

## Impact case study (REF3b)

<b>Institution: The University of Manchester</b>
<b>Unit of Assessment: 21 (Politics and International Studies)</b>
<b>Title of case study: Reform Capacity and the Core Executive in Greece</b>
<p><b>1. Summary of the impact</b></p> <p>Research undertaken at the University of Manchester (UoM) highlights how limited resources and poor coordination at the heart of the Greek government (the core executive) have circumscribed Prime Ministerial authority and severely hampered the ability of successive governments to develop and implement policy. This issue is particularly pressing, as many of Greece's recent economic woes can be attributed to this weak 'reform capacity'. The research had a direct impact by changing party policy and informing the drafting of two new laws on restructuring the Greek core executive, in 2011 and 2013 respectively. These changes have survived the turnover of two different governments. Research findings have also been given extra impetus, with the strengthening of the Greek core executive identified in 2012 as a key priority by Greece's international creditors – namely the International Monetary Fund (IMF), the European Commission (EC) and the European Central Bank (ECB).</p>
<p><b>2. Underpinning research</b></p> <p>This impact case is based on research undertaken by Professor Dimitris Papadimitriou (2003-) [E], which has been further developed through collaboration with Professor Kevin Featherstone (London School of Economics), beginning in 2007 [D]. The groundwork for the impact is contained within a co-written publication, later translated into Greek, that identified the key features of Greece's political economy that restrict its capacity to adjust to demands emanating from its EU and Eurozone membership [C]. This led, in 2009, to the authors seeking to relate Greece's 'reform capacity' with the more institutional features of the country's 'core executive'; in particular, the position of Prime Ministerial leadership within it. This research has produced a number of conference papers, stakeholder presentations and academic publications [A][B], and will culminate in the publication of a major new book in early 2014.</p> <p><b>The research highlights the problem of poor management at the heart of the Greek core executive.</b> This was recognised well before the country's governance structures came under international scrutiny in the context of the Eurozone debt crisis, although the issues identified have become increasingly pertinent in explaining how Greece's current predicament is not simply the result of economic mismanagement, but is also rooted in entrenched public policy weaknesses that have built up over a number of decades. In particular, a weak 'reform capacity' was highlighted, in an assessment that went beyond any formal interpretation of the Greek constitution. Thus in contrast to the view, widely held by legal scholars, that the Greek Prime Minister is <i>Primus Solus</i> within the core executive, and can therefore assume almost unchallenged dominance, the research demonstrated that the Greek core executive suffers from a number of deficiencies: exceptionally weak institutionalisation; a lack of resources and mechanisms to ensure effective oversight and coordination between individual ministers; and a lack of capacity to effectively develop and implement policy.</p> <p><b>The research entailed repeated in-depth interviews with all surviving Greek Prime Ministers</b> (four out of six post holders since the country's transition to democracy in 1974) alongside all six Chiefs of Staff who served the Greek Prime Minister's Office during this period. This represented the first time that such high profile contributions have informed an academic work on Greek public policy. In addition, Papadimitriou and Featherstone also conducted over 60 semi-structured interviews with members of the Cabinet, advisers in the Prime Minister's Office and senior civil servants at the heart of the Greek government. The project also consulted over 300 legislative acts and a large dataset of other primary sources, such as newspaper reports and policy documents, to construct a retrospective picture of the Greek core executive, and the changing balance of power within it over the past forty years.</p> <p>The paradox of strong formal (constitutional) powers, but few actual resources at the disposal of the Greek Prime Minister, was explored in an article in <i>Governance</i> [A]. Focusing on the four main Prime Ministerial tenures of the past 40 years, the authors analysed key reform initiatives aimed at strengthening cohesion within the Greek core executive, identifying that none of the reforms</p>

## Impact case study (REF3b)

succeeded in breaking the pattern of weak institutionalisation, limited resources and relative Prime Ministerial isolation in the policy cycle. The analysis went deeper than a mere consideration of individual management styles or short-term political party-political calculations, focusing instead on a wider set of features present within Greek political culture, and evident even in the highest echelons of Greece's political personnel, in which 'personalism' based on trust, informality and closed networks of power attract a high premium.

### 3. References to the research (all references available upon request - AUR)

The research has been published in peer reviewed journals [A][D][E], a book chapter [B] and in a well-regarded monograph [C].

- [A] (2013) Featherstone, K. & Papadimitriou, D. "The Emperor has no Clothes! Power and Resources within the Greek Core Executive" *Governance* 26(3) 523-545 (REF 2014) doi:10.1111/j.1468-0491.2012.01610.x
- [B] (2011) Featherstone, K. & Papadimitriou, D. "Assessing Reform Capacity in Greece: How Can Political Economy Help?" in Kalyvas, S., Pagoulatos, G. & Tsoukas, H. (eds.) *From Stagnation to Forced Adjustment: Reforms in Greece, 1974-2010* (New York: Columbia University Press) (AUR)
- [C] (2008) Featherstone, K. & Papadimitriou, D. *The Limits of Europeanisation: Reform Capacity and Policy Conflict in Greece* (London: Palgrave) (REF 2014) (AUR)
- [D] (2007) Featherstone, K. & Papadimitriou, D. "Manipulating Rules, Contesting Solutions: Europeanization and the Politics of Restructuring Olympic Airways" *Government & Opposition* 42(1) 46-72 doi:10.1111/j.1477-7053.2007.00212.x
- [E] (2005) Papadimitriou, D. "The Limits of Engineering Collective Escape: The 2000 Reform of the Greek Labour Market" *West European Politics* 28(2) 381-401 (RAE 2008) doi:10.1080/01402380500060049

