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Competing Frames, Domestic Discretion and Uneven Outcomes: Administrative Reform in Greece under the Crisis

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Calliope Spanou^{*}

ABSTRACT

In the past nine years, the Greek administration has undergone a wide range of reforms. Did the high ambitions translate into significant change? In order to provide some answers, the paper examines and compares the outcome of administrative reforms that took place in the past years in two core state areas relating to the use of state resources and presenting similar problems: (i) budgeting and fiscal management and (ii) human resources management. Reforms in these areas are assessed in relation to targeted administrative deficiencies. The main research finding is that change has been uneven affecting at different degrees the policy core. The ambitious agenda primarily resulted in the modernisation of policy instruments. New policy frames competed with old ones, sometimes prevailing and sometimes being captured and hollowed out. In fiscal management there is significant change, challenging deeper policy frames and patterns accounting for critical deficiencies. In contrast, in HRM reforms results are rather unambitious. Thus the changes introduced are mostly secondary and do not challenge the core of pre-existing policy arrangements. The paper offers an explanation of these uneven outcomes and questions the conditions of reform sustainability.

Keywords: administrative reform, Greek administration, human resources, budgeting reform, fiscal management, policy frames, policy change

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1. Introduction

The sovereign debt crisis exposed the deficiencies of the Greek public sector and was seen as a window of opportunity for radical transformation. An ambitious reform agenda became part of the structural reforms of the Memoranda of Understanding (MoUs). Its implementation was integrated in the programme conditionality, closely monitored and tied to the disbursement of loan installments crucial to keep the country from defaulting. The necessary know-how was provided by technical assistance organised by the IMF, the Commission and the EU 'Task Force for Greece'. In that sense, the essential ingredients to proceed existed: first, a powerful incentive mechanism to mobilise the political leadership and overcome reform resistances, and, second, the availability of expertise, to contribute with 'good practices' from other EU countries (Spanou 2018a).

In the past nine years, the Greek administration has undergone a wide range of reforms². Did the high ambitions translate into significant change? In order to proceed to such an assessment, this paper examines and compares the outcome of administrative reforms (ARs) in two critical areas: (i) budgeting and fiscal management, and (ii) human resources management. They both refer to core aspects of state operation in Greece. They are equally affected by institutional deficiencies as well as by practices and mentalities inherent in the clientelistic-corporatist background of Greek politics. The comparison between them helps further highlight different factors potentially explaining the variation of outcomes.

Such an inquiry involves an assessment of the content of administrative reforms (ARs) in relation to targeted critical administrative deficiencies. The main research finding is that change has taken place, but is uneven. The ambitious agenda primarily resulted in the modernisation of policy instruments. New policy frames competed with old ones, sometimes prevailing and sometimes being captured and hollowed out. After briefly clarifying the concepts of reform and change, the paper examines the rationale of ARs promoted and implemented and assesses their significance in an attempt of explaining the uneven results.

2. Administrative reform and change

Reforms are here understood as marking "significant departures from the status quo" (Peters 1996:9). Assessing AR needs therefore to take into account its "depth" or significance, meaning the extent to which it addresses deeper issues and *challenges the existing implicit arrangements or system in a substantial way*.

Given that views of problems may not be shared by participants in the reform process (Pollitt and Bouckaert, 2011:17), attention needs to turn to the *construction* of policy problems which predefines their solutions. Such constructions may also determine "areas of immunity from concern" i.e. problematic situations that are not considered as problems (Edelman, 1988: 12). In the same vein, the concept of *policy frame* (Rein and Schön, 1993: 146) points to the underlying assumptions which serve to select, organise, interpret and make sense of a complex reality and therefore define and legitimate action and remedies. In this context, policy change may require a 'reframing' process or a 'frame shift'.

² The paper relies on the findings of an empirical research *Reforms in Public Administration under the crisis*, conducted with the support of the "A.G. Leventis Foundation Research Chair" of the Hellenic Foundation for European and Foreign Policy (ELIAMEP). See Spanou 2018b.

In defining *significant* change, a second issue emerges: how to distinguish between secondary or technical and *deeper* changes. Sabatier and Jenkins-Smith (1999: 147) distinguish between “major change”, affecting the *policy core* aspects of a governmental programme, from “minor change” referring to its secondary aspects. The vast majority of changes occur in the secondary aspects, i.e. instrumental decisions to implement the policy core (administrative rules, budgetary allocations, disposition of cases, statutory interpretation) (ibid. 133). A *major* change relates to the extent to which it challenges or destabilises established policy preferences, as reflected in statutes, processes and practices.

Referring to the significance of change, Hall (1993) distinguishes three orders of change. First order changes are routine adjustments to past and new policy developments. Second order changes involve new policy instruments, (e.g. systems of controlling public expenditure facilitating cuts, introduction of Mid-Term Fiscal Strategy -MTFS) etc. Both first and second order changes are part of a ‘normal policy-making’ process and preserve the continuities in policy patterns. They are dominated and guided by experts and officials *within the civil service* (not politicians) controlling the advice to decision makers (ibid. 281-282). Third order change, by contrast, reflects radical changes in the overarching terms of policy discourse and the template of policy, equivalent to a “paradigm shift”. While first and second order changes do not automatically lead to third order change, the latter encompasses changes in the other two levels. Halligan (1997: 19) makes a similar distinction. First order AR simply adapts and fine-tunes accepted practices. Second order AR refers to the adoption of new techniques. And third order AR is concerned with sets of ideas which comprise the overall goals and the framework which guide action. In order to take into account implementation, Boyne et al. (2003:29-30) for the assessment of AR combine two variables: *policy regime* (old and new) and *policy implementation* (policy as adopted, and policy as implemented).

A third issue in assessing significant change is the criterion used. Change is measured by relating the *major deficiencies* in the Greek context to the adequacy and relevance of the remedies adopted and implemented. Critical deficiencies refer to the ‘quasi-weberian’ aspects of the political-administrative system. They involve a low level of institutionalisation, legitimacy and efficiency, and the lack of continuity and institutional memory (Spanou 1998). The fundamental values and principles linked to the weberian administration are constantly at odds with the perception and use of state rules and resources as ‘privileges’ to be politically distributed. This wider policy frame accounts for perpetuating critical deficiencies, and is part of their deeper governance causes.

