Greece Report
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Sustainable Governance Indicators 2020
Executive Summary

Greece’s political and economic environment improved during the period under review, largely owing to the fulfillment of the final requirements of the Third Economic Adjustment Program for Greece (2015 – 2018), the emergence of timid economic growth and the smooth change of government in July 2019. In comparison to the previous government (Syriza-ANEL), the incoming New Democracy administration appeared far more willing to correct missteps in various policy sectors such as pensions, migration and higher education, and to introduce reforms.

During the period under review, the previous government, consisting of a coalition of the radical-left Syriza party and its minor coalition partner, the rightist nationalist ANEL party, was on its way out. The coalition government’s performance was uneven and mixed.

On the one hand, the ANEL party left the coalition after Syriza notched its most important foreign-policy success in the winter of 2018 – 2019. This success was the negotiation and ratification of the so-called Prespes Agreement, which Greece made with its neighboring country, North Macedonia, with the aim of resolving the almost 30-year-long dispute over the use of the name “Macedonia.”

On the other hand, until it lost power in July 2019, the Syriza-ANEL government delayed implementation of agreements it had signed with private investors on gold-mine exploitation in northern Greece, and for urban and tourist development along the east coast of Athens. For its part, the new government was eager to facilitate private investors, but soon encountered the legal difficulties and bureaucratic impediments typical of large-scale investment projects.

However, Greece was at last able to borrow funds on the international markets. Capital controls were completely lifted, but the Greek banking system continued to face risks, as non-performing loans remained a major constraint.

In the July 2019 elections, the New Democracy party won 39% of the total vote, capturing an absolute majority of parliamentary seats.
In contrast to its predecessor, the new government abstained from any temptation to influence the media and the judicial system; reversed the populist higher-education reforms made by the previous government as its term of power was expiring; tried to rationalize the most problematic aspects of the pension reform that had been rolled out since 2016 with little success; and made changes in labor law and taxation to spur private investment, which owing to high levels of taxation and very rigid employment regulations, had been sluggish over the past few years. Such policy shifts did not seem to affect the popularity of the new government in the summer and fall of 2019.

However, during that same period, the new government was faced with a new migration crisis, with the numbers of incoming migrants and refugees swelling. However, the new government cannot count on the Greek state’s capacities to meet this and other policy challenges (e.g., in economic development and education reform), as the weak state administration continues to hamper reform efforts. Meanwhile, as the year 2019 was drawing to its close, the government’s initiative to transfer refugees from the islands of the Aegean Sea to mainland Greece was resisted by local communities, while a modernization effort within universities was met by hostility among the youth organizations of parties of the Left.

In the period under review, despite a very long economic crisis (2010 – 2018), the Greek economy showed signs of recovery. Moreover, despite extreme polarization in the party system between the New Democracy and Syriza parties, the government changed hands in a very smooth manner. In short, the Greek democracy showed a remarkable stability.

Although political stability is a given, high unemployment rates and extensive relative poverty remain serious challenges. The Greek economy is still rather frail. One factor that may prevent irresponsible economic policymaking, however, is the fact that the country is still subject to post-bailout surveillance linked to balanced budgets and further reforms (as are Portugal and Cyprus after their bailouts).
Key Challenges

Greece experienced the success of exiting the Third Economic Adjustment Program in August 2018 as a mixed blessing. While the Greek government was finally allowed by international creditors to steer Greece’s economy without the support of external funding, the country was still unable to borrow on the international markets until 2019. Meanwhile, owing to the government’s indecisiveness and fear of paying a heavy price in the 2019 elections, reforms of the pension, taxation, banking and public-administration systems, among others, remained incomplete.

In the period under review, economic growth remained meager (between 1% and 2%), with large-ticket foreign private investment continuing to stay away. The new government, which won the elections of July 2019, faces the challenge of boosting real investment, which has not taken place as rapidly as hoped by the new power-holders.

The incoming New Democracy government has already reduced tax levels with the aim of stimulating economic growth. However, ministers cannot count on the Greek bureaucracy, which has proven unable to keep up with the requirements of faster growth, adaptation to new technologies and competition from other countries. Moreover, the continuing brain drain expresses Greece’s persistent failure to reconcile economic growth with labor market and education trends.

Another challenge faced by the new government is an increase in refugee and migration inflows. Greece already experienced this in 2015 and 2016, and will not be able to manage the new flows on its own if they become uncontrollable.

The banking system and the pension system also pose pressing challenges. Gross non-performing loans have fallen by a quarter since 2016, but still amount to €80 billion or 45% of exposures. In October 2019, the EU approved a Greek government scheme called “Hercules” designed to help its banks rid themselves of toxic debts, with the plan modeled closely on a bank guarantee used in Italy. However, its effectiveness remains to be seen.
Pension legislation passed under the Third Economic Adjustment Program required the government to proceed with pension cuts, as spending for the pension system continues to be the highest in Europe (totaling more than 18% of GDP). However, despite several interventions (e.g., cuts in spending, reorganization and fund mergers), further reforms remain unavoidable.

The judicial system continues to function in a slow manner, provoking long delays in the dispensing of justice. Government revenue streams are undermined by widespread tax evasion and a narrow tax base. These are both major challenges that need to be tackled if the country’s economic growth is to become sustainable. Education reform also represents a long-term challenge, while public safety – especially in Athens and Thessaloniki – is a more immediate concern.

The recent transfer of power from the populist, patronage-minded and ultimately worn-out coalition government that ruled Greece from 2015 to 2019 to a more cohesive, reform-minded, more pro-European government is a positive development. In view of the numerous challenges listed above, a fresh start was necessary.

**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 involving only two parties. Governments have the 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 longstanding 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.

The elections of July 2019 reproduced this pattern of acute party polarization, as the leading party, New Democracy, obtained close to 40% of the total vote, while the previously governing Syriza party obtained almost 32%. The third party, KINAL (a conglomeration of the former PASOK party and several smaller center-left parties), with only 8% of the vote, lagged far behind the two large parties. Only three other small parties of the radical and communist left (MERA25 and KKE) and the far right (the new Greek Solution party), managed pass the threshold of 3% of the total vote needed to win entry into parliament. The rivalry between New Democracy and Syriza intensified during Syriza’s term in power (2015 – 2019), and became much more acute in the period under review, as the parliamentary elections of 2019 were approaching. (Score: 5)
Policy Performance

I. Economic Policies

Economy

Compared to previous time periods, Greek economic policy during the period under review was relatively less restrained by externally imposed conditionalities. The three-year Third Economic Adjustment Program (supported by a €86 billion bailout) officially ended in August 2018. However, in view of the facts that 2019 was an election year, that – according to opinion polls – a government change was in sight, and that impediments to domestic and foreign improvement (excess and unpredictable taxation, government ambivalence regarding large-scale private investment) had not been overcome, economic policy did not substantively foster economic growth. As illustration, Greece’s gross fixed capital formation in 2018 was 13% of GDP (the lowest such rate among the 41 OECD countries), while the country also ranked lowest among the OECD member countries with regard to potential output (IMF data).

However, there were signs of recovery. The Greek economy showed positive growth for a second year in a row (1.9% in 2018 and to 1.5% in 2017), and has caught up with the euro area’s average rate (1.9%). Nevertheless, this remains a relatively low rate given the catch-up needs following the long economic crisis. Tourism was once again the main contributor to this growth. In 2018, Greece’s tourism sector grew at 7% (almost three times the global average), and accounted for 21% of the country’s GDP (global average: 10%).

The unemployment rate is slowly falling, though it remains close to 20% (it dropped from 25% in 2017 to 19.3% in 2018). The youth-unemployment rate is twice that. The labor supply has shrunk by nearly a half a million people, most of these being skilled workers who have left the country since 2010.
The government achieved a primary surplus in the 2018 budget, mainly by raising taxes and extending the lease of the Athens International Airport. In the period under review, economic policy remained constrained by the capital controls imposed by the Syriza-ANEL government in July 2015 with the aim of avoiding a bank run after the austerity-package referendum. However, the capital controls were finally lifted in September 2019. This development should boost economic activity, although the economy remains frail. In particular, there has been little progress in managing non-performing bank loans, which still constitute about 48% of all bank loans.