### 4. Details of the impact

**Pathways to Impact:** Research findings have been widely disseminated by the authors in both academic and non-academic settings; the latter including an invited talk at the British Embassy in Athens. A number of media engagements have also provided timely contributions, in the context of Greece's ongoing economic and political turmoil. Since May 2010, Papadimitriou has made thirteen separate media appearances, including: the BBC Breakfast show, discussing EU budget negotiations (24 November 2012); a radio interview on the BBC Five Live 'Double Take' programme, discussing the Greek crisis (20 May 2012); and an interview on CBC Radio (Canada) on the Greek election (26 April 2012) [1]. Nonetheless, the principal pathway to impact has been through direct engagement with key political actors within the Greek executive.

**Background:** By illuminating the paradox of a constitutionally powerful Prime Minister who lacks sufficient resources to effectively coordinate government business, the research has had a major impact on applied policy. As confirmed by the former Greek Minister of Finance: "*I consider the collaborative research by Featherstone and Papadimitriou an important example of policy-relevant academic work which has contributed in a concrete manner to the re-thinking of government practices in Greece*" [2]. More specifically, the work has directly shaped two new laws on the operation of the Greek core executive, in 2011 and 2013, as well as highlighting structural deficiencies at the centre of Greek government. These latter observations are particularly important in the context of the country's second EU 'bailout package' in 2012 – in which the strengthening of governance structures within the Greek core executive became an explicit conditionality – and have attracted the attention of Greece's international creditors.

**Chronology of impact:** On 14 March 2009 Papadimitriou and Featherstone interviewed the then leader of the opposition (PASOK) in Greece, George Papandreou, regarding his experiences as a senior minister in previous governments. The interviewers elaborated on their argument that a significant discrepancy existed between the formal powers afforded to the Greek Prime Minister and the institutional resources available for supporting coordination at the centre of government. Papandreou expressed a strong interest in the findings of the project and asked both interviewers for their support in reforming the system, later noting that:

*"I was very pleased that you joined our informal discussions on party political reform in 2009, prior to my election victory. My colleagues and I were already aware of your extensive research and academic work on this theme, and your unique insight into the challenges of reforming the Greek state's governance structures since the fall of the dictatorship in 1974. Indeed, your observations concerning the long-term constraints on the Prime Minister's office were consistent with my own thinking."* [3]

On 14 April 2009 Papadimitriou was invited to submit a blueprint on reforming the Greek core executive to senior members of PASOK [4]. Those present at the meeting included Tina Birbili, Papandreou's senior advisor and subsequent Minister of the Environment, and PASOK spokesperson and subsequent Minister of Finance, George Papaconstantinou, who noted at a previous meeting with Papadimitriou and Featherstone (9 February 2009) that *"we agreed that it would be beneficial to implement some of these ideas if PASOK won the forthcoming elections (October 2009)"* [2]. Papadimitriou promoted the idea of a stronger Office of the Prime Minister and a larger (and permanent) General Secretariat of the Government headed by a permanent civil servant, to improve the coordination of government business. He argued that the institutionalisation of the then Greek 'core executive' was exceptionally weak compared to those of similar sized countries across the European Union. The main thrust of his advice was that Prime Ministerial oversight over disjointed 'ministerial fiefdoms' ought to be strengthened.

On 9 May 2009 Papadimitriou and Featherstone presented their main argument on the weakness of the Greek core at a conference in Yale University on the lack of public policy reform in Greece [5]. Based on a wealth of primary material, the authors demonstrated the fragmented nature and poor institutionalisation of the Greek core executive since the country's transition to democracy in 1974. Their data conclusively established that Greece stood as a clear outlier from the European mainstream in the way in which core government business was managed.

On 30 September 2009, five days before the coming general election, Papandreou and Professor Papadimitriou exchanged email messages confirming the importance of strengthening the core executive. Papandreou reiterated his wish for Papadimitriou to help with the reform of government business [3]. On 4 October 2009, PASOK won the general election, and Papandreou became Prime Minister.

In March 2010 George Papandreou established a 5-member international advisory committee (comprising non-Greek academics and senior policy makers) for reforming the Greek core executive. Featherstone is appointed its Head and main rapporteur, and Papadimitriou is asked to comment on each major draft of the recommendations. In September 2010 the Advisory Committee submits its report. The main proposals, informed by Papadimitriou and Featherstone's prior research, include the creation of a new Ministry within the Office of the Prime Minister to help coordinate government business. The Committee also advocates the creation of three General Secretariats (GS): GS of the Prime Minister, GS of the Government and GS of Human and Capital Resources [6].