In light of the above, change as significant departure from the status quo marks a shift in the corresponding policy frame (reform as adopted *and* as implemented), challenging existing arrangements and altering old practices. The rest of the paper discusses the significance of changes actually produced during the crisis years. The substantive content of ARs and the manner in which they are implemented offer an entry into the policy frames that provide the meaning and guide the choice of remedies. They further reveal how actors involved (re-) frame problems *and* solutions in order to adapt them to their ability and willingness to promote change. In that sense ‘solutions’ (or policy preferences) offer themselves for a *reverse reading* of the degree to which a problematic situation is actually challenged.

3. Reform dynamics and outcomes

Two major reform areas are examined: public financial management (PFM) and human resources management (HRM), including the availability of data on public sector employment³. These two sectors had for a long time avoided constraints that could limit the discretionary use of state resources by political actors. Unconstrained freedom to use state resources constitutes the condition for 'distributive policies' (Lowi 1964) favouring political clienteles and short-term electoral objectives.

In both areas, the most prominent deficient feature is *fragmentation*, another word for lack of binding rules and constraints and lack of transparency, suiting the centrifugal tendencies of the political personnel. Any -usually lukewarm- effort at tightening up the system was fiercely resisted or undermined. From this point of view, the notorious lack of reliable fiscal and HR data, which would increase transparency and therefore accountability for political decisions, is hardly a coincidence.

Reform requirements potentially went straight to the heart of public governance problems. The immediate objective was to contain expenditure. Gradually a more 'structural' dimension emerged, i.e. establishing mechanisms for the better allocation and use of (financial and human) state resources. The issue at stake was to create clear and stable rules containing and constraining (political and administrative) actors' behaviour in this regard.

3.1 Fiscal management: reconfiguring the back box

3.1.1 Antecedents

Until recently, PFM could be regarded as the 'black box' of government in Greece. Lack of central monitoring, coordination and control, coexisted with insufficient information and reliable data, fragmented and uncontrolled practices by various state entities. Budget formulation was excessively decentralised while budget execution was excessively centralised. From an organisational and operational point of view, the Finance Minister appeared -somewhat paradoxically- to be isolated, if not weak. The ministry did not have the ability to monitor centrally and in real time more than 60% of General Government expenditures and to intervene to contain expenditure. Thus, various state entities (local authorities, insurance funds, hospitals and public utilities) were taking on financial obligations (e.g. wage policy, loans, procurement etc.) which resulted in budget overruns, deficits and expenditure not registered in the budget.

Attempts at remedies were essentially defined and confined to increasing detailed and centralised ex ante controls of legality. Not only did they overlap, but resulted in highly bureaucratic and time-consuming procedures. They also prevented the development of financial responsibility and accountability within ministries and agencies. Transparency and accountability were equally low⁴. Above all, there was no balance sheet regarding the total

³This is based on empirical research included in Spanou 2018b.

⁴ According to a report of the European Commission (EC 2007), among 18 EMU countries, Greece ranked highest in terms of centralisation of budget execution, last in budget transparency, before last regarding the top-down budgeting process.

state of public finance, while the Parliament had no possibility to examine and approve the entire fiscal activity (Rapanos 2007: 48 ff.).

Various reform opportunities proved inconclusive. During the 2000s, recommendations and expertise provided by international organisations, such as the OECD (2008) and the IMF (2006), advocated a radical change. Their proposals converged towards stronger top down budgeting and accountable budget execution. They included a Medium-Term Budget Framework for annual budgets, an integrated budget for the whole of General government (i.e. including local government, insurance funds and other public bodies) accompanied by systematic fiscal reporting, especially for Insurance funds and local government and a single account for the transparent management of the central government budget. They also recommended programme budgeting linked to policy objectives and a shift to ex post expenditure reviews and performance audits by the Court of Auditors, increasing the accountability vis-à-vis the Parliament for the efficient and effective allocation of resources. Last, stronger financial management capacity and accountability within the various public entities was urgently called for.

These recommendations defined a completely different approach to the budgeting system problems and solutions. Instead of defining the problem in terms of centralised bureaucratic controls and procedures, the recommended remedies pointed to a binding framework for political discipline and accountability on one hand, and to enhanced administrative capacity for efficient decentralised budget execution in individual public entities on the other. At the central level these changes required the development of a policy analysis capacity within the Ministry of Finance (MoF) (i.e. expenditure reviews, programme evaluation in terms of efficiency and effectiveness etc.) and moving away from micro-management and routine controls. The division of roles and responsibilities between central Budget services and spending ministries and agencies had to change radically.

Fiscal management reform was undoubtedly ripe in terms of reform directions, though for a long time these did not find an open ear in various governments. Awareness of the problem was limited among domestic experts and within MoF circles⁵. It had not reached priority status on the governments' agenda and had even less provoked any public debate. Its political (and financial) implications remained hidden behind its technical nature.

With the onset of the international financial crisis in 2008, the above deficiencies could no longer be swept under the political carpet. The economic derailment exposed their consequences in the form of high levels of budget deficits and sovereign debt and a fundamental lack of reliable statistical data. Addressing chronic distortions in PFM was the most urgent priority (OECD, 2011:14 and 71 ff). The objective was to discipline fiscal behaviour in order to meet strict fiscal targets, as well as to systematically monitor budget execution and produce accurate and timely fiscal reports.

⁵ Pilot projects for programme budgeting were launched in the Ministry of Culture (2008). PFM reform appeared in the electoral programme of Pasok in the 2007 and 2009 elections.

3.1.2 PFM: A radical change of perspective

This external shock gave an immediate impulse for a radical change of PFM. Past IMF and OECD recommendations came to the fore as the new frame of reference. The introduction of a coherent fiscal management system was launched in January 2010 on domestic initiative, with the technical assistance from the IMF⁶. Subsequent legislative initiatives came about as a result of structural fiscal reforms included in all three MoUs but also by changes in European regulations (2011 and later)⁷.

The whole budgeting system was remodeled in terms of formal structures, procedures, rules and standards. It unfolded along the lines proposed earlier by the IMF and the OECD, with the exception of programme budgeting, which was seen as a subsequent stage. The role of the MoF as the central actor in budget formulation and execution was considerably strengthened as was its grip on other ministries' and entities' expenditure. New instruments were developed such as the Medium-Term Fiscal Framework-MTFS (3-year rolling), which defines the general strategy and serves as the point of reference for annual budgets; top-down budgeting process with binding expenditure ceilings per central administration entity for the entire General Government; the Expenditure Commitment Register and corrective mechanisms to address cases of deviation from agreed fiscal targets; and new fiscal reporting obligations for various public entities organised in line with the European timeframe and standards (the so-called 'European Semester').