The Syriza-ANEL government continued its policy of imposing high taxes on income and assets while changing the details almost every year, creating an unstable tax environment. Increased taxation has helped achieve a state budget surplus, but has also acted as a disincentive to investment, thus contributing to the meager levels of economic growth in 2018 – 2019.

Prospects for future economic growth are better due to the government turnover of July 2019, which brought a more investment-friendly, single-party majority government to power, led by the New Democracy (ND) party. By late summer of 2019, the Eldorado Company, which had invested in a gold mine in Halkidiki (in northern Greece), and the Lamda Development Company, which had bought land in the former Hellenikon International Airport (to the south of Athens), witnessed progress in their cooperation with the newly elected government.

Substantial challenges remain, however. The banks’ gross non-performing loans (NPLs) have fallen by a quarter since 2016, but still total €80 billion, or 45% of exposures. The country’s external public debt remains at forbiddingly high levels (181% of GDP in 2018, by far the highest such levels in the EU). Almost 70% of this is owed to official European creditors, with some 70% of that owed to the European Financial Stability Facility. The IMF, along with most international observers, believes that this mountain of debt is unsustainable, and has called for deep relief. The country’s creditors need to devise a plan for large-scale debt restructuring that may entail substantial losses for them. Finally, economic policy may become more fruitful if less pressure is exerted on private business and households to contribute to very high government-budget primary surpluses, like those achieved in the last several years. Although EU authorities refused to discuss such a prospect in the autumn of 2019, it is an issue that will probably surface again if Greece’s creditors want to see the country attain much higher growth rates, and thus become better able to service its public debt.
Citation:
Data on Gross Fixed Capital Formation and potential output are drawn on IMF’s world economic outlook for 2019 and is available on this SGI platform. GDP growth, unemployment and public debt are available from Eurostat.
Data on tourism is drawn on the World Travel and Tourism Council (WTTC), available at https://news.gtp.gr/2019/03/13/wttc-impressed-by-greek-tourism-sector-growth-rate/

Labor Markets

In August 2019, the main unemployment rate fell to 17.0% (EU average: 6.2%). Though the rate remains the highest in the EU, Greece has made substantive progress, given that the unemployment rate stood at 28% in 2013 and at 25% in 2015.

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 (among both skilled and unskilled workers).

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 social safety net called Social Solidarity Allowance (introduced in early 2017; see also “Social Inclusion”).
Greece continues to show the OECD’s highest long-term unemployment and youth-unemployment rates. Most 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.

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 are often unable to find new jobs, as many lack advanced skills. Unemployed people in the middle- to old-age groups face considerable impediments in reintegration 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. The distribution of openings for first-year students in university departments is decided by the Ministry of Education. This allows the government to raise the number of students allowed into popular departments, a practice steadily followed by the last government, which lost the elections of July 2019. As a result of this practice, university graduates’ job prospects have become very dim. Bank of Greece data show that in 2008 – 2015, approximately 427,000 young university graduates and professionals left Greece to seek work in Germany, the United Kingdom or other countries.

The pre-crisis division of insiders and outsiders in the labor market 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 rise in precarious work, continued brain drain and degradation among the long-term unemployed.

Citation:
Information on unemployment is drawn on Eurostat: https://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics#targetText=Recent%20developments,-Unemployment%20in%20the&targetText=Eurostat%20estimates%20that%2015.432%20million,weren%20unemployed%20in%20August%202019.&targetText=The%20EU-28%20unemployment%20rate,from%20206.7%20to%2025%20in%20August%202018.

Taxes

Greece’s taxation policy only partially achieves its objectives, though there has been some progress in recent years. Since January 2017, the Independent Public Revenue Authority has become organizationally and functionally independent vis-à-vis the Ministry of Finance. In addition, Greek authorities have repeatedly passed primary and secondary legislation to combat tax evasion. As a consequence, the tax-to-GDP ratio in Greece increased from 36.6% in 2015 to 39.4% in 2017. The redistribution effect achieved through taxation is reasonably good, with Greece ranking in the middle of OECD countries. However, Greece is among the OECD’s worst performers regarding the time needed to prepare and pay for taxes, as well as the tax burden for businesses.

The structure of Greece’s tax revenues is different from the OECD average. The country receives a relatively higher revenue share from social security contributions, value-added tax, property taxes, and taxes on goods and services, and a lower-than-average revenue share from personal-income tax, capital gains and profits, and corporate gains and profits.

Although income and value-added tax are higher than the EU average as a share of GDP, the total amount of revenue collected is much lower, thanks to widespread tax evasion and a narrow tax base. The gap between the expected revenue from value-added taxes and the actual sum raised was around 30% in 2018. The tax-free threshold for income tax is set at 60% of the average pay, nearly three times the EU average.

Measures to increase taxes are easier to announce than implement. During the
tourist season, income earned by small and very small businesses remains largely undeclared, while throughout the year, an unknown share of income in the liberal professions also evades tax authorities’ eyes. 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 2018 (and taxed in 2019), this threshold was €8,366 per year for a single taxpayer without dependents.

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.

Taxation measures and arrears to suppliers of goods and services to the public sector (a practice pursued by various governments since at least the beginning of the economic crisis) have contributed to the country’s achievement of a primary budget surplus of 1.1% in 2018 (EU average: -0.6%).

The government is bound to maintain a budget surplus in order to avoid elevating its already very high levels of public debt (182% of GDP in 2018). In 2018, the government kept taxes at relatively high levels so as to be able to distribute revenues to its electoral clientele as the European parliamentary and national elections of 2019 were approaching. These ad hoc state transfers to selected groups have been common among a succession of governments. During the period under review, mechanisms included recruiting government-coalition supporters for public sector jobs, and the distribution of one-off allowances to select groups.

The New Democracy government has announced that Greece will cut its corporate-tax rate from 28% to 24% for fiscal 2019 (the country’s corporate-tax rate was previously much higher than rates maintained by its immediate competitors). However, the new government has shown little interest in widening the tax base or combating tax evasion. Instead, like all predecessors, it has set up a tax-amnesty scheme in order to boost revenue.

Greece’s revenues from environment-related taxes are high in cross-EU comparison. Environmental taxes accounted for 3.97% of GDP in 2017 (EU-28 average 2.4%) and energy taxes for 3.18% of GDP (EU average 1.84%). However, there are implementation gaps. For example, although the landfill tax has been in place since January 2014, it had not been implemented as of the end of the review period.
To sum up, Greek taxation policy has improved over time, but is still subject to unpredictable shifts and an unwillingness by politicians to widen the tax base.

Citation:
Comments on tax system complexity, the tax burden for businesses and the redistribution effects of Greek taxes are based on the comparative data on OECD countries, available on this SGI platform. Data on the ratio of taxes to GDP and the sources of tax revenue is based on OECD information, https://www.oecd.org/tax/tax-policy/revenue-statistics-highlights-brochure.pdf

Budgets

Greece has made progress in the area of fiscal sustainability. Budget surpluses have been attained for three consecutive years: 0.5% in 2016, 0.8% in 2017 and 1.1% in 2018 (excluding debt repayments). Nevertheless, the country’s public debt levels have remained at prohibitive levels (182% of GDP in the first quarter of 2019, compared to a euro area average of 86%).

Transforming a large budget deficit into 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 and 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 made some private businesses collapse (outside the thriving tourist sector; problems were particularly acute in the industrial and commercial sectors). Moreover, public consumption and social security transfers declined in 2018.

This was an expected reaction to 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. In 2017 this constituted 2.5% of Greece’s GDP (EU average: 1.3%). Greece is among NATO’s highest defense spenders.