**IMPACT 1:** On 19 January 2011 the Parliament votes on the creation of a General Secretariat to the Prime Minister (Presidential Decree 2, 11 January 2011) [7]. The bill that is presented to Parliament includes the key aspects of the Committee's recommendations, including the main organogram (albeit with fewer staff than originally envisaged by the Committee) prepared by Featherstone and Papadimitriou. As Papandreou later confirms: *"Your collaborative research... helped us to move forward with this agenda, so that central government could exercise more effective coordination of the work of the various ministries... Several specific proposals to increase accountability and transparency in government were adopted, leading to the introduction of new legislation on government coordination... In short, your policy-led research has made a concrete contribution to rethinking government practices in Greece... I remain convinced that your diagnosis of the inherent problems in Greece's governance system remains as relevant as ever"* [3]. On 11 November 2011 Papandreou resigned as PM and was replaced by Lucas Papademos. During the six month tenure of Papademos, the structure of the core executive remained unaffected.

## Impact case study (REF3b)

In January 2012, the OECD publishes its 'Review on the Central Administration in Greece', with Featherstone and Papadimitriou's work [A] the only academic publication referenced. The report notes that: *"Although there was, in principle, unprecedented convergence between the main political parties on the country's reform agenda (Featherstone and Papadimitriou, 2008), in practice the EMU's favourable economic and financial conditions became opportunities to expand the state's umbrella without showing too much concern for its inefficiencies. The result is a public governance agenda in sore need of renewed momentum and of a clear and complete strategic vision, to be rolled out without further delay"* [8]. This was the first time that a major international organisation had highlighted the weaknesses of the Greek core executive as a threat to the sustainability of the country's governance structures.

On 9 March 2012 Greece signed its second bailout agreement with the IMF. Amongst other conditions, the IMF demands that the Greek government creates *"a directorate of planning, management, and monitoring of reforms"* at the centre of government [9]. Similar guidance was issued by Horst Reichenbach, the Head of the EU Task Force for Greece (TFGR), the office set up for assisting administrative reform in Greece. As TFGR confirm: *"Featherstone and Papadimitriou (2008) was one of the information sources used by the TFGR to gain initial insights on the functioning of the Greek administration. The book was particularly useful to the TFGR as a complement to the OECD review... While the OECD review provides a synthetic vision of the current situation of the administration and recommendations for improvement, the Featherstone and Papadimitriou book contains more detailed information, such as for example the historic developments leading to the current situation of the administration or about the relations between the central and regional administration... The lack of central steering and inter-ministerial coordination was mentioned as a major weakness of the Greek Administration in both reports"* [8].

**IMPACT 2:** Following fresh general elections on 20 June 2012, Antonis Samaras becomes Prime Minister, leading a 'grand coalition' between the centre-right New Democracy, centre-left PASOK and reformist left DHMAR parties. In January 2013 the Parliament passed a new law (4109, 23.1.2013) on the creation of a General Secretariat for the Coordination of the Government, answerable directly to the Prime Minister. The new service is staffed by 63 permanent civil servants, headed by a Secretary General appointed on a 5-year term [10]. The provisions of the new legislation are nearly identical to the recommendations by Professor Papadimitriou back in April 2009 [4] and very close to the report by the Advisory Team in September 2010 [6].

##### 5. Sources to corroborate the impact (all claims referenced in the text)

- [1] (2010) Featherstone, K. (with Papadimitriou answering questions at the Q&A session) 'The Naked Emperor? Greek Prime Ministers and the Problem of Reform Capacity', paper presented at The British Embassy, Athens (11<sup>th</sup> November) & List of media engagements (2008-2012)
- [2] Testimonial from PASOK Spokesman & Minister of Finance (2009-11) (11<sup>th</sup> July 2013)
- [3] Testimonial from the former Prime Minister of Greece (2009-11)(12<sup>th</sup> July 2013) & Email correspondence with Professor Papadimitriou (30<sup>th</sup> September 2009)
- [4] (2009) 'Prime Minister's Office - Ideas for Discussion: Advice paper to PASOK' (13<sup>th</sup> April)
- [5] (2009) Papadimitriou D. & Featherstone K. "The Naked Emperor: Prime Ministerial Leadership and Core Executive Management in post-1974 Greece", paper presented at *The Challenge of Reform in Greece, 1974-2009: Assessment and Prospects*, Yale (8<sup>th</sup> – 9<sup>th</sup> May)
- [6] (2010) Featherstone K. 'Report of the Advisory Committee for the Modernisation of the Operation of the Government' (September)
- [7] (2011) 'Presidential Decree 2 on the creation of a General Secretariat to the Prime Minister' (11<sup>th</sup> January)
- [8] Testimonial from Director, EU Task Force for Greece (16<sup>th</sup> September 2013); (2012) OECD 'Public Governance Reviews: Greece 2011 – Review of the Central Administration' (p.24)
- [9] (2012) International Monetary Fund 'Greece: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical. Memorandum of Understanding' (9<sup>th</sup> March) (p.25)
- [10] (2013) 'Law 4109 on establishing the General Secretariat for the Coordination of Government Business' (23<sup>rd</sup> January) Article 18