

Constantinos Simitis

Από: sotiropoulos
Αποστολή: Πέμπτη, 10 Φεβρουαρίου 2011 10:16 πμ
Προς: 'Constantinos Simitis'
Θέμα: Arthro gia Demosia Dioikese pou zitise o k. Proedros
Συνημμένα: SpanouSotiropoulosFinal.pdf

Κύριε Πρόεδρε,

Σε συνέχεια της συνάντησής μας προχθές, Τρίτη, στο γραφείο σας, σας επισυνάπτω το άρθρο που έγραψα από κοινού με την Καλλιόπη Σπανού.

Σε αυτούς που θα μπορούσαν να κουβεντιάσουν μαζί σας για τη δημόσια διοίκηση, παρακαλώ προσθέστε και τον Δρ. Θεόδωρο Τσέκο (κινητό). Είναι ο νυν Γενικός Γραμματέας του Υπουργείου Εργασίας αλλά υπήρξε επί εικοσαετία ο υπεύθυνος για την επιμόρφωση των Δημοσίων Υπαλλήλων στο Εθνικό Κέντρο Δημόσιας Διοίκησης. Είναι συνομήλικός μου, με καλές σπουδές – μεγάλη εμπειρία .

Με εκτίμηση,

Δημήτρης Α. Σωτηρόπουλος

D. A. Sotiropoulos
Associate Professor of Political Science
Department of Political Science and Public Administration
University of Athens

Δημήτρης Α. Σωτηρόπουλος
Αναπληρωτής καθηγητής πολιτικής επιστήμης
Τμήμα Πολιτικής Επιστήμης και Δημόσιας Διοίκησης
Πανεπιστήμιο Αθηνών

Information from ESET Smart Security, version of virus signature database 5860
(20110209)

The message was checked by ESET Smart Security.

<http://www.eset.com>



**The Odyssey of administrative reform in contemporary
Greece: A tale of two reform paths**

Journal:	<i>Public Administration</i>
Manuscript ID:	PADM-08-05-00108.R2
Manuscript type/Managing Editor:	1 Europe
Keywords:	ADMINISTRATIVE REFORM, GREECE, PUBLIC ADMINISTRATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

The odyssey of administrative reforms

in contemporary Greece:

A tale of two reform paths

ABSTRACT

In Greece, two distinct reform paths led to institutional-building and economic - managerial types of reform. These two did not attract the same degree of attention during the past 20 years, with the exception of the period 1996-2004, when both institutional and economic reforms were attempted. Institutional reforms were more successful than attempts at managerial reforms, while reform implementation varies. Economic and managerial reforms can be observed with regard to economic competition, opening up the market, and reducing the size of public sector, 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 managerial reforms. 'Agencification', amounted to by-passing existing ministerial structures. Change was incremental, and reforms were hardly guided by the New Managerial 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 reform. Their 'reform capacity' is under question. However, this general view may veil a variety of changes that have occurred but only partly correspond to the reform 'orthodoxy' described by New Public Management. In the case of Greece, our argument will be that the image of backwardness of the Greek system is stereotypical and false, as 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 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 introduced changes.

1. Analytical framework and historical context

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

1. Historical legacies

1
2
3 How have historical legacies influenced the Greek public administration? The Greek
4
5 state was created in 1830 along the lines of the Napoleonic model (Spanou 2008).
6

7
8 While Napoleonic aspects such as law, formality and uniformity (Peters 2008)
9
10 characterize the Greek public administration, there is a gap between formal and
11
12 informal aspects of institutional operation. Institutional 'mimesis', i.e. formal
13
14 structures imported from abroad, may account for this gap. Modern institutions,
15
16 introduced to Greece in the 19th century, were adopted as formal structures, but were
17
18 not supported by the context of a pre-modern, agrarian economy. As a result, they
19
20 were bound to mix with pre-existing patterns of operation and organization.
21
22

23
24 Furthermore, the rationale of party conflict permeated the new born bureaucracy
25
26 (Sotiropoulos 1993 and 2006). The survival of patronage practices is a case in point.
27

28
29 Though always denounced, clientelistic practices managed to resist any effort to
30
31 contain them (Spanou 1996).
32

33
34 In the 20th century, Greek political life experienced interventions of the monarch in
35
36 parliamentary politics, government instability and short-lived dictatorships until the
37
38 Second World War. Then a divide between right and left led to the 1946-49 civil war,
39
40 followed by the purge of communists and left-wing sympathizers from the Greek state
41
42 apparatus until 1974. Throughout, the joint effect of patronage and political
43
44 authoritarianism undermined the legitimacy of the state. Moreover, even in the period
45
46 of economic growth (1949-1973), social policies were absent and in their place safety
47
48 valves, such as emigration and public employment, were used (Pagoulatos 2003). The
49
50 legitimacy problems associated with the post civil-war period culminated in the
51
52 imposition of a military dictatorship, which however did not last long (1967-1974).
53
54

