Organising for EU Enlargement
A challenge for member states and candidate countries

MULTILEVEL GOVERNANCE
The Dynamics of EU Cohesion Policy in Greece

OEUE Phase II
Occasional Paper 4.4 – 09.04

George Andreou

National and Kapodistrian University of Athens

FIFTH FRAMEWORK PROGRAMME

Dublin European Institute
A Jean Monnet Centre of Excellence

National and Kapodistrian University of Athens
Department of Political Science and Public Administration

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ORGANISING FOR EU ENLARGEMENT

Challenge for the Member States and the Candidate Countries

The Dublin European Institute, University College Dublin,[1] was awarded, in 2001, a research contract under the EU's Fifth Framework Programme[2] to carry out a comparative study of the impact of the EU on the structures and processes of public policy in six small countries: **Ireland**, **Greece**, **Finland**, **Estonia**, **Hungary** and **Slovenia**. The Project's partnership, under the direction of Professor Brigid Laffan, Dublin European Institute, University College Dublin[3], includes: Professor Dr. Wolfgang Drechsler, University of Tartu; Professor Teija Tiilkainen, University of Helsinki; Professor Calliope Spanou, University of Athens; Professor Attila Ágh, Budapest University of Economic Sciences and Public Administration; and Professor Danica Fink-Hafner, University of Ljubljana.

The aim of the research project was to deepen our understanding of the processes of Europeanisation in a number of the existing member states and some of the candidate states.

The research project encompassed the following three objectives:

- The conduct of research which offers immediate policy relevance to key stakeholders in the enlarging Union;
- The conduct comparative, theoretical and empirical research on the management of EU public policy making in three existing member states – Ireland, Greece and Finland – and three candidate states – Estonia, Hungary and Slovenia;
- The shedding light on the capacity of smaller states to adjust and to adapt to the increasing demands of Europeanisation on their systems of public policy-making and thus to identify the barriers to effective, efficient and accountable management of EU business.

Research Strategy

The research design consisted of two phases and within each phase, two levels of analysis. **Phase I** analysed the management of EU business at the macro level of the core executive and was complemented by a micro case study of a recent policy negotiation using decision analysis. **Phase II** of the research broadened the analytical focus to encompass other levels of government – the EU and sub-state – through multi-levelled governance. Here attention was centred upon the emergence of policy networks and the interaction between public actors and the wider civil society in specific, discrete policy sectors.

[1] National University of Ireland, Dublin (University College Dublin).
[2] European Commission, Community Research Fifth Framework Programme (Socio-Economic Research).
[3] This project forms part of the Governance Research Programme, Institute for the Study of Social Change, University College Dublin, www.ucd.ie/issc/ and www.ucd.ie/govern/intex.htm.

Methodology

The study employed two specific methodologies: historical institutionalism and rational institutionalism in a new and innovative fashion. The use of combined perspectives provided a theoretically innovative and new approach to the study of the Europeanisation process. Both approaches could be used as they were applied to different elements of the empirical research.

Academic and Policy Implications

This study's findings provide insight into the manner in which diverse state traditions, institutions and political and administrative cultures influence national adaptation to EU governance and how the interface between national policy processes and the Brussels arena is managed. It is expected that these findings will assist those making and managing policy, thus facilitating adjustments to the changing European Union while also contributing to the growing academic debate on Europeanisation.

At various stages during the course of this project the research findings and analysis were presented to a range of stakeholders and academics to facilitate feedback and enhance the analytical process. Further details about the Organising for EU Enlargement (OEUE) project are available on the project web site www.oeue.net, along with i) the Project Report, ii) the OEUE Occasional Papers and iii) a selection of papers by the research partners which draw on various aspects their project research.

AUTHOR

George Andreou

ABSTRACT

EU cohesion policy has had a deep impact on Greek structures, policies and politics. However, contrary to expectations, the EU influence did not manifest itself principally in the field of territorial relations –where the evolution of the Greek model has been dictated essentially by domestic forces-, but in the domain of policy objectives, policy style and practices. In the 1980s, the Greek governments were preoccupied exclusively with the redistributive aspect of cohesion policy and took almost no measures to secure absorption (let alone effective use). This paper argues that when faced with the challenge of limited institutional capacity in light of the pressure of European Funding programmes and their institutional requirements the leading Greek actors chose the conservative option.

INTRODUCTION

EU cohesion policy was initially conceived as a *regional policy* –a policy geared to address the socio-economic problems of those European regions whose development is "lagging behind". However, most of these regions are located in peripheral, economically backward and politically centralised member states. Thus, out of necessity, a policy that was regional by name and design became a predominantly national policy. A strong regional component was nevertheless retained, as the European Commission obliged all member states to pursue development programs also at the regional level. Moreover, due to its conceptual underpinnings (codified in the principle of partnership), cohesion policy was viewed –and, one might argue, used by the European Commission- as a catalyst encouraging regionalisation and undermining the gate-keeping power of central governments. For this reason, the study of the impact of cohesion policy on the territorial organisation of less developed member states possesses a prominent position in the relevant academic literature.

However, most political scientists dealing with cohesion policy tend to overlook the fact that partnership -and regionalism- is not an end in itself; according to the theory of endogenous development, decentralisation is desirable because it leads to more efficient development policies. One thus has to weigh the principle of partnership against the other fundamental principles of cohesion policy - programming, additionality and, since 2000, effectiveness. In other words, there is certainly a trade-off between efficiency and participation, and the balance between them varies across space and time. As the Structural Funds' Regulations do not address this issue directly, only a detailed study of cohesion policy in each member state can shed light to this issue.

The purpose of this paper is to examine the implementation of cohesion policy in Greece in the light of two abovementioned issues. Greece provides a very interesting case study in this particular area for three main reasons. First, during the last 19 years, it has been one of the prime targets of EU cohesion policy – and a major recipient of EU Structural and Cohesion Funds. Second, at the time of its accession (1981), it embodied the archetype of a centralized state with a long history of entrenched resistance to decentralization. Third, owing to its dependence on structural assistance, Greece has been under constant pressure to import and internalize a set of policies and practices that appear in conflict with traditional domestic policies and politics. As a consequence, it is worth exposing the interaction between the EU cohesion policy and the Greek structures, policies and politics, in order to identify the main characteristics of the Greek response to the double challenge of improving policy effectiveness and enhancing participation in policy-making.

In view of the above, the first step is to review the main developments in the territorial distribution of state power since 1981 in order to expose the principal agents of change - and of assessing the role of the EU in particular. A description of the structures and processes that were put in place in Greece to implement EU cohesion policy under the earlier programming periods follows. Next, the institutional setting, actors and policy setting of the Operational Programmes for the period 2000-2006 is described. Finally, the findings of the previous sections are put into a broader perspective, with the objective of exposing the main elements of the prevalent national policy model and of examining the ensuing balance between efficiency and democracy. [4]

TERRITORIAL ORGANISATION IN GREECE

The Greek political system has traditionally been highly centralized. Historically and culturally, Greece is comprised of nine geographical departments but these have never constituted a basis for administration. In 1981, the only formal administrative structures below the national level were the then 52 prefectures (*nomoi*), headed by centrally appointed prefects. There were approximately 6,000 local government authorities (LGAs), labelled "municipalities and communes" (*demoi* and *koinotites*)[5] that were confined to the role of providing some rudimentary local infrastructure and services. This picture changed significantly in the following two decades[6]; more specifically, one can distinguish two periods of policy activism and extensive reforms, the first one lasting from 1982 to 1986 and the second one lasting from 1994 to 1998.