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. The government change in July 2019 led to an initial reduction in land-property tax rates (the ENFIA tax), a government initiative to alleviate the tax burden faced by of small and medium-size property owners.

Through the summer of 2019, the government followed the fiscal-policy guidelines contained in Greece’s Third Economic Adjustment Program (2015 – 2018), raising taxes, cutting public spending and achieving a spectacular 4.4% primary surplus in the 2018 state budget (versus an already high 3.9% in 2017). The real cost for this achievement was paid by the middle classes, while economic growth was anemic, at just 1.4% compared to a target of 2.7%.

A primary surplus of 3.5% in 2019 appears to be attainable. However, the new government hopes to negotiate a lower target with the country’s creditors for 2020, so that it has fiscal space to cut taxes. The IMF also seems to support lower fiscal targets, pointing to the damage austerity has inflicted on public investment and social spending.

Citation:
The general government primary balance utilizes a differing methodology for calculating categories of revenue and spending from those outlined in the bailout program. Information on the Greek state budget and public debt is drawn on Eurostat statistical tables available at https://ec.europa.eu/eurostat/statistics-explained/index.php/Government_finance_statistics. Information on defense spending is also drawn on Eurostat data and on the primary surplus on the Bank of Greece.


Research, Innovation and Infrastructure

Greece continues to rank below the EU average for public and private expenditure on research and innovation. As usual, the main funding came from public money.

The European Innovation Scoreboard (EIS), published in June 2019, noted an improvement in Greece’s innovation performance in 2018. Greece was ranked 20th among the 28 EU countries (up from 22nd place in 2017). Generally, over the 2011 – 2018 period, Greece exhibited an upward trend on the EIS Summary Innovation Index, increasing from 61st in 2011 to 82nd in 2018. During that timeframe, Greece showed the second-best performance in the EU with regard to improvements in the area of innovation.
However, despite progress in research spending, a serious brain drain remains underway, depleting Greece’s human resources for research and innovation. In 2008 – 2015, about 427,000 skilled employees or professionals holding at least one university degree left the country to seek employment abroad, mostly in northern and western Europe or the United States. The Greek government has sought since 2016 to counter this outflow of skilled labor. For example, it has provided government funds for research through the newly established National Foundation for Research and Innovation (NFRI-ELIDEK).

Meanwhile, Greece continues to lack large corporate R&D investors. 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. Moreover, a number of private start-up companies are using injections of private capital to concentrate on the production of software and technological innovations.

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.

Citation:
Information in English on the Greek research and innovation policy and particularly on brain drain is available from the EU, https://rio.jrc.ec.europa.eu/en/country-analysis/Greece/country-report

Global Financial System

Greece, a rather small European economy, 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. In March 2019, 45.2% of all loans were non-performing. However, in absolute terms, non-performing loans were down by around €27.2 billion from their March 2016 peak. The banks plan to reduce this burden further by 2020.

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:

II. Social Policies

Education

Greece performs well with regard to tertiary attainment (the share of the population holding university-level degrees) compared to other OECD countries, and generally has good primary education with low school drop-out rates. However, it is a laggard with regard to upper-secondary attainment and its PISA results. In other words, while primary schools and universities may not show an outstanding performance, they function somewhat better than the high schools. This is the result of many factors, including the Greek population’s fascination, fueled by successive governments, with being admitted to any university, and any department or school, by passing the competitive entrance examinations. These traditionally require memorization rather than critical thinking on the part of the pupils examined, and are conducted every June on a nationwide scale through a centralized examination mechanism. As a result, teaching and learning in high schools is oriented toward the requirements of exam preparation, a task is in fact far better organized by the country’s innumerable fee-supported private cramming schools than by state or private high schools.

Educational outcomes in Greece are close to the OECD average in mathematics, reading and science. However, students’ PISA test performance has not shown any significant improvement over the last decade.

Tertiary institutions are nominally autonomous, but the Ministry of Education is responsible for their funding, as well as for the distribution of students across undergraduate programs. Since the mid-1990s, governments have
promoted a policy of open university access, in part by opening admissions to universities and establishing new universities and departments. In the period under review, the Syriza-ANEL government merged the country’s 14 state polytechnics (technological educational institutes, TEI) with the 22 state universities. This measure, taken without prior planning, let alone an evaluation of the polytechnics, should be interpreted in the context of that government’s faltering populism. The measure was completed almost overnight, making it impossible for the successor to Syriza-ANEL, the New Democracy government (in power since July 2019), to overturn it. The Ministry of Education also introduced several measures during the review period that further reduced the autonomy of higher-education institutions.

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 the aforementioned nationwide university examinations, provides access to tertiary education. However, such access is not equitable, as students from middle- and upper-class backgrounds are more likely to pass entrance examinations successfully. Moreover, to the extent their parents can afford it, Greek high-school students receive extensive private tutoring in the cramming schools noted above. 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.

Under the Syriza-ANEL government (2015 – 2019), competency tests to pass a class (or grade) in elementary and high school were all but been abolished; timid teacher-evaluation efforts were largely abandoned; and the status of vocational training (in technical and professional high schools) was further downgraded 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 (3.9% of GDP) than the EU-28 average (4.6% in 2017; latest Eurostat figures). In addition, public funds are misspent: the allocation of teachers in public schools and lecturers in university departments is often uneven, university libraries are underresource 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. It is
unsurprising that Greece is ranked among the lowest in the OECD with regard to expenditure on pre-primary education. However, there is a positive development underway, as pre-primary education in Greece has become compulsory for all four-year-old children as of the 2018 – 2019 school year. Over the span of three years, the two-year preschool education will become compulsory in all municipalities of the country, and all children will enroll in pre-primary schools (Nipiagogeia) at the age of four.

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 former polytechnics (given university status overnight), are at a considerably lesser level.

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/

Social Inclusion

Since 2009, Greece has lost more than a quarter of its real economic output with dire social consequences. A study by the Athens-based DiaNeosis think tank 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. In 2017 (latest Eurostat data available as of the time of writing) the share of Greeks at risk of poverty or social exclusion was 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 people aged 20 to 34 who are not in education, employment or training (NEET) is the second-worst in EU-28 (27%). Another challenge is the enduring tendency of Greek governments to cater to the social needs of old-age pensioners much more than those of any other category of welfare-state beneficiaries. Meanwhile, typical government measures included the distribution of ad hoc social-assistance benefits (usually just before Christmas, as occurred once again in December 2018). Benefits, which are usually less generous than pensions, have been handed out to selected categories of the population. The government also hired poor and unemployed people in the public sector on temporary, five-month-long contracts, and counted on kin or family networks to fill in the gaps of a still inchoate social policy. In fact, with the government’s blessing, old-age pensioners were expected to live on their pensions or other sources of income while also offering food and shelter to socially excluded relatives.

In the period under review, the implementation of a minimum-income guarantee program, called Social Solidarity Income (KEA; first introduced in 2017), was continued. The implementation of this long awaited national minimum-income scheme was a positive development, and it undoubtedly represents a major improvement over all previous programs. However, the program still needs predictable and smooth financing, as well as 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), remained modest. To sum up, as in the recent past, welfare measures in the period under review were focused more strongly on old-age pensioners than on the unemployed or the socially excluded. Better-targeted benefits could make growth more inclusive.

Citation:
Data on the poverty rate, GNI coefficient and NEET share in the age group 20-24 is provided by the SGI dataset on this platform.

Data on the share of people at risk of poverty or social exclusion is available from Eurostat at https://ec.europa.eu/eurostat/statistics-explained/index.php/People_at_risk_of_poverty_or_social_exclusion

The national roll-out of the “Social Solidarity Income” scheme in Greece, ESPN Flash Report 2017/68.

Health

Since the onset of the economic crisis in Greece, there have been massive cuts in public and private healthcare spending. Since 2009, per capita spending on public healthcare has been cut by nearly a third. In 2019, Greece spent $2,238 per capita on healthcare – more than one-third less than the OECD average. This amounted to 7.8% 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.

