

The lack of public trust in political institutions is a massive obstacle to public policy change in Greece.

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Since its initial bailout by the EU, IMF and the European Central Bank in 2009, Greece has struggled to implement the agreed measures. [Theofanis Exadaktylos](#) and [Nikos Zahariadis](#) write that declining levels of public trust across Greek political institutions mean that the government's efforts at reform will continue to be ineffective. They argue that a long-term change in cultural paradigms is needed to embed trust and enable reforms to take place.



Since 2009, the Greek government has been accused on many occasions by its international creditors of intensifying the public debt crisis due to its reluctance and inability to implement measures agreed upon through the international bailout agreements. The Greek government has often given the response that targets have been missed due to the higher than anticipated extent of the economic recession. We disagree with both sides of this argument. Instead, building on case study research from Greece and [on the implementation process framework](#) by Daniel Mazmanian and Paul Sabatier, we argue that because political trust underpins the government's poor implementation track record, lower levels of trust decrease administrative capacity and widen problem intractability – creating a vicious cycle of non-cooperation and economic recession.



Although many measures included in the first and second bailout packages were demanded by non-Greek actors and certain variables, such as economic growth, partly depended on the global economic environment; the Greek government undertook the sovereign responsibility to faithfully execute the provisions in the agreement. We focused on the domestic dimensions of implementation not because we discounted the importance of external factors, but because we were seeking to gain analytical tractability on the domestic components of implementation.

At the same time, there are a number of alternative explanations about the failure of the implementation process. There is a fundamental difference, however, between outcome and initiative. Parameters such as poor leadership, bad design of policy strategies, social resistance and internal party and government politics play a role in the outcome of the implementation process; however, political trust is the underlying variable that justifies the presence of the above parameters within the implementation process outcomes. In other words, everything starts from trust in the political ability of the government to track down problems and provide viable solutions that account for a positive overall welfare for stakeholders. Trust defines and affects the dissemination of strategy signals to social groups and other stakeholders (minimising social resistance) and political partners (diminishing internal and external political opposition). In our simple game theoretic model, clarity, duration and commitment become the building blocks of trust that link the various implementation components together.



Political Trust and Policy Implementation

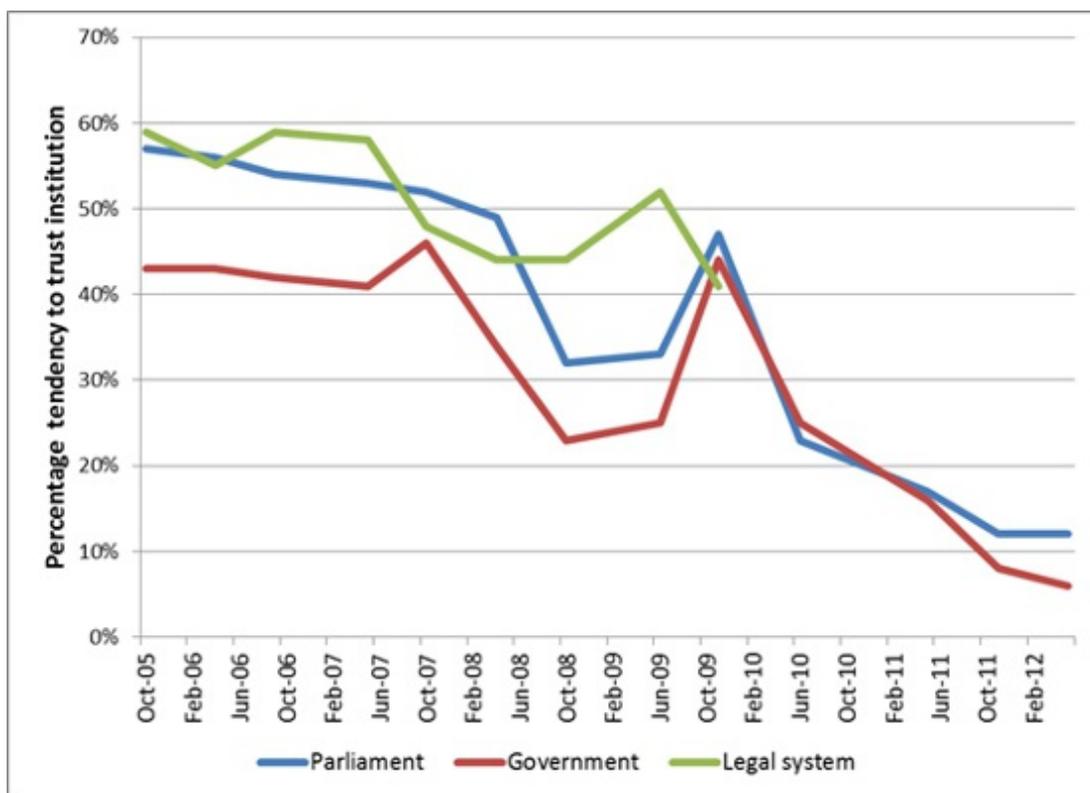
Implementation is a negotiation game between the government, state agencies, and citizens. In times of austerity, these negotiations become asymmetric between those three parties because information and