Less than ten months after Greece's accession to the EC, PASOK (Panhellenic Socialist Movement) came to power after a landslide electoral victory. The party's manifesto included an explicit promise to grant economic self-sufficiency and administrative independence to the municipalities and communes, and to introduce new tiers of local government. However, far from linking this issue with the need for adjustment to the EC[7], PASOK proclaimed a general commitment to decentralization as an integral element of the principle of direct democracy (Verney 1994: 169-171). In the following years the powers of local governments were enhanced, though to a much lesser extent than expected. These reforms were focused on promoting political participation and on strengthening the "developmental mission" of local government authorities; all the same, there was no fundamental redrawing of the demarcation line between central and local government. In any case, only a handful of the authorities (especially the strongest municipalities) were in position to take advantage of the new opportunities, while the vast majority of their counterparts simply retained their traditional role (Chlepas 2000: 52-53). Yet, an important innovation took place at the level of the prefectures; from 1982 on, the prefects were flanked by prefecture councils with decision making powers concerning the prefecture public works programmes and budget. These councils were not directly elected; they consisted of representatives of local government (making up half the council) and of professional

[4] Research for this paper involved interviews with officials from the Ministry of Economy, the Managing Authorities of the OPs "Competitiveness" and "Crete", the General Secretariat of Research and Development, the Greek National Tourism Organisation along with some specialist academics.
[5] Theoretically, the municipalities were supposed to have a population of at least 10,000 inhabitants and the communities a minimum of 1,000, but very few met these criteria.
[6] The study of territorial organisation has a privileged position in the -relatively scant- literature on the impact of EU membership on Greece (see for instance Verney 1994, Featherstone and Giannopoulos 1995, Ioakimidis 1996, Georgantas and Psycharis 1999, Getimis and Paraskevopoulos 2002).
[7] PASOK at this stage was still denouncing accession as a mistake and declaring a need for a referendum on the issue.

organizations, agricultural cooperatives, labour movement organizations and chambers of commerce (Verney and Papageorgiou 1993). Hence, the formal legality and legitimacy of this decentralized (but not independent) level of government became enriched with some timid elements of indirect legitimation. In other words, deriving their legitimacy solely from the co-option of selected interest group representatives, the prefectures acquired a distinct meso-corporatist flavour (Georgantas and Psycharis 1999). From a practical point of view, being dominated by the governing party, these councils were essentially providing a controlled local interest group input into economic planning at the prefecture level (Verney 1994: 171).

The redefinition of territorial relations described above was inspired exclusively by domestic factors – essentially by the aspiration of the first PASOK government to carry out (at least a part of) its radical reform agenda[8], while increasing its control on the country's politico-administrative system. The EU played a crucial role during the establishment of the regional level of government that followed in 1985-6. This time, reform was triggered by the launching of the Integrated Mediterranean Programs (IMPs)[9]. For the purpose of the IMPs, Greece was divided into six areas[10]; the IMP regions were not given any political institutions or even any administrative structures apart from the monitoring committees set up to follow the progress of the IMPs themselves. However, legislation introduced shortly after the submission of the first IMP[11] defined 13 administrative regions (*peripheries*) at NUTS 2 level, which later formed the basic unit for the Community Support Frameworks. Each region was to be headed by a government-appointed regional secretary, assisted by a skeleton staff of civil servants recruited from the offices of the national administrative structure[12]. Appointed regional councils, consisting of central state and local government representatives were also established, under the chairmanship of the regional secretary (Papagerogiou and Verney 1992: 140-141).

PASOK's choice to create an additional tier of administration makes little sense in functional and organizational terms, but it is easily explained on the basis of rent-seeking considerations: any attempt to reduce the number of prefectures and/or to alter the horizontal and vertical balance of power in the administrative realm would have been costly in political terms, whereas the creation of a new administrative level would provide new posts and opportunities, thus extending the power base of the ruling party (Chlepas 2000: 45-46). On top of that, the decision to replicate the structure of the prefectures at the regional level[13] was indicative of the government's intention to remain in control of economic planning, while providing some limited access to

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[8] Having been heralded as the "vanguard" of second-tier local government, the prefecture councils remained however non-elected bodies until 1994.

[9] More details on the establishment, the character and the implementation of the IMPs in Greece are provided in the following section.

[10] The Aegean Islands, Attica, Central and Eastern Greece, Crete, Northern Greece and Western Greece/ the Peloponnese.

[11] Law 1622/86 on "Local Governance, Regional Development and Democratic Programming"

[12] Regional services were initially formed from the pre-existing inter-prefectoral services of the Ministry of Economy and the Ministry of the Environment. Despite the substantial presence of these ministries, regional secretaries have been made direct subordinates of the Ministry of Home Affairs that is responsible for the territorial subdivision of administrative services in the country (Christofilopoulou 1994: 18).

[13] The similarities between the regional secretary and the regional council on the one hand and the prefect and the prefecture council on the other are striking.

certain affiliated local interest groups. However, the new legislation was not implemented to its full capacity; thus, up until 1994, the administrative machinery of the regions was practically an "empty shell", and the creation of regional administrative structures was not initiated before 1997. Given the above, it is no wonder that, during the ten first year of their existence, the Greek regions held only one serious responsibility, namely the management of the Regional Operational Programmes of the Community Support Framework for Greece.[14]

Shortly after the creation of the regions and the advent of the IMPs, the decentralisation process was halted; indeed, the period between 1987 and 1994 was characterised by policy immobilism and reform inertia in all fronts and in certain instances one can even detect signs of regression towards traditional state centralism.[15] Nevertheless, after returning into to power in 1993, PASOK once again committed itself into a decentralisation program affecting all three tiers of subnational institutions. The first major innovation was the establishment of directly elected prefects and prefecture councils in 1994. All the same, the issues of the competences, the personnel and the financial resources of these new actors were not tackled with consistency and clarity. As a consequence, in the second half of the 1990s, the government introduced a series of legal and institutional adjustments that, however, have not improved substantially the broad picture (Chlepas 2000: 55). The second major development was the gradual establishment of an independent regional administration - primarily through legislation on the "Organisation and Management of the Regions"[16] that delegated to the regions the competences of planning, programming and implementing policies for the economic, social and cultural development of their territory. These reforms however did very little to strengthen the participation of regional actors in the decision making process and to promote a truly regional approach in policy-making.[17] Finally, a major reform of local government authorities was carried out in 1997[18], leading to the drastic reduction of the number of municipalities and to the transfer of certain government responsibilities to the local level.