Private spending is fueled not only by the population’s health status, but also by the supply of health practitioners and the availability of private diagnostic centers; in 2019, Greece had 6.1 practicing physicians per 1,000 people in the population, the highest such ratio in OECD. However, there were only 3.3 practicing nurses per 1,000 people – around 40% of the OECD average of 8.8. Moreover, Greece also had one of the EU-28’s highest shares of MRI units and medical scanners per 1 million people.

Seeking to balance this oversupply of private medical services, the government implemented a system of local public healthcare units (TOMY) during the period under review. The new system should have offered a major improvement over the past, moving in the right direction by required that practicing doctors become family doctors (i.e., general practitioners responsible for a few thousand insured citizens each). Implementation of the new system faced challenges, as Greece currently 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, while there should be around 8,140 in order to meet the EU average. Specialized doctors (of whom Greece has an oversupply) had no incentive to provide primary healthcare under the newly established terms of the program, and were reluctant to enroll in a system that would tie them to predetermined levels of compensation. Meanwhile, patients continued to trust their own usual private-practice doctors, to whom they pay out-of-pocket fees. As a consequence, only several hundred doctors had agreed to work with the new system by mid-2019.

Greece also remained one of the lowest spenders on the share of preventive health measures in total healthcare 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. 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 healthcare remain intact, there is a lack of long-term planning and programming with regard to preventive healthcare measures. In addition, there is a high volume of unrecorded and untaxed transactions between patients and doctors as well as a differential in healthcare 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.

Data on the number of health practitioners, MRI units and scanners in Greece, in comparison to EU-28, is drawn on the European Commission’s publication available https://ec.europa.eu/health/sites/health/files/state/docs/2018_healthatglance_rep_en.pdf

OECD, Health at a Glance, 2019 (https://www.oecd-ilibrary.org/docserver/4dd50c09-en.pdf?expires=1573899838&id=id&accname=guest&checksum=0AF638931BE42F05F03185C22CE01DE)

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, childcare density is among the lowest in the OECD. If a family is poor, this condition also negatively affects child poverty. Although the child-poverty rate declined from 22% in 2013 to 16% in 2018, this remains a serious challenge for Greece.

Instead of focusing on the poor and children, the bulk of social attention is focused on pensioners, often regardless of their income level. However, during the period under review, the government began distributing a benefit called Social Solidarity Income (first established in 2017; see “Social Inclusion”).

Women provide childcare 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 instead depends on the traditional behavior and structure of the Greek family, as well as on funding from the European Union.

Citation:
Data on child poverty, enrollment in preschool services for children up to five years old and fertility rate is provided by the SGI database 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).

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 slightly since then, with 17.8% of GDP spent on pensions in 2015 (EU-28: 12.8%). In fact, the largest share of social-protection expenditure was devoted to pensions.
The pension system has been radically changed since 2010 by a range of reforms aimed at making the system more viable and seeking to limit public expenditures. The latest reform (Law 4387), in 2016, abolished all special arrangements, unified all pension-fund programs, and subsumed all rules on contributions and benefits under a new body (EFKA). This reform also established a general system of defined-benefit pension plans, and introduced a basic pension financed by general tax revenue. According to the law, the main pension is now 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.

The prospects for the Greek pension system are not good, as the country has one of the worst old-age dependency ratios in the OECD. 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.

The IMF points out that Greece spends more on old-age pensions, as a share of GDP, than the average euro area country. In the run-up to the election the previous government worsened the imbalance when it restored the pre-crisis practice of a bonus “13th month” pension.

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 programs), courts have found other of its aspects to be unconstitutional. For instance, in the period under review, the country’s supreme administrative court struck down several aspects of the reform pertaining to low replacement rates. All in all, 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:
Data on share of old people who work and old-age dependency ratio is drawn on the SGI data set, available on this platform.


Details on pension reform can be found in 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. In June 2019, the UNCHR reported that 134,000 refugees and asylum-seekers lived in Greece. The number of migrants passing through Greece was probably higher, but was difficult to determine. Most remained at reception centers or camps on the Greek islands facing Turkey, such as Lesbos, Chios and Samos.

On 18 March 2016, the EU and Turkey agreed on a joint statement to end irregular migration flows, ensure improved reception conditions for refugees in Turkey, and open up organized, safe and legal channels to Europe for Syrian refugees. In the following three years, the number of irregular arrivals fell by 97%, while the number of lives lost at sea also decreased substantially. However, disagreements over EU financial aid and the imposition of sanctions on Turkey for illegal drilling in Cyprus’ continental shelf complicated matters. On July 22, Erdogan threatened to suspend the migration deal. Since that time, the rate of migrant arrivals to the Greek islands has substantially increased. In October 2019 alone, a total of 6,868 migrants and refugees landed on the shores of the aforementioned Greek islands.
Because of the long and inefficient system by which asylum applications are processed, arriving migrants and refugees often find themselves stranded on the islands for a very long time (for the space of years). By the end of the period under review, a total of 15,000 migrants and refugees were concentrated in a single “hot spot,” the Moria camp on Lesbos. They lived in squalid conditions, as the camp’s 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. To address these mounting problems, the Greek government that assumed power in July 2019 decided to gradually move segments of the rising population of migrants and refugees from the islands to camps scattered throughout Greece.

Meanwhile, EU authorities and NGOs have continued 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 at the primary and secondary level. 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 an official mosque for Muslims in Athens was finally opened only in June 2019.

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:
Information on the number of refugees in Greece is drawn on a Deutsche Welle report from Berlin, available at https://bit.ly/2M9p6el

Such data was also drawn on CNN reports such as the article published in https://www.cnn.gr/news/ellada/story/195885/meres-toy-2015-323-afixeis-sti-mytilini-se-mia-mera-15-000-sti-moria-35-000-sta-nisia
Safe Living

Despite the long-term economic crisis, homicide rates declined in 2011 – 2017; but so did the share of population claiming to feel personally safe and secure. Greece’s homicide rate was 0.8 per 100,000 inhabitants, well below an OECD average of 3.7. However, only about 60% of people said that they felt safe walking alone at night, less than the OECD average of 68%, despite the decline in most other types of crime (e.g., robbery, burglary, assault and rape) reported to the police.

The decline in homicide rates and other types of violent crime may be attributed to a few converging factors. First, family ties remain strong in Greece, and were further strengthened during the economic crisis. Thus, the unemployed and poor relied on family members 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.

The decrease may also be partially explained by the relatively high levels of government expenditure on public order and safety (constituting 2.2% of GDP in 2016, among the highest such levels 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 of any EU-28 country (1.4% of Greece’s GDP), though effectiveness is widely disputed.

Feelings of personal insecurity may be attributed to the fact that trust in the police is comparatively low. This is probably due to the unwillingness or incapability of the police to control a number of central neighborhoods in large cities where there are daily incidents of petty theft, burglaries and drug use.

Police have not offered sufficient protection for refugees and migrants against attacks by racist groups, including by militants of the neo-Nazi party Golden Dawn. In the past, foreign migrants and refugees have been chased and beaten by Golden Dawn activists. Trials of those accused of perpetrating such attacks have lasted for an unjustifiably long time period.

Moreover, in the period under review, as in the past, there were frequent violent riots in central Athens and Thessaloniki organized by anarchist and extra-parliamentary left-wing groups. In almost all cases, the police, under orders by the Syriza-ANEL government (in power through July 2019), failed to intervene to protect state and private property. In some cases, police stations were physically attacked by some radical-left groups. Indeed, the Syriza-
ANEL government showed considerable tolerance particularly toward groups that frequently engaged 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). Many such groups also occupied empty private and public buildings in the center of Athens. In the summer and autumn of 2019, the new government (the New Democracy) ordered the police to empty such buildings of their occupants, and drafted criminal-law provisions intended to restrict the intruders’ activities.