55
56 The post-authoritarian period inherited political and institutional issues to deal with,
57
58
59
60

1
2
3 including democratization, legitimization of the political-administrative system, and
4
5 patronage practices (Featherstone 1990 and 2005).
6
7

8
9 Following the transition to democracy, Greek politics took the form of a polarized
10
11 conflict between two major parties, New Democracy (ND) and PASOK (*Panhellenic*
12
13 *Socialist Movement*), which have alternated in power since 1974. The electoral system
14
15 allowed them to rely on strong one-party majorities in Parliament (except for 1989-
16
17 90, when short-lived coalition governments were formed). Democratic consolidation
18
19 proved successful on two testing occasions: first, in the government turn-over in 1981,
20
21 when PASOK came to power after two terms of ND in power (1974-1981) and,
22
23 second, in the rapid overcoming of government instability in 1989-1990. Even though
24
25 after the elections of September 2007 five parties were represented in Parliament, key
26
27 features of the system, such as political polarization and adversarial political discourse
28
29 (Lyrintzis 2005), which affect the traditional politics-administration nexus (Spanou
30
31 2001), have been preserved. These features of the political system have equally
32
33 influenced state reform that was systematically conducted in a conflictual
34
35 environment, failing to achieve consensus and falling victim to party competition.
36
37 While administrative reform has constantly been on the political agenda, policies and
38
39 measures taken by one government would be discontinued or dismantled by the next
40
41 one in power (Spanou 1996).
42
43
44
45
46
47
48

49 We therefore share the view of March and Olsen that 'administrative reorganizations
50
51 provide useful insights to the nature of politics more broadly conceived' (...). Taken
52
53 as the 'dependent variable', administrative reforms are closely shaped by the political
54
55 context as well as by past arrangements among political elites, corps of public
56
57 employees and public sector unions. But 'comprehensive administrative reform is
58
59 only a small fraction of administrative changes', while persistence and successive
60

1
2
3 reform attempts may prove to make a difference over a longer time period (March and
4
5 Olsen 1983, p. 288). While wholesale reform has remained a constantly unfulfilled
6
7 electoral promise in Greece, reformers have been able to break through path
8
9 dependency to some extent, by attempting piecemeal privatization and introducing
10
11 new managerial methods in public corporations; by creating independent
12
13 administrative authorities since the mid-1990s; by proceeding to decentralization and
14
15 the transfer of competences from central to regional and local government since the
16
17 early 1990s; by institutionalizing the participation of social partners in decision-
18
19 making processes; and by enhancing citizens' rights and establishing new contact
20
21 points between citizens and administration.
22
23
24
25
26

27 In other areas, however, such as recruitment to the civil service and promotions in the
28
29 civil service hierarchy, reformers have either been indecisive on what to do or have
30
31 been 'locked-in' by patterns instituted in the past by political elites and public sector
32
33 unions. The result is a symbiosis of traditional and modern elements, which mirrors
34
35 the wider context of Greek state-society relations.
36
37
38
39
40
41
42

43 *2. Institutional perspectives on reforms*

44

45 According to historical institutionalism, the institutional organization of the polity or
46
47 political economy is the principal factor structuring collective behaviour and
48
49 generating distinctive outcomes (Hall & Taylor 1996, p. 937). In other words, formal
50
51 and informal procedures, routines, norms and conventions shape reform directions;
52
53 'path dependency' thus conditions what is otherwise called 'reform capacity'.
54
55 However, we should not forget that the idea of 'reform capacity' may actually reflect
56
57 an 'orthodoxy' in administrative reform, such as New Public Management (NPM), as
58
59
60

practiced in certain states and propagated by international organizations during the past 20 years. We distance ourselves from this orthodoxy, in order to adopt a more comprehensive approach to undertaken reforms and their features (see Toonen 2003, p. 467 and 475).

Furthermore, 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 democratisation, which implies institutional reforms with high political visibility, attempting to reverse authoritarian or centralising 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 (Toonen 2003, Hood 1991) and the level affected, reforms may be distinguished in two types, namely institutional and 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, economic and managerial reforms (including market liberalization, privatizations and changes in human resources management, managerialism, agencification, and service delivery) rather correspond to the value of responsiveness.

We therefore argue that reforms in Greece have taken two distinct paths, leading to two corresponding types of reform, the institutional and managerial type; that the two paths were not followed in an unwavering manner, but deviations occurred; and that the institutional type of reform has dominated the reform agenda since the early 1980s. It is a type of reform with high visibility and symbolism, because it essentially refers to democratization, an important issue in the Greek context. Institutional reform represents the completion of a process inaugurated with the fall of the colonels' authoritarian regime (1974), but eventually put to practice after the 1981 elections. Post civil war arrangements and 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 the post-authoritarian democracy. Therefore, 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. The balance between the two types of reform has slightly changed since the mid-1990s, when the EMU and Maastricht criteria favored -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 also less visible and less daring. Furthermore, the 'reception' and perception of these reforms in Greece were 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-for institutional reforms.