Greece has now four levels of governance – the national government, the 13 administrative regions (NUTS 2 level), the 54 prefectures (NUTS 3 level) and the local government authorities (900 municipalities and 133 communities). The cumulative impact of the last reforms was a spectacular transformation of the Greek territorial organisation and politics; of particular importance was the creation of a new political arena at the prefecture level, and also the change in the balance of power and the nature of relations between the various levels of government leading to the empowerment of all subnational political actors. However, it must be stressed that

[14] Their performance is outlined in the next session.
[15] It is indicative that both the PASOK government (in power until June 1989) and the subsequent centre-right government of New Democracy (that came into power in April 1990 after the intervention of a ten-month interval of political instability) chose not to pass the act that would transform the prefecture councils into elected bodies and would offer them control over the prefecture public works budget (Verney and Papageorgiou1993: 113).
[16] Law 2503/97 on the "Organisation and Management of the Regions"
[17] Characteristically, Law 2539/97 stipulates that the regions (i.e. the Secretaries and the Regional Councils) have no competences over national projects and projects co-funded by EU Funds, including all CSF programs, Cohesion Fund projects and Community Initiatives!
[18] Law 2539/97 on "Reform of the First Level of Local Authority".

all recent reforms were of an incremental and piecemeal nature; besides, many of the legal commitments undertaken in the framework of recent legislation were never put fully into effect. As a consequence, the present territorial setting is characterised by vagueness and uncertainty as to the distribution of roles and levels of responsibilities between the four present levels of government. Furthermore, this incomplete and imprecise devolution of powers was not accompanied by the financial emancipation of the subnational levels of government. Far from it, the Greek fiscal system remains highly centralised, with the Ministry of Economy and Finance retaining an almost complete control over all categories of revenue and expenditure[19] (Chlepas 2000, Psycharis & Simatou 2003). Characteristically, the Ministry of Economy and Finance has the first and the last word regarding the yearly allocation of the Public Investment Program that covers all investment expenditure, including the national co-financing of EU programmes.

Turning back to the general question of assessing the European influence on the territorial organisation in Greece, the EU impact does not appear significant. In terms of institutional structures, the only direct EU contribution has been the creation of a regional tier of government in 1986. In other words, it seems that the only motive for the establishment of regions was the necessity to comply with the letter of EU requirements in the field of cohesion policy. Nevertheless, the new regions were shaped according to the preferences of national governments, who chose to replicate the model, and the organisational pathology, of the prefectures at the regional level. Then again, limiting our analysis to the examination of formal prerogatives and functions of the Greek politico-administrative system at the macro level is very misleading, given both the lack of a consistent administrative approach across policy sectors, the widespread prevalence of informal networks and contacts[20] and the fact that Greek regions were established as, and to a large extent remain, agents for the implementation of EU of structural policy. Therefore, the next step is to take a closer look at the implementation of the EU cohesion policy in the Greek context.

[19] The only significant exception has been the establishment of the so-called "Central Autonomous Resources", that increased the financial autonomy of the Prefectures and the LGAs, without however terminating their dependence upon central financing. On the other hand, the expenses of the Regions are financed directly by the central budget.
[20] These issues are highlighted in the macro-case study undertaken in the framework of the OEUE project.

THE LEGACY OF EARLIER PROGRAMMING PERIODS

The impact of the EU in the field of regional or cohesion policy in Greece became evident even before EU membership. Hence, the first regional development plan in the country's history was drawn up shortly before accession, as otherwise there was a danger that Greece would not qualify for assistance from the European Regional Development Fund (ERDF). Furthermore, during the first years of membership, it became apparent that already tangible financial benefits to Greece [21] could vary considerably according to the rules governing the operation of EU funds. For example, Greece's lack of vocational training infrastructure influenced its very low take-up rate from the European Social Fund (ESF). In contrast, there was no such problem in the case of the European Regional and Development Fund, which at this stage was still mainly operating on a country quota system and essentially dealt with the kind of public works projects which the Greek state already had experience in implementing (Verney 1994: 172).

However, it was the ostensibly anti-European PASOK government that opened the door to EU involvement in the formulation and implementation of Greek development policy through the submission of a Memorandum to the Council of Ministers in March 1982. Stressing Greece's economic particularities, the Memorandum was essentially a request for permanent derogations from the *aquis communautaire* and for increased EU funding.[22] In its replies to the Memorandum, the European Commission suggested that the main instrument for meeting the Greek demands should the creation of the Integrated Mediterranean Programs (IMPs).[23] As a consequence, Greek representatives in the Council gradually shifted from making specific demands for discrete redistributive measures to insistence on consideration and approval of the IMPs. After a series of battles in the Council and after Greece had threatened to block the forthcoming Iberian enlargement-, the Council finally adopted a Regulation providing for the initiation of the new Community programs in 1985 Thus, taking advantage of PASOK's revisionist policy, the Commission managed to establish a novel policy model that would have profound consequences for the conduct of structural policies in the European territory (Smyrl 1997: 82-84).

The regulation for the IMPs stipulated that the European Community would contribute 2 billion ECUs for Greece for the period 1985-1992 (the remaining cost of 1.2 billion ECUs would be covered by the national budget). More significantly, the IMPs introduced the new concepts of subsidiarity and partnership that, as it has already been demonstrated, had some interesting

[21] Greece's net receipts form the Community budget grew from 170 million ECU in 1981 to 1020 million ECU in 1985.

[22] Stressing the structural difficulties of the Greek economy and the economic discrepancies between it and the other member states, the Memorandum advocated the extension and activation of the Community financing mechanisms in order to support the Greek economy and the recognition by the Community that a tine interval was necessary before Greece could comply with the entire body of EC competition rules. Moreover, the Greek government stressed that the criteria of Community's financial contribution should "reflect the particularities of the Greek reality, social, economic and administrative" (Hellenic Republic 1982).

[23] The Commission had stared promoting the cause of the IMPs even before the Greek accession; however, it was the need to respond to the 'Greek problem" which provided the necessary political impetus for their establishment.

implications for the territorial organization of the Greek state.[24] The Greek package of IMPs was drawn up between August 1985 and December 1987. No special policy unit or department was set up for this purpose. The relevant texts were essentially written by the regional policy department of the Ministry of Economy (ME). The Ministry had asked for development proposals from government departments and central agencies, and also from the prefects. In the end, given the time constraints, the lack of integrated planning experience and the scarcity of reliable data, the IMPs were put together at the central level in a somewhat piecemeal manner, the fundamental concern of their authors being to achieve the maximum absorption of funds at the earliest possible time. As a consequence, instead of an experiment in decentralized development targeted towards the stimulation of endogenous forces, the planning of the IMPs appeared to become an exercise in centralized control and the stifling of local efforts (Papagerogiou and Verney 1992: 146-147).

The performance of the newly created Monitoring Committees during the implementation phase did not significantly improve the above picture. Neither the general secretaries, acting as chairmen, nor the members of the committees were given the essential means in terms of resources, expertise, or information, to perform their tasks properly. In addition, the ultimate control was held by the Ministry of the Economy (Ioakimidis 1996: 353-354). As a result, the IMPs have been often dismissed as a wasted opportunity. Nevertheless, they did signal the beginning of a process of decentralization and administrative adjustment in the field of regional policy and, at the same time, make the European Commission more aware of the need to tighten up the conceptual framework of EU regional policy with special reference to key concepts as concentration, partnership and pertinent geographical level of planning (Bianchi 1992: 68).

The 1988 reform of the structural funds represented an even more serious challenge for the Greek politico-administrative system. According to the principle of programming, the Greek government had to submit to the European Commission a Regional Development Plan (RDP) in partnership with the regional and local authorities; this text would be the basis for the subsequent Community Support Framework (CSF) covering the period from 1989 to 1993. In fact, meeting those requirements was beyond the abilities of Greek government and administration. First, the gatekeeper Ministry of Economy lacked the human resources and the appropriate horizontal units to produce detailed proposals; there was only one directorate and a staff of 30 people responsible for the job. Competence-sharing was also limited; decision-making was kept closely within the political offices residing at the top of the administration (Ioannou 2001: 238). As a consequence, the drafting of the Regional Development Plan was based on no coherent development strategy.[25] In addition, the input of subnational actors was again limited, owing to a) the preponderance of sectoral development priorities (as opposed to regional priorities) and b) the poor quality of the proposals submitted by the thirteen regional secretaries after consultations with the prefectures (Ioakimidis 1996: 355). Indeed, it would be more

[24] See the previous section.
[25] It was found that the majority of the interventions included in the first CSF were nothing but old proposals and decisions that had not been implemented due to lack of financing (DMP 1991: 87).

accurate to speak of a process of limited cooperation between the central government and its decentralized services[26] rather of a genuine partnership (DMP 1991: 87). The Greek Regional Development Plan was submitted to the European Commission in 1989 by the PASOK government; however, the first Community Support Framework for Greece was adopted in the following year, shortly before the rise to power of New Democracy. Thus, Greece was obliged to execute the largest developmental plan in its history following a significant delay, through manifestly inadequate structures, and under a new political leadership that had taken no part in the preparation of the programming stage.

