Greece Report
Dimitri A. Sotiropoulos, Asteris Hliaras,
Roy Karadag (Coordinator)

Sustainable Governance Indicators 2019
Executive Summary

During the period under review, Greece’s political and economic environment grew less volatile as the government relatively faithfully fulfilled the last requirements of the Third Economic Adjustment Program for Greece (2015 – 2018). Domestic and foreign observers recorded signs of timid economic growth. In comparison to the previous reporting period, the government appeared far more willing to introduce and, to a lesser extent, implement reforms.

The government allowed the privatization of regional airports and part of the railway system to proceed. However, it continued to delay implementation of agreements it had signed with private investors on gold mine exploitation in northern Greece and urban and tourist development along the east coast of Athens.

Greece continued to be the only European economy that had not yet fully recovered, in the sense that the government remained unable to borrow funds on the international markets. Capital controls, imposed by the government immediately after its own fruitless decision to launch a referendum in July 2015 on the European Commission’s austerity package, were eased during the review period, though not eliminated. The Greek banking system continued to face risks, as non-performing loans remained a major constraint.

The government sustained efforts to influence media and the judicial system. It also continued to pursue contested educational reforms, even though no clear pathway was visible. Health care reforms were enacted and a new system of social assistance for the poor was rolled out, though even these were doomed to be insufficient, as the weak state administration continued to hamper reform efforts.

Given that Greece entered a long electoral period in the fall of 2018, there can be little optimism for economic growth. Into 2019, elections will be held for national, regional and local governments (the last elections took place in 2015) as well as the European Parliament. Political instability has often bred economic decline. Each government turnover has been preceded and followed by a period of bureaucratic inertia, rising deficits, reform fatigue, and economic uncertainty. The government’s decision in November 2018 to
embark on a debatable reform of the constitution will further complicate and polarize domestic politics.

If political stability is preserved in the short term, then Greece’s economy is projected to grow again and the recovery is expected to strengthen, as investment rebounds and private consumption rises. The labor market is also recovering, though high unemployment remains a challenge. However, economic growth remains fragile and much will depend on the volatility of international government bond markets as well as on the performance of other European economies (especially Italy). With the opposition New Democracy party enjoying a ten-point lead in polls, the Syriza-ANEL government is keen to regain control of the economy and increase public spending before the next national election. One assurance that may prevent irresponsible economic policymaking, however, is that Greece will undergo post-bailout surveillance linked to balanced budgets and further reforms (as Portugal and Cyprus after their bailouts).

Key Challenges

In August 2018, Greece was finally able to complete the Third Economic Adjustment Program (2015-2018) and (technically) exit a long period of austerity based on three successive Memoranda of Understanding signed between the government and the country’s lenders (2010-2018). Over the next 12 months, the government must steer Greece’s economy without the support of external funding, although external surveillance will continue. Greece cannot yet borrow on the international markets, while reforms of the pension, taxation, banking and public administration systems, among others, remain incomplete.

Prospects for the Greek economy remain uncertain, as interest rates faced on the international markets remain prohibitively high. Economic growth has been meager, with large foreign private investments not forthcoming – a consequence of mixed signals given by the Syriza-ANEL coalition to foreign entrepreneurs. Real investment dropped by 60% over the course of the crisis and remains depressed.

Increased taxation has negatively impacted economic growth; a healthier balance between tax rates and business incentives must be attained. There has been improvement in the fight against unemployment, but the continuing brain drain exemplifies Greece’s persisting failure to reconcile economic growth with trends in the labor market and education.
Overall, the most central challenge for Greece will be to avoid a sudden new crisis resulting from government instability, economic mismanagement, or a repetition of the uncontrollable refugee and migration inflows experienced in 2015 and 2016.

There are numerous open challenges waiting to be addressed before the next parliamentary election (which, barring a sudden decision by the prime minister, are expected to take place in mid-2019). The election will consequently take place in the same 12-month period in which regional and local government as well as European Parliament elections occur (the latter in May 2019).

Two pressing challenges are the health of the banking system and the future of pensions. At the end of 2017, Greek banks carried €95.7 billion in non-performing loans – 43.1% of all loans, the heaviest burden in Europe. Greek banks plan to reduce this by €30 billion by the end of 2019. Shrinking non-performing loans will become a major political issue carrying a cost that the current or next government will find difficult to bear. Meanwhile, the Third Economic Adjustment Program requires the government to proceed with pension cuts. These cuts are scheduled to take place in January 2019, but it is doubtful that the government will impose them given the upcoming elections. Instead, it will negotiate with the country’s creditors to delay implementation. Nonetheless, spending for the pension system continues to be the highest in Europe (more than 18% of GDP) and despite several interventions (e.g., cuts, reorganization and fund mergers) the need for further reforms remains unavoidable.

Even if the aforementioned economic challenges do not worsen and political stability is maintained, any future Greek government will have to face several long-standing challenges. These include restoring stability to the education system, public safety and the administration of justice; sectors in which the Syriza-ANEL coalition has experimented with rolling back reforms commenced by previous governments (i.e., before January 2015). Since 2015, successive education reforms have been announced, while the government has been unable to impose law and order in the centers of several major cities (e.g., Athens and Thessaloniki) and the judicial system has been characterized by long delays in the dispensing of justice.

The Syriza-ANEL government can be expected to continue its policies of the past three years (2015-2018). This includes imitating the patronage practices of past governments (i.e., those typical pre-crisis, before 2010). It can also be expected that the government will distribute cash transfers to favored interest
groups, such as employees of state-owned enterprises and select low-income groups – as it had in 2016 and 2017. This unbalanced combination of patronage politics and social policy transfers must be reassessed if Greece is to avoid falling back into the patterns which contributed to the country’s near collapse only eight years ago.

In summary, over the next 12 months, policy challenges and debates will center on issues of economic growth, policy stability, and redistribution.

**Party Polarization**

Owing to Greece’s peculiar electoral system of reinforced proportional representation, the winner of elections obtains a disproportionate share of parliamentary seats. In addition to the parliamentary seats allocated to it through proportional representation, the party first-past-the-post obtains a bonus of 50 seats. The outcome of the distribution of the 300 parliamentary seats usually leads to the formation of single-party governments or (since 2012) coalition governments in which only two parties partake. Governments enjoy freedom to control the public administration, state-owned enterprises and state-owned media. Few, if any, other institutions can counterbalance the government’s competences and freedom to allocate resources (i.e., funds, personnel and infrastructure). There is no tangible system of checks and balances in the Greek variety of parliamentary democracy. Consequently, the prize for the election winner is exceptionally valuable. Political party competition is thus extremely contentious. Polarization is also fueled by long-standing divisions between the left and the right, dating back to the Greek Civil War (1946-1949), which continue to permeate a highly acrimonious political atmosphere. Although the country’s high party polarization hinders reaching compromises and cross-party agreements as well as policy continuity, the electoral system has prevented obstacles to policymaking at the institutional level. (Score: 5)
Policy Performance

I. Economic Policies

Economy

In the period under review, Greek economic policy remained bound by a three year Economic Adjustment Program (supported by a €86 billion bailout), based on a July 2015 agreement reached by Greece and its creditors. The program officially ended in August 2018, but access to the public capital markets continues to be the largest hurdle facing Athens as it exits the era of bailouts.

The Greek economy is growing again (1.5% in 2017), though at a pace below the euro zone’s average (2.4%). Tourism was the main contributor behind this growth: revenues exceeded €14.6 billion in 2017, showing an increase of 10.8% compared to 2016. Unemployment is slowly falling, though still close to 20%. The government achieved a spectacular 3.5% primary surplus (with a target of 1.75%) in the 2017 budget – mainly by raising taxes. Economic policy remains constrained by the capital controls imposed by the Syriza-ANEL government in July 2015 to avoid a bank run after a referendum on an austerity package under negotiation with the country’s creditors. Capital controls were loosened the end of summer 2018 but will probably not be completely abolished, as the economy remains frail. In particular, there has been little progress in managing non-performing bank loans (more than €90 billion or 48% of all bank loans).

The Syriza-ANEL government continued a policy of imposing high taxes on income and assets, a policy which the government changes almost every year, creating an unstable tax environment. Increased taxation has helped achieve a
state budget surplus, but has also acted as a further disincentive to investment and thus contributed to economic stagnation.

Prospects for future economic growth are better, although foreign investors still encounter significant bureaucratic obstacles when trying to implement their investment plans. In the period under review, this situation was reflected in the long delays in the progress of some major investments. With the exception of Chinese involvement in the management of the Port of Piraeus (one of the largest in the Mediterranean) and Fraport’s renovations in the 14 regional airports that it manages, several investments have once more been delayed. For example, the Eldorado Gold company, which had established its business in Halkidiki, filed in September 2018 for approximately €750 million in compensation for damages from the Greek state. Meanwhile, a consortium of companies that had bought land once belonging to the state (the former Hellenikon International Airport) witnessed some progress in its cooperation with Greek authorities and has announced that construction (i.e., office buildings, residences and hotels) will begin in early 2019.

Greek public debt remains at forbiddingly high levels (180% of the GDP in 2017). Almost 70% of it is owed to official European creditors, with some 70% to the European Financial Stability Facility. The IMF, along with most international observers, believe that this debt mountain is unsustainable and demands deep relief. The country’s creditors may soon need to devise a plan for a large-scale debt restructuring that will entail substantial losses for them.

Citation:
Data on GDP growth and public debt are available from Eurostat.

**Labor Markets**

In 2017, unemployment fell to 20.8% (EU average: 9.1%). Even though the rate remains the highest in the EU, Greece should be credited with making progress, given that in 2013 the unemployment rate stood at 28% and in 2015 at 25%.

There are clear signs of broad-based recovery. The so-called tradeable sector, which brings revenues to Greece from abroad, as well as tourism, industry, professional services, and information and communication services recorded substantial job gains. Some of these gains should be considered with caution, however, as they reflect partially successful efforts by authorities to combat undeclared work.
The recorded progress in tackling unemployment is owed to several factors, including low wages, a rise in part-time jobs, growth in the tourism sector (where jobs are available over the long Greek summer, lasting from April to October), and an increase in emigration (of both skilled workers and migrants).

Meanwhile, the number of unemployed is probably inflated since many employees in the tourism industry do not seek employment in the winter months. Unemployment allowances are capped at one year over an entire working lifetime and – what is worse – the take-up of unemployment allowance has consistently been very low (between 10% and 20%). For several years, the Greek government, with the agreement of the EU, has used money from the European Social Fund (ESF) to offer short-term employment opportunities to unemployed people in municipal and other state-owned organizations. Many unemployed people, who receive no unemployment allowance, depend on support from their kin or rely on a recently introduced social safety net called Social Solidarity Allowance (see also Social Inclusion).

About 75% of unemployed people have been out of work for more than one year. Most of these long-term unemployed people lose their skills and are unable to find new jobs. They are thus driven into poverty and social exclusion or leave the country. Young people have been hit particularly hard by the economic crisis. As usual, youth unemployment remains a blight on the Greek economy, with 45% of 15- to 24-year-olds being out of work.

In the meantime, the primary causes of the continuing closure of businesses are the continuing fallout from the lengthy economic crisis, the depletion of private deposits of households and the unstable prospects of the banking system. Many small and very small enterprises have failed, while former entrepreneurs and dismissed workers find it difficult to find new jobs, as many lack advanced skills. Unemployed people in the middle- to old-age groups have found it difficult to re-integrate into the labor market.

The country clearly needs, among other specialties, more technicians, sales assistants, skilled and semi-skilled tourism workers, and computer scientists. Yet, the university system annually produces a very large number of graduates in the humanities, including hundreds of theologians, philologists and social scientists every year. There are also large numbers of physicians who cannot find employment in Greek hospitals nor can they find the financial resources to start their own medical practices. The total number of doctors in Greece (specialized and general practitioners) is approximately 69,000. Among OECD member countries, Greece has the highest ratio of doctors to population.
(Greece has 6.3 doctors per 1,000 inhabitants while the OECD average is 3.3 doctors per 1,000 inhabitants). As a result, hundreds of Greek physicians, who have been trained for free in respectable Greek state medical schools, emigrate to northern and western European countries, where they practice medicine. The same applies to architects and civil engineers, with engineering schools educating large numbers of students despite an over-abundance of such professionals in Greece. Since 2008, 427,000 young university graduates and professionals have left Greece to seek work in Germany, the United Kingdom and other countries.