The strengthened central functions of the MoF essentially relies on the leading policy role of the General Accounting Office (GAO). This shift is complemented by the parallel strengthening of the financial management capacity and responsibility of ministries. The establishment of a network of new General Directorates of Financial Services (GDFS) in 'spending' ministries under the guidance of the GAO illustrates the new division of responsibilities for the entire budgeting process (formulation, execution, control and reporting). Furthermore, a major shift from ex ante to ex post controls of expenditure renders the GDFS primary responsible for ex ante controls, while the Court of Accounts concentrates on ex post controls and the GAO gradually moves towards spending reviews.

Fiscal transparency was equally reinforced by institutional reforms, such as the transformation of the statistical services to an independent authority in 2010 (the Hellenic Statistical Authority -ELSTAT); the creation of the Parliamentary Budget Office provides support for an enhanced role of the Parliament in the budgetary process. The Hellenic Fiscal Council as an independent authority now monitors compliance with fiscal rules. Last, but by no means least, in terms of procedures and standards, the public sector accounting system changed (or, better, is changing) to comply with European and international standards. It establishes a common way of representing economic data for all General Government entities, replacing the -until recently- five different, fragmented and non-compatible systems of functional data classification.

⁶ Papaconstantinou, 2016:197 and MoF, 2009: 26 ff.

⁷ Major legislative stages in this process are laws 3871/2010, 4270/2013 (incorporating European Directive 2011/85/EU (L 306/45) and 4337/2015.

3.1.3 Assessment

PFM reform epitomises a belated, but radical policy shift in a highly problematic sector of the Greek political-administrative system. There is no doubt that the sovereign debt crisis served as a focusing event, an external shock exerting a forceful pressure for change. PFM received the necessary and long overdue attention. From closed expert circles, it was urged on the agenda. Obstacles and political resistance from individual ministers, which had opposed change in the past (Alogoskoufis 2014), became practically irrelevant.

The establishment of the GDFS in ministries presents a particular significance, extending far beyond fiscal management to touch upon the politics-administration relations (below). The GDFS undertake a both innovative and unprecedented task, a ‘custodian’ role regarding the expenditure ceilings and commitments, as well as sound fiscal management. Transforming senior officials into a sort of counterweight to political leadership and its possible tendency not to adhere to a binding fiscal framework is a crucial component and challenge of this role. To the extent that such responsibility is accompanied by necessary guarantees and meets the capacity of senior civil servants, it potentially rearranges the terms of their relation to politics.

The most impressive aspect, nevertheless, rests in the fact that this has been one of the few reforms that presents *continuity*. It consistently unfolded, remaining on track beyond the term of individual ministers and governments. The constant presence of and coaching by the IMF in its double quality as technical assistance provider and a tough member of the troika cannot be underestimated. Domestically, the impressive continuity may be also attributed to the political leadership of the MoF during these times. The MoF as one of the signatories of the MoU and aware of the stakes, was responsible not only for meeting fiscal targets but more generally for the compliance with, and implementation of its terms.

PFM reform features a shift in policy frame, a modernisation of instruments and consistent implementation, enhancing the credibility of the system. While problems and solutions were insufficiently acknowledged until then, a *new policy frame* prevailed. The crisis presented the window of opportunity, providing forceful incentives and the possibility to overcome resistance.

A critical question remains: how sustainable is this change? The major challenge ahead is a shift of mindset at the level of both political leadership and administrative officials in line with the new policy frame. Politicians must conform to a restrictive, controlled and coherent three-year fiscal management framework, responsibly set priorities within limited resources, and take into account the long-term impact of their short-term political considerations. Administrative officials need to rise to their new demanding role as *General Directors of Financial Services*. At the heart of their task lies a contradiction, i.e. they are taken between two potentially diverging allegiances, one functional (towards the MoF) and one hierarchical (Ministry of placement). They are also more exposed as a result of the abolishment of central ex ante controls and tend to be more hesitant. Their role needs to be supported and defended against small, indiscernible but critical changes (e.g. erosion of their status and powers through changes in the organisational charts, their mode of selection, the length of their term of service, etc.).

3.2 HR Data: leaving the terra incognita behind

3.2.1 Antecedents

The absence of sufficient and reliable data has been a typical characteristic of the Greek administrative system. Collection and processing of information had never been a priority, as a direct result of the fragmentary way in which decisions were usually made and the lack of interest in ensuring policy implementation and continuity.

The “unusually high degree of uncertainty” (OECD, 2011: 59) affecting public employment data particularly beyond central government, essentially originates from two deficiencies. On the one hand, there are problems related to HRM, such as high diversity of employee status and regime, misallocation of personnel and unregulated hiring on fixed-term contracts that were later transformed into permanent employment positions. On the other, there is a hazy picture regarding the number and missions of various public sector entities, particularly those operating under private law. Past attempts to count and register them encountered major difficulties and remained incomplete. Decades-long political controversies over the number of public sector employees and of public entities were fed by this terra incognita of the Greek political-administrative system.

3.2.2 ‘Learning to count’

As the news regarding the situation of public finance started to break, the MoF launched initiatives to get a clear picture of, but also contain, public expenditure. It involved among other, a census of public sector human resources and the establishment of the Single Payment Authority (EAP) for all kinds of payments⁸. When the first MoU was signed, these two initiatives were incorporated into the structural reform for administrative modernisation (EC, 2010: 47-48 and 67)⁹.

The complex character of the endeavor cannot be overstated. Creating a Human Resources Register for the entire public sector required the collection and verification of information on total personnel per public entity, employment status, and so forth; it required the parallel inventory of public entities.

The scope of the census was progressively and repeatedly broadened in order to include all General government entities and forms of employment relations. Given the circumstances, it stirred broader concerns that the public entities could be abolished and their personnel would be dismissed. Resistance in the wider public sector has been remarkable, judging from the series of legislative measures that provided for sanctions against those (entities, political heads and public employees) who would not comply with the obligation to register or to join the Single Payment Authority. Similar concerns regarding the systematic updating of the Register are reflected in the introduction of penal and disciplinary sanctions in case of non-compliance.