From 1989 to 1993, the financial weight of the programmes co-financed by the EU rose to unprecedented levels. More precisely, the cost of the first Community Support Framework was 12.1 billion ECU; the EU's contribution reached 7.5 billion ECU[27], while the Greek public budget contributed 3.93 billion ECU and private funding covered an additional 0.67 billion ECU. If we add the amounts available for the IMPs (1.78 billion ECU), the Community Initiatives (1.2 billion ECU) and, from 1993, the Cohesion Fund (0.32 billion ECU), we arrive at a sum of 15.4 billion ECU (not counting the loans of 1.46 billion ECU by the European Investment Bank).[28] In effect, these funds were managed by the central government and administration; thus, despite appearances, EU "regional" policy in Greece became a national development policy.

Policy monitoring was undertaken by a Monitoring Committee (MC) for the CSF as a whole, assisted by the Monitoring Committees in charge of each of the 43 Operational Programs (OP) at national level or regional level.[29] These Monitoring Committees were made up of a) national administrators (for the sectoral OPs) or regional and prefecture officials (for the regional OPs), b) European Commision officials, c) a representative of the Ministry of Economy and d) representatives of the relevant social partners. The size of the Monitoring Committees depended on the size of the Operational Programme they were monitoring and the number of actors involved in its implementation. The Monitoring Committees usually met twice a year and had a permanent secretariat staffed by civil servants of the relevant ministry or region. The secretariat was responsible for the day to day management of the Operational Programmes such as the drafting of reports, updating financial data, activating or pressuring implementation agents if progress was slow. At regional level, there was little infrastructure and a low quality of human capital to support these Operational Programmes. At national level (i.e in the various ministries), the Monitoring Committees secretariats were staffed by the existing administration, which often could or would not work in the most productive manner. The Monitoring Committees were supported by Programme Managers and Evaluation Consultants; nevertheless, their contribution was limited, especially at the national level, due to the reactions of the bureaucratic

[26] Until 1994 -when they were transformed into units of local government-, the prefectures were the decentralized branch of the national administration.
[27] 4.05 billion came from ERDF, 1.95 million from the ESF and 1.5 from the EAGGF.
[28] All amounts are in 1994 prices
[29] There were 30 sectoral and 13 regional programs. It should be noted that the Greek CSF was the one with the largest number of programs in the EU; as a measure of comparison, the Portuguese CSFs had 17 programs.

establishment. The chairmen of the Monitoring Committees of the Operational Programmes, that is, the general secretaries of the ministries or regions, reported to the central Monitoring Committee of the Community Support Framework which normally met twice a year to assess the overall progress of the Framework and determine its future. This Committee comprised of the highest officials of all three levels of government (regional, national and supranational).[30] The leadership belonged to the Ministry of Economy: the alternate Minister of Economy was the chairman of the Community Support Framework Management Committee and the only person of ministerial status present [31] (Ioannou 2001: 241-243).

The Ministry of Economy had the overall responsibility for the Community Support Framework and was in constant contact with the European Commission services; as a consequence, it was the domestic institution that was subject to the continuous pressures for improved implementation emanating from Brussels. Moreover, its first policy priority was to maximize the absorption of EC funds. Thus, the Ministry of Economy often found itself in conflict with other ministries,[32] and in particular with the more important ones in terms of financial weight (e.g. the Ministry for Public Works). The regional secretaries were in a much weaker position and had to comply with the demands of the Ministry of Economy; at the same time, they retained some degree of formal autonomy owing to the fact that they were directly responsible to the Ministry of Home Affairs, Public Administration and Decentralization. On balance, however, the performance of the new regional entities was clearly disappointing, as the regional authorities were not able to perform many of their tasks and had to rely on the ministries –essentially on their services at the prefecture level- that were inefficient themselves and/ or unwilling to deconcentrate their powers.[33] To sum up, during the first CSF, implementation was left almost entirely to the devices of the existing administrative system. Generally speaking, the bulk of national efforts were targeted at increasing absorption rates, while the issue of the effectiveness of implementation was rarely addressed. Faced with that situation, the European Commission initially chose to intervene only in limited cases; however, this stance changed with the advent of the second Community Support Framework.

In September 1993, the Greek government forwarded to the European Commission the Regional Development Plan that would be the basis for the negotiation of the second Community Support Framework. This time, the Greek Regional Development Plan was the product of a more co-

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[30] National authorities were represented by the General Secretaries of the ministries that were in charge of the national OPs. The representatives of the regions were the 13 regional General Secretaries.

[31] He was assisted by the General Secretary for Investments, Regional Policy and Development, and a team of civil servants that gradually started to grow. Towards the end of the first CSF (February 1992), a ministerial decision gave birth to the Secretariat of the CSF, consisting of the Directors of the relevant ME services and supported by their staff.

[32] In practice, the national MCs were not able to take any major decision without the prior approval of their political masters (i.e. the ministers) (DMP 1991: 90).

[33] Due to the inexistence of regional administrative structures and financial programming at the regional level, the Regional Operational Programs (ROPs) were implemented essentially at the level of the prefectures, with deleterious consequences for their coherence and effectiveness. However, it deserves to be mentioned that the ROPs had the lion's share in the allocation of funds for the first CSF: their initial share was 40,9% and their actual share grew to 50,3% because of transfers of funds from "insufficiently implemented programs" – primarily major infrastructure projects (Commssion 1994: 18).

operative process, though the Ministry of Economy had again the first and the last word.[34] More precisely, the Regional Development Plan was drafted by an inter-ministerial committee, set up within the Ministry of Economy, with limited regional participation,[35] but with a greater input of private sector bodies and specialized consultancy agencies (no fewer than 36 consultancy agencies assisted the formulation of the plan) (Ioakimidis 1996: 356-358).

The second Greek Community Support Framework was finally approved in July 1994. Following the guidelines of the Edinburgh European Council (1992), EU financial support for Greece in the name of cohesion for the period 1994-1999 was double that of the period 1989-1993. As a consequence, the total cost of the second CSF was 29.7 billion ECU; the EU's contribution rose to 13.98 billion ECU,[36] while the Greek public budget contributed 7.07 billion ECU and the private sector covered an additional 8.6 billion. Together with the amounts for the Community Initiatives (1.87 billion ECU) and the Cohesion Fund (3.6 billion ECU), EU co-financed programmes reached 34.76 billion ECU (excluding the loans of 2.36 billion ECU by the European Investment Bank).[37] In all there were 31 OPs, of which 17 were sectoral, 13 were regional and one was devoted to technical assistance (EEO 2003: 107).

