

<b>Institution: London School of Economics and Political Science</b>
<b>Unit of Assessment: 27: Area Studies</b>
<b>Title of case study: Modernising the Greek Prime Minister's office</b>
<p><b>1. Summary of the impact</b> (indicative maximum 100 words)</p> <p>The Eurozone crisis has exposed the limited capacity of the Greek government to implement structural reforms. As a result of Kevin Featherstone's record of academic research on reform capacity, his newspaper articles and private discussions with politicians, Prime Minister George Papandreou appointed him to an informal group, and then as member and rapporteur of a formal Committee whose remit was to propose reforms of governance. In a subsequent live televised cabinet meeting Papandreou, citing Featherstone by name, announced his intention to reform the central offices of government in line with the recommendations of the Committee's Report.</p> <p>The resulting Presidential Decree has survived two successive governments. An OECD Report, citing Featherstone, made the same argument, and the reforms were reaffirmed by Greece's major creditors (the International Monetary Fund [IMF], the European Union [EU] and the European Central Bank [ECB]) for the second 'bailout'.</p>
<p><b>2. Underpinning research</b> (indicative maximum 500 words)</p> <p><b>Key Researchers:</b> Professor Kevin Featherstone has been at LSE since 2002. Dimitris Papadimitriou was a senior research fellow in the LSE's Hellenic Observatory in 2002-3 and in 2010.</p> <p><b>Research Insights and Outputs:</b></p> <p>Featherstone's research has investigated the problems of 'reform capacity' in Greece, specifically the inability of governments to enact reforms that they themselves have declared to be their objectives.</p> <p>In early research [1], Featherstone contrasted the 'modernisation' initiatives with the cultural and structural constraints those initiatives faced. A particular constraint identified by the research was the internal weakness of the state administration - a large, ill-coordinated structure beset by a suffocating legalism which, Featherstone argued, was itself a reform priority.</p> <p>Subsequent research with Papadimitriou deepened the focus on reform capacity through case studies of failed reforms, an important example being privatization [2]. The conclusion of this work [3] sets out a 'paradox of governance': despite its formal strength – and, in particular, the Prime Minister's extensive constitutional powers – government in Greece was inherently weak in the development, instigation, and implementation of policy.</p> <p>Featherstone and Papadimitriou went on to examine the extent to which the internal structure and processes of government in Greece constrained reform capacity. The research, which covered all governments since 1974, evaluated successive attempts at organizational reform. Fieldwork for the research in 2008-10, supported by the LSE's Hellenic Observatory, involved over 35 personal interviews, including all surviving prime ministers, and former ministers, senior advisers and officials. A central finding was that, contrary to the mainstream assumptions in the Greek constitutional literature, the Greek Prime Minister was an 'emperor without clothes'.</p> <p>Featherstone (with Papadimitriou) presented the research [4, subsequently published as 5] at a conference on Greek reforms at Yale University in May 2009, expanding on the 'paradox' noted in [3] and charting the course of the weaknesses in Greek core executive since 1974.</p> <p>The key findings of the body of research as a whole are:</p> <ul style="list-style-type: none"> <li>• The limited resources (personnel, skills) available to the Greek Prime Minister;</li> <li>• The limited operational power, in practice, of the Greek government at the centre;</li> <li>• Ineffective administrative structures, including a lack of continuity of (politically-</li> </ul>

independent) specialist personnel. As a result, inadequate policy monitoring, evaluation, and learning undermined the achievement of government objectives.

Featherstone therefore called explicitly for,

‘a stronger government "centre" ...that will exert proper control over all ministries and evaluate the results of their policies. Such a “centre” would identify any problems in the government’s operation and propose solutions. The ministries would be made more transparent by an effective monitoring system....[Also] there is a prime need for high-quality policy advice...’ [5; also in [A] (translated from the Greek)].

### 3. References to the research (indicative maximum of six references)

1. Featherstone, K. (2005), ‘Introduction: “Modernization” and the Structural Constraints of Greek Politics’, *West European Politics: Special Issue on The Challenge of Modernisation: Politics and Policy in Greece*; 28, 2. LSE Research Online ID: 23152
2. Featherstone, K. and D. Papadimitriou, (2007) ‘Manipulating Rules, Contesting Solutions: Europeanization and the Politics of Restructuring Olympic Airways’, *Government and Opposition*, 42, 1: 46-72. DOI: 10.1111/j.1477-7053.2007.00212.x
3. Featherstone, K. and D. Papadimitriou, (2008) *The Limits of Europeanization: Reform Capacity and Policy Conflict in Greece*; London, Palgrave [translated into Greek and published by Okto, 2010]. Available from LSE on request
4. Papadimitriou, D. and K. Featherstone, (2009) ‘The Naked Emperor: Prime Ministerial leadership and core executive management in post-1974 Greece’, Conference, ‘The Challenge of Reform in Greece, 1974-2009: Assessment and Prospects’, *Yale University, USA*, 8-9 May. LSE Research Online ID: 51512
5. Featherstone, K. and D. Papadimitriou, (2013) ‘The Emperor has no Clothes! Power and Resources within the Greek Core Executive’, *Governance*, 26, 3: 523–545. DOI: 10.1111/j.14

*Evidence of quality:* items 1, 2, 3 and 5 were peer reviewed; item 2 was submitted to RAE2008.