The pre-crisis division of insiders and outsiders has remained acute. Public sector employees, most of whom enjoy job security, have more or less successfully adapted to lower living standards. In contrast, private sector employees are faced with the recurring problem of unemployment. Moreover, as in the previous period under review, there has been a rise in part-time and short-term labor contracts.

In summary, the slight improvement in the overall unemployment rate in the period under review is a sign of progress. This progress, however, is endangered by a combination of adverse macroeconomic constraints, rise in precarious work, continued brain drain and degradation among the long-term unemployed.

Citation: Information on unemployment is drawn on Eurostat: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

Taxes

In Greece, taxation policy only partially achieves its objectives, though there is some progress. Since January 2017, the Independent Public Revenue Authority has become organizationally and functionally independent vis-à-vis the Ministry of Finance. Also, Greek authorities have passed primary and secondary legislation to combat tax evasion. Total tax revenues slightly increased in 2017. Revenues from direct taxes decreased and those from indirect taxes, notably from value-added taxes, increased. Nevertheless, the level of outstanding debt has increased to €98 billion, though the rate of increase (which began in 2010) slowed down in 2017.

Measures to increase taxes are easier to announce than implement. During the tourist season, income raised by small and very small businesses remains
undeclared, while throughout the year an unknown share of income for liberal professions likewise remains undeclared. Thus, engineers, lawyers, medical doctors, and dentists as well as craftsmen, plumbers, electricians, and computer technicians typically declare an amount of personal income below the threshold at which personal income tax would be imposed. For income earned in 2017 (and taxed in 2018) this threshold was €8,366 per year for a single taxpayer without dependents.

Furthermore, regulations on income and property taxes are altered almost every year. As long as tax regulations are constantly under revision, private investment will not be forthcoming and the business environment will remain unstable; nor will progress will be achieved in improving horizontal and vertical equity.

In contrast to other OECD countries, tax revenue still derives primarily from indirect taxes and VAT. The VAT rate for restaurant and catering businesses, which are very active in the tourism sector, remain at the prohibitively high level of 24%. Such taxation measures and arrears to suppliers of goods and services for the public sector (a practice pursued by various governments since at least the beginning of the economic crisis), have contributed to Greece achieving a primary budget surplus of 0.8% in 2017 (EU average: -1.0%).

The government is bound to maintain a budget surplus in order not to elevate an already very high public debt (180% of GDP in 2017). Given that in late 2018 or early 2019 parliamentary elections will be held, the government is also keeping taxes at relatively high levels so as to be able to distribute revenues to its electoral clientele. These ad hoc state transfers to selected groups have been common among successive governments. During the period under review, cases include recruiting governing coalition supporters to the public sector and the distribution of one-off allowances to select groups. For example, in December 2017, Prime Minister Tsipras distributed, as a one-off benefit, a total of €1.4 billion to households with an annual income up to €18,000 and to large categories of pensioners. However, compared to other OECD countries, the redistribution effect of the Greek taxation system is mediocre; in fact, the redistribution effect declined between 2010 and 2015. Thus, Greek taxation policy is subject to unpredictable shifts and contributes neither to redistribution nor to economic competitiveness.

Citation:
Budgets

After 2015, a tumultuous year in which government instability and a fruitless national referendum negatively affected public finances and the budget deficit reached 5.6% of GDP, Greece made progress on fiscal sustainability. A budget surplus was attained for two consecutive years: 0.5% in 2016 and 0.8% in 2017 (2.2% excluding debt repayments). Notwithstanding, the country’s public debt remained at prohibitive levels (180% of GDP in 2017).

Turning from a large deficit to a surplus over a short time span resulted from two government actions. First, in 2016 and 2017 tax laws were changed in order to impose historically high taxes on middle- and high-income individuals and companies. Second, the post-2015 government continued a practice commonly adopted by previous governments: it grossly delayed payments or actually refrained from paying private suppliers who had already delivered goods and services to Greek ministries and state agencies. Increased taxation and delays in state payments nearly collapsed some private businesses (outside the thriving tourist sector; in the industrial and commercial sectors).

The state budget is constrained not only by the continuing economic crisis (Greece remains unable to borrow funds on the international markets), but also by the chronic spiraling of pension expenditures. Greece dedicates 55% of all social protection expenditures to pensions (EU average: 39%, latest data available from 2015). Facing periodic military threats from Turkey, Greece’s budget also must dedicate large funds to defense expenditure. This constitutes 2.4% of Greece’s GDP (among NATO member states, a percentage share surpassed only by the United States).

In the period under review, the government distributed a one-off cash allowance to low-income households in order to appease its electoral clientele. This policy measure was taken against the policy advice of the country’s lenders, who would have preferred that the government revive the private economy by paying arrears owed to private suppliers.

In summary, in the period under review, the government followed the fiscal policy guidelines contained in Greece’s Third Economic Adjustment Program (2015-2018), raising taxes and achieving a spectacular 3.5% primary surplus (versus a target of 1.75%) in the 2017 budget – mainly by raising taxes for the middle classes. However, this came at a heavy price for the economy, which grew just 1.4% against a target of 2.7%.
revenue and spending from those outlined in the bailout program.
Information on the Greek state budget is drawn on statistical tables available by
Eurostat is also consulted for public debt and government expenditure data.

Research, Innovation and Infrastructure

Greece continues to rank below the EU average for public and private expenditure on research. In 2016 (latest available data), Greece spent 1.007% of GDP on research and innovation (OECD average: 2.337%). Given the economic crisis and that the country had spent just 0.55% of GDP in 2006, this is a notable increase. For the first time, the business sector contributed more for R&D than higher education. Notwithstanding, the main funding came from public money (42.5% of the total).

There is a measurable brain drain, depleting Greece’s human resources for research and innovation. Since 2010, two-thirds of emigrants have been university graduates, while one-fourth of emigrants held post-graduate degrees or were graduates of medical and polytechnic schools.

Spending on research is mainly public. Greece lacks large corporate investors in R&D. Links between academia and the private sector are weak, reflecting institutional weaknesses and cultural resistance to public-private collaboration. There is little private demand for R&D and innovation and the corresponding supply from universities and public research institutions is small. Nevertheless, despite economic adversity, there are clear “islands” of excellence at universities in areas such as biology, IT and computer science, economics, engineering, archaeology, and history.

Nonetheless, Greek researchers, the number of which is disproportionately high compared to the levels of public and private expenditure on research, actively participate in international research consortia. For instance, the National Technical University of Athens actively participates in international projects, as does the Heraklion-based Institute for Technology and Research. Individual researchers from Greece frequently participate in international forums. Also, a very positive step was taken in 2016 with the establishment of the Hellenic Foundation for Research and Innovation (HFRI), a new public body funded by the Greek state and the European Investment Bank (EIB).

Citation:
Data on expenditure on research is drawn on Eurostat,
Information in English on the Greek research and innovation policy and particularly on brain drain is
Global Financial System

Greece, a rather small European economy which remains in the midst of a crisis of its own, is not in a position to take initiatives to monitor the global economic environment. For example, regarding non-performing bank loans, Greece is the worst among all OECD countries. All lending by banks primarily concerns the domestic market rather than international financial markets. Non-performing loans, rising steeply after the crisis hit Greece, remain a major impediment to economic recovery. At the end of 2017, Greek banks carried €96 billion in non-performing loans. This amount was, however, €13 billion smaller than at its peak in March 2016. The banks plan to reduce this burden by €30 billion before the end of 2019.

In its capacity as an EU member state, Greece has participated in EU-driven efforts to regulate the global economic environment. Greece has also argued in European forums in favor of a more regulated system for financial markets.

Citation:
Data on non-performing loans is provided by the SGI data set, available on this platform and The Economist, https://www.economist.com/finance-and-economics/2018/05/31/a-critical-task-for-the-greek-economy-enters-a-new-phase

II. Social Policies

Education

Education outcomes in Greece are close to the OECD average in math, reading and science. However, student performance on PISA tests have not shown any significant improvement in the last decade. Particularly in science, Greece had the largest decreases among PISA participating countries between 2006 and 2015, in an environment of decreasing public expenditure in education (a 6% decrease between 2014 and 2015).

Tertiary institutions are nominally autonomous, but the Ministry of Education is responsible for their funding as well as the distribution of students to undergraduate programs. Since the mid-1990s, governments have promoted a
policy of opening university access, including the opening of admissions to universities and the establishment of new universities and departments.

Obtaining a high school diploma (rather than a vocational school qualification) is an aim sought by almost all families. Such a diploma, combined with success in nationwide university examinations, leads to access to tertiary education. Over time and in particular between 2010 and 2017, participation in tertiary education has increased. This achievement is probably due to the fact that there are no tuition fees for undergraduate studies at the 22 state universities and 14 state polytechnics (Technological Educational Institutes, TEI).

Access to tertiary education is, however, not equitable, as students from middle- and upper-class backgrounds are more likely to successfully pass entrance examinations. Moreover, to the extent their parents can afford it, Greek high school students receive extensive private tutoring before nationwide university entrance examinations. This reflects a cultural contradiction. While tertiary education is an entirely public-sector activity (i.e., university students pay neither tuition fees nor textbook costs and private universities are officially banned), success in entering universities depends on private tutoring.

In 2016 and 2017, the Syriza-ANEL government shifted more resources to education (for hiring new university lecturers), but other reforms have stalled or even been reversed – especially in tertiary education. Competency tests to pass a class (or grade) in elementary and high school have all but been abolished, timid efforts for teacher evaluation were largely abandoned, and the status of vocational training (in technical and professional high schools) has been further degraded to the benefit of general education in high schools (this latter trend has persisted for decades).

Meanwhile, the age-old patronage-based allocation of education resources continued. The Greek state spends less on education (4.3% of GDP) than the EU average (4.7%). In addition, public funds are misspent: the allocation of teachers in public schools and lecturers in university departments is often uneven, university libraries are under-resourced and housing for students is far from adequate. The distribution of infrastructure among university departments is generally unequal and academic and administrative staff are underpaid.

The education system is extremely top-heavy, with public resources channeled to sustain a large number of state universities and polytechnics, while private resources are used to pay for “cramming schools” which prepare 11th and 12th
grade pupils for the nationwide university entrance examinations. It is unsurprising that Greece is ranked among the lowest in the OECD with regard to expenditure on pre-primary education. The primary and secondary education system is unevenly structured and resourced, while there remains a national fascination with university entrance examinations.

The quality of education across Greek universities is very uneven. Some university departments have a long tradition of excellence, such as the Athens Law School and most of the engineering departments of the National Technical University of Athens. Many other schools, however, including most polytechnics, are below standard.

In the period under review, the Ministry of Education introduced several measures that further reduce the autonomy of higher education institutions. In detail, the government again changed the law on university education, as it had done in the previous period. Major policy shifts included merging departments of polytechnics, which are scattered all over Greece, with nearby universities. This major reorganization was launched almost overnight and without prior planning or consultation with the affected universities.

As economic stagnation prevails, salary, pension and welfare benefit increases cannot be offered by the incumbent government. A solution to the government’s declining popularity has been the distribution of non-monetary favors. Examples include the symbolic renaming of polytechnics to universities, their “presidents” to “rectors” and the overnight transformation of professors of polytechnics into university professors.

In summary, Greece’s education system is one of the most centralized among OECD countries, with education policy suffering from politicization and a lack of policy continuity. The economic crisis and government policy have further exacerbated the mismatch between the allocation of resources and actual needs. Thus, the divergence between employment and education trends has worsened (for more, see Labor Market Policy).