In summary, in the period under review, even though the rates of some crimes (e.g., homicides and thefts) were low, there was broad public uneasiness regarding the security in Greek city centers, owing to activities by uncontrolled violent radical 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/](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. Cuts in public sector expenditure significantly impacted Greece’s official development assistance (ODA). In 2017, Greece’s ODA as a share of GNI stood at 0.16%, far below the OECD average (0.32%). This continued to fall in 2018 (0.13%). While Greece continued to meet its multilateral commitments, including to European institutions, bilateral ODA was limited to expenditure on scholarships and in-country refugee costs. The 2018 Development Assistance Committee (DAC) Peer Review suggested that as the economy recovers and Greece considers increasing its expenditures on aid, the government should take steps to build a new vision for development cooperation, and establish structures and systems to deliver it. The report also noted that 82% of the 2011 Peer Review recommendations for Greece were not implemented, and the rest were only partially implemented. In general, the Greek government has shown very little interest in engaging in international efforts to help developing countries, and has not demonstrated any initiative, assumed responsibility or acted as an agenda-setter within the international framework. However, it supported all relevant EU and UN initiatives.
III. Environmental Policies

Environment

In comparison to many other countries, Greece performs rather well on environmental policy. In the Yale University’s Environmental Policy Index 2018, Greece was ranked at 22nd place out of 180 countries for overall environmental performance, with a score of 73.60. Greece is among the 10 top world performers in terms of access to water and sanitation, but compared to residents of other more industrially developed countries, Greeks overuse water sources and create a lot of waste.

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.

Industrial production and greenhouse-gas emissions in Greece declined after 2010, as one consequence of the economic crisis. Recycling has increased only modestly over the past 15 years, and waste management is not systematically practiced.

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, since 2017 the government has implemented a new eco-tax for every plastic bag used for shopping or garbage. Greeks use plastic bags at twice the average European rate. It has been estimated that plastic bags make up half of the waste in Greece’s waters.

In general, environmental policy cannot be regarded as ambitious. Due to the financial crisis, governments since 2010 have focused more on immediate economic concerns than on long-term environmental goals. Environmental policymaking is rather fragmented across different ministries and state agencies, which negatively affects its integration across policy sectors. If there is one priority area in which tangible results have become increasingly obvious, it is the promotion of renewable energy. Here, the country has significant natural capital in the form of solar, wind and tidal resources.

In sum, as the latest EU Environmental Implementation Review notes, there has been some progress on waste-management issues, ecosystem protection and the implementation of the EU’s Urban Wastewater Treatment Directive. However, complex administrative structures and procedures continue to cause significant delays and bottlenecks. Paired with local political hurdles and “not in my backyard” movements, these are among the main obstacles to the implementation of environmental legislation. Nevertheless, central and local authorities as well as state and private companies have become increasingly sensitive in implementing environmental legislation.

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 the Environmental Performance Index for 2018 is available at https://epi.envirocenter.yale.edu/epi-topline


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 than to the fact that the economy has remained 
stagnant for a long time, 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 three parliamentary elections that took place in Greece in January and September 2015 and July 2019 were smoothly organized, and in budgetary terms, cost much less than previous national elections.

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, in the 2015–2019 period, the country’s national public broadcaster (ERT) primarily, if not exclusively, communicated the views of the Syriza-ANEL government coalition, as it had done until 2014 with its previous political masters, the PASOK and ND governments.

Private media are also selective in their reporting and many are sensationalist. Importantly, though, neither the state nor the private media air the opinions of the neo-Nazi party Golden Dawn. The party won parliamentary representation in the 2012 elections, and repeated its success by obtaining 7% of the vote in
the two parliamentary elections of 2015. However, in the elections of July 2019, it fell below the threshold of 3% and thus did not elect any members of parliament.

Voting and Registration Rights Score: 10

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 rates are calculated based on an aggregate that is much higher than the actual number of eligible voters.

Party Financing Score: 6

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 tasked with monitoring electoral campaign spending was established by an August 2016 decision of the Greek parliament. 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.
For the most part, monitoring remains ineffective, and the real sources of party financing are not fully known. This inefficiency is attributable to both the governing and opposition parties. For instance, in 2018, the parliamentary committee in charge of controlling party finances asked all parties to reveal the names of sponsors who had donated more than €5,000. However, the Communist Party of Greece (KKE) refused to submit any relevant information.

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 area 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 had miscalculated the consequences of the referendum’s outcome. This unfortunate, if not awkward, handling of the referendum has diminished the prospect of citizens being able to vote on issues of importance to them at least in the near future.

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, especially during the electoral campaigns leading to the European Parliament elections of May 2019 and the national parliamentary elections of July 2019, the public broadcaster’s (ERT TV)
television channels adopted a clearly pro-government bias across all news programming, openly supporting the two government coalition partners, Syriza and ANEL. News presenters toed 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 earlier attempt to control the private television sector as well, though this attempt was ultimately aborted between September and December 2016. In late 2018 an auction of nationwide TV licenses was conducted under the auspices of the independent National Council for Radio and Television, and five such private licenses were handed out.

The public broadcaster’s performance improved after the government turnover of July 2019, even though the journalist appointed as head of the broadcaster in August 2019 was a close associate of the new prime minister (the leader of the New Democracy party, Kyriakos Mitsotakis). As a consequence of the Syriza-ANEL coalition’s intense meddling in the television sector and with the press more generally for most of the period under review, Greece was ranked 65th out of 180 countries in the 2019 World Press Freedom Index, although there was some improvement compared to the 2018 ranking (78/180).

The targeted purchase of advertisements from specific media outlets, a typical means by Greek governments of influencing reporting, was also seen in the period under review. In July 2018, following deadly wildfires in Mati, Syriza and ANEL announced that members of their parties would not participate in any programs on Skai TV and Radio, accusing the broadcasters of systematic anti-government reporting surrounding the disaster. In response, the opposition New Democracy party announced that its members would not make appearances on public television.

Citation:
The information on Greece’s ranking on the Word Press Freedom index is available at https://rsf.org/en/ranking

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 controlled by magnates, ship owners 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). Finally, in late 2018, an auction of nationwide TV licenses was conducted, and five such private licenses were sold.

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.

Further tendencies toward the consolidation of an oligopolistic media structure were evident in the period under review, as new media moguls opened new TV stations (One TV, Open TV), supporting football teams in which the stations’ owners were major shareholders and seeking to influence the country’s political landscape.
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 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.
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.

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 was still under way.

In the meantime, the living conditions of 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. The outcry was intensified in September 2019 after a woman died in a deadly fire in that camp. Similarly intolerable conditions were observed on the islands of Samos and Symi in the summer of 2019. However, starting in October 2019, the
government began actively relocating refugees and migrants to better and smaller camps around mainland Greece.

In summary, the state protects civil rights, but organizational and bureaucratic obstacles in practice stand in the way of the comprehensive protection of these rights, particularly with regard to migrants and asylum-seekers. Very recent efforts by the government that took power in July 2019 have begun to alleviate this situation.

Citation:

Political Liberties
Score: 10

The constitution extends strong protections to political liberties, 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, during the period under review, the realization that the Syriza-ANEL government was following in the steps of previous governments on economic and social policy led to protests, for instance by old-age pensioners, which at various times were suppressed by police forces.

In the period under review, before and after the parliamentary elections of July 2019, 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 attacked by members of a far-right group, and similar groups verbally attacked pro-government parliamentarians and government ministers.

Small radical leftist groups periodically turn violent and attack law enforcement officers. They also sometimes close down university buildings by occupying them in protest against government measures they oppose. It is not the state, but rather uncontrolled groups of extremists that have begun to restrict political rights such as the freedom of opinion.

In this context, it is commendable that the new government regarded the issues of safety and security in large cities as taking a high priority. For example, in the fall of 2019, the police evacuated buildings that had been used as springboards by the both of the aforementioned groups to play havoc with daily life in a few neighborhoods in downtown Athens.
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 makeshift 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. The mosque was finally inaugurated in early June 2019.