### 4. Details of the impact (indicative maximum 750 words)

The research described in section 2 had impact by influencing the terms of debate both in Greece and (through the ‘bail out’ conditions) more widely, and through direct influence on reforms of the Prime Minister’s Office and its links with the rest of government.

**INFLUENCE ON THE TERMS OF DEBATE.** Both the English and Greek editions of [3] were reviewed in the mainstream Greek press (e.g. TO BHMA, Kathimerini). Featherstone disseminated the book’s central arguments – weak processes of central control and coordination, inadequate monitoring and evaluation as contributory factors in the failure of reform – in newspaper articles [A], interviews [B] and presentations [C]. In addition, the fieldwork interviews with surviving Prime Ministers and senior officials described in section 2 themselves established a profile for the research (and its central argument) among the political elite.

Because of these activities, when taking up office in October 2009, Prime Minister (PM) George Papandreou, Finance Minister Papakonstantinou, and their senior advisers, were already familiar with the research and newspaper articles; and their advisers also read and commented on [4, 5].

Upon becoming Prime Minister, Papandreou invited Featherstone to join a small informal group of his immediate advisers to review the organisation of his office and its relations with the rest of government. In 2010, he appointed Featherstone to join a new 5-member Committee charged with bringing forward proposals for reform [D].

Expressly, the letter of invitation took up one of the key themes of Featherstone’s research, that reform should strengthen the processes of control and coordination from the centre. The Committee reported in mid-2010, outlining key principles and recommending structures.

## Impact case study (REF3b)

Featherstone was the rapporteur for the Committee, responsible for synthesising and editing the final report, which was later presented to Parliament [D, E].

From Featherstone's discussions with the PM, and the subsequent work of the Committee, it was evident that his core research findings had influenced the PM and his colleagues, notably:

- The sharp contrast between public views about the formal powers of government and the reality of the constraints on processes of control and coordination from the centre – constraints that have been evident since 1974 despite attempts at reform.
- The contrast between the resources allocated to the Prime Minister and the centre of government in Greece and the substantially larger resources available to governments of other European states of a similar size.
- Featherstone's arguments about the need to strengthen control, monitoring and coordination within government - including policy evaluation and impact assessment.

**IMPACT ON POLICY.** By influencing the terms of the debate, the research had a direct impact on government policy, and subsequently on conditions imposed on Greece as part of the 'bail out'.

**Greek government policy:** Featherstone's research was used as evidence to inform Papandreou's organizational reforms as Prime Minister [F], and news coverage [G] shows the public recognition of Featherstone's influential role. In an address to his Cabinet in September 2010, televised live, the PM quoted Featherstone's articles in support of the reforms he was about to bring forward. Featherstone was the only member of the Committee to be mentioned by name [F]. The Greek media also highlighted Featherstone's influence [G]

The government announced organisational reforms consistent with the Committee's report from November 2010 onwards. In January 2011, Parliament voted on the creation of a General Secretariat to the Prime Minister with new powers and responsibilities for coordination and control, follow-up monitoring of the internal processes of the government, and policy evaluation and impact assessment [F,H].

**Policy as part of the 'bail out':** though the deepening economic crisis meant that the Papandreou Government was unable to implement the recommendations in full, or to complete the reforms to the PM's Office [F], the reforms advanced by Featherstone and the Committee, were regarded as crucial to the ability of a Greek government to meet the conditions of its debt 'bail-out' loans. The centrality of the reforms is evident in several ways.

- The OECD report on Greece in 2011 [I] criticised the lack of central direction and coordination of the reform agenda and cited Featherstone and Papadimitriou [3];
- The Greek-IMF 'Letter of Intent' [J] and subsequent follow-up reports required organizational reform at the centre of government;
- The invitation to Featherstone by the Head of the EU Commission Taskforce for a private one-on-one briefing [K].

The impact of the research was sustained, as shown by the adoption of a new law in January 2013 providing for the creation of a 'General Secretariat for the Coordination of the Government', with a Secretary General to be appointed for a five-year term and a permanent staff [L]. This was consistent with Featherstone's emphasis on the need for continuity of personnel and of structures, sustained by politically-independent senior officials.