Citation:
PISA / OECD 2015 Results http://www.oecd.org/pisa/
Since 2009, Greece has lost more than a quarter of its real economic output with dire social consequences. A study by the Athens-based thinktank DiaNeosis found that the earnings of 15% of the population were below the extreme poverty threshold. In 2009, that share was below 2.2%. Though Greece is not ranked among the worst-performing OECD countries with regard to income inequality or poverty, social exclusion is rather unusual for an EU country. The share of Greeks at risk of poverty or social exclusion was about 35% (EU-28 average: 23%). Life satisfaction, which dropped after 2010 but was rising between 2013 and 2015, was again on the decline in 2016 and 2017.

Besides the economic crisis, a deeper challenge is the long-term exclusion of young people from the labor market, to which they remain outsiders. The share of young NEET persons is among the worst in the OECD. Another challenge is the enduring tendency of Greek governments to cater to the social needs of old-age pensioners much more than of any other category of welfare state beneficiaries. Typical government measures include distributing ad hoc social assistance benefits to selected categories of the population, hiring the poor and/or the unemployed in the public sector on temporary, five-month-long contracts, and counting on the family to fill in the gaps of a still inchoate social policy. Older family members, particularly if they are already retired, are expected to use their pension or other sources of income to live on, while also offering food and shelter to socially excluded relatives.

Finally, since early 2017, after considerable delays and under pressure from the country’s lenders, the government implemented a minimum income guarantee program called Social Solidarity Income (KEA) that is based on three pillars: 1) income support, 2) access to social services and goods, and 3) provision of support services for (re)integration into the labor market. The implementation of this long awaited national minimum income scheme is a positive development and undoubtedly a major improvement over all previous programs. However, the financing of the new scheme is not solidified and the program needs the establishment of permanent monitoring and impact assessment mechanisms to prevent the inefficient use of resources.

Complementary measures to fight unemployment (a major cause of rising poverty), such as participation in vocational education and training (VET), remain modest.
Health

Since the onset of the economic crisis in Greece, there have been massive cuts in public and private health care spending. Since 2009, per capita spending on public health care has been cut by nearly a third. In 2015 (latest year for which OECD data are available), Greece spent €1,650 per capita on health care – over one-third less than the EU-28 average. This amounted to 8.4% of GDP (down from 9.9% in 2009, the last pre-crisis year). Moreover, only 59% of health spending was publicly funded. Private spending, meaning out-of-pocket expenses (which were rarely taxed), stood at 35% and was more than double the EU-28 average.

In 2017, the government announced plans to appoint family doctors in an effort to ease pressure on secondary health care. A new law provided for the establishment of local public health care units (TOMY). The new system should have offered a major improvement over the past. While in the right direction, the new system required that practicing doctors become family doctors (i.e., general practitioners responsible for a few thousand insured citizens each). Implementation of the new system confronted challenges as Greece lacks sufficient general practitioners. According to a study conducted by the Greek Health Ministry and World Health Organization, there are currently about 3,800 general practitioners in Greece when, according to the EU average, there should be around 8,140. In addition, specialized doctors (of whom Greece has an oversupply) had no incentive to provide primary health care under the newly established terms and were reluctant to enroll in a system which would tie them to predetermined levels of compensation. Meanwhile, patients continued to trust their own doctors, whom they pay out-of-pocket fees in their private practices. As a result, by the late autumn of 2018 only several hundred doctors had agreed to work with the new system.

Greece also remained one of the lowest spenders on the share of preventive health measures in total health care expenditures. In addition, in the period under review as in the past, the distribution of the 131 public hospitals across Greece remained highly uneven, resulting from a patronage-based selection process that determines where hospitals should be built. Furthermore, there
were eight state medical schools in the country, producing hundreds of doctors every year. Medical school graduates, being unable to find a job in the public health care system (owing to spending cuts) or to establish a personal clientele, often emigrated to northern European countries (Germany, the Scandinavian countries and the United Kingdom) to practice medicine. At the same time, Greece faced a chronic lack of nurses (a low-status, low-paid job) and a similar lack of medical personnel in the periphery of the country, as most doctors preferred to work in the hospitals of the two largest cities, Athens and Thessaloniki.

In summary, while clientelistic structures in the provision of health care remain intact, there is a lack of long-term planning and programming with regard to preventive health care measures. In addition, there is a high volume of unrecorded and untaxed transactions between patients and doctors as well as a differential in health care access based on the purchasing power of households.

Citation:
Data on per capita spending on health, general healthcare expenditure and public/private spending is available by OECD at https://ec.europa.eu/health/sites/health/files/state/docs/chp_gr_english.pdf

Data on expenditure on preventive medicine is available on this SGI platform.

The new law establishing the local health care units (known as TOMY, see Law 4486/2017) around Greece was passed in August 2017.

Families

Greece has one of the strongest traditions of family ties in Europe. In both urban and rural areas, grandparents often look after preschool children while mothers work, families care for their elderly or disabled at home, parents help around the house and feed the younger generation sometimes even into middle age. As a result, child care density is among the lowest in the OECD. If a family is poor, this condition also negatively affects child poverty. Indeed, Greece in the wake of the economic crisis is one of the OECD countries with the largest child poverty challenge.

Instead of focusing on the poor and children, the bulk of social attention is focused on pensioners, often regardless of their income level. However, in early 2017, after a very long preparation period, the government began distributing a benefit called Social Solidarity Income (see Social Inclusion).

Women provide child care at home and do not enter the labor market on an equal basis with men. This pattern has not changed significantly over time,
even though between 2011 and 2017 there was an increase in female labor force participation. This slight change was owed to a drop in living conditions because of the crisis and the consequent drive of spouses and daughters to help with their families’ finances, particularly if male breadwinners had lost their jobs.

The best option for a woman entering the labor market would be to become a public employee. Notably, a young mother employed in the public sector receives much better support than a new mother employed in the private sector or self-employed. Female public employees are guaranteed their jobs following maternity leave. They are also granted maternity leave without fear that, on returning to work, they may be allocated to a subordinate job or suffer a wage cut, as is the case for women employed in the private sector.

The Greek state does not have a streamlined policy to reconcile work and family life but rather heavily depends on the European Union. Around the country, many low-income families benefit from European Social Fund (ESF) projects, which finance many municipal nurseries. During the period under review, ESF-funded municipal nursery places were in high demand, as these places enabled parents to seek work.

In summary, the Greek state does not have a streamlined policy to reconcile work and family life but rather heavily depends on the traditional behavior and structure of the Greek family and on the European Union.

Citation:
Data on child poverty, enrollment in preschool services for children up to 5 years old and fertility rate is provided by the SGI data base on this platform.

Pensions

The Greek pension system is a pay-as-you-go corporatist system, based on a multitude of occupational pension funds. Pensions have become a major policy issue because Greece, along with Italy and Germany, has the largest share of the total population aged 65 and older in the whole of the EU (over 20% of the total population).

The system has been radically changed since 2010 by a range of reforms aimed at making the system more viable and limiting public expenditures on pensions. The latest 2016 reform (Law 4387) abolished all special arrangements, unified all pension fund schemes as well as rules on contributions and benefits under a new body (EFKA). This latest reform also established a general system of defined benefit pension plans and the
introduction of a basic pension financed by general tax revenue. According to the law, the main pension is made up of a national pension (set at €384 at the full rate and financed by the state budget) and a “redistributive” pension calculated on the basis of the average reference wage over the whole working life, the length of contributions, and the replacement rate. Current pensions are to be recalculated by the new method and the resulting “difference” will be phased out gradually in late 2018.

In 2012, in the midst of the economic crisis, when fiscal constraints were supposed to be the harshest possible, Greece spent 17.6% of GDP on pensions, more than any other EU member state. The problem has grown since then and, in fact, the largest share of social protection expenditure is devoted to pensions.

The prospects of the Greek pension system are not good, as the country has one of the worst old-age dependency ratios among all OECD countries. Further, nearly one-third of the value of pension funds was lost, following 2009 due to surging unemployment and a fall in contributions.

The pay-as-you-go system, according to which the working population contributes to pension funds so that old-age pensioners can obtain their pensions, is unsustainable. Since the start of the economic crisis, pension funds have periodically faced the prospect of bankruptcy, as the number of people who work and contribute to social insurance is shrinking, while the number of pensioners is increasing. Notably, the proportion of people aged 55 to 64 in work in Greece is the lowest of any OECD country, except Turkey.

Moreover, pension policy does not meet intergenerational equity requirements. Existing arrangements primarily serve the interests of middle- and old-age groups at the expense of younger generations of workers. This is a constant pattern running parallel to the periodic trimming of pensions. In May 2016, the government passed legislation which increased social insurance contributions and reduced the supplementary pensions for retirees. New pension legislation has cut pension payments by up to 30%, while poor policy design led to continuous legislative amendments of the 2016 pension reform. The last phase of this reform is expected to take place in January 2019, when, based on the Memorandum of Understanding signed between Greece and its creditors in the summer of 2015, the government should implement further cuts on pensions. If implemented, such cuts will affect pensioners who had benefited from past early-retirement legislation, before the onset of the crisis or were pensioned off just as the crisis started. Owing to their sheer size, this is a segment of the retired population which no government has tried to displease.
While the pension reform of 2016 had positive aspects (e.g., the establishment of a nationwide management system and unification of previously fragmented private sector pension schemes), Greece’s pension system remains unsustainable. Bluntly, there are currently about 2.7 million pensioners, along with another 300,000 recent retirees, while the recorded number of Greeks working and paying insurance contributions is around 3.6 million.

Citation:
European Trade Union Institute, Pension Reform in Greece, https://www.etui.org/ReformsWatch/Greece/Pension-reform-in-Greece-background-summary

Integration

While the numbers of migrants and refugees have dramatically fallen since 2015, Greece has remained unable to manage the inflows of people fleeing war-torn and poverty-stricken regions of the Middle East and Africa. Between January and September 2018 about 21,000 migrants and refugees entered Greece. Most remained at reception centers or camps on the Greek islands facing Turkey, such as Lesbos and Chios. Owing to the March 2016 EU-Turkey agreement, they are not allowed to travel through Greece toward Western Europe. If they do not want to return to Turkey, their only option is to seek asylum in Greece. Owing to the long and inefficient processing of asylum applications, arriving migrants and refugees are stranded on the Greek islands. They live in squalid conditions, as camp capacity has been exceeded. Furthermore, Greek authorities have been unable to manage the camps in a way that would protect camp residents from human rights violations and health risks.

Thus, the March 2016 agreement between the EU and Turkey, which bounded Turkey to limit the flow of refugees passing to Greece, was only partially implemented. The Turkish government complained that it had not received the promised levels of financial aid from the EU for its cooperation. Meanwhile, the EU clearly distanced itself from the Erdogan regime, particularly after the aborted coup d’état in Turkey in July 2016.

EU authorities and NGOs continue to provide significant support, as the situation has overwhelmed local Greek authorities. However, this valuable support to desperate people arriving on Greece’s shores in small boats, does not extend to their educational and social integration. The integration of migrants (who arrived prior to 2016) into the education system has been
functional in primary and secondary education. As for social integration, this has never been a strong focus of Greek migration policy. With the exception of Albanians, who probably constitute more than half of all migrants in Greece and first came to the country in the early 1990s, the country’s migrants – including migrants from Asia and Africa – are systematically excluded from Greek society. With regard to cultural integration, it is telling that there is still no official mosque for Muslims in Athens.

In summary, significant challenges in terms of policy efficiency remain and policy setbacks are now obvious. Greece must reduce human suffering inside refugee camps. By now this has grown to become a problem that obviously cannot be managed individually by the Greek state and will remain unresolved as long as the aforementioned EU-Turkey agreement is not fully implemented.

Citation:
Data is drawn on international press reports (New York Times, BBC) and is available at:

Safe Living

Despite the crisis, homicide rates have remained stable (or even declined) and consistently far below the OECD average (1 per 1,000 compared to 3.6 per 100,000 inhabitants). The same is true for most other types of crime (e.g., robbery, burglary, assault and rape) reported to the police. This may be interpreted by social and resources-based factors. First, family ties remain strong in Greece and were further strengthened during the crisis when the unemployed and poor relied upon members of their kin for social protection. Second, with the exception of a few regions (e.g., the island of Crete), the circulation of firearms is very small and restricted.

