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# Greece's European Policy Making

Yannis Valinakis<sup>#</sup>

## ABSTRACT

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The paper examines the pattern of Greece's European Union policy making in a historical perspective. It starts by presenting the phases of EU Policymaking of successive Greek governments since the 1980s, and considers the persistent deficiencies of the Greek public administration vis-à-vis EU law transposition and implementation. Then it turns to the different models for EU policymaking and introduces the Finnish case as a successful example. The final section outlines relevant policy proposals, taking into account the changing Greek and Eurozone environment amidst the ongoing crisis.

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# Greece's European Policy Making

## Preface

Accession to the EC undoubtedly constitutes the greatest post-war achievement in Greece's international relations. The country's European policy offers an interesting case study, reflecting attempts to bridge its political and economic identity as a West European country with a distinct cultural heritage and Balkan/East Mediterranean historical and geographic parameters. During the Cold War this task had been rather easy; however, resolving the post-Cold War dilemmas and, above all, steering through the tsunamis of the euro crisis has been a tall order.

Half a century after Greece's Association Treaty (1961) and thirty-one years after accession to the European Economic Community (EEC), the European orientation appears firmly embedded in Greek public opinion. It took almost the whole first decade of Greece's EC membership for the centre-left political forces (PASOK) to agree that participation in the community process was positive for Greece.<sup>1</sup> Still, the country entered the post-Cold War period with bi-partisan support for deeper European integration.

Over the years, and more so following the 2008 financial crisis, Europeans have been discovering that borders are no longer barriers; that the distinction between foreign, European and domestic policy is dissolving; that the future well-being and security of each member state

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<sup>1</sup> For an appraisal of Greece's first ten-year record of EC membership, see Tsoukalis (1992).

cannot be separated from that of the others in the Union. Yet, just at the moment when the accelerating pace of the global crisis needs a more focused and confident Europe, European leaders became unsure of the way forward and many member states became introspective and uncertain. Memories of the wider reasons for building a shared Europe and the euro began to fade. The prospect of a Japanese-style, euro-area economic stagnation for the next decade or more will test not only Greece's place in Europe, but also the firmness of the bonds between elite political commitment to a European federation scheme and the strained electorates' national harsh economic realities. Nowhere is this rising conflict better exhibited than in Greece.

Naturally, this paper focuses on Greece's European policy-making. As the issues on which the EU holds exclusive, shared or other competence have substantially expanded over the years, so has the internal need for the member states to effectively coordinate and manage their European policies.

Even though a full member since 1981, as of today, Greece has not yet fully organised and coherently coordinated its policy-making towards the European Union. So far, this issue has not attracted neither scholarly, nor political or media attention. The relevant literature remains limited, not only with regard to Greece (with some notable exceptions such as Glynos 2011; Ioakimidis 1998; Makridimitris and Passas 1994), but also to other EU member states. Indeed, it is surprising that a central question pertaining to the national coordination of EU policy-making,

has received comparatively little attention in the literature on EU affairs.<sup>2</sup>

For most of history, yesterday has been a reliable guide to tomorrow. The future resembled the past in its most important features; stable routines were deeply ingrained in the patterns of everyday life. The present crisis takes Greece and Europe beyond the boundaries of such familiarities. Yet, whatever the difficulties, it is the political choices that will be made by Greece that will define its future and its new position in Europe. Ultimately, it will be through delivery that Greece will build itself the capacity to act. The means will flow from a clear vision of the purpose and a master plan for the next decade. European policy will be a central element of this plan.

## **1. Introduction: Greece's Strategy towards Accession to the EEC**

Greece became a full member of the EEC in January 1981. This accession was a major success of Prime Minister Constantine Karamanlis and was achieved mainly through skilful political negotiation. From the very early stage of Greece's democratic transition and consolidation after the 1967-1974 military dictatorship, accession to the EEC became the fundamental foreign policy goal of the country. After his triumphant election in November 1974, Prime Minister Constantine Karamanlis eagerly pursued this goal through intensive lobbying with EEC members (particularly with France and Germany) and the Commission (Valinakis, 1981).

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<sup>2</sup> For example, see Kassim et al (2000).

As the country had recently emerged from a dictatorship, membership was seen as a way to consolidate Greece's re-born but still fragile democracy. Even though the EEC was taken by surprise by the Greek accession request, it had an important stake both in the democratic orientation of Greece, Spain and Portugal, and in ensuring stability across its southern borders. Greece's pro-Western course was perceived as still ambivalent, as the country was coming out of a dictatorship, with an open wound in Cyprus (following the Turkish invasion and subsequent occupation of the northern part of the island) and a strongly anti-US public opinion as a result of American support to the junta. Greece, therefore, needed to be rapidly anchored through EU membership.

PM Karamanlis exercised strong and continuous pressure on France and Germany to accelerate the accession process. In terms of institutional preparations, meeting the accession criteria and transposing the *acquis* was widely seen in Greece as a demanding but rather technical process, which required effective coordination between a few ministries, basically between the Ministries of Foreign Affairs, Coordination (Economy) and Agriculture.

In 1976 the Greek Parliament enacted Law 445/1976<sup>3</sup>, which entrusted the Central Negotiation Committee with the task of managing, coordinating and negotiating Greece's accession process to the EEC. Initially, it was answerable to the Ministry of Coordination and, after 1977, to a Minister without Portfolio. A European Communities

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<sup>3</sup> Law 445, 30.9/1.10.1976: "on Greece's representation in the European Communities and the organization of its administrative services in view of the implementation of the *acquis communautaire*"

Directorate was also established within the Ministry for Foreign Affairs, assigned with the task of working closely with the Ministry of Coordination and assisting it in the negotiation and accession process.

Since 1977, the anti-EU rhetoric and increased pressure by the opposition leader Andreas Papandreou convinced the European leaders and the Commission of the internal fragility of the accession process. Overcoming objections concerning the readiness of the new member state, the Community finally closed accession negotiations in May 1979 and welcomed Greece as its tenth member state (Bache and Stephen, 2006).

Thus, accession negotiations were very short, even by the standards of the 1970s<sup>4</sup>, because the *acquis communautaire* was still quite limited, and the European Political Cooperation in its infancy. Under these circumstances, the overall administrative capacity of the Greek state -to implement the *acquis communautaire* and operate effectively within the Community- was generally expected to be built after the accession.

Once the Accession Act was signed in Athens in May 1979, the New Democracy government further proceeded with empowering the Ministry of Coordination to supervise the speedy implementation of the *acquis* in view of Greece's formal accession in January 1981 (Law 992/1979). Thus, experts in European affairs were recruited and subsequently staffed the MFA's EC Directorate, Greece's Permanent

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<sup>4</sup> A comparison with the more recent or current accession processes is striking. As suggested by some researchers "the accession of post-communist states was more than any other EU enlargement, reform-led, affecting domestic institutional arrangements to a much greater extent than Europeanization has affected older member states" (see Dimitrova and Maniokas, 2004).

Representation in Brussels, and the services of the Ministry of Coordination.<sup>5</sup>

On the eve of formal accession to the EEC, Law 1104/1980<sup>6</sup> assigned responsibility for Greece's EEC affairs to the MFA. In terms of internal coordination, the Ministry of Coordination was assigned responsibility for economic policy, but through inter-ministerial coordination committees, and above all through the day-to-day work of the Permanent Representation in Brussels. The latter was a new institutional framework which conferred in essence the central role to the Ministry of Foreign Affairs.