During the negotiation between the Greek government and the European Commission preceding the adoption of the second Community Support Framework, it became clear that the European Commission was determined to impose reforms in the procedures and regulations for the forthcoming programming period. Hence, the European Commission pushed for the creation of structures as independent as possible from the mainstream public administration, or at least structures endowed with transparent procedures and a high quality of human capital. This initiative bore fruit with the assent of the government and despite considerable resistance from certain ministers, civil servants and implementation agencies. The management and monitoring institutions finally established were

- the Management Organisation Unit (MOD), a semi-independent body operating under private law that was responsible for the supply of advice, administrative tools and know-how to the monitoring authorities and the implementation agencies; a specialized agency for the attraction of private investment (ELKE);
- the Joint Steering Committee for Public Works (MEK); and
- the Expert Agent for the Sampled Quality Control of Infrastructure Projects (ESPEL).

Moreover, a number of semi-independent companies were set up to manage big infrastructure projects according to the Public Private Partnership (PPP) model. Although the official management and monitoring structures were not altered, the quality of policy making did

[34] This time, the government had decided in advance that the bulk of the money would go to major infrastructure projects. Furthermore, each region was allocated a specific amount of money on the basis of socio-economic criteria elaborated by the Athens-based Centre for Planning and Economic Research (KEPE).
[35] In the final stage of the plan's formulation, nearly 60 per cent of the proposals submitted by the regions was rejected, replaced or modified.
[36] 9.49 billion came from ERDF, 2.56 million from the ESF, 1.8 from the EAGGF and 0.13 from the FIFG (Financial Instruemt for Fisheries Guidance).
[37] All amounts are in 1994 prices

improve though the effectiveness of implementation effectiveness across individual OPs (Ioannou 2001: 258-269).

In summary, the most important aspect of partnership in Greece had been the relationship between the European Commission and the member state (The Tavistock Institute 1999: 91). This process of interaction did contribute to the modernization (or Europeanisation) of national development policy; nevertheless, its impact on the performance of public (central and regional) administration was rather marginal. At the same time, the multiplication of communication channels between subnational and supranational actors (most notably in the framework of the Monitoring Committees) and the mobilization of local interests in view of new funding opportunities[38] contributed to the creation of various multi-level policy networks that, however, remain entangled in the national political game.[39]

It has been argued that the implementation of the partnership principle in the 1990s has shifted the major objectives of regional policy from democratic participation towards managerial efficiency, thus underestimating the principle of participatory governance, social inclusion and consensus that encourage network-building, institutional adaptation and learning (Getimis and Paraskevopoulos 2002: 9). However, one should not disregard the fact that the Greek subnational actors were hardly able to fully assume the responsibilities arising from the partnership principle. The piecemeal devolution of power that has taken place in the last twenty years, apart from creating two weak subnational tiers of government (the regions and the reformed prefectures) and leaving many "black holes" in the vertical allocation of competencies, has favored the diffusion of clientelistic and illicit practices and the increase of corruption at the local and regional level (Chlepas 2000: 66-67). Under these circumstances, centralized programming and management by bodies that retain at least some degree of independence from both the public administration and the subnational authorities is all but a "necessary evil".

THE 2000-2006 PROGRAMMING PERIOD

The approach outlined in the previous section did not change after the recent reform of EU regional policy; on the contrary, the reforms initiated in the 1999 regulations[40] further reinforced the logic behind the institutional innovations that took place in the mid 1990s. More precisely, the provisions for the creation of managing and paying authorities, for the reinforcement of monitoring, evaluation and control and for tighter co-financing requirements gave an extra

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[38] Most notably, the implementation of the Community Initiatives has encouraged some Greek local authorities to assume a more pro-active role by taking the initiative themselves to formulate projects and apply for funding (Koutalakis 1997: 30).

[39] Interpersonal relations, position in the party hierarchy and part identity, future political orientations of local leaders, personal profile, pre-electoral commitments, political part and government strategies, and the sponsoring of certain local politicians due to political considerations related to party competition, are crucial determinants of the abilities of subnational politicians to mobilise local interest groups towards development initiatives (Koutalakis 1997: 27)

[40] Generally speaking, the new regulations stipulated a) the delegation of management responsibilities to the national authorities, b) the clarification of the allocation of responsibilities between levels of government and between institutions, and c) an emphasis on implementation performance and sound management.

impetus to the dynamics of "technocratisation" and "de-politization" favoured by the Ministry of Economy and the European Commission.[41] Well before the expiration of the second Community Support Framework (in late 1997), the Ministry of Economy established an interministerial planning committee[42] that initiated a series of consultations[43] with the ministries and the regions[44] with the objective of achieving political consensus without jeopardizing the quality of the Greek development proposals. During these procedures, the Program Managers and Evaluation Consultants attached to the various OPs played a dual role by assisting the planning authorities in the drafting of their proposals and by carrying out the necessary ex-ante evaluations. These consultants faced a dilemma: on the one hand, they were tempted to simply rationalize or embellish the catalogue of projects ("shopping lists") that were drafted at ministerial or at regional level in order to satisfy their employers; on the other hand, they were supposed to be the "conscience" of the proposed programs and hence to resist any pressures to dilute the development potential of the proposals. In practice, the outcome varied greatly across sectors and regions. The final hurdle to be overcome before the completion of the Regional Development Plan was the allocation of financing between sectors and regions. In contrast with the previous period, the Ministry of Economy sought to achieve a unanimous agreement on this issue; however, this proved to be impossible and, after torturous negotiations, the question was finally resolved in the Cabinet after the intervention of the Prime Minister.[45] The Regional Development Plan was finally submitted in the European Commission in the second half of 1999. From an outsider's perspective, it was of very good quality and it abided by all EU standards in terms of strategic thinking, consistency and planning procedures; from an insider's point of view, it was by far the best Regional Development Plan Greece ever produced, but it remained essentially a technocratic exercise affected by competing political influences.[46]

The Greek Regional Development Plan was forwarded to the newly appointed Prodi Commission in September 1999. In the course of the Community Support Framework negotiations, it became evident that the new European Commission did not embrace the same philosophy as its predecessor. The European Commission's new negotiating mandate placed greater emphasis on integrated "soft" actions (i.e. employment and environmental protection programmes) as opposed to big infrastructure programmes (that were the first priority of the Greek authorities), on improving the rigorousness of planning through the use of joint indicators and on the set up of new implementation procedures according to the principle of sound management (European Commission 2001: 29-31). The European Commission insisted, in particular, on controlling and

[41] To be more precise, the preparation of the third Greek CSF became before the adoption of the new Regulations. However, the relevant European Commission proposals were published its in March 1998 – and, it must be stressed, they were adopted with only minor revisions one year later. Thus, the Greek officials were aware of the impending changes and had adjusted their plans accordingly.

[42] It was the "scientific secretariat" of this committee that undertook the bulk of the work.

[43] The ME was also assisted by distinguished university professors and by the Centre for Economic Planning and Research.

[44] In theory, each regional proposal was based on extensive deliberations that took place in the prefectural and regional councils. In practice, these proposals reflected the balance of power between the prevailing political and territorial interests in the regions.

[45] The final outcome reaffirmed the predominance of national development objectives at the detriment of regional ones and the emphasis on the upgrading of infrastructure.