Both paths towards reform, taken successively in the 1980s and the 1990s, have had, however, 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 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, which 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.

A major critical juncture for institutional reforms constitutes the 1981 election that brought a socialist party (PASOK) to power for the first time ever. Institutional reforms aiming at democratization have been possible to launch and continued during the 1990s under the pressure to increase the weak legitimacy of the political system and the state. For economic-managerial reforms, beside the rhetorical reference to fashionable managerial terminology imported from international organizations (such as the OECD), a critical juncture can be traced at the beginning of the 1990s. At that time, the state expansion of the 1980s along with political corruption had created a window of opportunity for 'shrinking the state' ideas to influence 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. Especially the Simitis socialist Cabinet (1996-2004), 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 and 2000, Featherstone and Kazamias 2001) and global financial pressures put upon governments during the 1990s; thus, public sector became a major reform area. Economic and managerial reforms have eventually affected more the scope of state intervention than the administrative apparatus as such.

2. Review of national reforms

In what follows we give a brief account of reforms undertaken since the early 1980s; to recap, according to our criteria introduced above, reforms fall in two broad categories, namely institution-building and economic-managerial reforms.

2.1 Institution-building reforms

Democratic consolidation was accompanied by popular claims for the democratization of political life as well as of state-society relations. These claims were translated into concrete policy measures in the 1980s, as a result of the high expectations following the two consecutive electoral victories of PASOK in 1981 and in 1985 (Lyrintzis 2005, Sotiropoulos 1996). The democratization of the 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-center 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 –that also results in the concentration of the Greek population in very 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 (e.g. 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. For the first time in 1986, 2nd tier local self- government was introduced (Law 1622/1986). After many amendments and political hesitations, prefectural elections took place 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, which was legitimized with reference to the democratic character of local government and corresponded to domestic reform dynamics.

1
2
3 In 1998, another major reform was the compulsory merger of first-tier local
4 government units (on the basis of Law 2539/1997). The boundaries of municipal
5 authorities, which used to be numerous (approx. 6,000) and weak in terms of power,
6 responsibilities and resources, were redrawn. As a result, today there are 1,034
7 municipal authorities. This reform was legitimised mostly in terms of increasing the
8 efficiency and effectiveness of local government.
9

10
11
12 These two reforms (elections of prefects and merger of municipalities) repositioned
13 the levels of prefecture and municipal government vis-à-vis the central government.
14 They equally opened the way for the reform of the 13 regions (Law 1622/1986).
15 Created in 1986 under the authority of a political appointee of the government,
16 regional authorities had initially been limited to planning activities and had been
17 linked to the policy priorities of the Ministry of Economy and more specifically to the
18 management of European regional programmes. Their reform in 1998 involved the
19 strengthening and widening of their decision-making scope, but today they still
20 remain de-concentrated units of government under the authority of a government
21 appointee (Law 2647/1998).
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45

46 These reforms have changed the rules of the game in centre-periphery relations. On
47 the other hand, today, in terms of real policy-making capacity, elected prefects seem
48 relatively restricted in their powers, since their jurisdictions and funds are limited,
49 while the influence of central government on local government remains pervasive
50 (IMF 2006, p. 14).
51
52
53
54
55
56
57
58
59
60

- *Independent Authorities*

1
2
3 Independent authorities, created in order to protect citizens' rights or the regulation of
4 politically sensitive areas, such as recruitment to the civil service and radio-television,
5
6 flourished in Greece in the 1990s. Examples were the Ombudsman (established in
7
8 1997, Law 2477/1997) and the Hellenic Data Protection Authority (2472/1997). Not
9
10 surprisingly, governments or individual politicians tend sometimes to view the
11
12 function of the new authorities with suspicion. Despite occasional difficulties,
13
14 however, these authorities represent 'an independent voice' in the Greek party-
15
16 dominated context.
17
18
19
20
21
22
23

- 24 • *Citizen-administration relations*

25
26 A series of legal provisions, passed in 1986, 1999 and 2006 (Law 1599/1986, article 5
27
28 of Law 2690/1999, Law 3348/2006), endowed citizens with rights to hold the public
29
30 administration accountable (e.g. citizens' access to documents, justification of
31
32 administrative acts, deadlines for response by public services, protection of personal
33
34 data, rights to appeal.). Independent authorities took the task of safeguarding these
35
36 rights. Today, the legal and institutional armoury available to citizens contacting the
37
38 state is without precedent in Greek history.
39
40
41
42
43
44
45

- 46 • *Civil service*

47
48 Personnel issues and the merit system (in recruitment, transfers and promotions)
49
50 constitute a recalcitrant reform area in Greece. There is frequent change of the legal
51
52 framework but poor results, especially concerning the career ladder and politicization
53
54 of top civil servants. Under PASOK, recruitment and career issues were dealt with in
55
56 1994 (with the foundation of ASEP, i.e., the Higher Council for the Selection of
57
58 Personnel, Law 2190/1994) and in 1999 (when a new civil service code – Law
59
60