## **2. The Evolving Institutional Framework**

Greece's Europeanization needs to be examined in the context of the evolving national policy *vis-à-vis* the EU, as well as the transformations taking place at European level, particularly since the second half of the 1980s. Thus, the mechanisms set for the internal coordination of Greece's European policy have essentially been reflecting the evolution of government attitudes towards the Union, which gradually moved from a defensive, nationalistic and subsidy-centred approach, towards a more open, flexible and "Europeanised" stance. Furthermore, they reflect the inherent characteristics and underlying logic, norms and procedures of the political and administrative system they have been part of (Dimitrakopoulos and Passas, 2004:4).

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<sup>5</sup> Law 992, 18/21.12.1979 "On implementation of the Treaty of Accession of Greece to the European Communities and on relevant institutional and organizational issues.

<sup>6</sup> Law 1104/29.12.1980: "On Greece's Representation to the EEC, the establishment of diplomatic and consular authorities, and other related organizational issues".

## 2.1 The first period: 1981-1985

In October 1981, a few months after accession, PASOK won the elections on a largely anti-EEC and anti-NATO ticket. The period 1981-1985 is characterised by persistently strong PASOK doubts about the European integration process. Contrary to Constantine Karamanlis' clearly pro-western stance, Andreas Papandreou established the political identity of PASOK advocating for a "more independent" foreign policy and a "special" relationship status with the EEC.

While in the opposition, the Greek Socialists had been openly hostile towards the EC, which was seen as a mechanism allowing larger member states to impose their views and restrict the ability of smaller partners to play an autonomous political role. Political discourse was predominantly adversarial, framing the EU as a source of constraints on independent policy-making (Dimitrakopoulos and Passas, 2004:7). Moreover, in contrast to ND, which laid emphasis on the political character of the European project, PASOK perceived the EC primarily as an economic community. The first Andreas Papandreou government sought to renegotiate the country's position within the Community based on its electoral commitment to a 'special relationship': economic cohesion should precede political cooperation. This doctrine is reflected in the Memorandum submitted by Greece in March 1982, asking for "additional divergence from implementing certain Community policies, as well as further economic support in order to restructure the Greek economy" (MFA, 2011).

As a result of PASOK's ambivalent stance, administrative capacity building to meet EU membership demands was all but eagerly pursued

in the first critical years after accession; the pace was normal to slow, rather than accelerated. Not only was there no effort to meet the new EEC requirements, but also the reforms and administrative preparations, which had been initiated by the ND government, were frozen or simply dismantled.<sup>7</sup>

The overall administrative reforms introduced in Greece during Papandreou's first term in government (1981-1985) sought to re-establish state-society relations under the veil of democratisation (Spanou, 1996). Many of the measures adopted were simply unnecessary and, instead of strengthening, they further weakened the capacities of the country's public administration (Makridimitris & Pravita, 2011). The most crucial of them were the abolition of competitions for recruitment to the civil service (L. 1320/1983) and subsequent emphasis on social criteria rather than merit; the abolition of General Directorates (L.1232/1982) leading to the replacement of the experienced General Directors (top-grade civil servants) with inexperienced political appointees, the so-called "Special Secretaries". Essentially, the civil service hierarchy collapsed, and "advisers" and all sorts of revocable staff, directly associated to the ministers, flooded and eroded the administrative structure (Spanou, 1996)<sup>8</sup>. The public sector expanded

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<sup>7</sup> For example, in 1980, PM George Rallis set up a European Administration School (with an international faculty) in Corfu to train civil servants on European issues. A few months after the elections, PASOK closed down the School.

<sup>8</sup> Other Laws in the same direction were the creation of the National Centre of Public Administration (pre-entry and in-service training), the appraisal system, the abolition of the civil servants "personal files" (1400/1983), and the remuneration system (1505/84). During the second PASOK government (1985-89), a new grade and career system (L. 1586/86) and a new appraisal system were introduced, while the recruitment system (L. 1735/87) and the pay system (L. 1810/88) were revised once again. Furthermore, a law concerning the

dramatically, a very large number of new government agencies, departments and “institutes” were created; the number of state employees multiplied within a few years (Makridimitris & Pravita, 2011).

These reforms shaped the Greek public service and produced longer-term consequences that are still evident today. The democratisation and “redistribution of benefits/ popular sovereignty/ social emancipation” that formed the ideological basis of PASOK’s accession to power in 1981, materialised on the basis of a clientelistic logic, which in turn established a non-meritocratic culture. A particularistic philosophy underlined the distribution of socioeconomic benefits, leading to greater inequalities (Dimitrakopoulos and Passas, 2004). Furthermore, an economic model reliant on the state protecting particular interests (absence of competition and access to resources) was established (Dimitrakopoulos and Passas, 2004). As a consequence, these “reforms” set long-term patterns such as: (i) patronage in the recruitment to the civil service; (ii) centralising tendencies in state organisation; and (iii) the heavy presence of the state in the economy (Spanou and Sotiropoulos, 2011). These widely documented chronic maladies eventually led to an unproductive and inefficient system. Dimitrakopoulos and Passas (2004:7) characterise policy-making and agenda-setting of that period as ‘disjointed and reactive’.

In line with its political leadership, the Greek bureaucracy adopted a defensive attitude; policy implementation was approached in a correspondingly neglectful and loose manner (Dimitrakopoulos &

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citizens-administration relationships (1599/1986) established “open government” and access to government information rights.” (Spanou, 1996)

Richardson, 2001). Given the elite and extroverted nature of the diplomatic service, the MFA fared better: a small and flexible MFA unit was created; chaired by a “Secretary General of the Ministry, Responsible for EEC Affairs” to address the issues arising from EEC membership and Greece’s first Presidency (second half of 1983); and charged to monitor all EEC-related policy sectors and the various working groups of the Council in Brussels.

The coordinating role of the MFA was further strengthened through institutionalised inter-ministerial preparatory meetings in view of the COREPER deliberations. The General Directors were removed, and the (mostly inexperienced) political appointees represented the Ministers. The most fervid inter-ministerial debates were usually centred on the negotiation of Community funds. Usually allocated on the basis of political (and partisan) criteria, they were mostly wasted.

## 2.2 The 1985-1995 Period

PASOK’s stand on Europe improved substantially in the second A. Papandreou term. Although economic performance continued to diverge from the EU average and significant differentiations remained in foreign policy (MFA, 2011), PASOK progressively developed an increasingly supportive stance towards integration. One of the most critical factors was certainly the advent of abundant EU funds for agriculture and cohesion policy, leading A. Papandreou to soften his anti-EU rhetoric. Greece came in support of the Single European Act (S.E.A.) and progressively tilted by the end of the 1980s in favour of the

“federal integration model” and further expansion of the powers of the European Commission and Parliament (MFA, 2011).

In the second half of the 1980s, the steady increase of the Community’s competencies, propelled by the J. Delors Commission, as well as the softening of PASOK’s anti-EEC tone led to a slow and still hesitant process of Europeanization. Institutionally, the necessity arose during this process to create a ministerial post for European Affairs: the Ministry of Foreign Affairs took again the decisive lead and the first Deputy Minister of Foreign Affairs was assigned direct responsibility for European affairs (L.1558/1985).

Coordination between ministries and services was however carried out by the MFA mostly on an ad hoc basis. In cases of joint competencies between ministries, devising positions and action was usually coordinated through informal and ad hoc inter-ministerial committees. Undoubtedly, the minister’s/deputy minister’s personality and real political ranking within the government were crucial every time he had to exercise pressure to other ministries.