Protection against discrimination on the basis of race has been regulated since 1979, while protection against gender discrimination is regulated by the 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 effectively. Women in particular, though theoretically enjoying equality before the law, continue to face workplace discrimination in practice. The Romany minority (numbering probably more than 200,000) is also subject to discrimination despite legal protections.

In the years 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). In January 2018, the parliament adopted legislation that limited the jurisdiction of muftis applying Shariah principles to family-law disputes among Muslims.
in Thrace (in December of the same year, the European Court of Human Rights ruled that the system in place prior to the legal change was discriminatory).

Greece has seen significant improvement in the protection of LGBTI rights in recent years. New legislation passed between 2015 and 2017 grants extensive rights to same-sex couples, and recognizes self-proclaimed gender identities for people experiencing gender dysphoria.

In the autumn of 2019, the sudden new influx of refugees and migrants to Greece took the government and the population by surprise. The inflow provoked negative reactions within many communities of small towns and villages, particularly when reception centers for refugees and migrants had been built in their vicinities. A general climate of unfriendliness, if not outright hostility, toward refugees and migrants had at this point become palpable in communities scattered around Greece.

Citation:


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). After the government
turnover of July 2019, the new, single-majority government passed a law reorganizing the top echelons of the government and the monitoring of public services with the intention of bolstering the rule of law across the administration (law 4622/2019). This campaign appears to be far better planned than previous haphazard efforts in this area, but its results remain to be seen.

The practice of frequently amending recently passed legislation has continued unabated. On average, a new law is voted on by the Greek parliament every week (according to research by the Athens-based Dianeosis organization). Given such uncoordinated overregulation, the legal framework in major policy sectors, such as the regulations governing taxation and foreign investment, still exhibits loopholes and contradictions that have negatively impacted legal certainty.

Citation:
The research report of the Athens-based privately owned research organization “Dianeosis” is available (in Greek) at https://www.dianeosis.org/wp-content/uploads/2016/07/polynomia_final2.pdf

Judicial Review
Score: 8

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 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 in primarily, if not exclusively, investigating 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. More broadly, the period under review saw a tug-of-war between the government and the justice system, rendering judicial review a sensitive and unpredictable process. This pattern was continued into the second half of 2019, when courts again overturned several clauses of the recently passed pension legislation, dubbing them unconstitutional.

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 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.

In this respect, it is telling that just prior to the July 2019 parliamentary elections, the Syriza-ANEL government appointed new heads for the Areios Pagos Court and the General Prosecutor’s Office. This initiative provoked an additional last-minute conflict with the government in waiting, the New Democracy party, which had long held a clear lead in the polls. Eventually, the president of the republic refused to sign off on the Syriza-ANEL government’s decisions just before elections were held. The process of selecting and appointing these high-level judges and prosecutors was repeated in the parliament that was convened after the elections.
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) and has remained in prison awaiting trial.

However, the Syriza-ANEL’s February 2018 drive to open criminal investigations against two former prime ministers and eight ministers who had served in governments prior to Syriza’s rise backfired. The criminal investigation was not based on adequate evidence, and quickly ran into legal obstacles. Ultimately it was abandoned altogether. After the elections of July 2019, a several of the politicians accused of wrongdoing sought to clear their names, and further asked that Syriza government officials and public prosecutors who had worked under their instructions themselves be investigated by a parliamentary committee put in place in October 2019.
Generally, Greece’s system of anti-corruption policies and mechanisms has not been stabilized. According to a July 2017 report by the Hellenic Federation of Enterprises (SEV), the state has shown a fragmentary approach, as well as a lack of determination in 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. Moreover, most institutions tasked with combating corruption are not furnished with sufficient resources to accomplish their tasks.

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.

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 was criticized by the opposition as more of a wish list than an integrated plan for the country to regain its footing. However, in its last year in power, the Syriza-ANEL government was preoccupied with the day-to-day management of the state and did not begin implementation of any long-term development strategy. Thus, the coalition government did not follow a long-term plan, but instead engaged in experiments in various policy sectors such as employment, higher education, culture and sports.
A shift occurred after the national elections of July 2019, in which the Syriza-ANEL coalition lost to the center-right New Democracy party. In August 2019, the newly elected single-party majority government passed a new law aiming to reorganize the government and the upper echelons of the central public administration. The law aimed to strengthen the civil service rather than the central government’s line-ministry functions; reduced the number of political appointee posts (which the previous government had allowed to mushroom); and provided for new, non-political general secretary posts responsible for day-to-day management of the individual ministries. The new law had not been fully implemented by the end of 2019, but overall, the shift to a less politicized higher civil service focused on planning and programming tasks raised hopes for better steering of the Greek state.

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 think tanks vary significantly, and they often offer little alternative to ad persona advisory inputs.

In the period under review, following the government turnover of July 2019, the incoming New Democracy government attracted a comparatively large number of qualified experts in a variety of policymaking sectors. Some of these individuals had acquired their expertise and job experience in the private sector, while others had worked in Greek and foreign universities. Previous connections to the New Democracy party proved largely irrelevant to the hiring decisions. This was an improvement over the past, when experts had often been recruited primarily on the grounds of their loyalty to the governing party.

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 the Syriza-ANEL government, a number of offices and government ministers were entrusted with steering government initiatives in the area of sectoral policy. As was the case before 2015, the Prime Minister’s Office (PMO) played a primary role. A second relevant organ, the General Secretariat of Coordination of Governmental Tasks, collected, registered and circulated documents, and was also very close to the prime minister. Individual ministers without a portfolio were periodically given one-off tasks which demanded the collection and evaluation of policy expertise. It is unclear whether these organs and ministers had 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.

After the government turnover of July 2019, there was a visible change in the role played by the center of government. The New Democracy party, which won the national elections of July 2019, rose to power with a concrete plan of reorganizing decision-making and passing legislation in a less haphazard manner than was the case with preceding governments. Government priorities were clearly laid out in the summer of 2019, and interministerial coordination processes were streamlined. According to descriptions of the new governance model, the PMO will continue to play a vital and overarching role in monitoring targets and effectiveness within all ministries. Nevertheless, it is still too early to judge the significance of these reforms. In the autumn of 2019, government ministers occasionally submitted last-minute amendments to laws as they moved through parliament. This has a common occurrence under past governments, and it remains to be seen whether the new incumbent government will be able to overcome the practice.

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, 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. However, after the government turnover of July 2019, ties between line ministries and the PMO were further strengthened, as the latter was reorganized and staffed with highly skilled policy experts.
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. Within the headquarters of the PMO, a small, informal circle of advisers and ministers close to the prime minister bear primary responsibility for the formulation and coordination of cabinet proposals. Ministerial committees often performed a rather symbolic function while Greece was struggling to fulfill the requirements of three successive Economic Adjustment Programs in 2010-2018. After the government turnover of July 2019, there are initial good signs of rejuvenation of cabinet 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 by 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.

This meritocratic selection of civil servants was not accelerated after the government turnover of July 2019. However, the new government passed legislation limiting the number of political appointees at the top of the civil
service hierarchy, and depoliticizing high-ranking ministerial positions, such as the post of general secretary. The new legislation had not yet been implemented by the end of 2019.

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. Following the cabinet reshuffle of August 2018, at least three ministers were successively given such informal-coordination roles. The role of informal coordination was preserved after the government turnover of July 2019, as a deputy prime minister, one additional minister and one junior minister without portfolio were appointed to serve directly under the prime minister, and tasked with steering the government mechanism. Overall, the importance of informal coordination has increased over time.

While the PMO in Greece uses modern information and communication technologies to monitor government mechanisms, 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. Following the government turnover of July 2019, a new ministry, the Ministry of Digital Governance, was established. This is likely to give new impetus to the use of digital technologies across the government. The ministry announced that its first goal was to achieve interoperability between state records systems, enabling different agencies to “talk” to each other and share information.