It may also be interpreted by relatively high government expenditure on public order and safety (at 2.2% of GDP in 2016) that remain among the highest in the EU-28. However, this does not mean that there was extensive, let alone efficient, policing of Greek cities. Expenditure was primarily channeled to sustain a large police force. It is telling that Greece exhibits the largest public expenditure on policing among all EU-28 countries (1.4% of Greece’s GDP), though effectiveness is widely disputed.

Trust in the police is comparatively low. This is probably due to the unwillingness or incapability of the police to control several central neighborhoods in large cities where there are daily incidents of petty theft, burglaries, and drug use. Police protection for refugees and migrants from
attacks by racist groups, including by militants of the neo-Nazi party Golden Dawn, is clearly insufficient.

In the period under review, public opinion surveys noted a growing dissatisfaction on police inertia regarding (usually non-life threatening) violent protests. For example, there were frequent violent riots in central Athens organized by anarchist and extra-parliamentary left-wing groups. In almost all cases, the police, under the close control of the Minister of Citizen Protection, did not intervene to protect state and private property. Moreover, police stations were physically attacked by some radical left groups. The government has shown tolerance particularly toward groups which frequently engage in low-intensity violence (e.g., throwing paint against the buildings of foreign embassies in Athens or invading government or embassy buildings in order to distribute leaflets or smash windows).

In summary, while rates of some crimes (e.g., homicides and thefts) are low, there is an increase in security risks owing to uncontrolled violent political groups.

Citation:
Data on homicides and thefts as well as trust toward police, is drawn on the SGI statistical data available on this platform. Also, data is derived from OECD Better Life Index 2016, http://www.oecdbetterlifeindex.org/topics/safety/

Global Inequalities

Until the onset of the economic crisis, Greece was active in assisting less developed countries. Since the crisis began, the country has focused on managing its own domestic social policy problems. In 2017, Greece’s official development aid as a share of GNI stood at 0.16%, far below the OECD average (0.32%). This was a decrease of 15.8% in real terms from 2016 due to lower in-refugee costs (that are spent within Greece). In 2017, 22.7% of the Greek bilateral aid budget was in-refugee costs (compared with 39.8% in 2016). In the same year, 56% of Greek aid was multilateral. The largest recipients of Greek aid were Turkey (Greece’s contribution to the EU-Turkey refugee agreement) and Albania. Overall, because of constraints imposed by the ongoing economic crisis, Greece has not helped curb inequalities in developing countries. In general, the current Greek government has shown little interest in engaging in international efforts to help developing countries nor demonstrated initiative and assumed responsibility or acting as an agenda-setter within the international framework. It has, however, supported all relevant EU and UN initiatives.
III. Environmental Policies

Environment

In comparison to many other countries, Greece performs rather well on environmental policy. According to Yale University’s Environmental Policy Index, Greece is in the 22nd position among 180 countries with a score of 73.60 in overall environmental performance. Greece is among the 10 top world performers in access to water and sanitation.

After 2010, industrial production and greenhouse gas emissions in Greece declined – a consequence of the economic crisis. Recycling has only modestly increased over the past 15 years and waste management is not systematically practiced. Given that Greece, which has a population of 11 million inhabitants, receives an annual inflow of approximately 30 million tourists, one should expect a reliable policy of waste management. Such a policy, however, does not really exist. Particularly during the prolonged tourist season, waste overflows landfills in tourist areas.

Several causes lie at the root of Greece’s environmental challenges: a lack of state mechanisms capable of controlling sources of pollution, unchecked urban development, large infrastructure projects and negligent consumer behavior. Environmental and forest management is haphazard and subject to the vicissitudes of changing political leaderships and interests.

The crisis has exacerbated a tendency to privilege economic growth at the expense of environmental protection; nowadays growth is pursued at all cost. For example, on Greece’s coasts new hotel construction is mushrooming without much care for environmental concerns. In cities and rural areas, public works and town planning have likewise always been afforded priority over environmental protection. The result has been that important targets of environmental protection – climate change, renewable water sources and forest biodiversity – have never been pursued in a systematic fashion.
On a positive note, in 2017 the government introduced a so-called eco-tax of four cents for every plastic bag used for shopping or garbage. Greeks use plastic bags at twice the average among other Europeans. It has been estimated that plastic bags make up half of the waste in Greece’s waters. The eco-tax immediately impacted plastic bag consumption. As of 2019, the charge will rise to seven cents.

Citation:
Data on Greece’s performance regarding renewable energy sources, water management and recycling is drawn from the SGI database available on this platform.

Data from Environmental Performance Index https://epi.envirocenter.yale.edu/epi-indicator-report/EPI

Global Environmental Protection

Greece participated in the negotiations and signed the Paris Climate Agreement of December 2015. However, owing to its prolonged economic crisis, Greece has not carried enough international clout to substantially contribute to strengthening global environmental protection regimes. Moreover, any emissions reduction is owed less to the strengthening of environmental protections and more to the fact that the economy remains stagnant, with industrial and other businesses closing down or relocating to other countries.

Citation:
Data on emissions reduction is provided by tables available on this SGI platform.
Quality of Democracy

Electoral Processes

There is no discrimination in registration procedures nor are potential candidates or parties prevented from participating in elections. Exceptions include active military officers, who cannot run for office. Prison convicts are the only citizens that can face voting restrictions: prisoners serving either indefinite or life sentences are disqualified, otherwise the matter is left to the discretion of the sentencing court.

Before elections, parties and candidates are required to submit a petition to the highest civil and criminal court (Areios Pagos) which monitors formalities such as checking that no other parties have the same name.

The legality or fairness of elections is not challenged by parties nor candidates. Despite the acute political conflict with respect to the causes and management of the crisis, the conduct of electoral procedures in Greece is reliable. Indeed, the two parliamentary elections which took place in Greece in January and September 2015 were smoothly organized and, in budgetary terms, cost much less than previous national elections (the first cost approximately €50 million and the second around €35 million).

Citation:
Regulations for registering a candidate are listed in article 55 of the constitution, while incompatibilities are listed in articles 56, 57 and 58. For the relevant provisions of the constitution, translated into English, see http://www.venice.coe.int/VOTA/en/start.html [accessed on 11.05.2013].

Media Access

Incumbent political parties represented either in the national parliament or the European Parliament have equal opportunities for media access. However, the country’s national broadcaster (ERT) nowadays primarily, if not exclusively, communicates the views of the government coalition Syriza-ANEL, as it had done until 2014 with its previous political masters, namely either the PASOK or the ND government. In addition, since 2013 – when ERT was replaced by a new public broadcaster (NERIT) for a two-year period – the trade union of ERT’s employees (POSPERT) has operated a “self-managed” radio station, called ERT-open. The radio station almost exclusively broadcasts either Syriza views or the views of radical and anarchist groups to the left of Syriza.
Private media are also selective in their reporting and many are sensationalist. Importantly, though, both state and private media do not air the opinions of the neo-Nazi party Golden Dawn. The party had won parliamentary representation in the 2012 elections and repeated its success by obtaining 7% of the vote in the two parliamentary elections of 2015.

Voting in Greece is mandatory by law. However, it is rarely enforced. In July 2016, the Greek parliament voted to lower the minimum voting age to 17 years. There is neither discrimination in the exercise of the right to vote nor any disincentive for voting. Upon being born, Greeks are registered in the municipality where their family resides. These records serve as lists of citizens eligible to vote. There is, however, a need to clean these records to remove persons who are deceased or have permanently migrated to other countries. Thus, the records include names of persons who will never turn out to vote. The result is that election turnout is calculated based on an aggregate which is higher than the actual number of eligible voters.

Party financing for national elections is regulated by law 4304/2014, which adheres to guidelines established by the Council of Europe, constrains the size of budget outlays to parties, increases transparency regarding donations to parties and bars the practice of parties’ obtaining bank loans against future revenue which the parties expect to receive from the state. Every year, the interior minister issues a ministerial ordinance which distributes funds to parties which have received at least 1.5% of the total vote in the most recent elections.

In the past, state-owned and private banks lent millions of euros to Greek political parties. However, the banks proved unable to force the parties repay their loans, as successive governments protected over-indebted parties. For example, while the aforementioned 2014 law provided that banks could confiscate assets from political parties up to 90% of the debt owed to them, in July 2017 the Syriza-ANEL coalition government reduced this value to 60% of the total debt owed.

A new state committee, the monitoring mechanism of electoral campaign spending, has been established under an August 2016 decision of the Greek parliament. However, monitoring remains ineffective and the real sources of party financing are not fully known. Under pressure from the Council of Europe and other international organizations, Greece has over time improved national legislation on party financing. New legislation was passed during the...
period under review (laws 4472/2017 and 4509/2017). This legislation was necessary because previous reform efforts had not been fully implemented. Despite improvements, there remains an implementation gap regarding rules for party financing; Greece’s record on this front remains mixed.

Citation:

No effective opportunity to vote on important issues was available to Greeks in the last few years. While referendums are provided for in the constitution, the government’s surprise decision in July 2015 to launch a referendum destabilized the economy and negatively affected relations between Greece and its euro zone partners. The referendum was held on the European Commission’s draft proposal of reforms for Greece, while negotiations were still under way. Prime Minister Tsipras rejected this proposal, launched the referendum and won with 61% of votes. A week later, however, the prime minister accepted all reforms planned by the European Commission. Realizing that the Greek state’s coffers were empty, he accepted a bailout package of €86 billion with severe conditions. The Syriza-ANEL government had gambled with a referendum and miscalculated the consequences of the referendum’s outcome.

Citation:
The conduct of referendums in Greece is regulated by article 44 of the constitution and Law 4023/2011.

**Access to Information**

The financial crisis, and the continuing decline in circulation and advertising has strained Greece’s media sector. Numerous media outlets have shut down, reduced staff and salaries, scaled down or eliminated news departments, or failed to pay wages. These developments have made media outlets more susceptible to government influence.

In the period under review, the public broadcaster’s (ERT TV) television channels adopted a clearly pro-government bias across all news programming. News presenters toe the government line on almost all issues, with invited commentators often following a solid government line. This trend was disquieting in view of the government’s attempt to also control the private television sector, though this attempt was finally aborted between September and December 2016. At the end of 2017, the government was preparing to hold new auctions for television licenses under the auspices of the independent National Council for Radio and Television. During the period under review, a
major private television channel (Mega) ceased operations. As a consequence of very intense meddling by the Syriza-ANEL coalition in television and with the press, Greece was ranked 74 out of 180 countries in the 2018 World Press Freedom Index, on par with Hungary, Mauritania and Albania, though there is some improvement compared to the 2017 ranking (88/180).

Citation:
The information on Greece’s ranking on the World Press Freedom index is available at https://rsf.org/fr/classement# (information available in French).

Media Pluralism
Score: 5

There are a large number of electronic and print media organizations, but the structure of ownership has become increasingly oligopolistic with strong cross-ownership across media formats. In a country of 11 million inhabitants, there are more than 120 analog private TV stations with a national, regional or local license. There are also approximately 950 regional/local radio stations.

The Greek media landscape is shaped by media groups owned by magnates, shipowners and large contractors. However, the exact ownership structure of media outlets is concealed by holding companies and little-known entities listed in official records; no exact ownership information is available. Extensive cross-media ownership is common and this has negatively affected media independence. Wealthy businessmen with interests in shipping, telecommunications, and other industries dominate the largest private television, radio and social media channels.

The most dominant television channels (Antenna, Star and Skai) attract the majority of viewers, as they offer popular shows and infotainment. In the period under review, the owners of Star channel acquired the financially ailing Alpha TV, increasing their influence in the media sector. Owners of television channels also hold majority shares in national daily newspapers.

