with public services. Relevant examples are the one-stop shops (Centres for Services to Citizens – KEP) and the services of the Ombudsman that have helped improve service delivery.

As already mentioned, pressures to reform the state come either from Europeanization or from worldwide trends. These include such pressures as liberalizing markets and privatizing public companies. This should not be taken to mean that there are no social forces favourable to reform. Rather, the access of these social forces to decision making has been more difficult. It was mostly in the 1990s, under Prime Minister Simitis, that the ‘modernizing’ social coalition, consisting of rising urban middle strata which supported his policies, contributed to the overcoming of the obstacles described above and to the acceleration of reform efforts. However, this coalition has not been strong enough to sustain the reform agenda in the long run.

DIRECTION OF REFORMS, PATH DEPENDENCY AND POLICY CHANGE

The factors outlined above can be seen as a web of constraints resulting from specific past arrangements that are now difficult to change, even though the ongoing ‘Greek Crisis’ will probably alter the picture completely. Reforms therefore have to navigate through these obstacles; they are shaped accordingly, and appear as more or less daring and efficient; as more or less implemented. What all this amounts to is the symptom of a formal-informal gap that is characteristic of the operation of the Greek state.

According to the historical institutionalist perspective adopted in this article, pre-existing patterns of organization and operation of the political system constitute a legacy structuring collective behaviour and generate distinctive outcomes. Reform direction and processes, as well as reform capacity, are largely influenced by formal and informal procedures, routines, norms and conventions; this can be described as a form of ‘path dependency’. As briefly explained above, the way the political system has long operated represents a constraint. The system’s impact is reflected in the ‘implementation gap’, the ‘slowness in reform’ and the ‘lack of sensitivity to modern reform ideas’.

While this cannot be denied, the other half of the story is that a number of reforms, important in the Greek context, have actually taken place and have been to a large extent implemented. Clearly, what is new also bears the marks of the past, since new practices and tendencies which have progressed a great deal, such as decentralization and market liberalization, evolve along with the ongoing central state’s effort to preserve at least some indirect control over new, peripheral administrative structures or over the liberalized economy. Equally, next to highly independent authorities such as the Ombudsman and the Data Protection Authority, economic regulation authorities (which oversee energy, telecommunications and competition) enjoy a more limited independence.

Explaining the direction of reforms

In Greece, most important reforms have attempted to (re)structure institutional aspects of the administrative system. In order to explain the primacy of institutional reforms over economic managerial ones, it has to be borne in mind that the former type of reforms depends mostly on political initiative and will. Second, institutional reforms are of a ‘constitutive’ type, shaping the rules of the political game, which only later develops its own dynamics. The example of the second-tier local government, which in 1994 for the first time meant detaching the prefecture from central political control and

opening it up to democratic elections, is eloquent. This reform was long overdue and it was not rejected outright by any side. The same goes for the reform of the compulsory merger of municipalities which took place in 1998. Despite prior resistance, once the new municipalities were in place, the new rules of the political-electoral game gave birth to new dynamics; new political actors emerged and organized their strategies accordingly.

The case of economic-managerial reforms was different. Concerning public sector reform, strong pressure came from the EU and international organizations, but had to be mediated by 'modernizing' governments. A successful example was the way the Simitis governments rendered economic reform – in view of joining the EMU – a top policy priority. Public sector reform is however also an example of the contradictions inherent to the Greek system: despite economic liberalization and privatization, political influence on gradually privatized public corporations is still heavy. This may be perceived as an obstacle to the higher efficiency of these corporations, but it is mainly an expression of unwillingness to part with a certain type of 'dirigisme'. It further leads to uneven transformation of the public sector. On the whole, output oriented, managerial reforms have not been a top priority for Greek politicians. As has been said, These reforms are absorbed by the prevailing legalistic administrative culture and tend to remain symbolic.

CONCLUSIONS

Although the Greek case may share common traits with other cases of Southern Europe (Sotiropoulos 2004; Kickert, pp. 801–18, this issue), the distinctiveness of Greece lies on the emphasis on institutional rather on economic and managerial reforms. Over the past two decades, seen as distinctive parts of a wider picture, these two types of reform have not attracted the same degree of attention. An exception to that pattern may be the Simitis governments of 1996–2000 and 2000–2004, when both institutional and economic reforms were at the forefront of policy initiative.

Attempts at institutional reforms have been more successful than attempts at managerial reforms; the significance of undertaken reforms, however, varies. Economic and managerial reforms have found their place on the agenda and have been implemented, although to an uneven extent. They can be observed particularly in policy areas related to economic competition, opening up the market, and reducing the size of public sector, where pressure from the international environment (and in particular the EU) has been stronger.

Change undoubtedly did occur in 1981–2009. The state's presence in the economy has been reduced, and decentralization reforms have been more important politically than administratively. Citizens' rights and service delivery have been conceived as reforms of democratization and modernization rather than managerial reforms. Other reforms, such as 'agencification', which amounts to bypassing existing central services of ministries have been included in the picture without being advertised. Change has been incremental and has followed pre-established paths. Our analysis has indicated that reforms have only minimally been guided by the New Managerial paradigm. There has been very little emphasis by Greek reformers on changes imbued by managerial and economic values and aimed at increasing efficiency and effectiveness. In addition, it is important to stress that reform dynamics have benefited not only from outside pressures but also from the operation of internal forces that became particularly visible during the aforementioned 'modernizing' period in 1996–2004. It is mostly at that time that reformers found a window of opportunity to promote a reform rationale that at other times appeared more opaque.

To conclude, as we have tried to show in this article, to a large extent historical and sociological institutionalist perspectives explain the direction and outcome of reforms in 1981–2009 in Greece. In contrast to stereotypical observations emphasizing the inertia of Greek public administration, it is wrong to claim that there has been no mobility in the political-administrative system. In fact, there have been institution building reforms meant to strengthen the operation as well as the reliability, credibility and accountability of the system and, to a lesser extent, economic reforms reversing the post-war heavy presence of the state in the economy.

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