[46] Interview with a ME official.

approving a) the installation of the new managing authorities, b) the overall management, paying and monitoring system located at the Ministry of Economy and c) the new system of control. Taking into account the extent of the European Commission's requirements and the slowness of Greek administrative procedures, it is no surprise that the Community Support Framework was not approved before July 2000, and that the adoption procedure for the 25 OPs[47] extended well into 2001,[48] and that the new management procedures were not able begin before the second half of the same year. Overall, the 2000-06 Community structural assistance for Greece amounts to a total of approximately 25.5 billion euros, without taking into account EIB loans (3.787 billion euros). The Community Support Framework itself has a total budget of 44.29 billion euros; the EU contribution is 21.320 euros,[49] while the national public expenditure is 11.206 billion euros and the participation of the private sector is expected to reach 10.379 billion euros**.** In addition, there is the assistance of the Cohesion Fund (3.32 billion euros) and of the Community Initiatives (0.916 billion euros).

In December 2000, the Greek government passed the legislation[50] that established the current institutional framework in accordance with the principles laid down in the Community Support Framework. Hence, the body in charge of the overall management (the CSF managing authority) is the General Directorate of the Ministry of Economy that had the same competence for the two previous CSFs. However, this DG has been renamed,[51] and upgraded (in terms of personnel and infrastructure) in order to carry out its many missions that include the co-ordination and the supervision of the activities of the managing authorities of the various OPs, the general accountability towards the European Commission, the control of the additionality principle, the management of the Integrated Information System, the co-operation with the paying authority (which is an autonomous service also placed in the ME), the evaluation of the CSF, the allocation of the performance reserve and the planning reserve, the modernisation of the public works system and the management of the Cohesion Fund. Each OP is managed by a special service (managing authority) that belongs to the relevant ministry or region. All managing authorities are organized in an identical manner; personnel number some 30, who are either redeployed civil servants or newly recruited.[52] It must also be stressed that the supporting institutions set up during the previous programming period have been retained and placed in the service of the new managing authorities.

The MCs have also been reformed. First of all, their extended membership reflects the extension of the partnership principle – though, as the case of the OP for Crete demonstrates, there is evidence that partnership remains largely a procedural and symbolic exercise devoid of real meaning. Second, the tasks of the MCs are defined for the first time. Third, the decision-making

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[47] The third Greek CSF consists of 11 sectoral and 13 regional OPs, plus one OP for technical assistance.
[48] The regional OPs were the last to be adopted.
[49] The shares of each Fund were the following: ERDF 14.608 billion, ESF 4.241 billion, EAGGF 2.260 billion and FIFG 0.211 billion.
[50] L2860/00
[51] Its new name is DG for Development Planning, Regional Policy and Public Investment.
[52] Staffing took place according to uniform procedures and with the assistance of the Management Organization Unit.

has radically changed; while in the first two CSFs no decision was taken without the assent of a) the representative of the ME, b) the General or Regional Secretary and c) the European Commission representative, now all decisions are taken by simple majority, though the president of the MC (the General or Regional Secretary) does retain his veto right. The impact of the Commission's "withdrawal" from decision-making is still not clear. On the one hand, one would expect that such a move would have a positive impact, since it places responsibility in the hands of the national partners; on the other hand, it has been discovered that, under conditions of strong asymmetry in the distribution of the power between participants –and this is exactly the case of the regional OPs-, this arrangement, instead of encouraging debate and participation, may in fact promote centralism. Again, available evidence from the OP Crete suggests that the new voting arrangements have strengthened centripetal forces in the Greek regions (See Box 1).

The new institutional framework of the Greek CSF is embedded in older structures and practices. Despite the establishment of (more) independent authorities, the introduction of tight control mechanisms and the threat of sanctions in case of implementation failure, established institutions and interests are still powerful. On top of this, the new institutional structure has to cope with new, complex and demanding management requirements.[53] As a consequence, policy improvement is not always visible, and in some cases there has been a visible deterioration of absorption rates in comparison to the second CSF. The case of the OP Competitiveness exemplifies all these observations (see Box 2).

[53]This challenge is particularly strong for the most novel and innovative OPs, namely the OP Information Society, the OP Environment and the OP Competitiveness.

Box 1:

The Operational Programme Crete

The Operational Program (OP) Crete is the principal financial instrument for the socio-economic development of the region of Crete (comprising essentially the island of Crete). Like all regional OPs, the OP Crete is supposedly the product of "democratic programming"- that is a process of deliberations whose objective is to amalgamate the preferences of local governments, interest groups, professional organisations and epistemic communities into a coherent strategy. In effect, the overall development strategy for Crete has remained unchanged since the late 1980s. Moreover, during the preparations of the last RDP for Crete, "democratic programming" was exhausted in a series of information meetings conducted by the Secretariat of the Region. As a consequence, both the RDP and the OP itself were drawn up by a nucleus of experienced civil servants.

In institutional and policy terms, the OP Crete is firmly embedded in the centralised management structures of the third Greek CSF. Hence, the Managing Authority (MA) of the OP is obliged to follow the guidelines and instructions of the central Managing Authority of the CSF. The MA of the OP is the sole institution that is in charge of day-to-day management of the OP; it is led by a small number of experts who have been involved in the management of EU regional policy for the past 15 years. Generally speaking, its performance is satisfactory; in fact, the OP Crete is deemed one of the most successful Greek OPs in terms of both absorption and effectiveness. Still, the MA is facing serious constrains due to lack of personnel and also because of its insufficient insulation from political interference.

In theory, the Monitoring Committee (MC) of the OP Crete is the vehicle for the promotion of the partnership principle throughout the implementation of the program. It is presided by the –appointed-General Secretary of Crete and comprises 30 voting members representing the central managing authorities, the local authorities, the main sectoral Ministries and various social and economic partners, and 11 non-voting members, including Commission officials and representatives of the local universities and research institutes. Decisions are taken by simple majority, with the president retaining the right of veto. However, the actual policy significance of the MC under the third CSF is very limited. In essence, the usefulness of the MC is exhausted in legitimising decisions emanating either from the MA or from the central institutions of the CSF.

Crete has a long tradition of local activism and influence, owing to the existence of a strong regional identity. However, local participation has been both limited and politically insignificant in the context of the OP Crete. There are four main explanations factors:

- Both the programming and the implementation of the OP have been conducted within an extremely centralised institutional setting.
- The OP is managed by an administration that is directly accountable to and controlled by the central government.
- The existing EU and national rules are extremely rigid.
- Local politicians and interest groups have accepted their marginalization from decision making in the name of the"common interest".

Box 2:

The Operational Programme Competitiveness

The Operational Programme "Competitiveness" (OP COM) comes second in terms of total expenditure among the 25 programmes of the current Greek CSF. Being the successor of five different sectoral OPs running under the second CSF (OP "Industry and Services", OP "Research and Technology", OP "Tourism and Culture", OP "Energy" and OP "Natural Gas"), it constitutes an attempt to integrate the programming and funding of development initiatives in four different policy sectors –industry and business, research and technology, tourism and energy

Since the 1999 reforms, there is a clear division of responsibilities between the managing authorities and the ultimate beneficiaries of each OP. In the OP COM, the identity of most of the potential ultimate beneficiaries was specified from the beginning; in essence, the implementing responsibilities were divided between the four General Secretariats (GCs) –GS of Industry, GS of Research and Technology, GS of Tourism and GS of Development- and a host of public or publicly controlled bodies that fall under their supervision. Moreover, during the planning stage it was decided that *Intermediate Management Agencies* (IMAs) would be employed in order to manage most state aids in the fields of manufacturing, tourism and energy.