Between June and September 2016, the Syriza-ANEL government attempted to control the private media landscape by passing a law that would allow only four nationwide television channels to operate across the country. The law was eventually annulled in October 2016 by Greece’s Supreme Administrative Court (StE). At the end of 2017, the government was preparing to hold new auctions for television licenses under the auspices of the independent National Council for Radio and Television.

Electronic media is also flourishing in the form of websites and blogs. There are an unknown number of anti-establishment electronic media. Some of them have become critical of Syriza and ANEL after the coalition government failed to follow up on their pre-electoral promises.
The print media landscape is also pluralistic. There are 59 national newspapers and around 500 regional/local ones. However, between 1990 and 2008, circulation dropped by 50%. There are at least three pro-government Athens-based daily newspapers, while a similar number are critical of the government. In the beginning of 2017, the Syriza-ANEL government tried to gain indirect control of a major but heavily indebted press group, the Lambrakis group (DOL), through the attempt of a pro-government Greek-Russian tycoon to buy DOL. Eventually, the highest bidder was another tycoon who is not linked to the government but who already controls Greece’s richest soccer team (Olympiacos) and has business interests in shipping and other sectors. In other words, even though the left/nationalist right coalition government’s attempt to constrain private media has failed, the overall oligopolistic nature of the media sector has probably changed for the worse.

While Greece lacks an effective anti-monopoly policy for the media business, the media actually do indeed report a wide range of opinions. The government voices its opinions through the state-owned television broadcaster (ERT) and friendly newspapers and radio stations. The opposition has a voice in the media, as political party leaders participate daily in state and private television and radio programs. Small circulation newspapers attract readers by printing unsubstantiated accusations regarding politicians and businessmen. Regardless of their political profile, some marginal newspapers and even Syriza’s own official political party newspaper (I Avgi) do not refrain from publishing news which, at times, border on smear campaigns against political opponents.

Citation:


Citizens’ free and easy access to official information has been regulated since 1986. Two laws passed in 2006 and 2010 provide for the creation of an electronic system allowing access to any public document. Officials are required to make declarations of their assets and income public. There are a few reasonable access restrictions pertaining to matters of national security and defense.

There are effective mechanisms of appeal and oversight enabling citizens to access information. First, there are administrative courts, including the Supreme Administrative Court (StE, Symvoulio tis Epikrateias). Second, there is the ombuds office, established in 1997. Unfortunately, owing to work overload, administrative courts can take a long time to decide on a case, but
the ombuds office represents a well-managed mechanism of appeal and oversight. The ombudsman can demand that any public service respond to a citizen’s right to information, even though ministries themselves tend to be quite unresponsive to citizen requests.

A law passed in July 2010, known as Diavgeia (clarity), required all public authorities to upload to an electronic platform all administrative acts, laws, decrees and circular. Thus, the scope of access to official information was drastically expanded. In October 2014, the Greek government passed a new law which further expanded access to public documents and adapted Greek legislation to the Directive no. 2013/37/EE of the EU’s Council of Ministers. A new codification of all relevant legislation took place in March 2015, without practically changing any regulations. Since then no significant changes have been observed in this policy area.

Citation:
The four most important laws regulating access to information are Law 1599/1986, Law 3448/2006, Law 3861/2010 (the “Diavgeia” law), and Law 4305/2014. Presidential Decree 28/2015 codified all previous legislation on access to information and was issued in March 2015.

Civil Rights and Political Liberties

Civil rights are protected by and included in the constitution (passed in 1975 and amended in 1986, 2001, and 2008) and the criminal code. Judges are tenured and cannot be removed nor transferred by incoming governments. Courts guarantee the protection of life, freedom and property and protect all individuals against illegitimate arrest, exile, terror, torture or unjustifiable intervention into personal life. Greek citizens enjoy equal access to the law and are treated equally by the law. Notably, despite intense political conflict since the start of the economic crisis (2010), Greek democracy has continued to function and the courts have administered justice, albeit with very significant delays. Judges are unable to handle the constant overflow of cases, while lack of digital infrastructure and modern management methods aggravate the situation.

There are rare cases of officials failing to uphold the law as far as human rights protection are concerned. Such cases, which have occurred in detention centers for migrants and in prisons, have acquired wide publicity, but have taken a long time to be processed by the courts system. Independent control mechanisms, such as free media, NGOs and social movements, are very sensitive to such violations. In March 2017, Greek authorities were rebuked by the European Court of Human Rights for failing to protect the rights of migrant workers, who had been forced to work under abominable conditions in the Peloponnese.
Little progress has been made in a major trial against militants of the neo-Nazi Golden Dawn party. Several members of Golden Dawn were accused of assassinating a left-wing rap singer in September 2013 but did not stand trial until November 2015. At the time of writing, the trial is still under way.

In the meantime, the living conditions of approximately 60,000 migrants and asylum-seekers, stranded in detention centers on Greek islands, have not improved. Many reception centers are overstretched as more than 200 people continue to arrive every day, 40% of them are children. Camps suffer from inadequate facilities, violence and harassment of women. In the period under review, there was international outcry against the Greek government’s tolerance of inhuman conditions in the Moria refugee camp on the island of Lesbos.

In summary, the state protects civil rights, but in practice organizational and bureaucratic obstacles stand in the way of comprehensive protection of these rights particularly with regard to migrants and asylum-seekers.

Citation:

Political liberties are well protected by the constitution, including the right to vote, to think and speak freely, to assemble and demonstrate, to organize in collectives such as unions and associations and to submit petitions requiring a timely response by the competent authorities. However, in the period under review, the realization that the Syriza-ANEL government followed in the steps of previous governments on economic and social policy led to protests, such as protests by old-age pensioners, which at various times were suppressed by police forces.

In the period under review, small anarchist groups in large cities subverted the law, sporadically attacking foreign embassies as well as the homes of judges and journalists with whom they politically disagreed. The left/nationalist-right coalition government tolerated these attacks on the rule of law, essentially restricting the rights of the targeted citizens. The mayor of Thessaloniki (Greece’s second largest city) was physically attack by a far-right group and similar groups verbally attacked pro-government parliamentarians and government ministers. It is not the state, but rather uncontrolled groups of extremists which have begun restricting political rights, such as freedom of opinion.
Greece’s largest recognized minority population, the Muslim minority of Western Thrace, has full political rights; four members of the community won seats in the last parliamentary elections. However, the authorities have rejected some ethnic minorities’ attempts to register associations with names referring to their ethnic identity. Since 2010, documented immigrants have been allowed to vote in municipal elections.

The right to worship is limited by constitutionally imposed impediments on proselytizing religious dogmas other than Greek Orthodox Christianity. For years, successive governments were reluctant to allow the establishment of places of worship. For example, the Muslim community of Athens still does not have an officially recognized place of worship (i.e., a state recognized mosque). In autumn 2015, the government proclaimed three make-shift Islamic places of worship legal, although hundreds of other places continued to function without a legal permit. In autumn 2016, the Greek government made available a public space in Athens for the construction of a mosque and in July 2017 the parliament, with 206 votes in favor and 24 against, approved a bill that set aside €946,000 of public funds for the construction.

In the period under review, after many delays, the construction of the mosque was close to completion (and in fact was finally inaugurated in early June 2019).

Citation:

Protection against discrimination on the basis of race has been regulated since 1979, while protection against gender discrimination is regulated by the New Family Law passed in 1983. The European Union’s legislative acts also provide protection from gender discrimination. However, legislation against discrimination has rarely been implemented.

Since 2015, the outcry against racism and the rise to power of a left-wing party, Syriza, contributed to a decline in discrimination. In fact, the opposite of racist discrimination, namely tolerance, solidarity and support of foreigners, was observed in the summer and the fall of 2015, when Greece received a vast inflow of refugees from Syria, Iraq and Afghanistan (210,000 refugees arrived in and passed through Greece in the month of October alone).

Moreover, Greece recorded the largest improvement in the protection of LGBTI rights between 2015 and 2016, while new legislation passed between 2015 and 2017 grants extensive rights to same-sex couples and recognizes self-proclaimed gender identity for people experiencing gender dysphoria.


Rule of Law

The state administration operates on the basis of a legal framework that is extensive, complex, fragmented and sometimes contradictory. Formalism dominates legislation. Legal regulations are often not consistently applied. Acts passed by parliament often have seemingly extraneous items added, which only confuses things further.

Since the start of the economic crisis, because of the pressing need to achieve fiscal consolidation, the government repeatedly adapted past legislation to changing circumstances. Many changes have been made to areas such as taxation which, though necessary, have not fostered an institutional environment conducive to attracting foreign investment. Moreover, because of the need to effect reforms rapidly, the government resorted to governing by decree after passing legislation which left ample room for discretion. This practice was exacerbated in 2014 by the ND-PASOK coalition government and has been vigorously continued by the Syriza-ANEL government since early 2015 (i.e., after the change in government). In short, the practice of frequent and further amendments to recently passed legislation and legislative amendments has continued unabated. On average, a new law is voted on by the Greek parliament every week (research by the Athens-based organization “Dianeosis”). Given such uncoordinated over-regulation, the legal framework in major policy sectors, such as taxation and foreign investments, still bears loopholes and contradictions that have negatively impacted legal certainty.

Citation:

Courts are independent of the government and the legislature. Members of the judiciary are promoted through the internal hierarchy of the judiciary. There is an exception, namely the appointment of the presidents and vice-presidents of the highest civil law and criminal law court (Areios Pagos) and administrative law court (Symvoulio tis Epikrateias), for which a different process is followed. The heads of such courts are selected by the cabinet (the Council of Ministers) from a list supplied by the highest courts themselves. In the past,
such higher judges were clearly supporters of the government of the day. Successive governments, including the incumbent left/far-right coalition government of Syriza-ANEL, have not resisted the temptation to handpick their favored candidates for the president posts of the highest courts. Notwithstanding, judges at all levels serve until retirement age and cannot be removed arbitrarily.

Judges are recruited through independent entrance examinations and then trained in a post-graduate level educational institution. The court system is self-managed. In a formal sense, courts in Greece are able to monitor whether government and administration act in conformity with the law.

Whether courts do so efficiently is another matter, because they cannot ensure legal compliance. They act with delays and pass contradictory judgments, owing to the plethora of laws and opaque character of regulations. In the period under review, prosecuting authorities followed the government’s line to primarily, if not exclusively, investigate accusations of corruption against members of previous governments. For example, in February 2018, prosecutors submitted documentation to parliament for launching criminal investigations for corruption against two former prime ministers and eight former ministers, all of whom had served before 2015 (i.e., before the rise of Syriza-ANEL). The evidence and legal basis of the accusations were too flimsy to allow for any investigation to actually take place. Also, the high courts did not toe the government line when they decided that major clauses of the latest pension law (passed in 2016) were unconstitutional. Furthermore, in the period under review, there was a tug-of-war between the government and justice system, rendering judicial review a sensitive and unpredictable process.

Before the onset of the crisis, the appointment of justices was almost exclusively managed by the government. Today, candidates for the presidency of the highest civil law and criminal law court (Areios Pagos) and administrative law court (Symvoulio tis Epikrateias) as well as the audit office are nominated by justices themselves. Then the lists of candidates are submitted to a higher-ranking organ of the parliament, the Conference of the Presidents of the Greek parliament. This is an all-party institution which submits an opinion to the Cabinet of Ministers, the institution which appoints justices at the highest posts of the courts mentioned above. Between 2011 and 2014, the government applied the seniority principle in selecting justices to serve at the highest echelons of the justice system. In 2015, the principle of seniority was partly curbed as the new president of the Areios Pagos court was not the court’s most senior member. The same occurred in fall 2017 when the same government appointed a new president, selecting a younger justice over older candidates for the presidency. Meanwhile, the previous president, who had been selected by the Syriza-ANEL government in 2015, had retired and in
the summer of 2017 joined the office of Prime Minister Tsipras (the Prime Minister’s Office) as a legal adviser. Under Syriza-ANEL’s rule, the selection and appointment of judges has probably become more politicized.