⁸ G. Papaconstantinou, Finance Minister in November 2009. <http://www.enet.gr/?i=news.el.article&id=101869>
A General Directorate of Remunerations was legislated in May 2009 (N.3763/2009) but had not advanced until then.

⁹ Laws 3845/2010 and 3870/2010.

Notwithstanding the difficulties and delays, this reform bore fruit. The Single Payment Authority is since a few years operating within the MoF/GAO and directly linked to the Human Resources Register. According to the budget proposal of 2018 (MoF, 2017), the share of entities integrated into the Single Payment Authority exceeded 98%, while another 1.5% of them were in the process of complying. The Ministry of Administrative Reconstruction regularly updates Register of Services and Agencies and informing ELSTAT accordingly (Register of General Government Entities). And a network of HR officers have to constantly update the data base regarding exits, transfers and new recruits, while further qualitative aspects of the employees' profile are to be introduced (digital files').

3.2.3 Assessment

This reform laid the foundations for the rationalisation and better utilisation of HR. The Register would allow not only a quantitative but also a qualitative overview and monitoring of public employment. It has further the potential to facilitate HR and wage policy planning, as well as to ensure transparency and accountability in this policy area.

With its technological infrastructure constantly upgraded, the Register supports further applications. Not only can it provide accurate data for information-based policy but also evolve into an integrated system for the management of human resources. Though this is still a long-term perspective, a 'Digital Organigramme' is already built upon the census database, reflecting in real-time the structure of the General government and the allocation of human resources, positions and corresponding requirements.

This infrastructure has already been used for the implementation of the new mobility system and the electronic performance assessment process (at least partly). The reform is still evolving, since various entities still need to upload organigrams, job descriptions and qualitative data. Its completion remains among the post-memoranda obligations.

The HR Register is developing into broader HR policy instrument with multiple potential uses. It provides an infrastructure capable of supporting a *potentially* significant policy shift. Its very existence allows a different approach to HRM and public sector organisation: the need and possibility to know, monitor and use data for policy decisions. It also allows to control and contain previous unregulated, fragmented and ultimately non-transparent practices. Its association to the SPA reestablishes the necessary connection between budgetary and HR policies leading to a more comprehensive policy. For these reasons, it corresponds to a new policy frame: a state that 'knows itself'.

The new policy frame needs however to impregnate political mentalities and behaviour. The degree to which the data remain accurate and publicly accessible (transparency) constitutes a critical side aspect. Lack of knowledge was also a political asset and an opportunity allowing wider discretion that was systematically exploited in the past.

3.3 HRM: Reform over-reach and blind spots

3.3.1. Antecedents

Addressing human resources in the Greek administration cannot be understood outside of the long-standing tradition of state-employer and political patronage. The ‘labour intensive’ character of PA, the fragmentation of employee regimes and the variation of remunerations despite efforts at a single pay system, the misallocation of personnel, as well as the lack of reliable data on HR illustrate its consequences. The same goes for the imbalance between the administration and politics and the resulting low independence and professionalism of the civil service (Spanou 2008, 2001; Sotiropoulos 2007).

HRM issues were seen as ‘distribution of privileges’ (allowances, career prospects etc.) rather than as supporting an efficient and reliable state apparatus. This formed the basis of a public service bargain (Hood and Lodge 2006) and a “symbiotic relation” (Spanou 2001 and 2014b) between politics and administration countering or preventing the modernisation of administrative organisation, operation and, ultimately, performance (Spanou 2012).

Dissatisfaction with low administrative capacity was constantly invoked by a profusion of reform initiatives during the past decades. Certain aspects of HRM have been particularly targeted (e.g. selection for manager positions, recruitment system etc.), while others remained off the political agenda (e.g. mobility, evaluation). Such a selective “reform over-activity” (Spanou 2010), was accompanied by highly symbolic references to civil service values, such as merit and impartiality, that served to simply repackage long-standing practices. Formalism became a dominant character of the civil service rules, which –perhaps paradoxically- coexisted with the by-passing of rules and procedures that further undermined the credibility of reform intentions and interventions. These features reflected an overt or concealed party competition for the appropriation of the public personnel.

In the crisis context, the administrative capacity in general and HRM in particular became a major area of reform (Featherstone 2014). Improving the administrative efficiency and effectiveness were directly linked to reorganisations, simplifications, reallocation of personnel, and all components of HRM. The overarching priority to reduce public expenditure and employment however did not do justice to critical reform challenges. Only under the 3rd MoU the reform agenda was relieved from narrow fiscal considerations.

The OECD (2011) review stressed the urgency of qualitative aspects of HRM reforms setting the essence of the agenda. Its well noted recommendations took time to reach the MoU and the government agenda. Downsizing overshadowed HR policies (Spanou 2014a and 2015). The following analysis focuses on two major HR reform areas: (1) internal HR management processes and (2) politics-administration relations.

3.3.2 Internal management processes

3.3.2.1 Mobility

The lack of mobility has been a distinct characteristic of the Greek public sector employment system over the past decades. The establishment of an inter-ministerial career path (especially) for top managers has repeatedly been recommended by experts throughout the

postwar era. Obstacles to mobility stem from a series of factors some of which are also to blame for the broader qualitative and/or quantitative misallocation of personnel.

The lack of a broader framework providing for the comprehensive management and the coverage of needs in HR left to the employees' individual choices whether to move or to stay for their entire professional lifetime in the same service. Their mode of recruitment and employment status tied them to a specific ministry or entity, while a complex and fragmented system of job classifications ('branches') created barriers to horizontal mobility. Most of transfers or secondments (including their prolongation *ad infinitum*) were sought on individual initiatives, followed personal networks and were often shielded from transparency. By not integrating mobility unless requested by public servants themselves, the Greek administration had essentially given away a significant instrument for flexible HR management.

The issue was particularly highlighted in the OECD review. It proposed the enhancement of mobility by: a) opening up mobility between the central administration and the other sectors of the General government (regional services, legal entities), b) creating a single system of classification of employment positions in the entire General government, drastically reducing its 'branches' and streamlining positions by job descriptions, c) publicising job openings/vacancies and the holding open competitions for every post, and d) introducing appropriate incentives and training programmes.