Citation:
The digital platform for public procurement, covering all ministries and agencies of the public sector, is available at http://www.eaadhsy.gr/
The website of the Ministry of Digital Governance is available at https://mindigital.gr/
Evidence-based Instruments

In 2006, under a previous government, the PMO issued a 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.

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 often not the case). Even in RIA processes for the development of critical laws initiated by the executive, Greece scores well below the OECD average. The quality of RIAs is generally poor, largely due to the hasty manner in which the texts of new bills are developed.

A sort of regulatory impact assessment process for new regulations is sometimes completed at ministerial meetings, but regulations in Greece have increasingly been passed without such assessments. Rather, regulations result from short-term, quite often patronage-ridden political calculations.

Citation:

Quality of RIA Process
Score: 2

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 has been undertaken since the law was passed. RIAs are supposed to be submitted to the Better Regulation Office.

Citation:

Sustainability Check
Score: 1

Sustainability checks are not performed; this was the case under the preceding and remains the case under the incumbent government.

Ex post evaluations are not yet part of the Greek government’s regulatory-management toolbox. There is frequent turnover among ministers, and it is rare for a minister to stay 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. However, the Greek government has in some cases asked international organizations (e.g., the OECD) or think tanks to evaluate policy impacts. The Syriza-ANEL government was rather reluctant to ask for external advice. In contrast, the New Democracy government in power since July 2019 has shown itself to be more open to the prospect of establishing proper ex post policy-evaluation processes.

Societal Consultation

In the period under review, social consultation on policy decisions was limited, because much of Greece’s policy – until late 2018 – was determined by the detailed austerity measures and conditionalities included in the Third Economic Adjustment Program. Such policies negatively affected the incomes of a variety of societal actors (e.g., workers, employees) who were not consulted on income policy. To compensate voters for the associated income losses, the Syriza-ANEL coalition government handed out one-off welfare benefits to pensioners and lower income groups every December in a rather inchoate fashion. This practice was repeated in December 2018. The Syriza-ANEL government did consult with individual domestic and foreign businesses that the government hoped would invest in the country’s media, real estate and tourism sectors, but investors proved reluctant to cooperate with the government. After elections of July 2019, the incoming New Democracy government launched a concerted effort to contact and attract investors, after putting out a plan for making the country’s business environment more welcoming to investors.

Policy Communication

In August 2018, the Third Economic Adjustment Program for Greece (the Third Memorandum, 2015 – 2018) was completed. The government in power at the time considered the program’s completion to be a successful final “exit of the Memoranda,” though in June 2018 it had consented to a continuation of periodic performance reviews of the Greek economy (i.e., site visits by IMF and European Commission representatives every three months). After that time, the prime minister, the government’s spokesperson, the minister of finance and other ministers conveyed positive messages about future economic growth, although Greece’s economy continued to show rather slow growth (under 2% of GDP). Private foreign investment continued to stay away, businesses continued to close down or leave the country, and the flight of skilled labor (“brain drain”) continued. The government thus tried to divert
attention from growth rates by highlighting the decline in the unemployment rate, and by emphasizing ideological differences between “left” and “right.”

The center-right New Democracy party, which assumed power in July 2019, embarked on a new communication strategy focusing on the idea that the “experiments” with the economy and the political system attempted by the previous government during 2015 – 2019 were now over. The new communication strategy took on a central theme of “normality,” with the new government implying that it was time for Greece to become a typical, normal EU-like market economy and parliamentary democracy. This was evidently a successful strategy, as the new governing party’s popularity remained strong in the six months following its electoral victory in July 2019. However, there is still a need for a longer-term government vision articulating the direction and intention of Greek policy.

Implementation

Significant structural reforms have been legislated by successive Greek governments over the last nine years, but their mix and implementation were and continue to be uneven. Greece has implemented important labor market reforms, but there has been less progress with regard to curtailing 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 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. After the July 2019 elections, several large-scale projects (the Eldorado Company mining project and the redevelopment of the former Hellenicon airport) gained speed, as the new government was keen to help foreign investors implement their investment plans.

In the period under review, the completion of the Third Economic Adjustment Program (terminated in August 2018) left the government with more room to formulate and implement its own policies without externally imposed conditionalities. Government ministers pursued Syriza’s pre-electoral left-wing program, and in some instances tried out various untested ideas or plans of their own. For example, the minister of education suddenly announced in April 2019 that the country’s polytechnics would be elevated to the status of universities, and that another 38 new university departments would be founded across the country, without any rational planning. The decision affected the status of thousands of polytechnic-institution instructors who overnight became professors, as well as tens of thousands of polytechnic graduates who overnight found themselves holding university degrees.

After the government turnover of July 2019, the new government was forced to retain the elevated status of polytechnics, as thousands of recent high-school graduates had already been admitted to these institutions through that year’s university-entrance examinations. However, in November 2019, the new government canceled the procedures establishing new university departments (including a new law school at the University of Patras).

The lax monitoring of line ministries by the PMO characteristic of previous review periods has largely 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. After the government turnover of July 2019, the PMO tightened procedures for monitoring line ministries’ implementation activities, introducing what it called a “new governance model.”
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.

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. Subnational authorities effectively have no funding sources of their own. For the Syriza-ANEL government, functioning within the constraints of the Third Economic Adjustment Program (2015 – 2018), achieving a large budget surplus was a major priority. Thus, subnational authorities along with many other state agencies were pressed to cut spending. For the New Democracy government (in power since July 2019), the priority is to stimulate economic growth primarily through incentives provided to investors, along with some relaxation of budget austerity. It remains to be seen whether this shift in priorities will translate into any change in the distribution of funding between the central and subnational governments.

Subnational authorities have limited scope of discretion in Greece. 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 that failing to implement such standards could put the state’s finances in danger, particularly since subnational self-governments are heavily dependent on the central government for their funding.

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 derailment 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.

In the past, including in the term of the previous government (2015 – 2019), government agencies and the judiciary were selective with regard to who should be consistently reviewed and prosecuted for penal-code violations, including for corruption. However, after the government turnover of July 2019, the new government launched a drive to nominate non-politicized appointees to management posts within law enforcement and regulatory agencies. In November 2019, the staff of the Competition Committee paid a visit to the central headquarters of Greece’s four major banks, making a sudden inspection of documents.

Adaptablility

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 externally imposed agenda.

Greece exited the Third Economic Adjustment Program (2015 – 2018) in August 2018. During the period under review, the government attempted to implement legislation that had been previously passed in accordance with the requirements of successive economic adjustment programs (the so-called Memoranda). Implementation had been delayed, as some of the measures contradicted the electoral program of the two coalition partners (Syriza and ANEL) that had held 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. A second round of the same review started in the spring of 2019. The new center-right government, which assumed power in July 2019, has started a series of structural reforms. These include major administrative changes, along with changes to investment, labor-relations, migration and education policy intended to help Greece converge with the EU mainstream in these areas. It also announced cuts in the very high tax levels imposed by the previous government. However, the quality of implementation of these reforms remains to be seen.

As a euro area member and participant in EU summits and ministerial meetings, Greece has engaged in international efforts to foster the provision of public goods. For instance, Greece has actively participated in international forums on environmental and cultural issues; it has also been vocal at the European level in pressuring for a coordinated response to migration challenges, 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 in the 2010–2018 period, Greece was often on the receiving end of coordination rather than being 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 scale and urgency of problems of the Greek economy, Greek governments have not been able to devote considerable effort or resources to ensuring that the country’s own national policies are in line with international norms and agreements.