Greece's international partners have also recognised this agenda (Troika, Taskforce, OECD) [I, J, K], emulating Featherstone's call in his 5 April 2009 Kathimerini article [A]. As a result, addressing these issues was a condition for Greece to continue to receive its debt 'bail-out' loan.

##### 5. Sources to corroborate the impact (indicative maximum of 10 references)

All Sources listed below can also be seen at: <https://apps.lse.ac.uk/impact/case-study/view/69>

- A. Kathimerini, Athens: 22.2.09  
[http://news.kathimerini.gr/4dcqi/ w\\_articles\\_columns\\_2\\_22/02/2009\\_304474](http://news.kathimerini.gr/4dcqi/ w_articles_columns_2_22/02/2009_304474) ;5.4.09  
[http://news.kathimerini.gr/4dcqi/ w\\_articles\\_columns\\_2\\_05/04/2009\\_310017](http://news.kathimerini.gr/4dcqi/ w_articles_columns_2_05/04/2009_310017). Earlier

- newspaper articles by Featherstone on the same agenda are in 'Kathimerini' <http://news.kathimerini.gr> and 'Ethnos' <http://www.ethnos.gr/article.asp?catid=22767&subid=2&pubid=10006875%20>
- B. Featherstone interview in 'Economiki Epitheorisi' (Athens) entitled 'Who holds the power? The PM, the Cabinet, and the reality', April 2010 issue. Source file: <https://apps.lse.ac.uk/impact/download/file/1373>
- C. Kevin Featherstone, 'The Emperor Has No Clothes! Greek Prime Ministers and the Problem of Reform Capacity', Public Lecture at the Residence of the British Ambassador, H.E. David Landsman, 11 November 2010. Attended by inter alia current and former ministers, advisers, journalists. A speech by Alexis Papahelas, editor of Kathimerini, at this lecture affirmed Featherstone's pre-eminent influence on the reform of the PM's Office. [http://www.lse.ac.uk/europeanInstitute/research/hellenicObservatory/pdf/Kevin/Naked\\_Emperor\\_KF\\_transcript.pdf](http://www.lse.ac.uk/europeanInstitute/research/hellenicObservatory/pdf/Kevin/Naked_Emperor_KF_transcript.pdf)
- D. See letter by Former State Minister to the Greek Prime Minister. This source is confidential.
- E. 'Report of the Advisory Committee for the Modernisation of the Operation of the Government'. Submitted to the Prime Minister, Georgios Papandreou, Athens, 2010. Rapporteur: Kevin Featherstone. Submitted to Greek Parliament, 2011. Source files: <https://apps.lse.ac.uk/impact/download/file/901>
- F. Letter from Prime Minister. This source is confidential.
- G. Kathimerini newspaper (30.1.11; page 12). [This cites Featherstone as making power-point presentations to Prime Minister Papandreou on the reform agenda]. [http://news.kathimerini.gr/4dcgi/\\_w\\_articles\\_columns\\_2\\_30/01/2011\\_430718](http://news.kathimerini.gr/4dcgi/_w_articles_columns_2_30/01/2011_430718)
- H. Presidential Decree, 2, 11 January 2011 [http://www.eetaa.gr/nomothesia/fek/fek/f\\_147.pdf](http://www.eetaa.gr/nomothesia/fek/fek/f_147.pdf)
- I. OECD report on Greece in 2011, p. 25. - The preparation of an OECD report ['Greece: Review of the Central Administration'; OECD, Paris, 2011] involved private inputs from Featherstone and it cited the work of Featherstone and Papadimitriou on the subject. [http://www.oecd-ilibrary.org/governance/greece-review-of-the-central-administration\\_9789264102880-en](http://www.oecd-ilibrary.org/governance/greece-review-of-the-central-administration_9789264102880-en)
- J. See IMF, 'Greece: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical. Memorandum of Understanding'; March 2012 <http://www.imf.org/external/np/loi/2012/grc/030912.pdf>, and the 'Troika's subsequent monitoring reports on Greece, for example [http://ec.europa.eu/economy\\_finance/publications/occasional\\_paper/2012/pdf/ocp94\\_en.pdf](http://ec.europa.eu/economy_finance/publications/occasional_paper/2012/pdf/ocp94_en.pdf) [http://ec.europa.eu/economy\\_finance/publications/occasional\\_paper/2012/pdf/ocp123\\_en.pdf](http://ec.europa.eu/economy_finance/publications/occasional_paper/2012/pdf/ocp123_en.pdf)
- K. The EU Commission Taskforce for Greece also took up this agenda. Letter from EU Taskforce for Greece. This source is confidential.
- L. Law 4109, (passed by Parliament 23.1.2013) provided for 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 (see in particular Article 18, for the position of Sec Gen). Source files: <https://apps.lse.ac.uk/impact/download/file/986>