Mobility was nevertheless not treated as an HRM instrument per se, but rather as a means of curtailing public employment, absorbing high levels of energy and political capital. Parallel changes such as restructuring of ministries (2014 and 2017/2018) and job descriptions progressed slowly. Only under the 3rd MoU a permanent system of mobility reached the government agenda, as a means for the optimal allocation of human resources.

The new mobility system (law 4440/2016) covers the entire General Government and rationalises certain critical dimensions such as: (a) the overturning of the relationship between secondments (exceptional and temporary) and (permanent) transfers, as the normal procedure to meet fixed needs; (b) a centrally managed process (Central Mobility Committee, Ministry of Administrative Reconstruction), based on uniform rules and procedures and regular publicizing (3 times a year) of available openings in order to attract demand; (c) job descriptions and required qualifications provide criteria to match supply and demand.

Assessment

Mobility as a policy issue was systematically sidelined in the past. Though overdue, it is finally set on new foundations and reflects a significant departure from the previous practice. It introduces transparency and predictability both for the state entities and the public employees. This in principle discourages individual search for ways to bypass or speed up the process and reinforces the independent administrative operation. Mobility is modernised as a policy tool, including rules, procedures, and technological infrastructure ('Digital Organigramme').

However, it is entrapped in a pre-existing frame that leaves it incomplete and vulnerable. Mobility remains a purely voluntary initiative of the employee. It is seen as a 'privilege' (officially a 'right') and not as an integral part of a career trajectory, neither are

administrative needs a priority. Thus, modernisation, coexists with the perpetuation of a core element of the preexisting policy frame, undermining its importance and limiting its impact.

Together with the never completed streamlining of the job classification system ('branches'), which is a structural prerequisite for enhancing mobility, this shows that the old approach of the issue has essentially survived. Ad hoc circumventions of the obstacle that branches represent for mobility can be observed (e.g. regarding access to top managerial positions). Furthermore, 'exceptional' arrangements tend to reproduce old practices that the new mobility system sought to eliminate. While long-term secondments need to be abolished, the deadline for permanent transfers has already been extended three times, while there are several examples of new secondments. Above all, certain services are starting to be ad hoc exempted from the mobility system, i.e. secondments and transfers take place outside the central procedures. Such practices confirm that mobility is still seen as a form of 'privilege' that is distributed through exceptional or discretionary political decisions.

3.3.2.2 Performance appraisal

Personnel evaluation has been repeatedly highlighted as of limited value. The plethora of top-level scores neutralises its significance as a tool for career development and more generally for managing human resources (motivation, promotion etc.). The fact that performance appraisals may not be carried out is meaningful in this respect.

However, this item has long been off the government agenda. In spite of widespread awareness regarding its limits -or because of that- the personnel appraisal system has shown remarkable longevity. Unlike other aspects of HRM, it has survived since the early 1990s (Presidential Decree 318/1992). The OECD review highlighted the absence of necessary conditions for performance management, but the issue reached the MoU agenda originally in a biased way, i.e. associated with downsizing.

In this context, a comparative assessment method that was proposed in 2014 to contain top-level ratings, not only was too radical a shift but was also perceived as an immediate threat. While the general framework remained the same, maximum rates for the top (25%) and bottom (15%) rating scores (law 4250/2014) were set. This was to be used once, as a transitional system before the introduction of a new one. It proved however impossible to implement in the face of intense opposition from public employees and their unions. The insecurity resulting from parallel measures to reduce public employment fueled resistance against it. The bill for the new appraisal system prepared at the end of 2014 was never passed in Parliament because of the change of government.

A new appraisal system was eventually introduced (law 4369/2016) as part of the requirements of the 3rd MoU. It represents little more than a combination of old and new regulations. It reinstates the basic elements of Presidential Decree 318/1992. The employees are evaluated in their own right, ratings tend to concentrate above average and the methods to avoid the plethora of top-level ratings are known from prior experience to be ineffective. The new law introduces nevertheless certain innovative elements (e.g. plenary sessions of individual departments for the collective assessment and individual self-

assessment of each employee in relation to their targets, anonymous assessment of managers by their subordinates, a mechanism to monitor and statistically analyse evaluation scores).

Surprisingly, this system also encountered strong reactions from the Civil Servants' Union (ADEDY) and difficulties in its implementation, though it is clearly 'employee-friendly'. This time, the argument was different: it questioned the legitimacy of managers-evaluators who—in most cases—had not been selected in line with normal procedures but were exceptionally discretionary temporary assignments. Resistance was finally bypassed in 2018, thanks to a new electronic application hosted by the 'Digital Organigram' and used for a large part of the administration (in.gr 31.10.2018; Kathimerini 3.3.2019).

Assessment

During the period 2010-2018 there have been various attempts at introducing a new appraisal system which were abandoned by successive ministers and governments. The lack of continuity along with downsizing policies delayed the substance of the reform and biased its rationale. The drastic attempt at comparative assessment in 2014 triggered party controversies allowing employees who feared dismissals to resist it, in a sort of 'civil disobedience' -all the more that this was supported by the main opposition party, Syriza, which clearly appeared on its way to government.

The final reform output presents only marginal changes compared to the old system. Delayed reform wasted energy and ultimately limited change. Preexisting frames and instruments of limited value remain in place while the procedure is modernised only in technical terms.

3.3.3 Reshaping the politics – administration nexus

Imbalance in politics-administration relationships is a perennial issue in Greek public administration. More than the usual intention of ensuring (party) political loyalty, this relationship includes clientelistic and corporatist dimensions.

The OECD (2011) review recommended addressing the problematic politics-administration relationships and the major issue of ensuring institutional continuity in public administration. The senior civil service had to be strengthened while the influence of political appointees (the General and Special Secretaries as well as political advisors) had to be curtailed, through the reduction of their number and specification of their tasks. However, this change was reduced to changing the status and mode of selection and appointment to respective positions.

3.3.3.1 Selection of managers

The selection of managers has constantly been suspected of political partiality, while neglecting merit considerations. To dissipate such suspicions, successive reform initiatives announced 'de-politicisation'. They sought their legitimacy in formalism and standardisation repackaging them as merit, transparency, and impartiality. Party competition led to

repetitive changes in the career rules: the grade and career system were reformed seven (!) times in less than 20 years (1999–2016). The successive changes were secondary (e.g. years of service, previous service in management positions, etc.) but actually affected the (size of the) pool of candidates. The heart of the matter, i.e. the respective roles and responsibilities of political appointees and senior civil servants hardly received any attention. Neither did the effects of the instability of rules (Wettenhall, 2013). However, this instability reinforces the dependence of public employees to politics, since the rules are always open to (short-term) change expectations.