1
2
3 2683/1999 - was produced after a 12-year long incubation; since then, the code has
4
5 often been amended). Since the return of ND to power in 2004, new legislation passed
6
7 in 2005, 2006 and 2007 addressed the same issues. The most significant change was
8
9 made by Law 3528/2007, which made the criteria of selecting heads of administrative
10
11 units more transparent, while introducing personal interviews, a technique often
12
13 discredited in the Greek context. Civil service politicization has never been admitted
14
15 by governments which by law have leeway with promotions at the middle and the top
16
17 ranks and claim to select candidates for these ranks on a merit basis. Despite such
18
19 rhetoric, in practice all governments have hand picked their own supporters among
20
21 prospective higher civil servants.
22
23
24
25
26
27
28

29 Recruitment procedures present an eloquent example of centralization (meaning full
30
31 control by the system's centre on the periphery), which in the Greek system is a
32
33 synonym for rationalization. The apex of centralization of recruitment procedures was
34
35 reached in 1994 with the establishment of ASEP. Since World War II, the declared
36
37 intention of successive governments has been towards containing particularistic /
38
39 clientelistic practices and rationalising recruitment. However, relevant measures were
40
41 always undermined by counter-measures circumscribing the provisions of previously
42
43 adopted policies or by the lack of implementation of meritocratic and/or rationalizing
44
45 policies (Spanou 1992). The ASEP authority has managed to guarantee selection on
46
47 merit in a difficult political environment, though more recently the government's
48
49 practice of by-passing this authority in various ways tends to reduce ASEP's scope of
50
51 supervision. Meanwhile, the wide use of temporary contract employment reproduces a
52
53 kind of spoils system when temporary employees claim and obtain tenure just before
54
55 (or just after) general elections, benefiting from the usual pre-electoral generosity of
56
57
58
59
60

the governing party or the largesse of the winner of elections. The sum of such practices accounts for the 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, could not be an alternative for Greece.

- *Human resources development*

The Greek civil service enjoys low prestige and lacks an administrative elite (Sotiropoulos 1999). Since the mid-1980s, the National Centre of Public Administration (founded in 1983, under Law 1388/1983) has been assigned two missions: a) 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 b) to provide in-service training for civil servants. The first mission would have remedied 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 below, section 3.2).

An important institutional reform was the introduction of collective bargaining rights for civil servants in 1999 (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

1
2
3 civil service organization. To date, however, civil service unions have not risen to this
4
5 challenge.
6
7
8
9

10 • *Inspection and control bodies*
11

12 Since the early 1990s, new inspection and control bodies (with a horizontal or sectoral
13 responsibility) have been created as a means to safeguard the legality and enhance the
14 accountability of public administration. Inspection and control constitute long
15 standing administrative deficiencies that reformers meant to reverse. Besides
16 specialized bodies in sectors such as health, transport, and environment, two more
17 bodies were founded. The first was a body of general competence, 'Public
18 Administration Inspectors' (Law 2477/1997). The second was a 'General Inspector's
19 Service', created in 2002 (Law 3074/2002) which assumed a coordinating role and
20 was further entrusted with combating corruption. Both have helped start changing the
21 landscape of inspection and control.
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

40 **2.2 Economic and managerial reforms**
41

42 While the aforementioned reforms amount to changes in the institutional architecture
43 of the public administration, economic and managerial reforms, to which we now
44 turn, are meant to curb the state's interventionism in the economy and the managerial
45 inefficiency of public services' operation.
46
47
48
49
50

51 This group of reforms presents some similarities to the New Public Management
52 paradigm, without necessarily making an open reference to it. Though this is certainly
53 not the dominant paradigm for reformers, its influence can be to some extent found in
54 certain policy areas that have been more or less affected by wider economic changes
55
56
57
58
59
60

(e.g. reducing the scope of state intervention, market liberalization); other reform aspects often associated with NPM (e.g., changes in the bureaucratic structure and operation) are also present, though in a rather 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. Public sector retrenchment undertaken in the 1990s in the banking sector but also gradually in public utilities (telecommunications, electricity) represents a reversal of the entire post-war policy paradigm (Pagoulatos, 2005, p. 359). Especially the two Simitis' Governments (1996-2000, 2000-2004) redrew public-private sector boundaries and set a trend which continues to this day. 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).

Furthermore, an effort was undertaken along with gradual privatization to restructure public corporations (e.g., 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 meant 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 are 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 directly or indirectly (as a major shareholder) 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 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 distance from or by-passing central state apparatus, state agencies do not contribute to administrative capacity building, but possibly improve (short term) efficiency.

Similarly, during the late 1990s regulatory authorities have been set up at arms length from ministries, in order to regulate liberalised 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 of these authorities but also in ratifying their decisions.