**Organizational Reform**

During the period under review, the monitoring of institutional governance arrangements was improved. The new government that took office during the summer of 2019 reorganized governance structures by appointing highly skilled experts or managers with job experience in the private sector to various management post across the public sector. All governance monitoring was executed from the top, namely either by the PMO or the office of the minister responsible for the new institutional arrangements. Since the summer of 2019, the PMO has been staffed by two government ministers without a portfolio as well as technocrats responsible for monitoring. Though other mechanisms for monitoring government have been available in the past, such as parliamentary and interministerial committees, these were mostly marginalized by the government serving from 2015 to 2019. However, there are signs that such committees are experiencing a resurgence under the new government.
In the 2015 – 2019 period, the Syriza-ANEL coalition government sought to enhance its strategic capacity in several ways, although in practice all strategy decisions were taken by a small circle of confidants around the prime minister, who usually 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 parliament, also continued its task of monitoring the state’s finances and suggesting changes to economic policy.

However, improving the government’s strategic capacity became a lesser priority for the coalition government during its last year in power, as the elections of 2019 were approaching. Short-term electoral calculations rather than long-term reform strategies became the government’s top priority. One example was the government’s November 2018 proposal to reform the constitution to reflect the governing coalition’s preferences rather than well-thought-out principles on efficient political reform.

After the elections of July 2019, the new government devised plans to reform central-government institutions in a variety of policy sectors. In autumn 2019, it established a new National Security Council and a new National Authority on Transparency. Emphasizing the need to improve the long-term planning, programming and monitoring of public policies, the new government passed and implemented legislation that reorganized the Prime Minister’s Office (the PMO). The new PMO was renamed as the Presidency of the Government, and procedures designed to strengthen the state’s strategic capacity were quickly rolled out in different policy sectors. This included, for example, a long-term strategy for the digitalization of public services traditionally provided in person and on-site. The government also developed a long-term strategy designed to manage migration inflows and to facilitate the transfer of migrants from overcrowded islands in the Aegean Sea to the Greek mainland. Overall, strategic capacity that draws on scientific knowledge and long-term planning has improved.
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. Electoral turnout rates were high until the crisis began, but declined rapidly since (though relevant data should be treated with caution, as the electoral register has not been systematically updated). Greeks rarely turn to policymakers (i.e., government ministers and members of parliament) to voice their opinion on policies. Rather, they mostly rely on interest groups to do so on their behalf.

There is also a tradition in Greece of appealing to government ministers or members of parliament on an individual basis to obtain favors, such as the facilitation of 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 engage in patronage relations has not been adequately addressed. Upon ascending to government, 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, for their part, welcome this practice.

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

In this context, political participation in decision-making has not improved.

Citation:
The Ministry of Interior reports turnout in elections. The relevant percentage figures are available at the Ministry’s http://ekloges.ypes.gr. The open-government consultation site is available at www.opengov.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, all data produced by the revamped official statistical authority of Greece (Helstat) is accessible. This data is compiled and published according to Eurostat’s requirements. Reliable data is also available on public employment, including type of work contract and other information, via a separate website maintained by the Ministry of Administrative Reconstruction (Apografi). Moreover, thanks to a law on the issue of transparency, all administrative acts issued by the central, regional and local authorities and other public bodies (the Diavgeia system) are available online. Though this system is not very user-friendly, accessing the data is possible. The government that took power in July 2019 has announced that it would rapidly expand the digitalization of public services as part of an effort to enhance efficiency and transparency. To that effect, it established a new Ministry of Digital Governance, and also founded a new Government Authority on Transparency.

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 up to two research advisers who are paid out of the parliament’s budget, and three other assistants who may be transferred from any ministry or state agency to the parliament. However, many members of parliament hire family members or friends who in effect do administrative and secretarial work rather than conducting research. This practice was continued in the period under review. Nevertheless, each party represented in parliament has its own research 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, which focuses 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 are frequently summoned to parliament and engage in intense debates with the opposition. As might be expected in a polarized party system, debates sometimes create a spectacle rather than providing a setting for the exchange rational arguments (especially when they are televised).

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). Recurrent
disagreement in parliamentary committees reflects the long-term polarization
in the Greek party system, as well as the broader mistrust and limited social
capital that characterizes Greek society. However, in the period under review,
parliamentary committees summoned many different experts, including
technocrats, activists and academics. In fact, over time there has been
increasing interaction between parliamentary committees and experts from
many different academic fields and professions.

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

After the August 2018 reshuffle within the Syriza-ANEL coalition government
in, the number of ministries was increased to 19. By contrast, the number of
parliamentary committees remained the same: six standing committees. This
discrepancy (19 ministries versus six committees) created 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 four special
standing committees” (e.g., on European Affairs) and eight special permanent
committees (e.g., on armament programs and contracts) with more specific
agendas, as well as several subcommittees.

The task of monitoring ministries is undermined by 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 or of 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

Information on Committees of the Greek parliament is available here: https://www.hellenicparliament.gr/en/Koinovoulefitikes-Epitropes/Katigories

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.

The Syriza-ANEL government, which lost the elections of July 2019, sought to tighten its control over state-owned media. The new government has by contrast started relaxing such control, although it remains too early to assess the government-appointed managers of the public broadcaster (ERT). Most importantly, an oligopolistic structure has taken shape in the media sector. In the period under review, one major television channel (Mega) went out of business, but its remaining assets were bought by a media mogul in late 2019. The same person had previously bought a corporation owning two major newspapers (To Vima, Ta Nea), and launched a new TV channel (One TV). Meanwhile, another new media mogul had bought a TV channel (Open TV) and two national newspapers (Ethnos, Hemeresia), while a third big business entrepreneur owns two other TV channels (Star TV, Alpha TV). Most of these privately owned channels have popularized infotainment, while marginalizing professional and in-depth reporting. Media owners often change sides, first favoring the government and then the opposition, while selectively highlighting certain issues depending on their business strategies.

Political debates in the media tend to be rather general, along partisan lines, while in-depth analysis is 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). 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/


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 on decision-making. As a result, after such parties decline electorally, there is no party organization to keep them alive. The ANEL party did not even participate in the national elections of July 2019, and ceased to exist. The same happened in late 2019 with the neo-Nazi Golden Dawn party, which failed to pass the 3% threshold in the 2019 elections, and – having no parliamentary representation – started disintegrating.

In the period under review, the union of parties of the center and center-left (PASOK and Potami, along with smaller parties), formed in November 2017, largely collapsed. In October 2019, PASOK proceeded to call an extraordinary party congress, the agenda and membership of which was completely controlled by the party leadership. The revival of intra-party life thus 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 think tank, the Labor Institute (INE), for information and advice on policy matters. The SEV think tank is the Institute of Economic and Industrial Research (IOBE). Depending on the policy issue, this entity retains some autonomy from the leadership of SEV, and may promote the policy views of its own staff. The remainder of the large 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 think tanks. The same holds for the General Confederation of Civil Servants (ADEDY), which recently revived its own think tank (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. After the government turnover of July 2019, the new government invited association representatives in various policy sectors for consultation, and showed visible interest in achieving consensus on prospective reforms.

Citation:
The opinions expressed by INE, a GSEE think tank 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 IOBE think tank 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 noneconomic 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 has been 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).
However, after the government turnover of 2019, there was a renewed interest on the part of government officials to reach out to NGOs and public benefit foundations. Somewhat worryingly, some members of the new government have been quite critical of international NGOs operating in the country, and have expressed their willingness to monitor the sector through legal means.

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 (Court of Audit) is an institution formally independent of the government and 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 to other judges. The Audit Office submits an annual financial statement and the state’s balance sheet to the parliament. Submissions of some of these financial statements have been delayed. For example, in late 2019, the most recent financial statements available were those concerning 2016.

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 it declared the freezing of civil servants’ pensions to be unconstitutional; this measure had been part of the 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. At the time of writing, it was still unclear whether this change would help enhance transparency in Greece’s public sector.

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

For more information on Court of Audit competences and activities see https://www.elsyn.gr/en/index.

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

The ombudsperson 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 Hellenic Data Protection Authority (HDPA) is Greece’s independent data protection office. 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
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