Citation:
Law 2841/2010 stipulates that the appointment of presidents and vice-presidents of the highest courts requires the non-binding opinion of the high-ranking parliamentary committee titled Conference of the Presidents of the Greek parliament.


After Syriza’s rise to power in January 2015, the earlier lack of resolve among political and administrative elites to control corruption was reversed. However, the Syriza-ANEL coalition was undecided on how to steer anti-corruption policy. In January 2015, a new post of Minister for Anti-Corruption was established; in September the post was abolished and a post of Deputy Minister for Anti-Corruption was created and subsumed under the supervision of the Minister of Justice. A new General Secretariat on Anti-Corruption was created under the aforementioned minister but remains understaffed.

Instability has plagued anti-corruption mechanisms. In March 2017, the resignation and replacement of Greece’s very experienced anti-corruption prosecutor (a new post established in 2011) was a setback for the government’s anti-corruption policy. The prosecutor’s resignation reflected tensions between the government and the judiciary, and complicated relations between the different prosecuting authorities entrusted with fighting corruption. Meanwhile, between 2016 and 2017, the laxity with which government ministers dealt with issues of corruption among members of the civil service sent the wrong message to past and future offenders.

After 2015, the justice system intensified its efforts, not so much to prevent as to punish corruption. In the most important trial, Akis Tsochatzopoulos, the former minister of defense and deputy prime minister of the PASOK governments of the 1990s, was accused of receiving large kickbacks for armament deals. In November 2017, he was sentenced to prison and received a very large fine from an Athens-based second-instance criminal court. In the period under review, Yannis Papantoniou, former minister of finance and former minister of defense, was arrested on charges of corruption (for bribes related to armaments deals).

According to a July 2017 report by the Hellenic Federation of Enterprises (SEV), the state has shown a fragmentary approach, and a lack of determination toward combating corruption and promoting transparency in six kinds of state bodies: ministries, town planning authorities, municipal
authorities, courts, custom offices, and economic and trade offices at Greek embassies abroad.

Citation:
Governance

I. Executive Capacity

Strategic Capacity

Strategic planning has long proved difficult for the central government in Athens thanks in large part to the archipelago-like character of governance involving conflicting political interests, clientelism and a highly formalistic administrative culture that fosters segmentation. Weak horizontal coordination within and among ministries, government agencies and state-owned companies make matters worse.

Strategic planning was included, at least for the period from 2015 to 2018, in the Third Memorandum of Understanding signed between Greece and its creditors. Progress was noted in August 2018 upon completion of this memorandum. For example, the Independent Public Revenue Authority was established and the authorities made progress in adopting a General Transport Master Plan, covering all transport modes (i.e., road, railway, maritime, air and multi-modal), including logistical aspects. This requisite strategic planning, however, did not hold in policy areas not covered in a binding manner by the memorandum, such as public order, education, culture and sports. In these policy areas, instead of strategic planning, there remains much experimentation and improvisation on the part of the government.

In early 2018, the government released a post-bailout development strategy (entitled “Greece: A Growth Strategy for the Future”). The strategy was revised twice by the European Commission before its public presentation and is divided into five chapters: Fiscal Viability, Sustainable Development, Structural Conditions for Growth, Just Development Without Exclusion, and Funding of Development. The strategy has been criticized by the opposition as more of a wish list than an integrated plan for the country to regain its footing. According to the document, the monitoring and assessment of the strategy “will be conducted by a high-level political committee under the prime
minister’s control” while at the technical level the monitoring of reforms will be undertaken by the General Secretariat for Coordination.

Citation:


Non-governmental academic experts are consulted as advisers by the government. Most of the ad hoc committees formed by ministers on public policy reforms are staffed by academic experts. Qualified academics often serve as experts across all sectors of the economy and administration, where they also act as administrative elites, which simply do not exist in Greece’s highly politicized civil service. Moreover, the size and quality of policy thinktanks vary significantly and they often offer little alternative to ad persona advisory inputs.

In the period under review, as in the past, the government regularly consulted experts or academics selected primarily because of their loyalty to Syriza or ANEL (the two government coalition partners). The fact that the selected experts were committed to their advisory tasks did not compensate for their frequent lack of familiarity with management or policymaking.

Interministerial Coordination

The center of government has traditionally struggled to coordinate and evaluate government legislation. As with previous governments, in the period under review, under the Syriza-ANEL government, draft legislation has rarely been subjected to substantive and systematic evaluation. In fact, ministers have often been able to add last-minute amendments to draft legislation in order to favor selected interest groups, organizations, or municipalities in their own electoral district or former colleagues of the minister.

Under Syriza-ANEL, there have been several offices and government ministers that have been entrusted with steering government initiatives in sectoral policy. As was the case before 2015, a primary role is played by the Prime Minister’s Office (PMO). A second relevant organ, which collects, registers and circulates documents is the General Secretariat of Coordination of Governmental Tasks, which is also very close to the prime minister. Individual ministers without a portfolio are periodically given one-off tasks which demand the collection and evaluation of policy expertise. It is unclear if these organs and ministers have clearly demarcated areas of competences and
sectoral expertise. In the period under review, as in the past, interministerial coordination was largely carried out by a small informal circle of ministers and advisers who met daily at the seat of the prime minister.

Since the onset of the crisis in 2010, the PMO has gradually acquired more power and resources to supervise line ministries, the policies of which were streamlined to fit the fiscal consolidation effort of Greece. However, during the period under review, the PMO’s coordination of line ministries was further enhanced as Greece completed the requirements of the Third Economic Adjustment Program (2015 – 2018), which officially ended in August 2018. However, the PMO was not the only authority with which line ministries consulted. In fact, as the implementation of the Third Economic Adjustment Program for Greece unfolded, line ministers often turned to the Ministry of Finance for technical and drafting guidance in cases where legislation in development within individual ministries ran into financial constraints imposed by Greece’s creditors.

Citation:

There are cabinet committees tasked with overseeing specific policy sectors. However, these committees meet only when a major policy decision has to be made and are not subject to systematic organization. Substantive policy work is done at the line ministries and by the PMO before issues are presented to the cabinet. A small, informal circle of advisers and ministers close to the prime minister, at the headquarters of the PMO, are primarily responsible for the formulation and coordination of cabinet proposals. Ministerial committees often perform a more symbolic function. During the period under review, the government was running behind schedule on completing the Third Economic Adjustment Program for Greece. In other words, this was a period which hardly allowed for the smooth review of cabinet proposals by committees.

Greek bureaucracy is over-politicized and under-resourced. Political party cadres rather than civil servants coordinate policy proposals. Civil servants in line ministries often lack modern scientific and management skills. Policy proposals are usually assigned to ministerial advisers, who are short-term political appointees and can be non-academic experts, academics and governing party cadres. Top civil servants contribute to policy proposals by suggesting what is legally permissible and technically feasible, although even on those issues ministers often tend to trust their own legal and technical advisers. The remaining civil servants at lower levels of the bureaucratic hierarchy rarely, if ever, know of, let alone contribute to policy proposals.
Moreover, there is little horizontal coordination among civil servants working in different ministries. Ministers assign the task of horizontal interministerial communication to their advisers.

In the period under review, such trends were exacerbated, though officially the government may have intended otherwise. Pressed by the country’s creditors, the government began implementing a new law (passed in 2016) which should have enhanced the role of civil servants when formulating and coordinating policy proposals. The senior civil service was supposed to be staffed by personnel selected based on meritocratic standards (e.g., new appointments were scheduled to be made to the rank of general directors of ministries). The selection process took over a year to complete and was heavily disputed. In practice, little progress was made as the government preferred to turn to its own political appointees for the preparation and coordination of policy proposals.

Citation:
The new law on higher civil service is law 4369/2016.

Most coordination mechanisms are informal and complement the more meager formal coordination mechanisms, such as the infrequently convened cabinet and ministerial committees. Most informal mechanisms are ad hoc meetings among ministers convened at the Prime Minister’s Office (PMO). Such meetings are followed up by person-to-person contacts between staff members of the PMO and advisers to ministers. In the review period, under pressure to complete the Third Economic Adjustment Program for Greece, informal coordination was frequent and organized by close associates of Prime Minister Tsipras (e.g., ministers without a portfolio) working at the PMO. Since the last cabinet reshuffle of August 2018, there are at least three ministers who are given such successive informal coordination roles. Overall, the trend of informal coordination has increased over time.

In Greece, there is little formal coordination of policies across and within ministries. Thus, it is difficult to envisage the digitalization of interministerial coordination. To the extent that such coordination takes place, it is not horizontal, but vertical – flowing from the PMO to line ministries through the political appointees and personal secretaries of the ministers. Policy coordination exists only with regard to the implementation of a few transversal policies, such as public procurement. The latter is now effected through a national system of public procurement (EAADHSY). This system functions through an appropriately developed digital platform for tenders and applications from suppliers of goods and services interested in serving the public sector.
Evidence-based Instruments

In 2006, under a previous government, the PMO issued a prime minister’s circular requesting that all ministries utilize RIA, but RIA has never actually been implemented in a systematic way. Today, all legislative drafts submitted to the parliament are accompanied by a document that outlines the rationale for the bill.

However, this is not a typical RIA. The General Accounting Office estimates the cost of the bill for the state budget, if the competent minister provides the office with adequate data (which is rarely the case). Even in RIA processes for developing primary laws initiated by the executive, Greece scores well below the OECD average.

A sort of regulatory impact assessment for developing regulation is sometimes completed at ministerial meetings, but regulations in Greece increasingly do not rely on such assessments. Rather, regulations result from short-term, mostly patronage-ridden political calculations.

Law 4048/2012 established the RIA framework. According to Article 7 “every bill, addition or amendment and every normative decision of major economic or social importance shall by accompanied by an impact assessment.” However, no RIA was undertaken since the law was passed.

Sustainability checks do not exist; this was the case under the preceding and remains the case under the incumbent government.

Ex-post evaluation is not a usual part of the policy cycle in Greece. There is frequent turnover among the ministers. It is rare that a minister stays in office long enough to evaluate a measure he or she adopted. After government reshuffles and certainly after a change in government, incoming ministers rarely are interested in evaluating the policies pursued by their predecessors.
Notwithstanding, there are in the public administration and central headquarters of ministries, higher-ranking civil servants who could perform such evaluations if asked to do so. The potential is there, but it is rarely used. There are, however, cases when the Greek government asked international organizations (e.g., the OECD) or thinktanks to evaluate policy impacts. The Syriza-ANEL government was rather reluctant to ask for external advice.

**Societal Consultation**

In the period under review, social consultation on policy decisions was limited because Greece was governed on the grounds of the detailed policy measures and conditionalities included in the Third Economic Adjustment Program. The program, signed between Greece’s lenders and the Greek government in July 2015, contained cuts to pension spending, and increased direct and indirect tax revenue. Such measures were at odds with what the Syriza and ANEL parties, the two partners of the coalition government, had promised voters before forming a coalition government. To compensate voters for the associated income losses, the government handed out one-off welfare benefits to pensioners in December 2016 and to the poorer strata in November 2017, without consulting with either domestic social partners or the country’s creditors. On the other hand, the Syriza-ANEL government consulted with individual domestic and foreign businesses that the government hoped would invest in the country’s media, real estate, and tourism sectors. Ultimately, very few investors tried their hand in any sectors other than tourism.

**Policy Communication**

In August 2018, the Third Economic Adjustment Program for Greece (the Third Memorandum, 2015 – 2018) was completed. The incumbent government considered the program’s completion a successful final “exit of the Memoranda,” though it had consented to a continuation of periodic performance reviews of the Greek economy in June 2018 (i.e., site visits by IMF and European Commission representatives every three months). While Greece’s economy stagnated in the period under review, the prime minister, the government’s spokesperson, the minister of finance and other ministers conveyed positive messages about future economic growth. Notwithstanding, private foreign investment is not forthcoming, businesses continue to close down or leave the country, and the flight of skilled labor (“brain drain”) continues. The government has tried to divert attention from the economic stagnation by highlighting the decline in the unemployment rate and by emphasizing ideological differences between “left” and “right.” For instance, the government has labeled the policy program of the New Democracy party, which has been leading in polls for more than a year, a return to neo-liberal...
austerity and has associated the party with the far right. There is little coherence in this communication strategy since the Syriza party has been governing in a coalition with the small ultra-nationalist, right-wing party ANEL since 2015 and has subscribed to and implemented all austerity measures envisaged in the aforementioned Third Memorandum. Overall, the government’s communication strategy has become incoherent over time, focusing on short-term squabbles with the opposition rather than articulating what Greece’s prospects are for the future.