The new system of selection of managers (Law 4369/2016) essentially adopts a combination of previous systems (Laws 3528/2007 and 3839/2010). A rather complicated point system is introduced consisting of four sets of diverse, variably weighted criteria: (a) formal qualifications and vocational training; (b) work experience and responsibilities; (c) evaluation, and (d) structured interview¹⁰. Based on the total number of points achieved a short list of 7 candidates are taken for the interview in order to decide the final rating. The criterion (c) evaluation is suspended to the extent that it is to be based on a future management-by-objectives system which is still not in place (despite existing legislation). Last, without any comment or justification, this law re-establishes the three-year term of service, after its short-lived extension to five years (by law 3839/2010).

Assessment

Career rules under the MoU continued to exhibit a high degree of instability: four consecutive laws between 2010 and 2016 brought minimal added value while most of them were either not implemented at all or only with regard to their transitional provisions. As a result throughout the crisis period, the administration remained in transitional status, i.e. operating on the basis of temporary assignments in management positions.

Reforms remain since decades captured in the same policy frame which prevents the development of an independent and professional civil service. Successive laws, are little more than variation on the same theme while their instability undermines trust in rules and institutions.

The one element that is constantly overlooked and therefore remains stable is the term of office. Since the 1980s, the idea of a 'mobile' hierarchy has prevailed, on the basis of a three-year term, followed by the return of the civil servant to his/her previous (lower) position. This practice has significant disadvantages, including the weakening of administrative hierarchy and the stirring of individual ambitions. Fluidity of rules, formalistic criteria¹¹ and the three-year 'rotation' constitute major problems for the civil service system that politicians as well as public servants have not sought to address ('areas of immunity'), since they define the terms of their "symbiosis".

A substantial reshaping of the politics-administration relationship would need a re-definition of the 'problem' and the 'solution', and a move away from the constant manipulation of

¹⁰ To give an example, for General Directors these account respectively for 30%, 20%, 20% and 30% of the total number of points. However, within each set all sub-criteria are assimilated (e.g. managerial experience and general work experience) thus losing their significance.

¹¹ Like in past systems, there is an emphasis on formal qualifications (e.g. university degrees, postgraduate, doctoral degrees and training) not as a pre-condition for access to senior positions, but as symbol for merit.

formal career rules. A new framing involves a redefinition of roles and responsibilities between political appointees and senior civil servants and substantive (non-formalistic) criteria of selection. Upgrading the role of senior public servants and creating for them the conditions to live up to this role have not been achieved. This is why only the experiment of the General Directors of Financial Services (GDFS) potentially meets the requirements for a major reform.

3.3.3.2 Depoliticisation of executive positions

Depoliticisation of executive positions in specific sectors was initially raised in relation to the services whose credibility and efficiency were seen as affected by political interventions. Major examples are the National Statistical Service, which became (law 3832/2010) an independent authority –ELSTAT; the General Secretariat of Taxation and Customs that became in 2012/2013 the General Secretariat of Public Revenue (4093/2012) and was succeeded in 2016/2017 by the Independent Authority for Public Revenue (4389/2016), etc.

Though there appeared no prior indication in this direction, the 3rd MoU expanded this ‘depoliticisation’ requirement into the entire ‘executive staff’, i.e. the politically appointed and freely revocable General and Special Secretaries in ministries and the Heads of public entities. Distance from politics was perceived essentially in terms of status and selection process.

The changes introduced by Law 4369/2016 (and its amendments) establish a four-year term of office (instead of revocability) for executive positions and delimit government discretion through a process of qualifications assessment. This is attempted by means of two basic mechanisms. Firstly, the National Register of Executive Staff, which is electronically compiled by the Supreme Council for Civil Personnel Selection (ASEP) and serves as a pool of candidates (mainly from the public but also from the private sector). Secondly, the process of public announcement of vacancies, followed by candidates’ assessment by the ‘Special Board for the Selection of Executive Staff’ that shortlists three candidates. Ministerial discretion comes at the last stage: he/she has the choice among the shortlisted candidates.

Assessment

Such a change can be considered as a radical shift of approach. It attempts to potentially rationalise and standardise the selection of these officials, subjecting the originally full political discretion to institutional constraints and filters. However, the specifics of this reform point to a different perspective. Unlike its French archetype, the Register is little more than a formal requirement, since it creates a large pool of candidates of uneven profile (qualifications, experience and career stage) without prior evaluation. The selection process needs to narrow a large number of candidates down to a short-list of three. The first critical filter is therefore the public announcement which specifies the requirements; and the second is the short-listing process, for which there is no defined procedure, with the exception of the Selection Board.

This reform stands out for compromising its depoliticisation objective from its inception. In its first application, unjustified variations were observed regarding the requirements defined in 22 public announcements for administrative secretaries (around 1/3 of the total positions). The government did not content itself with the institutionally provided political discretion at the short-list stage, but tried to promote its favourite candidates. The

European institutions requested to restart the process, after setting minimum requirements for public announcements.

Under the surface of a strictly regulated process, a lot of margin was left informally to influence the selection outcome beyond what is institutionally allowed. Furthermore, its implementation was delayed, leaving the political appointees in place as long as possible and is still not concluded less than six months ahead of the forthcoming (2019) general elections. Ironically, ‘depoliticisation’ became a matter of party controversies, leading the main opposition party to announce that it would abolish this system. Visibly, the new policy frame was immediately confronted with, and captured by pre-existing patterns of political behaviour.

Inherent in this reform is also a perverse equation between depoliticisation and institutional memory on one hand and the four-year term on the other. However, the four-year term could simply contribute to the unobstructed performance of the duties. But in no case does it guarantee institutional continuity and memory since it is not a career position.