Regarding the transposition and implementation of Community Law, the “Special Legal Department for European Community Law” (ENYEK) of the MFA was established in 1986 (L.1640/1986). It assisted and collaborated with the relevant departments of competent Ministries, providing legal support and advice, representing the Hellenic Republic at the European Court of Justice and ensuring the harmonisation between European and national legislation.

Greece's EEC/EU Presidencies were used during this period as opportunities. Every time Greece was set to assume the Presidency, the national administration would proceed to an occasional enhancement and upgrading of the European policy mechanisms, both in political terms (the post of an Alternate Foreign Minister was created) and in terms of recruiting additional experts.

The period between 1985 and 1995 was unprecedented in terms of European integration and the expansion of the *acquis communautaire*; the Schengen Treaty (1985), the Single European Act (1987) and the Maastricht Treaty (1993) came into force, while the accession of the EFTA countries (Austria, Finland and Sweden) took place in 1995. A new large-scale enlargement process to the twelve Central Eastern European (CEE) and Mediterranean countries began in the same period. As a consequence of a growing *acquis*, the candidate countries of Central and Eastern Europe were subjected to lengthier and more complicated accession negotiations. The enlargement process became very complex and structured; it also required the building of the relevant administrative capacities prior to accession. As a result, the administrative reforms were practically imposed on the prospective members; the emphasis was now on implementation, and not simply on passing legislation. The new members were consequently better prepared, and Europeanization was achieved before, rather than after, EU accession.

With European affairs increasingly revolving around horizontal themes, additional challenges arose in the management of European issues at the level of national public administration. The Greek MFA adapted by

incorporating ad hoc meetings and “contact points” for the coordination of positions on particular issues. Alongside that, a coordinating body, the Committee of International and European Relations, was created, first at the MFA and later at the level of the Council of Ministers Secretariat (Glynos, 2011:24).

### 2.3 The post-1996 period

Under PM Constantine Simitis (1996-2004), fulfilling the Maastricht criteria and joining the EMU became a political priority; this propelled efforts towards greater economic and social convergence. Simitis’ policy therefore constituted a drastic change from traditional PASOK policies of increased public spending and borrowing. This time public finances needed to be consolidated.

The effort to join the Eurozone was essentially an elite-driven process and was successfully carried out; Greece became a member of the EMU on an essentially political rationale in January 2002. Although the strategic framework was not put under public debate, the programme was met by an unprecedented consensus across the political spectrum (with the exception of the Communist Party) (Dimitrakopoulos and Passas, 2004:143). Analysts have further argued that, given the particularities of Greece, it was the specific nature of the criteria and programming set, in combination with the impetus of adopting the euro, that led to some economic reforms (Dimitrakopoulos and Passas, 2004:9).

At the organisational level, the Simitis government proceeded to a limited re-organisation of the Ministry of Foreign Affairs (Law

2594/1998). However, the upgraded Directorate-General “C”, responsible for European Union Affairs<sup>9</sup>, was staffed by a small number of diplomats, disproportionate to the ever-expanding range of issues spanning from external relations to the internal market, agriculture etc. It is indicative that a single (and small) Directorate, C2, became over the years responsible for all issues related to “European Integration and Economic and Monetary Policy”. Furthermore, with diplomats avoiding the DG C and the Permanent Representation in Brussels, important issues increasingly fell under the responsibility of experts, usually recruited by political and clientelistic criteria.

The fourth Greek Presidency of the EU in 2003 coincided with the accession of ten new member states. Due to the unprecedented scale of preparations and coordination required, the Permanent Representation in Brussels eventually undertook this role. This further strengthened its role in the EU affairs mechanism, while competent ministries became more independent in handling respective issues through their representatives. However, as Glynos (2011:24) notes, the civil service was essentially left out since these representatives were often direct envoys of each minister, who communicated directly and carved policy independently from the ministry’s services, thus further hindering a more comprehensive and lasting management of issues.

Although increasingly defied, the MFA-centred system of inter-ministerial coordination was maintained during the Kostas Karamanlis period (2004-2009), with the post of Alternate Minister being changed to a Deputy Minister. Although he maintained the same responsibilities,

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<sup>9</sup> Directorate General A is responsible for political affairs and Directorate General B for economic affairs.

drawbacks arose in coordinating the ministries involved, because of the inherent difficulty for a Deputy Minister to preside over relevant meetings with other Ministers. The new Law (3566) on the Foreign Ministry introduced in 2007 once again confirmed the leading and coordinating role of this Ministry *“in the planning, implementation, and evaluation of the country’s European and overall foreign policy”* (Article 5). In reality, the inter-ministerial quarrel only grew stronger.

PM George Papandreou initially (2009) introduced a confusing and complex system consisting of a double-hatted Prime Minister / Minister of Foreign Affairs and an Alternate Minister substituting for the PM/FM over practically the whole spectrum of foreign and European affairs. These deficiencies were addressed a year later through the re-installment of the traditional system (Minister of Foreign Affairs and Alternate Minister for European Affairs), recently reproduced by the L. Papademos transition government.

### **3. The Impact of Public Administration Deficiencies on EU Policy**

Despite several reforms and institutional evolution, Greece’s internal coordination system has essentially remained inefficient. Executive centralisation is a characteristic of the Greek political system, often correlated with planning flaws, diffusion of responsibility and a lack of coordination evident in all policy sectors (Stoforopoulos and Makridimitris, 1997). European policy has been no exception. In practice, the Prime Minister holds a central role in arbitrating between ministers / ministries and other executive branches. All Prime Ministers have often

directly intervened to prompt personal collaboration between Ministers, given continuous personal rivalries and inter-ministerial antagonisms. Ministers and ministries have often functioned more as competitive entities than parts of a whole. Diverging personal agendas and political rivalries have constituted chronic maladies of the Greek administration system. On top of the state mechanism labyrinth, overlapping competencies are in stark contrast with the demands of the increasing complexity of European issues. As a result the system has been rendered ineffective (Stoforopoulos and Makridimitris, 1997: 49-50).

Collective governmental institutions, such as the Council of Ministers and inter-ministerial committees, such as the “Governmental Council for Foreign Affairs and Defence” (KYSEA) and the “Committee of International Economic Relations”, were designed as a remedy to the highly fragmented nature of the system. The system prohibited drawing up and following a long-term strategy in line with national priorities and planning needs. In reality, their role was restricted; the practice of sparse ad hoc meetings has practically limited coordination and has very rarely touched upon drawing the strategic priorities of national policy (Stoforopoulos and Makridimitris, 1997: 45). As noted by Glynos (2011:13) “the centralized system for designing, implementing and evaluating EU policies has been particularly weak; these functions are being usually carried through only in the context of the overall governmental planning and without significant technical support from ministries’ services and other agencies”.

### 3.1 The role of Parliament

The role of the Hellenic Parliament in European affairs has been rather limited, which further reflects the executive centralisation of Greece's parliamentary democracy (Maravegias & Tsinisizelis, 2007: 151). Most plenary sessions have been party-polemical confrontations, although European affairs have generally attracted the more experienced and informed MPs.

Historically, European affairs were initially part of the overall foreign policy parliamentary agenda. The Foreign Affairs and Defence Parliamentary Committee has played the dominant role, in particular with regard to the ratification of Treaties. However, as pointed out by Stoforopoulos and Makridimitris (1997), members of these committees are appointed by the political parties by various criteria, not necessarily always on the basis of merit and knowledge of issues. The often limited expertise of MPs is accentuated by party polemical lines and poor research support, which does not allow members to go beyond generalities and party positions. The use of specialised and in-depth hearings has been limited, although the 3566/2007 MFA law achieved some progress.