**Implementation**

Significant structural reforms have been legislated by successive Greek governments in the last eight years, but their mix and implementation were, and continue to be, uneven. Greece has implemented important labor market reforms, but progress has been less on reducing oligopoly power, reducing the regulatory burden and promoting reform in the public administration.

Policy implementation efforts have been problematic throughout the period under review as in previous periods. Examples of a lingering implementation gap include the challenges still faced by young entrepreneurs and professionals establishing and operating a new business, given frequent and unpredictable changes in taxation. The same holds with regard to the privatization of state-owned property, though the government, officially at least, appeared more willing to accept foreign investment. Although the lease of 14 airports to a consortium led by Germany’s Fraport was finally completed in the period under review, two of Greece’s biggest projects – the real estate investment project on land of the former Hellenikon International Airport (in a suburb southwest of Athens) and the Eldorado Gold company’s investment in mining operations (in northern Greece), together valued at about €11 billion (.8 billion) – continued to stall because of bureaucratic and legal wrangling. In fact, Eldorado Gold’s investment has been suspended by the investors and they have filed a non-judicial request for payment of approximately €750 million with the Hellenic Republic, citing the Greek government’s continuous delays. All this raises questions about the country’s ability to attract the investment desperately required for economic recovery.

On the other hand, there were other government decisions, such as a performance-based review of civil servants’ pay, which were implemented. The implementation of such measures was owed to continuous pressure exerted on the government by Greece’s lenders, based on the Third Economic Adjustment Program which linked policy implementation with delivery of loans to Greece between 2015 and 2018.
In the period under review, foreign concessionary loans continued to be channeled to Greece under strict conditionalities. Incentives for ministers to implement policies were probably the negative sanctions, such as their replacement by Prime Minister Tsipras, which they would face if they further burdened the already problematic fiscal situation of the Greek state. Indeed, a cabinet reshuffle occurred in August 2018. Thus, ministers had more incentives, in fact, externally imposed constraints, to implement the government’s plans directly linked to Greece’s economic recovery. Beyond economic policy-related sectors, however, the situation was different, as Greek policies in these sectors were not as closely monitored by the country’s lenders. In these policy sectors, government ministers pursued Syriza’s pre-electoral left-wing program and in some instances tried various untested ideas or plans of their own. One example was the minister of education, who announced radical changes to university entrance examinations and subsequently completely dropped what would have been a major policy shift. An extreme case was that of the minister of defense (leader of the ANEL party, the coalition partner of Syriza), who pursued his own foreign policy, often at odds with the minister of foreign affairs. This situation reached a climax in October 2018 when the minister of foreign policy resigned in protest.

The lax monitoring of line ministries by the PMO characteristic of previous review periods has been addressed. This was due to the fact that the PMO understood that Greece was still dependent on funds flowing into the Greek economy from the country’s lenders. Thus, the PMO monitored the implementation activities of most line ministries. A possible exception were certain line ministries, such as the Ministry of Education or the Ministry of Infrastructure and Transport, that are responsible for policy sectors outside the core of conditionalities linked to the Third Economic Adjustment Program.

In Greece, most ministries supervise dozens of executive agencies. For instance, the Ministry of Transport supervises the state-owned public transport companies in Athens and Thessaloniki, the Ministry of Health supervises all public hospitals, and the Ministry of Finance supervises numerous state-owned enterprises. During the period under review, the government realized that any fiscal derailment of supervised state agencies would endanger the progress attained in implementing the Third Economic Adjustment Program, which was under close review by the country’s lenders. However, in some cases, public administration deficiencies and a lack of reliable data undermined monitoring and evaluation efforts. Moreover, in cases such as Greece’s public broadcaster (ERT), where the government’s political appointees clashed with pro-government trade union activists over control, a general decay ensued.

After the onset of the economic crisis in 2010, it was revealed that subnational authorities, working on a “soft-budget” mentality, had contributed to the fiscal derailment of the Greek state through lax control of their own expenditure and
hiring of excessive personnel in municipal agencies. Since then, such practices have been curtailed, while the government has imposed strict control over local government expenditure to the point of depriving subnational authorities of necessary resources. For the central government, functioning within the constraints of the Third Economic Adjustment Program (2015 – 2018), achieving a large budget surplus was and still is a major priority. After the end of the bailout program, it may become more possible to return to the long-term process of transferring competences to subnational authorities which had started before the crisis.

While the autonomy of subnational self-governments is nominally guaranteed by the constitution – which requires that the government provides them with all legislative, regulatory and financial means to accomplish their tasks – in practice, subnational self-governments have few financial means at their disposal. Since the crisis began, successive governments narrowed the scope of fiscal discretion of subnational self-governments because the state’s finances have been on the brink of collapse and the country has relied on external support from Greece’s lenders.

Citation:
Article 102 of the constitution provides for the autonomy of subnational governments.

In the period under review, there was some improvement in the implementation of national standards. It was realized by the incumbent government that non-implementation of such standards could put the state’s finances in danger, particularly since subnational self-governments are heavily dependent on the central government for their finances.

In Greece, it is difficult to argue that enforcement of regulations is effective. On the one hand, enforcement does indeed depend on the technical capacities and propensities of Greek governments to employ pro-government individuals rather than skilled managers to head government agencies. In turn, this has dampened efficient and unbiased enforcement. Owing to pressure from Greece’s lenders, who have linked the country’s fiscal derailing to maladministration, there has been some effort to streamline regulation and law enforcement. On the other hand, in various sectors (e.g., commercial shipping, mass media, and construction) there have always been resourceful interest groups and influential businessmen. Governments have been and remain unwilling or unable to deal with them. Government agencies and the judiciary have been selective with regard to who should be consistently controlled and prosecuted for penal code violations, including for corruption.
Adaptability

No other country surveyed by the SGI has been subject to such intense or extensive scrutiny as Greece has under the Troika and the EU Task Force, which since 2015 has been replaced by the European Union’s Structural Reform Support Service (SRSS). Loan conditionality has obliged the country to respond to an external agenda.

During the period under review, the government attempted to implement legislation which had been previously passed, in accordance with the requirements of successive Economic Adjustment Programs for Greece (the so-called Memoranda). Implementation had been delayed as some measures were against the electoral program of the two coalition partners (Syriza and ANEL) in power since January 2015. For example, it was only in late autumn 2017 that the Ministry of Administrative Reconstruction adopted new measures for a performance-based review of Greek civil servants; such a review had never before taken place and Syriza had persistently fought against it between 2010 and 2014. In August 2018, Greece exited the last Economic Adjustment Program (2015 – 2018). It is questionable if the government will continue adapting domestic governmental structures to external demands with the same pace.

Greece, through its membership in the euro zone and through EU summits and meetings of ministers, has participated in international efforts to foster the provision of public goods. For instance, Greece has been vocal at international forums in pressuring for a global response to migration issues, emphasizing that migration from the developing world into Europe is not solely a Greek problem arising from its geographical position between Europe and Asia. However, given its own severe economic crisis, Greece has been on the receiving end rather than a policy-setter. It has been unable to develop institutional capacities for fostering the provision of global public goods beyond its role as an EU member state. Given the continued stagnation of the Greek economy, the government has not been able to devote resources toward ensuring that its own national policies are in line with international norms and agreements.

Organizational Reform

During the period under review, the monitoring of institutional governance arrangements were improved. The monitoring of such arrangements was executed from the top, namely either the PMO or the office of the minister responsible for a new institutional arrangement. The PMO is staffed with government ministers without a portfolio (at least three such ministers) and
pro-government technocrats responsible for monitoring. Though other mechanisms for monitoring government were available, such as competent parliamentary committees and interministerial committees, these were mostly marginalized by the incumbent government, as by previous governments.

The Syriza-ANEL government has tried to enhance its strategic capacity in several ways, although in practice all strategy decisions are taken by a small circle of confidants around the Greek prime minister. Prime Minister Tsipras has relied on three government ministers without portfolio to assist him in carrying out his tasks and reform plans. Meanwhile, the Council of Administrative Reform continued its operation to oversee reforms in various policy sectors. The Hellenic Fiscal Council, an independent agency (as required under the Second Memorandum), continued its operations in the period under review monitoring state finances. Similarly, the Office of the State Budget, a unit of the parliament, also continued its task of monitoring the state’s finances and suggesting changes to economic policy. However, the government’s strategic capacity fell victim to the approaching elections (taking place at the end of 2018 or beginning 2019 or in mid-2019). As a consequence, short-term electoral calculations of cost and benefit rather than long-term reform strategies became the government’s top priority. One example is the government’s November 2018 proposal to reform the constitution of Greece to reflect the governing coalition’s preferences rather than well thought-out principles on efficient political reform.

II. Executive Accountability

Citizens’ Participatory Competence

Citizens do not really obtain enough information on government policymaking, as the media is strongly partisan or leans toward infotainment, while individual members of parliament rarely discuss substantive policy issues with voters in the electoral districts which they represent. Turnout in elections was high until the crisis began and has rapidly declined since. Greeks rarely turn to policymakers (i.e., government ministers and members of parliament) to voice their opinion on policy options. Rather, they mostly rely on interest groups to do so on their behalf.

In Greece, there is a tradition of appealing to government ministers or members of parliament to obtain favors, such as facilitating the hiring of a family member in the public sector. After 2010, owing to the depletion of state funds this tradition was somewhat curbed, but the tendency to forge patronage
relations has not been adequately tackled. Political parties continue to staff ministerial cabinets, boards of directors of public entities and the lower echelons of public bureaucracy with their supporters where possible. Voters, on the other hand, welcome this practice.

Most citizens are not well informed about government policies. Those who are, however, voice policy opinions in several ways. For example, citizens can participate in the open electronic consultation on new government measures, which each ministry must announce and manage before drafting a bill. On the other hand, there is a strong tradition of organized interest groups voicing opinions on policy matters relevant to their interest areas.

In the period under review, despite some improvements in unemployment and economic growth, economic stagnation prevailed. However, income tax rates and social security contributions were raised to historically high levels. In this context, political participation in decision-making did not improve and, as usual, citizens were taken by surprise regarding the government’s policy measures.

Citation:
The Ministry of Interior reports turnout in elections. The relevant percentage figures are available at the Ministry’s http://ekloges.ypes.gr.

Before the onset of the Greek economic crisis, there was a problem with reporting statistical and other data regarding government revenue and expenses as well as regarding personnel in the Greek public sector.

The situation has exceptionally improved since then. Barring data on defense and security, which are considered classified, one can have access to data produced by the revamped official statistical authority of Greece (Helstat); these data are compiled and published according to Eurostat’s requirements. One can also find reliable data on public employment, including type of work contract and other information on Greek public employees, via a separate website of the Ministry of Administrative Reconstruction (Apografi). Finally, owing to a law enhancing transparency, one can browse all administrative acts issued by the central, regional, and local authorities and other public bodies (the Diavgeia system). Though this transparency system is not very user-friendly, accessing data is possible.

Citation:
The three platforms, cited in the above response, through which one can access data and information are the following:
http://apografi.gov.gr/ and
https://diavgeia.gov.gr/
Legislative Actors’ Resources

Members of the Greek parliament are granted full access to the well-resourced library of the parliament. They are also entitled to hire two scientific advisers who are paid out of the parliament’s budget. However, many members of parliament hire family members or friends who, in effect, do administrative and secretarial rather than research work. This practice was continued in the period under review. Nevertheless, each party represented in parliament has its own scientific support group that is funded by the state budget.