A more general issue needs to be raised. Whereas government discretion in selecting executive staff is acceptable in numerous administrative systems, the MoU did not retain this option. Thus, the attention *was diverted from the real stake of civil service empowerment*. Instead of revising the role and responsibilities of political appointees, ‘depoliticisation’ was devised in terms of status and selection which are known to be easily influenced. This is confirmed by the earlier experience of the resignation of the first (2014) and the dismissal of the second (2015) General Secretary of Public Revenue who –on the insistence of the troika– were selected through a special competition process and were provided with a ‘guaranteed’ five-year term.

Thus, instead of actually reshaping politics-administration relationships, as initially recommended by the OECD, the focus on status and selection ignored the essence. In the absence of an operational definition and division of tasks, the strengthening of the senior civil service vis-à-vis politics is not simply waived but further constrained by the ambivalence of the (political or administrative) role of the new ‘depoliticised’ Administrative and Sectoral Secretaries.

4. Comparing reforms

The AR agenda was ambitious and extensive, evolving with every update of the MoU. However, the required reforms often differed in various aspects. Some were more closely defined than others. Certain issues reached the agenda practically for the first time (i.e budgeting reform, mobility, performance appraisal, depoliticisation of executives) while others had a long history of previous repeatedly inconclusive or symbolic reforms (selection of managers); still some other aspects never really made it to the agenda (three-year term of office, mobility as part of the career development etc.). Last, they differed with regard to those groups affected by the changes.

Based on the above overview of the reforms, two general observations can be made. First, the outcome is uneven in terms of its ‘significant departure’ from the status quo. This

mainly refers to their content. Second, despite the generally restrictive framework of close monitoring by the international and European lenders, the continuity and consistency of reforms are equally uneven. In certain cases they are impressive for Greek standards while in others the well-known pattern of discontinuity prevails, following the frequent changes of governments and even more so ministers in the course of the past decade.

More specifically, reforms related to fiscal management and HR data developed rather consistently under the three MoUs. Furthermore their content clearly demarcates them from past patterns of operation. HRM reforms in contrast seem intermittent and erratic, constantly experimenting different solutions and delaying the production of results. The gradual formation of the agenda and the difficulties stemming from parallel downsizing policies may explain these features, but only in part. Even more important, the changes eventually introduced tend to either reproduce the status quo or indirectly neutralise any substantial innovative element. If a paradigmatic shift in AR initially appeared ambiguous (Featherstone, 2014: 16; Ladi 2014; Lampropoulou & Oikonomou 2018), at the completion of the 3rd adjustment programme the significance of the changes visibly varies according to the reform area.

4.1 Prevalence or capture?

During this period, old policy frames and patterns found themselves competing with new ones. The most consistent and radically new frame characterises PFM. It managed to prevail, the old one proving unsustainable under the crisis circumstances. The role assigned to the GDFS also corresponds to a radically different policy frame pertaining to the substance of the politics-administration relations. It needs to be noted however, that such a critical re-shaping of these relations has not been generalised in other areas of the civil service. It remains isolated and potentially vulnerable.

Collecting HR data touched upon sensitive issues of the existing policy frame. Their importance for achieving fiscal targets contributed to the passing from the *terra incognita* to reliable and monitored data on (public sector) personnel and the overall wage bill.

By contrast, with regard to HRM reforms, old policy frames remained active permeating or even capturing at various degrees the new ones. Fiscal pressure was indirect; it mainly took the form of downsizing measures that rendered the environment of HRM reforms more difficult and affected the capacity of corresponding ministers to promote them. Beyond this, it hardly influenced the *content* of reforms. Significant room was left for domestic influence on policy preferences. The representatives of the lenders delegated the specification of solutions to outside experts increasingly involved in the provision of technical assistance. This advisory assistance did *not* have a directive (i.e. executive) role¹².

¹² First, it was within the TF-GR, created in September 2011 by the EU Commission, where France was designated as the “domain leader” or “reform partner” in administrative reform; later, from 2015 onwards, by the French TA agency “Expertise France”.

The wider margin of *discretion* that was left to domestic actors in the area of HRM reforms is a first factor accounting for the differences observed when compared with those in PFM. It is reflected in the continuation of party competition and symbolic policies (Spanou 1996), with constant doing and undoing, delaying reforms outputs, not to say outcomes, and wasting large amounts of time and energy. It is also reflected in the perpetuation of the old policy frame, where public resources are perceived as ‘privileges’ to be distributed, through the change of rules. What seems to have been underestimated by the troika (and the TA) is that the Greek political system ‘thrives’ on changing civil service rules. It readily took the opportunity offered by MoUs to play the new (reform) game with the old rules and thereby reproduce the “public service bargain”, as noted above.

One case stands out for not complying with this pattern: the 2014 introduction of the comparative assessment. Such a radical policy shift –which was momentarily possible because of the domestic discretion– is a clear illustration of the incompatibility and ultimately the clash between the old and the new policy frames. It is also a confirmation *a contrario* of the prevalence of the old public service bargain in all areas of HRM. Not only frame incompatibility turned to clash, but contrary to other cases, this took place in the open, despite the politically restrictive framework of the time. Such a development was favoured by imminent elections (in January 2015) and the expected change of government.

4.2 Secondary changes and the ‘invisible game’

Though all reforms examined had a central character, they affected their ‘recipients’ in different ways. In some cases they introduced unprecedented constraints, rearranged processes and responsibilities and tightened supervision, without however affecting public employees in their status and career prospects. PFM and data collection (including the single payment authority) faced potential opposition primarily from political officials defending their margin of freedom. However these were limited in their resistance capacity vis-à-vis the MoF.

HRM policies concerned public employees and even required their cooperation (e.g. performance appraisal, mobility etc.), not to mention the need for their cooperation in sectoral reform areas. Reforms affected directly their status, remuneration, career prospects etc. In parallel, the pressure for drastic downsizing exacerbated struggles among various groups of public employees fighting for limited resources.