Given this demarcation of competences, the OP COM can be viewed as a one all-inclusive policy network incorporating two levels of embedded sub-networks. More precisely:

a) the top-level policy network is structured around the managing authority (MA COM) that is linked to all ultimate beneficiaries;
b) each of the four second-level policy networks is focused on each of the four GSs involves the host of supervised bodies that participate in the management of particular measures or actions of the OP COM. Though embedded in the overarching policy network and closely interrelated with its "neighbours", each of these sub-networks is differentiated from the others (and from the top-level network) due to the distinctiveness of the policy field it tackles and to its institutional autonomy; and
c) eight third-level policy networks are developing around each of the eight IMAs and include all the aid schemes that are being implemented in different parts of the country -and, in the case of the IMA, in the whole of the country in the field of energy.

Unfortunately, the attempt to integrate development planning in four previously isolated policy areas took place at a late stage of the programming process. Hence, the quality of planning was not improved significantly; furthermore, in their haste to achieve approval by the Commission, the four GSs and the new MA COM failed to tackle efficiently all the new procedural and legal requirements and to provide all potential ultimate beneficiaries with sufficient guidance. If the huge adjustment and coordination costs imposed on both the MA COM and the GSs are added in the picture, it is easy to understand why the introduction of the OP COM was viewed as a policy shock and why the program displays one of the lowest implementation rates in the CSF.

SYNTHESIS AND CONCLUSION

It is commonplace to say that cohesion policy has been of utmost importance for Greece. It is surprising, then, that very few attempts have been made to elucidate the way this policy is being internalised in the domestic context.[54] In addition, most of the existing approaches tend to view cohesion policy as an independent variable and then attempt to describe how Greece adjusts to a European policy model that is taken as given.[55] It has, however, been demonstrated that cohesion policy suffers from ambiguity at both the conceptual and the organisational level (Begg 2003; Hooghe 1996). In fact, the policy process of cohesion policy has been viewed as a series of embedded games; the first one being the intergovernmental negotiations on the Financial Perspectives and the last one being the discharge of each single program at the end of each programming period; whereby the outcome of each game frames the rules of the next game. In this context, actors are constrained by decisions taken previously at a higher level, but have plenty of room to pursue their own negotiating strategies (Benz and Eberlein 1999: 343). In the light of this argument, the implementation of cohesion policy in Greece has not been simply a response to "European" prescriptions, but the outcome of a continuous interaction between a great number of actors, be it supranational, national and subnational institutions or domestic interest groups.

Since its inception, cohesion policy has been "high politics" in Greece. It is no wonder, therefore, that the Ministry of Economy has assumed a tight control over all stages of the policy process, including implementation.[56] However, given the existing fragmentation of political power and the lack of independence of public administration, some Ministries are more "cooperative" than others. The ones mostly antagonizing the ME are YPEHODE (Ministry of Environment, Physical Planning and Public Works), the Ministry of Labour and the Ministry of Development.[57] The regional managing authorities, on the other hand, are more eager to accept guidelines from the centre and to respect the rules[58] than the various ministries.

Essentially, all "big" decisions are initiated by the Central Managing Authority of the CSF under the guidance of the Deputy Minister of the Economy (who is solely in charge of cohesion policy) and his immediate subordinate, the politically appointed General Secretary of Investment and Development. Then, the directives of the ME have to be adopted by the Monitoring Committee (that is, the ME has to get the approval of its most powerful counterparts). On the other hand, day-to-day issues are being handled within the framework of the Managing Authorities, with the

[54] The most notable exception is the work by Ioannou (2001).
[55] See for instance Getimis & Paraskevopoulos (2002).
[56] The ME hosts all central managing, monitoring and evaluating bodies; it is in charge of the coordination and the monitoring of the various OPs; it represents Greece vis-à-vis the European Commission; it is solely responsible for the Cohesion Fund, the OP "Information Society" and Interreg III, and is managing Urban II in cooperation with YPEHODE.
[57] Interview with a ME official.
[58] According to Law 1622 on "democratic programming", all projects of regional and local significance must be approved by the responsible local body (i.e. the regional of prefectural council). In practice, however, the managing authorities seek the approval of these bodies in order to enact the projects they favour, but do not accept automatically all local decisions on the inclusion of new projects in the regional OPs.

ME retaining its supervising role (though this role is circumscribed in certain sectoral OPs[59]). Besides, the management of the biggest infrastructure projects has been delegated to certain semi-independent *societe's anonymes*.

The dominant policy style has changed over time, and this change has to be attributed to both domestic and European factors. In the first CSF, almost all efforts were directed towards maximising absorption, whilst very little attention was paid to the effectiveness of the selected interventions. This attitude was no doubt tolerated by the European Commission of the time because it had no wish to intervene in domestic politics. This situation started to change in the second CSF, owing to a) the growing sensitivity of the European Commission towards efficiency, b) the rise of the "modernist" wing of PASOK to power in 1994, c) the gradual accumulation of experience and know-how by the Greek administration and d) the establishment of new semi-autonomous managing structures and the growing involvement of private consultants in all stages and aspects of implementation.

As a consequence, cohesion policy has been shrouded in a technocratic mantle and placed almost exclusively at the hands of "experts". Particularly striking is the absence of the national Parliament at all stages of programming, as well as the active undermining of the principle of "democratic programming"; that supposedly governs regional planning and the allocation of public funds in the regions. Inevitably then, the main lines of contention in the public sphere are essentially drawn between Ministries and the bureaucratic and private- interests they represent. For example, the main factor behind the bargaining leverage of YPEHODE (that is visibly reflected in the size of the OP "Roads, Ports and Urban Development") is the economic and political power of domestic construction companies (many of which are controlled by media owners).

The reforms of the current programming period have not changed the essence of this policy style. Indeed, the first priority of the European Commission is now "sound management", and it was the European Commission itself who insisted in creating a management system that would be immune from all outside interferences. This policy stance clearly indicates that the principles of decentralization and participation do not rank highly in the European Commission's agenda. It is remarkable that all Greek governments from 1990 on appear to have very similar preferences in this respect.

The lack of enthusiasm of Greek governments towards decentralisation is manifest if one examines the position and the prospects of the Greek regions. Despite a series of reforms enhancing their competences and solidifying their institutional apparatus, Greek regions still possess a precarious position in the Greek politico-administrative system. This phenomenon is all the more remarkable, taking into account a) the economic significance and the political salience of the regional level of government since 1985 and b) the replication of the corporatist structure

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[59] For example, the Ministry of Labour has consistently attempted to exploit its direct contacts with DG Employment of the European Commission in order to bypass the ME

of the prefecture councils at the regional level. The only plausible explanation is that the Greek governments have had no wish to relinquish the political power associated with the allocation of public funds at the regional level; thus, they have chosen to tackle the demanding and politically sensitive issue of regional programming through centrally controlled structures that, however, permit the limited participation of key local and sectoral interests. In this light, cohesion policy, instead of empowering local actors and fostering region-based approaches to economic problems, operates primarily as a tool for maximising the political leverage of the national government. This is not to say that subnational and non-governmental actors have not improved their positions in the Greek political scene thanks to EU funding. However, far from becoming autonomous, they remain firmly embedded in a centrally controlled network of intergovernmental relations. Hence, it has been documented that the new relationships between the main stakeholders (public, private, NGOs etc.) at the regional level are principally based on the tradition of the local corporatism developed in the 1980s and 1990s, when the most important institutions (public administration, local governments, professional chambers and associations, and, more recently, some universities and NGOs) were selected *de jure* by the government itself. Within this framework, the new players are constrained in tight and opaque networks around the Monitoring Committees, or are obliged to construct policy networks that include also party dominated-political linkages (Getimis & Paraskevopoulos 2002: 8).