The creation of a "Special Standing Committee on European Affairs" in 1990 was a major step forward<sup>10</sup>. It consisted of MPs and MEPs from all parties, and was tasked to debate and monitor EU-related issues, Greece's role in European integration, the acts of EU institutions, and matters of cooperation between the Hellenic Parliament, the European Parliament, and other national parliaments (Hellenic Parliament, n.d.).

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<sup>10</sup> See [www.cosac.eu/en](http://www.cosac.eu/en)

The Minister appears before the Committee to inform on developments in EU affairs, although he/she retains the right not to disclose any confidential information.<sup>11</sup> Furthermore, the government submits to the Parliament all EU draft regulatory acts and reports, such as draft treaties, common positions and action plans involving foreign relations, Regulations and Directives, and White Books.

In practice, the Committee's role was often restricted to being informed and commenting on the results of European Councils. Given the primary legislative character of Parliamentary committees and the particular nature of EU policy, a more substantial involvement of this Committee has been inhibited. Moreover, given the more complex character of EU affairs and their low attractiveness to the public and voters, media attention has been rare. Essentially, these committees have been functioning as closed MP forums, where the practice of intense confrontation between government and opposition has not usually allowed for in-depth debates and innovative proposals.

The institutional power of the Parliament and its Committees has been more evident on the occasion of EU Treaty revisions. According to Article 28§2 of the Constitution, the ratification of treaties or agreements granting authority/jurisdiction to international organisations need to be voted by an increased (three-fifths) parliamentary majority<sup>12</sup>. However,

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<sup>11</sup> Standing Orders of the Hellenic Parliament, Article 41B, <http://www.hellenicparliament.gr/Vouli-ton-Ellinon/Kanonismos-tis-Voulis/article-41b/>

<sup>12</sup> Article 28 of the Constitution of Greece states that: "1. The generally recognized rules of international law, as well as international conventions as of the time they are sanctioned by statute and become operative according to their respective conditions, shall be an integral part of domestic Greek law and shall prevail over any contrary provision of the law. The rules of international law and of international conventions shall be applicable to aliens only under the condition of reciprocity. 2. Authorities provided by the Constitution may by treaty or

given the often fierce opposition, governments have mostly refrained from using this provision (and the risk-taking it entails) as the legal basis, preferring the security of absolute majority (art.28§3). This parliamentary practice was followed in the case of major EU treaties, including the Constitutional and Lisbon ones, as well as in the more recent loan agreements to Greece by the IMF, the ECB and the European Commission.

### 3.2 Lobbying in Brussels

Poor internal coordination has taken its toll on the effective representation of Greece and the strategic promotion of its interests in Brussels. The importance of this process and the role that European institutions play in critically shaping policies are self-evident. A proactive approach during the initial stages of policy formulation at European level is therefore essential for member states in their effort to ensure the accommodation of their interests (Dimitrakopoulos and Passas, 2004:8).

The European Commission has the monopoly over policy initiation. However, it consults formally or informally with stakeholders, at the stage of preparing draft proposals, to ensure that the proposal will be supported (or at least will not meet extensive resistance) once submitted to the Council and the Parliament. Lobbying at this stage is

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agreement be vested in agencies of international organizations, when this serves an important national interest and promotes cooperation with other States. A majority of three-fifths of the total number of Members of Parliament shall be necessary to vote the law auctioning the treaty or agreement. 3. Greece shall freely proceed by law passed by an absolute majority of the total number of Members of Parliament to limit the exercise of national sovereignty, insofar as this is dictated by an important national interest, does not infringe upon the rights of man and the foundations of democratic government and is effected on the basis of the principles of equality and under the condition of reciprocity.”  
<http://www.hri.org/docs/syntagma/>

imperative since the Commission's proposals are in many cases adopted largely unchanged by the Council. Given the highly fragmented nature of policy formation at European level, lobbying involves networking with policy actors, from Commission officials to interest groups, ensuring a flow of information to realistically assessing opportunities and constraints, as well as building alliances (Kassim, Menon, Peters, and Wright, 2001).

Greece has traditionally been employing rather reactive tactics. Attempts to influence EU policy-making are limited to the Council, usually only after the submission of Commission proposals, a point when significant changes are much more difficult. Essentially, Greek public administration has refrained from actively devising coordinated national positions and plans and then lobby to influence the Commission's proposals.

The timely identification of crucial issues in the context of EU programming is also of utmost importance.<sup>13</sup> For member states seeking to amplify their influence on EU law-making, promoting national positions should start at the formulation of policy proposals stage in the European Commission and the European Parliament. In the case of Greek administration, however, forming coordinated positions well in advance to be able to influence European policy-making has not been effectively pursued, nor carried out (Glynos, 2011:18-19).

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<sup>13</sup> Ideally, not only the midterm (18month) programming should be taken into consideration, but also the long-term (5year) programming presented by the European Commission to the European Parliament, which is quite detailed and is reformulated on a rolling basis, now even publicised online. (Glynos, 2011)

As a result of reactive tactics, there have been many statements of “general reservations”, which however were later on usually withdrawn, thereby leading in pre-shaped policies being accepted with minimum negotiation (Glynos, 2011:11). Even though this approach is common with smaller or new member states, other medium-sized EU members, not to speak of the larger ones, have been able to actively intervene and effectively lobby in all stages of the policy-making process.

Greece’s most experienced diplomats have mostly headed the Permanent Representation in Brussels. It has traditionally tried to exercise pressure on the national administration, and often Ministers themselves, to bring about the formation of national positions, and generally accelerate the overall management of EU affairs. But, essentially, the effectiveness of Greece’s representation in Brussels reflects the domestic coordination weaknesses and inadequate steering capacity of the Athenian establishment (Spanou, 2001). Resembling a “truncated pyramid”, a structure lacking a unifying element at the top, the “whole policy and co-ordination system is tested at the EU level, where the real competition of interests takes place and where gains and losses are incurred. In Brussels, the question is not anymore one of mere co-ordination (means), but of influence on the decision making process (ends)” (Spanou, 2001:164).

### 3.3 The Structural Deficiencies

Not surprisingly, analysts dealing with Greece’s policy formation system have evaluated it as “defensive, reactive and highly fragmented, and lacking institutional memory, political continuity and predictability”

(Dimitrakopoulos and Passas, 2004:4). Rammata (2011) observes that vertical sectors traditionally preside over horizontal services, largely due to social, political, administrative and corporatist reasons. Gradually, horizontal structures are further weakened, while service sectors carve policies in an increasingly autonomous manner; which subsequently detracts from the consistency and continuity of positions (Rammata, 2011: 255).

Observers of Greek affairs have pointed out that the handling of EU affairs is mostly carried out through ad hoc procedures, even though institutionalised arrangements exist (Dimitrakopoulos and Passas, 2004; Glynos, 2011). This leads to dependence on individual capacities and agendas, rather than transparent and stable mechanisms. Furthermore, policy-making is disproportionately dependent on the individual minister, his/her style and particular interests, which results in a loss of continuity and even, change in direction, whenever the minister changes.

A major deficiency of the Greek system is the lack of common patterns as to how European policy-making is carried out in each ministry. Rammata (2011) indicated that each ministry follows a *sui generis* approach to managing policies that form part of the *acquis*. Although some ministries have introduced a “Departments of EU Affairs”, in certain cases responsibility still falls under directorates/departments of “Relations with International Organisations”, a clear indication that there has been practically no change since the entry to the EU. Incidentally, this also shows reduced political interest in devoting the necessary resources to systematically follow EU affairs and effectively

proact developments in Brussels. Rammata further argues that this organisational heterogeneity and lack of autonomous departments is clearly responsible for the poor management of EU affairs in Greece (Rammata, 2011:254).