- *Introduction of new managerial techniques*

New management tools are not a recent discovery in the 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 owed 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 was voted in 2004 introducing management by objectives and performance measurement and providing 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 of the public administration to adapt to changes.

3. Management of reform process and decision making on reforms

Administrative reform policies in principle fall in 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 local government, changes in the recruitment system, the civil service code, the citizen-administration relations and simplifications of the administrative procedures, and the establishment of new independent authorities. However, the aforementioned ministry is not as strong when it comes to implementing reforms; such is the case of internal reorganization of ministries, administrative simplifications or the promotion of new operational methods (see below, section 4.2).

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 Economy and Finance (e.g., public sector liberalization, changes in the legal status of public corporations, and personnel

issues) and line ministries (e.g., 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 ND and PASOK Ministers of National Economy, have left academia to enter politics. However, expert advice is not consistently sought by ministers, while consultation with social partners and outside experts takes place but 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 have mostly a secondary role (Sotiropoulos 2007).

4. Obstacles to reform

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 which are promising but uneven in the medium term.

Analyzing the reasons why there is inadequate implementation or problematic sustainability of reform efforts, we come across the following factors, namely characteristics of the wider environment of state reform.

4.1. Weaknesses of the reform process

In the Greek context, every new reform seems to have a short term horizon within which it has to produce its results or die. Given the absence of long term policy goals

1
2
3 and the lack of serious preparation of reforms, ministerial turnover even within the
4
5 same government leads to changes of policy priorities. Government changes
6
7 additionally mean changes of staff in top administrative posts, and thus experience
8
9 and 'institutional memory' are lost. This phenomenon is certainly linked to the way
10
11 the political system traditionally operates and is repeatedly a source of fragmentation
12
13 of efforts as well as lack of continuity and political commitment. It is also linked to
14
15 the lack of sustainability or even to the abortion of reform efforts. In such a context,
16
17 resistance to change may be accounted for by the fact that clientelistic or corporatist
18
19 pressures find an easy way into the decision making centres, distort official policy
20
21 objectives and allow implementation to drift. Such trends are typically reflected, for
22
23 instance, in the delay or reluctance to issue the presidential decrees and ministerial
24
25 ordinances necessary for new legislation to bear fruits as well as in the 'patchy'
26
27 character and low quality of legislation.
28
29

30
31 Thus, domestic political dynamics and informally operating procedures are at the
32
33 centre of this type of obstacles to reform. In a different vein, budget constraints often
34
35 hamper reform efforts. Typically, an incoming government embarks on a policy
36
37 initiative, allocates limited funds to its implementation and then starts cutting back on
38
39 government spending until the whole thing expires.
40
41
42
43
44
45
46
47

48
49 A key political problem is the prevailing type of political competition and political
50
51 culture, which takes various forms and affects the policy capacity of the system.
52
53 Political tensions are not exclusively a result of ideological cleavages, but also of
54
55 competing party-clientelistic machineries. Single-party majority governments
56
57 aggravate these tendencies, spreading a 'winner takes all' mentality. Thus there is no
58
59 political consensus even when policy convergence appears plausible to everybody,
60

1
2
3 since the prevailing adversarial political culture and polemical discourse as well as bi-
4
5
6 polar party politics drive political actors away from consensus and cooperation.
7

8 Incumbent governments dominate the legislative agenda and operate on a zero sum
9
10 game assumption of policy solutions. While the importance of administrative reform
11
12 is widely accepted by parties of the whole political spectrum, in practice reform
13
14 initiatives lack continuity and persistence.
15
16
17
18
19

20 ***4.2. Administrative capacity***

21
22 Though its origins are to be found in the way the political system operates, the
23
24 underdevelopment of staff functions in public administration, such as planning and
25
26 coordination, also accounts for the implementation gap. Insufficient preparation of
27
28 reforms as well as absence of evaluation and follow-up are often substituted by
29
30 sanctions for lack of implementation. Such an example is the case of administrative
31
32 simplification measures. The ministry responsible for horizontal administrative
33
34 reform (Ministry of Interior) not only lacks the means to implement such measures,
35
36 but also fails to convince other ministries to take part in reform efforts. Instead of
37
38 analyzing the causes of insufficient implementation, it uses the threat of sanctions as a
39
40 means of last resort.
41
42
43
44
45

46
47 The dominant administrative culture appears generally reluctant to organizational
48
49 change. It seems rather attached to traditional ways of organization and operation,
50
51 manifested in the legalistic mentality and the low development of and interest in
52
53 modern types of skills in the civil service. Politicization of staff and line appointments
54
55 down to the level of middle ranks of the civil service are part and parcel of this
56
57 defensive reluctance to change, since political dependency allows for a low level
58
59 symbiosis between bureaucrats and politicians (Spanou 2001). Younger, better
60

qualified and more dynamic civil servants, such as graduates of the National School of Public Administration, hardly 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. Possibly, an institutionalisation of rules and procedures for turnover at the higher echelons of the civil service would 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 pretend 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).