The above-highlighted availability of domestic discretion combined with the need to compensate public employees or secure in some way their cooperation provided opportunities for the survival of the old policy frame. As explained above, this regarded public resources (in this case, status, remuneration, career prospects etc.) as ‘privileges’ to be distributed, and, more importantly, such a margin continued to exist. Thus the old perception prevailed in HRM, passing its core elements on to the reforms. The mostly secondary changes introduced correspond to the influence of (senior) administrative officials over new policy choices as well as to the political officials playing by old rules. *In this context, the symbiotic relationship between politics and administration essentially reproduced the terms of the existing public service bargain.*

In such conditions, an invisible game was played among those groups of public servants who had better access to the shaping of policy choices. They did not act as a single actor. On the contrary, various policy choices bear the mark of differential treatment of specific sub-groups; middle and lower level employees were more affected than senior civil servants in terms of remuneration and more vulnerable to downsizing. In terms of remuneration, senior public servants are comparatively better off than before; some even improved their future career prospects, based on the perpetuation of formalistic selection criteria or through the exceptional lifting of obstacles to compete for senior positions (e.g. exception from the rule of 'branch'). By contrast, the restructuring of the 'branches' proved to be the most complicated reform endeavour. This is not a coincidence. It potentially affected the whole public service, involving too many competing corporatist interests. It was therefore consistently delayed if not blocked. This invisible game may also account for the policy discontinuities in HRM: the change of ministers revived expectations and offered opportunities to various groups of public servants for influencing the content of related policies.

These various forms of preservation of rationales entrenched in the old policy frame account for high reform ambitions essentially resulting in secondary changes, such as the modernisation of instruments (rules, procedures, technological infrastructure, etc.). Business as usual, led to simply 'fine-tuning' of existing practices, not significantly departing from previous practice and away from a frame shift. Instrument modernisation can well coexist with a (re-)distribution of advantages (e.g. career prospects) leaving intact the hardcore of pre-existing policies. Such examples are given above in the analysis of the strictly marginal changes in personnel appraisal, in the selection of managers, but also in the employee-centered mobility and the preservation of 'branches'. Where elements of a new policy frame potentially appeared, through domestic discretion the policy design left wide open possibilities to be exploited by older rationales at the implementation stage (executive staff, exceptions from mobility).

4.3 The consensus on instruments

Given the pressure for reform and the complexities surrounding it, modernisation of instruments seems to be the easiest part. It provides a basis for consensus that veils or sidelines divergent policy approaches in terms of causes and remedies. When ambitious reform goals are translated into useful instruments, all parties in the reform process tend to focus on secondary changes. Such a focus suits those domestic political actors who are not prepared (politically or intellectually) for deeper changes. Conveniently, instruments represent tangible effects; they can be easily observed and checked as 'deliverables' during the monitoring process. Besides, the level of instruments is the privileged terrain of technical assistance, which may have a limited understanding of deeper deficiencies, of related stakes and past experiences, but also a limited influence on available policy choices.

In administrative reform the causal chain is long and the outcome difficult to measure in quantitative terms (compared to fiscal indicators and macro-economic performance). Thus, the resulting focus on means easily leads to a sort of goal displacement. Isolated from the initial ambitious objectives, the focus on instruments may shield deeper practices and rationales from being challenged. For instance, new techniques and infrastructure that were meant to change the terms of the politics-administration nexus and preclude the use of HR

issues from being used as ‘distribution of privileges’, were isolated from this major policy objective and lost their ambition. The focus on instruments allows to claim that there is change independently of its significance. Above all, instruments that are not integrated into a wider policy framework which relies on, and puts them in use are fragile and can be easily isolated and neutralised.

This is not to say that more sophisticated tools are not important. But they do not necessarily lead to change to the extent that the policy frame remains unchallenged. The new instruments risk falling into inertia and being silently abandoned when there will be no pressure from outside monitoring.

5. Conclusion: change and sustainability

In this paper we tried to assess the outcome of administrative reforms during the crisis in Greece by comparing two main areas: public financial management and HR management. Change was assessed in terms of significant departure from the status quo, i.e. challenging deeper policy frames and patterns accounting for critical deficiencies. The core element of the pre-existing policy frame is a long-standing perception of state resources (either financial or other) as privileges to be politically distributed.

The new reform agenda induced by the OECD and inscribed in the three MoUs entailed new policy frames that had to compete with existing ones. This competition took place on different terms depending on the reform area. The comparison reveals uneven change. In fiscal management, where new policy frames prevailed, there is significant change, affecting the policy core. In HRM results are rather unambitious, mostly repackaging old practices. Old policy frames survived, capturing the new ones to the extent that they contained innovative elements. Thus the changes introduced are mostly secondary and did not challenge the core of pre-existing policy arrangements. Policy problems were constructed in a way that emphasised their preconditions in terms of instruments, rather than in terms of deeper changes.

The conditions under which the reforms were devised and implemented were equally different. The pressure from the MoU was direct in the case of PFM and to a large extent HR data. But it left a limited margin of maneuver for domestic discretion. The MoF was aware of the stakes of such reforms, less dependent on other actors, and disposed of effective means of pressure. On the contrary, the fiscal priority had a powerful influence on HRM but limited in its quantitative aspects. Downsizing represented a shock that stimulated resistance within the administration. The narrow fiscal focus left a wider margin to domestic discretion. In this context, the old policy frames managed to preserve the ‘public service bargain’ that defined the terms of the symbiosis between politics and administration. Secondary changes prevailed, additionally enhanced by the unavoidable focus of the monitoring methods and of technical assistance on instruments rather than on policy core issues.

An inevitable last question is about reform sustainability. Sustainability seems to be a common challenge, regardless of the significance of the reforms achieved to date. There are various factors accounting for this. The Greek context of low institutionalisation allows (if it

does not encourage) constant piecemeal changes in the name of reform, marking a striking lack of awareness of the consequences of constant instability (Wettenhall 2013: 160). The long-standing gap between formal rules and informal practices is also a source of concern.

Where old policy frames have survived, the sustainability of even secondary reforms is fragile and uncertain. But where new approaches to policy have prevailed, they may as well be tested under different conditions and could be defied. It sounds cliché to say that political commitment to sustain and further develop reforms is critical. For instance, it is important that the newly available instruments are put in use in order to rationalise policy; that accurate data are collected and used; that the HR Registry is systematically and accurately updated, or that the mechanism for the central management of mobility is not sidelined by the proliferation of exceptions; that the digital organigramme continues to be developed and serves as a basis for HR policy, and that the GDFS are supported in their redefined role etc. Inconsistent implementation (e.g. through the introduction of exceptions) is the first sign of the resilience of old policy frames.

Is there hope that secondary changes can influence core policy preferences? Beyond a reminder of Hall's observation that first and second order change does not automatically lead to a paradigm shift, it is important to retain that the MoU reforms changed what they could change 'from outside'. Deeper changes need to come from the inside, following an endogenous process in Greece.

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