Inadequate communication and coordination inside and between ministries plays an even more important role in cases of shared competencies. The directly competent ministry often takes coordination initiatives, even though it does not have, in institutional terms, the means to resolve conflicts arising from this collaboration. This leads to the adoption of ad hoc methods for addressing issues that do not always serve the long-term national interests, nor ensure timely responsiveness by the country (Rammata, 2011:256).

Furthermore, the clientelistic logic underwriting the human resources policy of the Greek state has produced a huge public administration; civil servants are often inadequately skilled to carry out effective policy-design, in line with European needs and national interests. Oftentimes, even the rare, individual will-to-Europeanize, build solid institutional frameworks and provide the state with administrative continuity was translated, in a peculiarly Greek fashion, as a license to inactivity; Europe seemed to be something either too important to trifle with, or too exotic to discover – even at the top administrative levels. In either case, the result was poor policy implementation. Although reforms regarding state personnel have often been initiated, this has proved to be a particularly recalcitrant reform area. As Dimitrakopoulos and Passas (2004:143) note, PASOK's steady resistance in this area of reforms is largely due to its particular electoral influence in the ranks of public

employees. According to Spanou and Sotiropoulos (2011:729), one of the most significant changes to the recruitment system has been Law 3528/2007, which introduced more transparent criteria for the selection of senior civil servants, as well as personal interviews. However, this initiative was met with scepticism given the long tradition of public service politicisation and promotions depending on political criteria (Spanou and Sotiropoulos, 2011:729).

The structural deficiencies of the EU policy mechanism and overall public administration are also evident regarding the transposition, implementation and evaluation of EU policies. Greece has been falling behind in the transposition of EU directives to national law. Institutionally, this transposition is generally carried out either through primary domestic legislation, through presidential decrees, or through ministerial regulations/decisions (statutory instruments). The “Special Legal Department for European Community Law” of the MFA has traditionally been responsible for the implementation of Community Law. However, given the country’s disappointing record/performance, an “Office for International and European Affairs” was established under the Council of Ministers Secretariat. Its objective is to monitor, coordinate and provide legal and technical assistance to the authorities involved in the transposition of EU Directives into Greek Law and ensure the timely, correct and real implementation and application (Presidential Decree 18/2010)<sup>14</sup>. By the same token, the Vice-Premier assumed

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<sup>14</sup> “The Office communicates all new Directives to the competent national authorities/ministries the day these are published in the Official Journal of the European Union. Subsequently, it monitors progress in transposition on a daily basis and offers assistance to line ministries to facilitate the completion of the necessary work (logistical/technical support and legal advice). Twice a month tables with all non-transposed EU Directives are circulated to the competent national authorities/ministries. The Office is

competencies for the transposition of EU Directives, so that political pressure can be applied where considerable delays arise. An inter-ministerial electronic information system monitors the transposition rates and infringements of EU law. It also incorporates data from three electronic directories: a detailed list of non-embedded directives, a summary list of non-embedded directives, and a summary of infringements of EU law. Each ministry continuously updates the system, so that civil servants and political personnel can access the latest information regarding the state of each Directive, while reports are published online on a monthly basis.<sup>15</sup>

The overall transposition deficit reported in the Internal Market Scoreboard<sup>16</sup> (No21, 23 Sep 2010) was 2.4%, the highest in the EU, while Greece was the member state with most long overdue directives (European Commission, 2010). This rather persistent trend<sup>17</sup> reflects the chronic inefficiency of coordination between national authorities responsible for the transposition of EU Law (European Commission, 2011:27).

A further “implementation deficit” exists, even when transposition is carried out; the discrepancy between policy objectives and their actual implementation is evident<sup>18</sup> (Dimitrakopoulos and Passas, 2004:5,

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also in charge of surveying and following-up on all infringement cases linked to non-transposition or the incorrect transposition of EU Directives.” (European Commission, Internal Market Scoreboard No22, 2010:27)

<sup>15</sup> <http://antiproedros.gov.gr/monitor-eu-directives>

<sup>16</sup> [http://ec.europa.eu/internal\\_market/score/index\\_en.htm](http://ec.europa.eu/internal_market/score/index_en.htm)

<sup>17</sup> The reported transposition deficit over time ranges between 7.5% (Nov 1997) and 1.4% (Aug 2008). (European Commission Internal Market Scoreboards)

<sup>18</sup> Regarding implementation, Dimitrakopoulos and Passas (2004:8-9) stress that, although directives are supposed to outline policy objectives, letting national authorities select the specific policy instruments, they have become increasingly detailed, resembling regulations.

Glynos, 2011:12), with Greece still ranking high regarding infringements of EU Law (European Commission, 2011b).

The inability to ensure the actual implementation of EU policies can be attributed to the lack of an evaluation system of Greece's European policy. Although annual evaluation reports are issued by the European Commission, independent experts and institutional actors, these are rarely taken into account, even less trigger significant improvements in the domestic policy-making style. As Featherstone and Papadimitriou note, "institutional roles are undermined by structural deficiencies, cultural norms and conflicts of interest leading to a paradox of governance: government is itself institutionally weak, with a large, low-skilled, and ill-coordinated bureaucracy. State resources are there to be used by the prevailing interests, this is paralleled by a culture of corruption, strong conflict: disjointed corporatism skews representation and prohibits consensus. Stark contrasts: unrestrained leadership, but lacking implementation strength; liberal democratic norms and structures with 'rent-seeking' behaviour; social dialogue and distorted interest representation; and a small state facing daunting external challenges with a domestic structure not of consensus but of severe conflict" (Featherstone and Papadimitriou, 2008:201).

#### **4. Models of European Policy Making**

A look at the systems adopted by other member states is necessary. As suggested by Dimitrova and Maniokas "the trend towards examining the

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The growing importance of the ECJ rulings and resulting jurisprudence, has further reduced the space for manoeuvre of member states, imposing heavy fines.

EU as a multi-level system of governance which has gained strength in the last decades, has opened the way for exploring the role national systems for EU policy making play” (Dimitrova and Maniokas, 2004: 2). Kassim, Peters and Wright (2000) have shown that EU policy-making increases the demands for policy coordination at the national level considerably. As the influence of the EU spreads, both to new policy areas and to new member states, the issue of national coordination of EU policy has become crucial.

Over the years EU member states have opted for basically three systems to organise their European policy. These are:

- (1) MFA-centred System. Historically, this was the first model that practically all “old” member states used to adopt, particularly in times when European policy was indeed in many respects a major part of foreign policy. Dealing with European affairs through the Ministry of Foreign Affairs was therefore for many years a rational choice. Conferring inter-ministerial coordination of this policy to the diplomatic machinery further meant entrusting the coordination of European affairs to a Minister/ Deputy Minister operating within the Ministry of Foreign Affairs.
- (2) Prime Minister-centred System. Other countries have chosen to deal with European affairs through a centrally managed system of decision-making at the top of the executive, usually under the direct or indirect guidance of the Heads of Government. This choice “undoubtedly meant the maximum possible political support for the process and at the same time greater efficiency” (Dimitrova, 2002).

(3) European Ministry-centred System. The creation of a separate ministry for European Affairs is a rather new approach in dealing with European policy-making. It is more common among the newer member states, especially the Central and Eastern European Countries (CEECs) that went through painful accession negotiations and a long Europeanisation process in order to join the EU.