compliance is imposed from the top (government). Hence, when the pie shrinks in a recession, we can view society 'as a zero-sum game between conflicting groups'. Policy-making becomes adversarial and implementation breaks down because parties find little reason to cooperate. Political trust facilitates cooperation between deciders, means, and targets, making implementation success more likely. We have examined how (mis)trust can weaken the effects of policy-making between actors. Since political trust underpins the protests, lower trust diminishes administrative capacity and problem tractability, accelerating the downward spiral of implementation failure.

What conditions build greater political trust in implementation and how does trust affect implementation success? Institutional rational choice theory argues that trust will rise through three mechanisms: (a) by increasing information and clarity of goals; (b) with compliance in terms of corrective action and enforcement rules; and (c) with repeated interactions over time that increase reputations and trustworthiness.

As shown in Figure 1, Eurobarometer data for Greece shows an overall decline of trust in political institutions, be they executive, legislative or judiciary. It is interesting to observe that political trust altogether diminishes in Greece for government and is (practically) non-existent for political parties at the height of the crisis in 2010. As for the courts, the exposed failure to implement the law or hold political figures accountable and responsible for the country's predicament can be the reason behind the drop in trust.

Figure 1 – Public trust in Greek institutions 2005-2012



Source: Eurobarometer (data for legal system unavailable between Feb 2010 and Feb 2012)

In Greece, contrary to our modeling expectations, and despite the constant negotiations between social groups and the government, levels of trust seem to decrease as political agents are captured by the social and professional cliques, and government actors keep changing the rules of the game (i.e. low problem tractability). At the same time there was a climate of suspicion between social groups and the government leading to the repudiation of the political system and effectively to further non-compliance and implementation failure, as well as a 'spiral of cynicism and disillusionment' as the state struggled to regain the trust of its citizens.

Certainly the enormity of proposed changes in the case of Greece elevated the difficulty of

implementation and the unwillingness or inability of government to frame the issues in ways that generate trust lessened its ability to convince target populations that reforms would pay off. Success in implementation depends largely (though not exclusively) on the ability of politicians to generate trust by living up to the political consequences of their actions. Our case studies show that even in times of extreme austerity, the norms of protecting 'special' or electorally pivotal social and professional groups persisted and were well-embedded into the political system.

The state of play: have we come full circle?

At the height of the crisis in Greece, the government failed repeatedly to fulfill its promises, become an honest broker among negotiating parties, and synthesise different points of view in promoting the common interest. Moreover, there was a long-term structural relationship between political corruption and implementation, which involved the absence of a sense of obligation towards the state and the common good. This gap that can be bridged by infusing trust among agents becomes more important than honesty as such. Trust cannot be increased by simply doing away with dishonest leaders or bureaucracies and replacing them with a new set of people. Only a change of cultural paradigms that embed notions of trust within the implementation processes can do so. Otherwise even if society becomes less corrupt it does not necessarily mean that it will become more trusting. Undoubtedly, this is not a short-term policy implication but it involves enduring commitments and efforts that are difficult in periods of austerity and social crisis.

What is the state of play in Greece now? After a long time, when the political leadership often accused the European partners of inertia, international trust has returned to Greece. At the beginning of December, the Eurogroup [released the next bailout tranche](#) evaluating the Greek austerity programme positively. Shortly after, Standard and Poor's provided the country with a vote of confidence [upgrading the credit rating](#) of Greece from junk to B-/B, and the European Central Bank started to accept [Greek bonds as collateral](#), leading to a sharp drop in interest rate yields to a low of two years. International trust is only one part of the equation, and as long as the Greek government cannot turn the climate of political trust around in the domestic realm, the structural rigidities of the past will continue to dominate the public policy-making process and delay the success of implementation and change in Greece.

This article is based on the GreeSE Working Paper: "[Policy implementation and political trust: Greece in the age of austerity](#)"

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