4.3. Insufficient social support for reform

Despite widespread dissatisfaction with the functioning of the Greek bureaucracy, there is no significant societal pressure from outside the state apparatus for reform. For example, in opinion polls registering problems which the general population considers acute, 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 (Sotiropoulos 1993 and 2004). Despite heavy criticism from the media and citizens, public administration is not sufficiently under pressure to reform itself.

1
2
3 For recipients of public services there are possibilities of accessing the administration
4 through alternative informal networks. Citizens 'muddle through' a complex
5 administrative system in order to get things done and thus social pressure for reform
6 loses steam. However, improvements of service delivery are welcome and
7 immediately embraced by citizens dealing with public services. Relevant examples
8 are the one-stop shops (Centres for Services to Citizens - KEP) and the services of the
9 Ombudsman that have helped improve service delivery.

10
11 As already mentioned, pressures to reform the state come either from Europeanization
12 or from world wide trends, such as pressures to liberalize markets and privatize public
13 companies. This should not be taken to mean that there are no social forces favorable
14 to reform. Rather, their access to decision making has been more difficult. It was
15 mostly in the 1990s, under Prime Minister Simitis, that the 'modernizing' social
16 coalition, consisting of rising middle strata which supported his policies, contributed
17 to the overcoming of the above described obstacles and to the acceleration of reform
18 efforts. However, this coalition has not been strong enough to sustain the reform
19 agenda in the long run.

20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60

5. Direction of reforms, path dependency and still, change

The above factors can be seen as a web of constraints resulting from specific past arrangements that are now difficult to change. Reforms have therefore 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 characteristic of the Greek state operation.

According to the historical institutionalist perspective adopted in this article, pre-existing patterns of organization and operation of the political system constitute a

1
2
3 legacy structuring collective behaviour and generating distinctive outcomes. Reform
4
5 direction and processes as well as reform capacity are largely influenced by formal
6
7 and informal procedures, routines, norms and conventions; this can be described as a
8
9 form of 'path dependency'. As briefly explained above, the way the political system
10
11 has operated for a long time represents a constraint. The system's impact is reflected
12
13 in the 'implementation gap', the 'slowness in reform' and the 'lack of sensitivity to
14
15 modern reform ideas'.
16
17
18

19
20 While this cannot be denied, the other half of the story is that a number of reforms,
21
22 important in the Greek context, have actually taken place and have been to a large
23
24 extent implemented. Clearly, what is new also bears the marks of the past, as new
25
26 practices and tendencies, such as decentralization and market liberalization, which
27
28 have progressed a lot, evolve along with the on going central state's effort to preserve
29
30 at least some indirect control over new, peripheral administrative structures or over
31
32 the liberalized economy. Equally, next to highly Independent authorities, such as the
33
34 Ombudsman and the Data Protection Authority, economic regulation authorities
35
36 (overseeing energy, telecommunications, and competition) enjoy a more limited
37
38 independence.
39
40
41
42

43 44 *5. 1. Explaining the direction of reforms* 45 46 47 48

49 In Greece, most important reforms have attempted to (re)structure institutional aspects
50
51 of the administrative system. In order to explain the primacy of institutional reforms
52
53 over economic managerial ones, it has to be born in mind that the former type of
54
55 reforms depends mostly on political initiative and will. Second, institutional reforms
56
57 are of a 'constitutive' type, shaping the rules of the political game, which develops
58
59 later its own dynamics. The example of the second tier local government, which
60

1
2
3 meant detaching the prefecture from central political control and opening it up to
4
5 democratic elections (for the first time in 1994), is eloquent. This reform was long
6
7 overdue and it was not outright rejected by any side. The same goes for the reform of
8
9 compulsory merger of municipalities which took place in 1998. Once the new
10
11 municipalities were in place, despite prior resistance, the new rules of the political-
12
13 electoral game gave birth to new dynamics; new political actors emerged and
14
15 organised their strategies accordingly.
16
17
18

19
20 The case of economic-managerial reforms was different. Concerning public sector
21
22 reform, strong pressure came from the EU and international organizations, but had to
23
24 be mediated by 'modernising' governments. A successful example was the way the
25
26 Simitis Governments rendered streamlining the economy - in view of joining the
27
28 EMU - a top policy priority. Public sector reform is however also an example of the
29
30 contradictions inherent to the Greek system: despite economic liberalization and
31
32 privatization, political influence on gradually privatized public corporations is still
33
34 heavy. This may be perceived as an obstacle to higher efficiency of these
35
36 corporations, but it is mainly an expression of unwillingness to part with a certain
37
38 type of 'dirigisme'. It further leads to uneven transformation of the public sector. On
39
40 the whole, output oriented, managerial reforms have not been a top priority for Greek
41
42 politicians. These reforms are absorbed by the prevailing legalistic administrative
43
44 culture and tend to remain symbolic.
45
46
47
48
49
50