There are certainly hybrid systems, usually when European Ministers are seated at the Prime Minister's office. Therefore, these general models of European policy-making at the national level differ from case to case, as each member state has a different way of organising its government mechanism. Member states that have joined the EU since the 1990s (such as Sweden and Finland, and later on Central East European countries like Poland, Slovakia etc.) had to go through an increasingly structured accession process and therefore developed autonomous mechanisms. In most cases, the system set to handle the technical negotiations and the *acquis* transposition process was conferred to an autonomous Ministry (or Secretariat) of European Affairs. The chief negotiators, significant and powerful due to their success, became, in most cases, Ministers of European Affairs (see Kassim et al, 2000:38).

As the issues on which the EU holds exclusive, shared or supporting competence have multiplied over the years, so has the technical expertise needed to effectively and efficiently manage European policy. Indeed, there is still considerable diversity in the responses of EU member states to the demands for coordination that European integration is placing on them. However, given the intensity of the need

for internal coordination and the increasingly blurred line of distinction between European and internal policy areas, many of the EU member states have moved the focal point of their EU policy away from their Ministries of Foreign Affairs, mostly towards the Prime Minister level supplemented by inter-ministerial committees or relevant bodies (Dimitrova and Toshkov, 2007; Larue, 2001; Persson, 2007).

### The Finnish System

Some member states have progressively elaborated sophisticated and efficient systems, each reflecting the particular traditions and specificities within each country. Among the most efficient and comprehensive systems is that of Finland where the daily needs for coordination have led to more powers being transferred over the years to the Prime Minister's Office. The latter prepares the general guidelines of Finnish EU policy and coordinates the preparation and handling of issues relating to the European Union in the ministries. Decisions concerning the general guidelines of Finland's EU policy are made in the Cabinet Committee on European Union Affairs, chaired by the Prime Minister, and assisted by the Government Secretariat for EU Affairs. EU affairs are coordinated at the civil servant level by the Committee for EU Affairs whose work is directed by the Prime Minister's Office. The latter is also responsible for action relating to institutional questions and general development of the EU, as well as for the amendment of basic treaties of the European Union.<sup>19</sup>

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<sup>19</sup> On Finnish coordination system for EU affairs see: <http://www.finland.eu/public/default.aspx?nodeid=35753&contentlan=2&culture=en-US>,

The Prime Minister's Office is also responsible for the preparation of European Council meetings and coordination of issues considered at the Council meetings. In addition, the Prime Minister's Office handles the distribution of EU documents, maintenance of a register of documents, filing of documents and information services. The body of civil servants preparing EU affairs, mainly ministries, uses these services.

A sophisticated coordination system has been established to ensure that Finland can present a coordinated position, in line with its overall EU policy, on issues under consideration in the European Union at each stage of preparation. This system involves competent ministries, the Cabinet Committee on European Union Affairs, the Committee for EU Affairs and its EU sub-committees. The Government Secretariat for EU Affairs serves as the secretariat for the Cabinet Committee on European Union Affairs and the Committee for EU Affairs. The Permanent Representation of Finland to the European Union in Brussels also participates in the preparation of EU affairs. Moreover, in the discussion and coordination of EU affairs special attention is attached to the timely supply of information to and involvement of the Finnish Parliament.

More precisely, the most important pillars of the Finnish EU system are the following:

*Cabinet Committee on European Union Affairs.* It meets once a week, usually on Friday mornings, to discuss politically, economically and legally important EU affairs; it debates Finland's priorities in all formal and informal Council meetings and is chaired by the Prime Minister.

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<http://www.vn.fi/eu/suomi-ja-eu/asioiden-kasittely/en.jsp>,

<http://www.vnk.fi/toiminta/eu/en.jsp>

*Committee for EU Affairs.* It is chaired by the head of the Government Secretariat for EU Affairs (State Secretary for EU Affairs) and usually meets on Wednesdays; it serves as an advisory and mediatory body in the coordination of EU affairs; discusses broad issues involving several ministries and also those issues that have not been resolved in the sub-committees. In addition, the Committee for EU Affairs handles issues related to EU courts and enforcement and nominates national experts to EU institutions. Each ministry, the Prime Minister's Office, the Office of the President of the Republic, the Office of the Chancellor of Justice, the Bank of Finland and the Provincial Government of Åland are represented in the Committee for EU Affairs. Permanent Secretaries or their Deputies represent the ministries.

*EU Sub-Committees.* The Committee for EU Affairs has appointed 37 sector-specific preparative sub-committees. The sub-committees constitute the foundation for the preparation of EU affairs at the civil servant level. The chair and secretary of each EU sub-committee usually represent the competent ministry. The sub-committees can assemble in a restricted or extended composition. The restricted composition includes civil servants from the competent ministry and representatives of other ministries and central agencies. An extended composition comprises representatives from various interest groups and other concerned parties, too. Each sub-committee meets as necessary and has a representative of the Government Secretariat for EU Affairs.

*Government Secretariat for EU Affairs.* The EU Secretariat responsible for the coordination of EU affairs was transferred from the Ministry of Foreign Affairs to the Prime Minister's Office. The Government

Secretariat serves as the secretariat for the Cabinet Committee on European Union Affairs and the chair and secretariat for the Committee for EU Affairs. Moreover, the Government EU Secretariat is represented in each of the preparative sub-committees appointed by the Committee for EU Affairs. The Secretariat's duties also include the preparation of European Councils, action relating to institutional questions and general development of the EU, the provision, together with competent ministries, of instructions to the Permanent Representation of Finland to the European Union, the furtherance of procedures relating to the coordination and preparation of EU affairs, responsibility for such EU affairs that do not fall within the competence of any other ministry, ensuring the flow of information between the Permanent Representation and national authorities, as well as involvement in government-organised training, communications activities and documentation relating to EU affairs. Finally, Finland's Ministry of Foreign Affairs handles issues related to CFSP, the external relations of the EU, the overall development of the EU in cooperation with the Government Secretariat for EU Affairs and enlargement issues.<sup>20</sup>

## **5. Policy Proposals for Greece in the New Context**

The newest developments at the European level progressively reveal an important change in the framework within which the Member States will be expected to operate; indeed in Greece's case the change will be of dramatic proportions. Designing a new system for Greece's EU policy in

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<sup>20</sup> See

<http://formin.finland.fi/public/default.aspx?nodeid=15622&contentlan=2&culture=en-US>

the midst of these challenges, one evidently needs to place it in its fast evolving European context. The EU of the 2010s is vastly different from the EC of the 1980s. At first, this was a result of the increased competency areas, having evolved from a Coal and Steel Community to a Monetary Union. Additionally, the Union's last enlargement rounds have had consequences on the role of each Member State and the degree of its power to exert influence.

With the advent of the cascading euro crisis and the new institutional arrangements introduced by the Eurozone, under the pressure of Germany and France, substantial change is likely to occur. However, this will be a tall order for Greece; the crisis has already propelled a tsunami of change throughout the whole country, dislocating established economic and social relationships, expanding poverty and creating deeply felt anxieties. In this radically new context the role that Greece has to map out to surpass its present crisis is in no way similar to the one it adopted upon its accession. It needs to overhaul its European policy in a different international but also national context.

### 5.1 Solidarity and Responsibility

The more integrated economic governance structures currently designed will deeply influence the handling of EU affairs. Pooling sovereignty without losing sovereignty will be a tall order. But, the crux of the challenge faced now by all Europeans is that they have to manage the web of interdependence they have created. It must be re-designed, rather than simply corrected and this needs to be done in an environment full of uncontrollable market pressures and all sorts of

antagonisms and unpredictability. The unprecedented pace of events and the increased complexities demand from European leaders a bold and coherent vision for the future. In an interdependent Eurozone, no country can secure its prosperity on its own. The economies, even the very fate of individual European countries, are now dramatically affected by decisions taken in many other places in the world.