Nowadays, updated academic advice is available also through two other institutions. The first is the Office of the Budget, a policy-oriented committee of university professors with economic expertise who work independently of the government. They have published policy reports on the prospects of the Greek economy which diverge from official government predictions. There is also the more academically oriented foundation of the parliament, focusing on historical issues and constitutional matters.

Parliamentary committees are also quite active in organizing hearings and in discussing a variety of issues. However, the parliament lacks a research unit (such as, for example, the Congress Research Service or the Research Service of the House of Commons Library) that could provide members of parliament with expert opinion.

Members of parliament may request the supply of government documents and frequently exercise this right. Documents are normally delivered in full, within one month, from the competent ministry to the parliament. Restrictions apply to documents containing sensitive information on diplomatic, military or national security issues, but even in such cases a competent committee can inspect some classified documents in closed-door sessions. Overall, members of parliament are usually very demanding regarding information and they press authorities to obtain it.

Citation:
The supply of government documents to the parliament is regulated by article 133 of the Standing Orders of the Parliament.

Ministers are regularly summoned to committees but they are obliged to appear in front of a committee only if two-fifths of the committee members require them to do so. There are a few restrictions with regard to information given to the committees by the Minister of Defense and the Minister of
Foreign Affairs. The former may restrict his or her comments only to armaments supplies, while the latter is not obliged to give information on any ongoing negotiations or talks in which Greece still participates.

Owing to the ongoing economic stagnation in Greece and tensions with neighboring countries, ministers were frequently summoned to parliament and engaged in intense debates with the opposition. As expected in a polarized party system, sometimes debates created a spectacle rather than a setting to exchange rational arguments.

Citation:
The summoning of ministers is regulated by article 41A of the Standing Orders of the Greek parliament.

Regular committees summon experts from ministries, universities, NGOs and professional associations. Examples include high-ranking EC officials who have briefed the European Affairs Committee and university professors who have briefed the Committee on Cultural and Educational Affairs on university reforms.

Typically, government and the opposition tend to disagree on everything, even if there is consensus among experts that policy choices are very limited (e.g., the consensus on the obvious unsustainability of the pension system and on the destructive impact of party-led politicization on Greek universities). Recurring disagreements in parliamentary committees reflect the long-term polarization in the Greek party system and the wider mistrust and limited social capital available in Greece. However, in the period under review, parliamentary committees summoned many different experts, including technocrats, activists and academics.

Citation:
Summoning experts to regular committees is regulated by article 38 of the Standing Orders of the Greek parliament.

After the most recent reshuffle within the Syriza-ANEL coalition government in August 2018, the number of ministries increased to 19. By contrast, the number of parliamentary committees remained the same: six “standing committees.” This discrepancy (19 ministries versus six committees) creates a task mismatch, but parliamentary scrutiny is jointly carried out. For instance, there is a Standing Committee on Cultural and Educational Affairs and a Standing Committee on National Defense and Foreign Affairs. However, there are also several “Special Standing Committees” and “Special Permanent Committees” with more specific agendas (e.g., one on European affairs and another on armament programs and contracts).
The problem with monitoring ministries is owed to the sometimes decorative participation of members of parliament in committee meetings. Even though competences have been transferred from the plenary of the Greek parliament to the regular committees (which examine new legislation), this has not considerably improved the quality of legislation and parliamentary control.

Citation:
Information on the number, competences and tasks of regular committees of the Greek parliament in English is available at http://www.hellenicparliament.gr

**Media**

While in terms of newspaper circulation and quality newspapers Greece is ranked in the middle among OECD countries, the reliability and accuracy of Greek news media is largely doubted by the public. Pew research published in October 2018 showed that in no other country do people as extensively believe that news reporting is inaccurate as in Greece. This finding is confirmed by a 2017 Reuters Institute report that also notes that Greece is the only country where trust of social media exceeds that of news media.

Meanwhile, the incumbent government has tightened its control over state-owned media and an oligopolistic structure has begun to emerge in the media sector. In the period under review, one major television channel (Mega) went out of business, while another (Alpha TV) was bought by one of its competitors. The most popular television and radio channels are privately owned and provide infotainment rather than in-depth reporting. Such channels may offer in-depth reporting only in cases in which the economic interests of private media owners are affected by a prospective government decision. Media owners often change sides, first favoring the government, then the opposition.

Political debates in the media tend to be rather general, along partisan lines, while in-depth reporting and analysis are rare. The presentation of issues is more sentimental and partisan (pro- or anti-government) than objective. Most people inform themselves through television programs or various news websites. Finally, there is recurrent, deep divide between pro-government and anti-government media (partisanship has been a strong feature of Greek media for decades). In short, one may find interesting in-depth reporting by browsing Greek websites, but overall there was a further decline in the already unsatisfactory performance of Greek media during the review period.

Citation:
Information on newspaper circulation and quality newspapers is available on this platform, through the SGI dataset. The Pew research, published in October 2018, which contained comparative tables on citizens'
views on accuracy and reliability of news media is available at
https://www.pewresearch.org/global/2018/01/11/publics-globally-want-unbiased-news-coverage-but-are-
divided-on-whether-their-news-media-deliver/

Reuters Institute, Digital News Research 2017
https://reutersinstitute.politics.ox.ac.uk/sites/default/files/Digital%20News%20Report%202017%20web_0.p
df?utm_source=digitalnewsreport.org&utm_medium=referral

Parties and Interest Associations

Large parties (e.g., New Democracy and Syriza) continue to suffer from intense factionalism and party leadership’s heavy-handed control of candidate lists and agendas. Syriza’s party organs are regularly convened by the party leader (Prime Minister Tsipras) to discuss government policy since assuming power in 2015. New Democracy, under its new leader (Kyriakos Mitsotakis), has made some effort to encourage supporters to participate in defining the party’s agenda. Nevertheless, major decisions remain with the leader and a close group of advisers. These phenomena are even more pronounced in small parties, including in the traditional Communist Party (KKE) and also in Syriza’s government coalition partner, the nationalist far-right party of Independent Greeks (ANEL). In these parties, a very small circle around the party leader has the final word in decision-making.

In the period under review, though the parties of the center and the center-left (PASOK and Potami, along with smaller parties) had agreed to merge in November 2017, a period of estrangement between the two dominant parties followed. The revival of intra-party life proved to be short-lived.

Interest associations often make relevant policy proposals in a few policy areas, such as macroeconomic policy, incomes and pensions, and labor relations. Probably the most efficient interest association in this respect is the Hellenic Federation of Enterprises (SEV).

The General Confederation of Workers of Greece (GSEE) counts on its thinktank, the Labor Institute (INE), for information and advice on policy matters. The thinktank of SEV is the Institute of Economic and Industrial Research (IOBE). Depending on the policy issue, this thinktank may retain some autonomy from the leadership of SEV and promote the policy views of its own staff. The rest of the interest associations, such as the national association of merchants (ESEE) and the association of artisans, craftsmen and owners of small enterprises (GSEVE), have relatively less well-resourced and smaller thinktanks. The same holds for the General Confederation of Civil Servants (ADEDY) which recently revived its own thinktank (ADEDY Polykentro)
In the period under review, the government did not systematically consult with economic interest associations, as it was preoccupied with implementing the last leg of the three-year long Memorandum of Understanding, signed between Greece and its creditors in the summer of 2015. Naturally, government ministers appeared at all major events staged by economic interest associations (e.g., annual conventions and specific conferences), but it is doubtful whether these brief exchanges between government officials and association representatives had any impact on policy formulation.

Citation:
The opinions expressed by INE, a thinktank of GSEE supporting labor unions, are available at https://www.inegsee.gr/ (in Greek only). For opinions mostly reflecting the views of Greek industrialists, see the website of the thinktank IOBE at http://iobe.gr/default_en.as (English version of the website).

Greek civil society is relatively underdeveloped. After the onset of the economic crisis in 2010, the receding welfare state encouraged civil society engagement and mobilized citizens. The number of volunteers increased, new organizations were formed, and older organizations became more active in providing social services to impoverished Greeks and migrants. Also, new movements and organizations with political agendas appeared.

Most non-economic interest associations do not have the resources to become involved in policy formulation nor does the Greek state usually invite them to do so — though there has been some improvement. There are, however, exceptions regarding religious and migration matters.

The Greek Orthodox Church plays a preponderant role in formulating ecclesiastical matters and (to some extent) matters of education. For instance, religion is a compulsory subject in all grades of primary school and high school. Greece’s constitution grants the Greek Orthodox Church a privileged position among all churches and dogmas, and the Greek Orthodox Church enjoys a tailor-made taxation regime which allows it to sustain a large amount of property. This pattern of heavy church influence on policy formulation is preserved regardless of the political profile (right-wing, centrist or left-wing) of the governing party or parties in power.

Finally, there is a vast array of small and medium-sized NGOs which are active in providing social protection and legal assistance to refugees and migrants. NGOs are located in major cities and on the Greek islands of the Aegean where refugees and migrants continue to land. In the period under review, their role probably declined as the Greek state took it upon itself to manage refugee camps on several Greek islands (albeit with very ambivalent, if not negative, results, as indicated by the living conditions in these camps).
Citation: The provisions of the constitution of Greece on the Greek Orthodox Church can be found in article 3 of the constitution.

**Independent Supervisory Bodies**

The audit office is an institution formally independent of the government and the parliament. It is both a court that intervenes to resolve disputes related to the implementation of administrative law (e.g., civil service pensions) and a high-ranking administrative institution supervising expenses incurred by ministries and public entities.

The staff of the audit office is composed of judges who enjoy the same tenure and follow a comparable career path comparable to other judges. The audit office submits to the parliament an annual financial statement and the state’s balance sheet. Submissions of some of these financial statements have been delayed. For example, as of late 2018, the most recent financial statements available were those concerning 2014.

As in the case of selecting high-ranking judges, the government selects and appoints the audit office’s president and vice-presidents. Nonetheless, the audit office has detached itself from government control. For example, in June 2017 the audit office declared the freezing of civil servants’ pensions unconstitutional, a measure which had been part of the incumbent government’s plan to consolidate the state’s finances.

In early 2017, precautionary control of state finances was abolished and the office can now conduct “focused” audits into certain agencies or categories of expenses. It remains to be seen if this change will help upgrade transparency in Greece’s public sector.

Citation: Information on the Greek audit office in English is available at www.elsyn.gr

The ombuds office is one of the most well-organized public services in the country. The Greek ombud is appointed by a group of high-ranking parliamentarians and obliged to report to the parliament by submitting an annual report.

The ombud receives and processes complaints from citizens who are frequently caught in the web of the sprawling Greek bureaucracy. Depending on the complaint at hand, the ombuds office can intervene with the central,
regional and local bureaucracy. The staff of the ombuds office can pressure the government to change existing legislation and also inform the prosecutor’s office of any uncovered criminal offenses committed by administrative employees and officials. The ombuds office remains popular with Greek citizens, who turn to it in the frequent instances when they are treated unfairly or improperly by public services.

Citation:
Information in English on the Greek “ombuds office” is available at https://www.synigoros.gr/?i=stp.en

The Greek independent data protection office is the Hellenic Data Protection Authority (HDPA). The HDPA, established in 1997 through law 2472/1997, is also protected by the constitution. The HDPA grants individuals certain rights and imposes certain responsibilities on entities that process and store personal data. The president of HDPA (a high-ranking judge) and members of the authority are selected by the parliament for a four-year term. Generally, it is not a government-controlled authority. The HDPA implements EU and Greek law on personal data protection and has been very active in carrying out its tasks.

Citation:
Information on the Hellenic Data Protection Authority in English is available at http://www.dpa.gr/portal/page/?_pageid=33,40911&_dad=portal&_schema=PORTAL
Address | Contact

**Bertelsmann Stiftung**
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

**Dr. Christof Schiller**
Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

**Dr. Thorsten Hellmann**
Phone +49 5241 81-81236
thorsten.hellmann@bertelsmann-stiftung.de

**Pia Paulini**
Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de

www.bertelsmann-stiftung.de
www.sgi-network.org