51 CONCLUSIONS

52
53
54 Although the Greek case may share common traits with other cases of Southern
55
56 Europe (Sotiropoulos 2004, Kickert in this issue), the distinctiveness of the Greece
57
58
59
60

1
2
3 lies on the emphasis on institutional rather on economic and managerial reforms. Seen
4
5 as distinctive parts of a wider picture, these two types of reform have not attracted the
6
7 same degree of attention during the past 20 years. An exception to that pattern may be
8
9 the Simitis Governments (in 1996-2000 and 2000-2004), when both institutional and
10
11 economic reforms were at the forefront of policy initiative.
12
13
14

15 Attempts at institutional reforms have been more successful than attempts at
16
17 managerial reforms, while the significance of undertaken reforms varies. Economic
18
19 and managerial reforms have found their place on the agenda and have been
20
21 implemented to an uneven extent. They can be observed particularly in policy areas
22
23 related to economic competition, opening up the market, and reducing the size of
24
25 public sector, where pressure from the international environment and mainly the EU
26
27 has been stronger.
28
29
30
31

32 Change has undoubtedly occurred. The state's presence in the economy has been
33
34 reduced, and decentralization reforms have been more important politically than
35
36 administratively. Citizens' rights and service delivery have been conceived as reforms
37
38 of democratization and modernization rather than managerial reforms. Other reforms,
39
40 such as 'agencification', which amounts to by-passing existing ministerial structures,
41
42 have been discretely included in the picture. Change has been incremental and has
43
44 followed pre-established paths. Our analysis has indicated that reforms have hardly
45
46 been guided by the New Managerial paradigm. There has been very little emphasis
47
48 put by Greek reformers on changes imbued by managerial and economic values and
49
50 aiming at increasing efficiency and effectiveness.
51
52
53
54
55

56 Also, it is important to stress that reform dynamics have benefited not only from
57
58 outside pressures but also from the operation of internal forces that became
59
60 particularly visible during the aforementioned 'modernizing' period (1996-2004). It is

1
2
3 mostly at that time that reformers found a window of opportunity to promote a reform
4
5
6 rationale that at other times appeared weaker.
7
8
9

10 To conclude, as we have tried to show in this article, the historical and sociological
11
12 institutionalist perspectives explain to a large extent the direction and outcome of
13
14 reforms. In contrast to stereotypical observations emphasizing the inertia of the Greek
15
16 public administration, it is wrong to claim that there has been no mobility in the Greek
17
18 political-administrative system. In fact, there have been institution-building reforms
19
20 meant to strengthen the operation as well as the reliability, credibility and
21
22 accountability of the system and, to a lesser extent, economic reforms reversing the
23
24 post-war heavy presence of the state in the economy.
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

REFERENCES

- Chlepas, Nikos. 1999. *He Topiki Aftodioikese stin Hellada* [=Local Government in Greece]. Athens: Ant. N. Sakkoulas (in Greek).
- DiMaggio, Paul and Walter W. Powell (eds). 1991. *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press.
- Featherstone, Kevin. 1990. 'Political Parties and Democratic Consolidation in Greece', in Geoffrey Pridham (ed.), *Securing Democracy: Political Parties and Democratic Consolidation in Southern Europe*. London: Routledge, 179-202.
- Featherstone, Kevin. 2005. 'Modernisation and the Structural Constraints of Greek Politics', *West European Politics*, 28, 2, 223-241.
- Featherstone, Kevin and George Kazamias (eds). 2001. *Europeanization and the Southern Periphery*. London: Frank Cass.
- Hall, Peter and Rosemary C. R. Taylor .1996. 'Political Science and the Three Institutionalisms', *Political Studies*, 44, 936-957.
- Hood, Christophe. 1991. 'A Public Management for all Seasons?' *Public Administration*, 60, 3-19.
- IMF (International Monetary Fund). 2006. 'Greece: Report on the Observance of Standards and Codes – Fiscal Transparency Module'. IMF Country Report 06/49, Washington D.C.: IMF.
- Kickert, Walter (**this issue**). 'Administrative Reform in Greece, Italy, Portugal and Spain: A Comparative Analysis of Common Characteristics', *Public Administration*,