Europe has always been about jointly building a better future for its people through setting common goals; and this is how it should manage the dynamics of the present crisis. The problems raised by the euro crisis cannot be solved by member states acting alone. They require a balanced pooling of sovereignty. Europe is the world's most sustained and far-reaching experiment of this kind. This European evolution is an open-ended process. The building and reshaping may never be complete as the pace of change around us accelerates. On the way, mistakes have been made in both the design and the execution of European policies; however, the worst fears of European skeptics have never materialized.

There are certainly rejectionists of all kinds who advocate withdrawal from integration. But the lesson from Europe's history is that this is a false prospect. Interdependence cannot be rolled back: no single nation can insulate itself from the contagion of the financial crisis. Pooling sovereignty and establishing common, rule-based responses builds mutual defenses against common threats and will bring Europe back to stability and prosperity. This applies even more to the Union and Member-States of today, than it did to the Europe of the past decades. The threats the EU is facing cannot be met successfully by separate efforts.

Interdependence within the EU means that failure in any Member-State is rapidly translated into failure within Europe. Hence, the Eurozone countries have to align their policies as never before. Sharing the same currency requires maintaining financial solidarity. It is understandable that governments and public opinion in some AAA countries find the way Mediterranean countries have managed their public finances unsatisfactory. But to avoid this terrible situation, the terms of mutual policy surveillance should have been established on the introduction of the single currency.

In all events, it is the implementation of Eurozone actions that will be persuasive beyond EU borders. Markets have clearly signaled that declarations, often simply for communication or other domestic purposes, or minor reforms that are limited to containment, will no longer suffice to satisfy investors. Stepping up the governance of the Euro means taking the only road that will strengthen the European project: there can be no single currency without a fiscal union with joint budgets, agreed discipline and, above all, solidarity.

The crisis has speeded up history. Even if matters are still in an embryonic state, the EU has nevertheless managed to make changes that seemed unthinkable before the crisis: the EFSF in May 2010 was in a way a start to budgetary federalism; it has laid the foundation of European financial solidarity. With the European Stability Mechanism (ESM), the EU will have in Sarkozy's words: "a European Monetary Fund". The ECB has significantly extended and adapted its intervention techniques.

This is certainly not enough and much more needs to be done; it is overwhelmingly in Greece's interest that Europe plays a leading role in shaping the global transitions that are underway; that it takes the lead, in both words and deeds. "Whatever the outcome from the current Greek difficulties, it is clear that the future of the euro, if not the EU itself, is at stake".<sup>21</sup>

There are important risks, but it is certain that if decisive leadership does not emerge, the prospect for a stronger Europe and a stronger Greece will be dim. These points to the core challenge for the Greek leaders; to spur growth and protect the country against irreversible harm. There have been plenty of mistakes in the designing, the negotiation and the execution of policies. The lack of consistency, accountability and transparency has undermined public trust.

## 5.2 A New European Policy System for Greece

In this new European context, Greece needs a complete overhaul of its public policy making system in the direction of (i) effectiveness in establishing goals and strategic objectives with high reliability, speed and accuracy in their application, (ii) adequate means to attain the objectives (human resources, organization, equipment and resources etc), and (iii) flexibility in implementing the strategic goals (contingency); "the means should facilitate the achievement of goals, rather than objectives adapting to the means" (Stoforopoulos and Makridimitris, 1997: 99-100).

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<sup>21</sup> Guy Verhofstadt, "Only a Finance Minister and Fiscal Union will do", *The Financial Times*, 28.9.2011.

As to European policy in particular, in a rare policy recommendation, Glynos (2011), proposed that the focus of the required reform should be internal policy coordination and implementation, rather than external negotiation and representation as such, which, in his view, have improved substantially over the years. Additionally, he pointed to the need of strengthening, reorganizing and better coordinating of the existing mechanisms, rather than creating new ones. He also argued that the Greek state machinery and the political system have acquired the necessary experience and know-how of policy formulation, and that the focus should now shift to the fine-tuning of these mechanisms and overall evaluation (Glynos, 2011: 13-15).

Institutionally, he proposed to move the General Secretariat of European Affairs (encompassing the DG “C”) from the Ministry of Foreign Affairs to the highest executive authority, i.e. to the Office of the Prime Minister. This General Secretariat for European Affairs would “coordinate and evaluate the implementation of EU policies and operations in Greece, the design and processing of national positions, and the representation and negotiation in EU bodies (in close cooperation with the MFA and embassies)”. All Ministries and governmental agencies should report to the General Secretariat of European Affairs, whereas the MFA should retain “all exclusive responsibilities it has over the other ministries, those relative to the CFSP, enlargement and development policies, and should also have an important role in the horizontal policies such as immigration. It should also retain responsibilities in important negotiations even if they are of an exclusive economic nature” (Glynos, 2011:15-16).

Glynos advises against the creation of new, parallel structures, competitive to the existing ones; he evaluates them as “adequately experienced” and proposes the reinforcement, restructuring and coordination of existing mechanisms, stressing that they should have the “maximum possible participation in the elaboration of national positions and representation and negotiation in the institutions of the Union” (2011:14).

In another rare policy recommendation, Stoforopoulos and Makridimitris (1997:64) have proposed the creation of an “Inter-ministerial Committee for EU Affairs”, which would play a critical role in the coordination and cooperation between the dispersed services and related responsibilities in order to ensure the coherence of national positions in the EU decision-making bodies, the systematic planning and control of representation, and the optimal absorption, distribution and use of funds from various community and development programs”. They proposed that it be placed under both the General Secretariat of the Government, and the MFA (directly linked to the DG “C”).

In all events, it is about time for Greece, which has currently embarked in a systematic effort to overhaul its entire state machinery, to reform. It needs to address this issue with the aim of not just catching up with the numerous changes that have occurred within the European system over the past two decades; it needs to introduce reforms in anticipation of the dramatically new policy coordination requirements imposed by the economic crisis. In view of the very difficult challenges ahead, it is, therefore, imperative that EU policy coordination takes place at the highest possible political level. The new system should be able to

respond to the need for problem-solving through arbitration, as well as for flexibility and speedy decisions.

In designing the new system, there are certainly some practical considerations that need to be taken into account. For example, as suggested by some authors, in the MFA-centered model, the national positions “would be more in tune with European discussions and norms, and less focused on domestic “agendas”. “MFAs have gained the role of coordinators of EU affairs in most Member-States, because of their supposedly neutral position in the sectoral and, accordingly, inter-ministerial conflicts” (Dimitrova, 2004:15). Diplomats who are mostly focused on alliance building and search for consensus staff them; they are also less likely to defend a sectoral point of view, or focus only on the domestic agenda.<sup>22</sup>

These remarks also apply to Greece. If the EU Affairs General Secretariat were to be simply removed from the MFA (as suggested by Glynos), the latter would automatically be deprived of any real capacity to monitor, let alone manage EU affairs. More importantly, would a Secretary General, even if seated at the top executive institution, be able to exercise the power necessary to coordinate the “barons” of any Greek government? If not, would the Prime Minister instead be responsible for managing inter-ministerial rivalries on a daily basis?

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<sup>22</sup> Rometsch and Wessels go as far as claiming that European integration was possible only because in Germany the coordination of European Affairs was managed by the MFA (Rometsch & Wessels, 1996).