In conclusion, EU cohesion policy has had a deep impact on Greek structures, policies and politics. However, contrary to expectations, the EU influence did not manifest itself principally in the field of territorial relations –where the evolution of the Greek model has been dictated essentially by domestic forces-, but in the domain of policy objectives, policy style and practices. In the 1980s, the Greek governments were preoccupied exclusively with the redistributive aspect of cohesion policy and took almost no measures to secure absorption (let alone effective use). Then, under the combined pressure of European funding programs and their institutional requirements, Greek governments found themselves in the extremely awkward position of not having the required institutional capacity (Georgantas and Psycharis 1999: 10). Faced with this serious challenge, the leading Greek actors followed the most conservative option. Instead of embarking on an ambitious -and politically explosive- program of administrative and territorial reforms, they slowly built up special structures and supporting mechanisms or/and resorted to the aid of private consultants assisting (or even substituting) the public bodies that were nominally in charge of management.[60] This solution had the twin advantage of suiting the preferences of the European Commission (who demanded rapid improvements in Greece's managing capacity) and of having a minimal impact on the pre-existing balance of power. Moreover, it was grounded on a technocratic logic stressing more the organizational and less the purely political aspects of the problem of administrative performance. Hence, the government assumed the role of a benevolent strategic manager seeking to maximize overall welfare

[60] It seems that the installation of the new Managing Authorities in 2001 has led to a more rational model of organization. However, the new MAs share the fundamental characteristic of the earlier ad hoc structures: they function in isolation from the main body of public administration.

according to "objective" operational criteria. This strategy is perhaps necessary for meeting the short-term requirements of Structural Funds management; nevertheless, it does not provide the structures and instruments Greece mostly needs in order to mobilize its physical and human resources in a more productive and socially desirable way.

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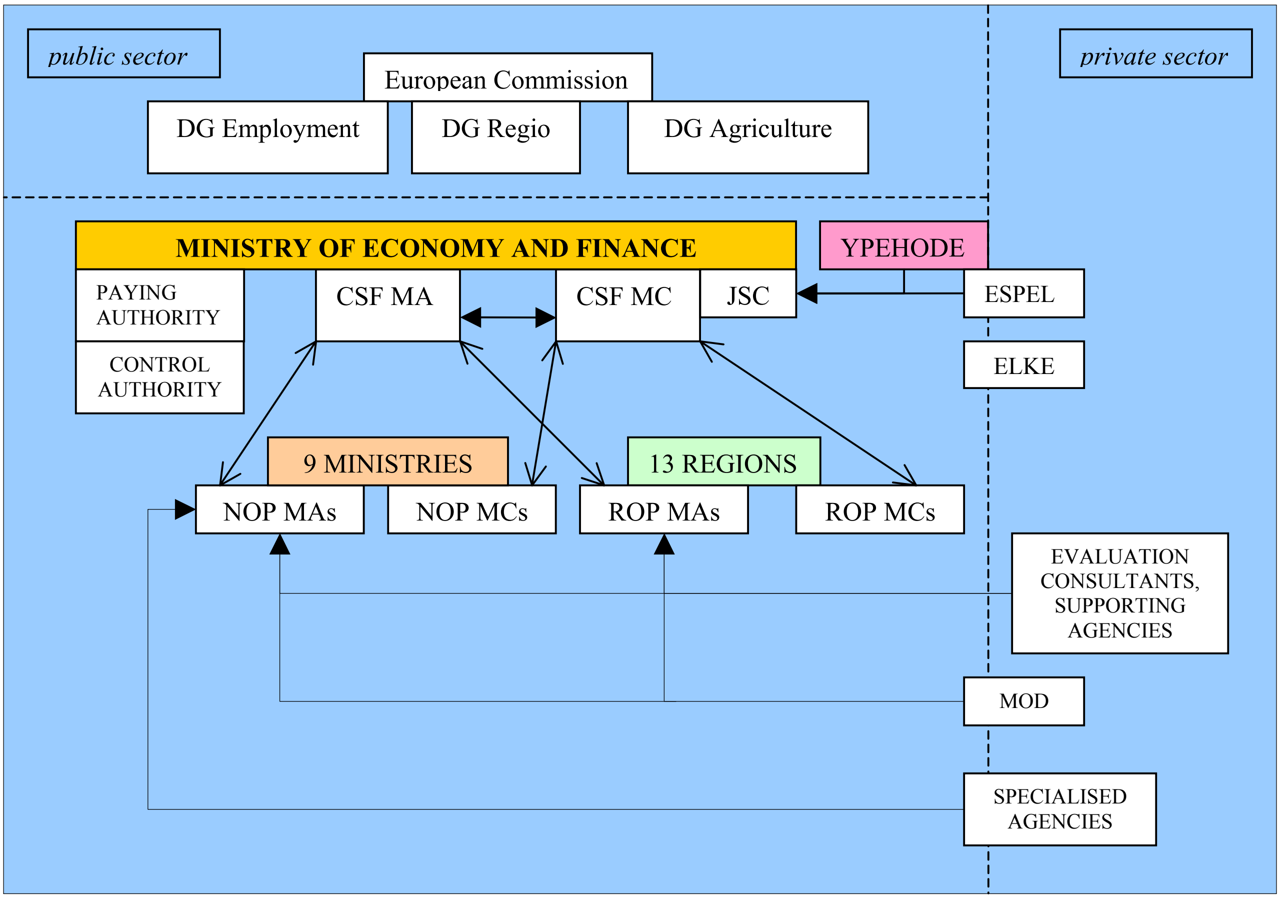
ANNEX

Figure 1

EU regional policy in Greece, 2000-2006: Actor network



Source: Ioannou (2001)

Figure 2

Greek CSF 2000-2006; List of Operational Programs

National OPs

Information Society
2.839.078.394
Competitiveness
6.098.265.992
Health – Prevention
513.306.663
Roads – Ports – Urban Development
9.149.977.978
Railroads – Airports – Urban Transport
2.937.600.381
Environment
693.048.875
Culture
604.900.000
Education and Initial Training
2.484.599.224
Employment and Training
1.998.895.185
Rural development
3.286.842.762
Fisheries
250.065.792

Technical Assistance
84.971.612

In EUROs –2000 prices

Source: Ministry of Economy (2000)

Regional OPs

Attica
1.588.697.167
Central Macedonia
1.390.505.236
Western Macedonia
550.027.899
Eastern Macedonia & Thrace
1.115.648.896
Western Greece
781.434.565
Thessaly
919.679.893
Continental Greece
873.110.227
Peloponnese
698.690.896
Epirus
680.013.237
Ionian Islands
372.346.561
Northern Aegean
545.822.565
South Aegean
600.110.460
Crete
708.984.666

the OP Competitiveness

MINISTER OF DEVELOPMENT

SECRETARY-GENERAL FOR DEVELOPMENT

SECRETARY-GENERAL FOR INDUSTRY

SECRETARY-GENERAL FOR RESEARCH & TECHNOLOGY

SECRETARY-GENERAL FOR TOURISM

SECRETARY-GENERAL FOR TRADE

SPECIAL SECRETARY FOR COMPETITIVENESS

HEAD OF THE M.A.

PLANNING & APPRAISAL UNIT

MONITORING & ADMINISTRATION UNIT

AUDITING UNIT

ORGANISATION & SUPPORT UNIT

Source: Ministry of Development (2000)