- 1
2
3
4 Lyrintzis, Christos. 2005. 'The Changing Party System: Stable Democracy, Contested
5
6 "Modernisation"', *West European Politics*, 28, 2, 242-259.
7
- 8 March, James and Johan Olsen. 1983. 'Organizing political life. What administrative
9
10 reorganization tells us about government', *American Political Science Review*
11
12 77, 2, 281-296.
13
14
- 15 Pagoulatos, George. 2003. *Greece's New Political Economy*. London: Palgrave.
16
- 17 Pagoulatos, George. 2005. 'The Politics of Privatization: Redrawing the Public-
18
19 private Boundary', *West European Politics*, 28, 2, 358-380.
20
21
- 22 Peters, Guy B. 1999. *Institutional Theory in Political Science: The 'New*
23
24 *Institutionalism'*. London: Pinter.
25
26
- 27 Peters, Guy B. 2008. 'Administrative Traditions', *International Journal of Public*
28
29 *Sector Management*, 21, 2, 118-132.
30
31
- 32 Pierson, Paul. 2004. *Politics in Time: History, Institutions, and Social Analysis*.
33
34 Princeton: Princeton University Press.
35
36
- 37 Sotiropoulos, Dimitri A. 1993. 'A Colossus with Feet of Clay: The State in Post-
38
39 Authoritarian Greece', in Harry J. Psomiades and Stavros B. Thomadakis (eds),
40
41 *Greece, the New Europe and the Changing International Order*. New York:
42
43 Pell, 43-56.
44
45
- 46 Sotiropoulos, Dimitri A. 1999. *Populism and Bureaucracy: The Case of Greece under*
47
48 *PASOK, 1981-1989*. Notre Dame, Ind.: Notre Dame University Press.
49
50
- 51 Sotiropoulos, Dimitri A. 1999. 'A Description of the Higher Civil Service in Greece',
52
53 in Edward C. Page and Vincent Wright (eds), *Bureaucratic Elites in Western*
54
55 *European States: A Comparative Analysis of Top Officials*. Oxford: Oxford
56
57 University Pres, 13-31.
58
59
60

- 1
2
3 Sotiropoulos, Dimitri A. 2004. 'South European Bureaucracies in Comparative
4
5 Perspective', *West European Politics*, 27, 3, 405-422.
6
7
8 Sotiropoulos, Dimitri A. 2006. 'Old Problems and New Challenges: The Enduring
9
10 and Changing Functions of Southern European State Bureaucracies' in Richard
11
12 Gunther, P. Nikiforos Diamandouros and Dimitri A. Sotiropoulos (eds),
13
14 *Democracy and the State in the New Southern Europe*. Oxford: University
15
16 Press, 197-234.
17
18
19 Sotiropoulos, Dimitri A. 2007. 'A Case of Amateurs and Professionals: The Role of
20
21 Greek Senior Civil Service', in Edward C. Page and Vincent Wright (eds), *From*
22
23 *the Active to the Enabling State: The Changing Role of Top Officials in*
24
25 *European Nations*. Basingstoke: Palgrave/Macmillan, 15-37.
26
27
28 Spanou, Calliope. 1992. 'Les politiques de recrutement dans l'administration
29
30 Hellénique: une modernisation impossible ?', *Revue Française d'Administration*
31
32 *Publique*, 62, 325-334.
33
34
35 Spanou, Calliope. 1995. 'A la recherche du temps perdu: la modernisation de
36
37 l'administration en Grèce', *Revue Française d'Administration Publique*, 75,
38
39 423-428.
40
41
42 Spanou, Calliope. 1996. 'Penelope's Suitors: Administrative Modernization and Party
43
44 Competition in Greece', *West European Politics*, 19, 1, 97-124.
45
46
47 Spanou, Calliope. 1998a. 'European Integration in Administrative Terms: A
48
49 Framework for Analysis and the Greek Case', *European Journal of Public*
50
51 *Policy*, 5, 3, 467-484.
52
53
54 Spanou, Calliope. 1998b. 'Les sirènes de la politisation: fonction publique et politique
55
56 en Grèce', *Revue Française d'Administration Publique*, 8, 205-217.
57
58
59
60

- Spanou, Calliope. 2000. 'Greece', in Hussein Kassim, B. Guy Peters and Vincent Wright (eds), *The National Coordination of EU Policy: The Domestic Level*. Oxford: Oxford University Press, 161-181.
- Spanou, Calliope. 2001. '(Re)shaping the Politics-Administration Nexus: The Decline of a Symbiotic Relationship?' in B. Guy Peters and Jon Pierre (eds), *Politicians, Bureaucrats and Administrative Reform*. London: Routledge, 106-115.
- Spanou, Calliope. 2008. 'State Reform in Greece: Responding to Old and New Challenges', *International Journal of Public Sector Management*, 21, 2, 150-173.
- Streeck, Wolfgang and Kathleen Turner (eds). 2005 *Beyond Continuity: Institutional Change in Advanced Political Economies*. Oxford: Oxford University Press.
- Thelen, Kathleen. 1999. 'Historical Institutionalism in Comparative Politics', *American Review of Political Science*, 2, 369-404.
- Thelen, Kathleen. 2004. *How Evolutions Evolve: The Political Economy of Skills in Germany, Britain, the United States, and Japan*. New York: Cambridge University Press.
- Toonen, Theo A.J..2003. 'Administrative Reform: Analytics', in B. Guy Peters and Jon Pierre (eds), *Handbook of Public Administration*. London: Sage, 467-477.