### 5.3 A New System for New Needs

Greece's new European policy system needs to address the new challenges composed by the interplay between the new Eurozone (and EU) framework, the current multifaceted crisis, and the outstanding needs of the country's economy. Close coordination with the EU institutions and other partners is strongly required to overcome this Herculean task. Within this context, European policy will be deemed even more important; it will essentially expand to new policy goals and areas, outside the spectrum of what was traditionally perceived as foreign and European affairs.

The institutional arrangements for the Eurozone members and the new decision-making framework at the European level will undoubtedly leave less room for maneuvering to member states. This will be particularly true for Greece, whose European policy will henceforth be seen as a crucial component of the country's exit strategy from the current crisis. In this new setting the economy has obviously taken and will remain center stage.

These fundamentally different circumstances call for a new designing of Greece's European policy mechanism. Minor adjustments to the existing one are unlikely to lead to increased efficiency in mapping out the Greek position and future within the European family. These parameters indicate a need for new structures: with its limited capacities to deal with the Eurozone issues, the Ministry of Foreign Affairs cannot be called to coordinate the country's exit from the crisis. Change is long overdue.

It is time for the Greek government to also institutionally acknowledge that the full spectrum of European policy issues will be seen through the

lens of the economy. However, assigning the handling of both traditional and new European affairs to the ministry of Finance/Economics would create a gigantic structure eventually leading to greater inefficiency. Such a workload would be unbearable (and politically unrealistic) for a single minister/ministry to handle. Additionally, no Prime Minister could relinquish responsibility for such a vast portfolio to a single Minister.

In view of the above, Greece's new EU policy system could consist of the following basic pillars:

- (1) European affairs should be placed under the direct supervision of the Prime Minister, to be assisted by a Deputy Prime Minister, or a Minister for European Affairs (DPM/MEA) heading the "Government Secretariat for European Affairs" (GSEA). The choice of the precise ministerial ranking is directly political and can only be decided by the Prime Minister himself. However, a Deputy Minister or Secretary General would not be able to exercise the power needed to coordinate Ministers. What is essential is placing the management of EU affairs directly under the guidance, arbitration and ultimately the responsibility of the Prime Minister but through a politically strong Minister. This would reflect the political will for arbitration and coordination at the highest level, leaving less room for inter-ministerial conflicts, personal agendas or resistance by procrastination. It is equally essential that a coordination system be established to ensure that Greece can present coherent positions, in line with its overall EU interests, on issues under consideration in the EU at each stage of preparation.

The GSEA would prepare the general guidelines of Greece's EU policy and coordinate the handling of EU issues in the ministries, as well as the involvement of the Parliament. Creating a new Ministry, however, is both unrealistic and unnecessary in the current circumstances. It is therefore proposed that the DPM/MEA should use a highly experienced but limited group, staffed equally by experienced civil servants chosen through meritocratic processes and by highly competent external experts chosen through a competition along the lines of European standards. The aim would be to create a blending of experienced civil servants with outside experts in European affairs, also serving as the secretariat for the "Euro-ministerial Council" (see below). In addition, the presently MFA-based "Special Legal EU Service" would need to be transferred to the new Vice President/Minister for European Affairs. In fact, the political responsibility has already been transferred to the Government Council since 2007.

(2) The "Euro-Ministerial Council" (Cabinet Committee on European Affairs). The second pillar of the new system would consist of a collective inter-ministerial instrument: ministers responsible for issues to be dealt with in the agenda of each EU summit would participate in a "Euro Ministerial Council", chaired by the PM; it would be tasked with setting Greece's priorities, preparing the national positions and defining external negotiation strategy. This committee would replace the current system of preparatory meetings under the Alternate/Deputy Minister of Foreign Affairs, thereby signalling the increased importance of EU affairs and the political punch that will be increasingly needed.

(3) The MFA and the Permanent Representation in Brussels. This transfer of responsibility for European affairs can be expected to cause reactions on the part of the MFA. As research has already indicated, in the MFA-centered model, national positions would be more in tune with European discussions and norms, and less focused on domestic agendas, with MFAs assuming a coordinating role because of their supposedly neutral position in inter-ministerial conflicts (Kassim et al, 2000: 238). However, given the breadth of economic and other technical issues and lack of adequate human resources, these are competences that the MFA has long ceased to effectively and efficiently perform. Still, there are certainly some valid arguments, such as:

- (i) The future role of the Permanent Representation in Brussels, which is currently under the supervision of the MFA and plays a central role in the day-to-day handling of EU affairs. It will need to remain under the guidance of the MFA but also be directly linked to the DPM/MEA.
- (ii) Enlargement issues are also central. In view of the next enlargement round and the geopolitical zone it will cover (i.e. the immediate neighbourhood of Greece, namely Turkey and the W. Balkans) these negotiations are highly political and of paramount importance to Greece's foreign policy. Thus, they need to remain under the guidance/supervision of the MFA.
- (iii) The MFA would be deprived of any real capacity to monitor EU affairs if its best diplomats and experts were to be

transferred to the GSEA. It is not possible for the whole DG “C” of the MFA to be transferred to the Prime Minister’s Office; it therefore needs to keep at least part of its staff and remain an important pillar of Greece’s EU machinery.

- (4) The fourth pillar of the system would be the creation of ‘EU cells’ in each ministry. These ‘cells’ would answer directly to each and every Minister and to the DPM/MEA through weekly meetings of their Heads, coordinated and chaired by the GSEA. They would enhance each Ministry’s technical expertise by collaborating with the GSEA, the other cells and the Permanent Representation in Brussels. Individual foreign experts (possibly through a system of secondment) as well as experts from other member states and/or members of the Reichenbach Task Force could assist these cells in their first steps by providing much-needed technical expertise to Greece’s public administration. Essentially, they would become “EU focal points”, and thus also a network enhancing the efficiency of EU-related work in each ministry, including the provision of help to ensure the timely transposition of EU law.

## **6. Concluding Remarks**

In the present critical situation of cascading failures, painful reforms and incredible shocks, Greece is invited to confirm its commitment to a dynamic but mistrusted Europe. An inward – looking, divided, and uncertain Greece, cannot hope to solve the present dilemmas. If attention is focused on marginal improvements to existing policies,

Greece will not be able to escape from the present vicious cycle of recession and pessimism.

To cope with the present crisis, Greeks need to be convinced that the EU has the right recipe for Greece and that the country will recover a capacity for growth and strengthen its competitiveness. They also need to be convinced that the EU will efficiently unfold a protective shield for Greece in the turbulences of a globalized economy, where power has been moving outwards into new configurations. The latter have little to do with governments at any level, pay no attention to political and geographical boundaries, and occasionally have more impact than governments. This is a disturbing prospect and it is understandable that practically all Greeks should want to slow the range and pace of change to a more bearable rate. At the same time, paradoxically, the Eurozone's economic imbalances that helped the crisis grow have led to boosting European integration by enhancing the political part of the monetary union.

A well-organized European policy, based on a leading coordinating role to be exercised by a DPM/MEA (seated close to the Prime Minister) would help address some of the present system's deficiencies. It would also assist the country to develop and follow a more proactive, efficient and longer-term strategy in European affairs.

Greece needs a comprehensive, realistic and viable plan and a defining mission to restore its momentum. Meeting this challenge will require Greeks to assume their own responsibilities and work together with the Commission and the other member states as never before in history. It will also require the understanding and effective assistance by its EU

partners to manage the upheavals of a catastrophic and contagious crisis. For the new Greece to secure the much-needed solidarity of its partners and to regain its role within a stronger Europe, an effective EU policy-making system is an indispensable tool.

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