

## Key recommendations

***1. There is no evident overall strategic vision to provide purpose and direction to the long-term future of the Greek society and economy, as well as for the short-, medium- and long-term measures to be implemented.***

It is striking that there is no strategic and shared vision of where Greece wants to take its society and its economy. It means that public, media and internal government attention is unhelpfully focused on fiscal issues, with no sense of a broader agenda. There is no clear central steering, clear ownership of reforms, or accountability for results. At the core of its administration, Greece desperately needs a high-level structure which has the authority, responsibility and capacity to lead the development of a strategic vision and direction for public policies, and the effective implementation of this vision in practice and over time.

### ***Key reforms***

### ***Steps for immediate action***

Secure a strong centre, designating clear leadership to take clear ownership of reforms and with the power to steer, arbitrate, and decide at the political level. Keep structures simple and, especially, avoid building an architecture full of committees. Ensure that the leadership is empowered with the essential functions of a strong centre (strategic planning, communication, public administration reform and strategic HR management, strategic budget management, better regulation, e-government, EU regulatory management and ICT/data management).

- Set up a high-level reform steering group at the centre of the Greek Government, reporting directly to the Prime Minister, to supervise the reform process and to ensure its coherence. It would define the vision and the reforms needed; establish a roadmap, milestones and monitoring system to track progress; identify key players across the administration (central and local) for effective reform; and communicate that Greece “means business” with reform. The group should be empowered to govern the reform process and arbitrate between options, and take decisions. It should act as a gatekeeper: initiatives, policies, laws, would not progress without its agreement.
- Shape and implement a strategy for regular communication on reform progress, internally, as well as to the wider public. Consider how this needs to be linked to fiscal statements.

**2. Pervasive issues of corruption can be linked to the political and public administration culture, and its opaque, entangled systems.**

The systems in which the public administration is entangled generate the conditions for corruption and facilitate inappropriate individual behaviours, rent seeking and clientelism. They include weak central authority, a complex legal framework, the absence of basic data, weak audit and control mechanisms, and inadequate HR management. According to a recent Eurobarometer opinion survey, 98% of the population estimates that corruption is a major problem in Greece – the highest score in the EU. However, across the administration, there are highly competent individuals who are motivated for the promotion of fundamental reforms, but their efforts are undermined or even nullified by the behaviour and actions of others whose standards and values are not the same.

**Key reforms**

Establish an HR strategy that is based from top to bottom on non-political appointments and meritocratic criteria, relying on more independent and stabilised structures, building on and clarifying the reforms that have been started in this direction. Establish a strategy to tackle the complex legal and administrative process framework, by simplifying it and by making it more transparent. Develop data and knowledge management capacities at all levels of the administration and disseminate data and good practices widely, both within and outside the administration.

**Steps for immediate action**

- Confirm and elaborate as necessary this report's diagnosis of the systemic faults or weaknesses in the public administration framework which provide the conditions for corruption, as the basis for development and rapid implementation of an anti-corruption strategy.
- Identify immediate actions, and communicate them involving the highest level authorities. Providing examples of good governance.
- Promote a code of ethics that enhances integrity in the public sector.

**3. The Greek Government is not “joined up” and there is very little co-ordination, which compromises reforms that need collective action (most of them).**

There is very little co-ordination between and within ministries. The administration generally operates in silos. Fragmentation and overlaps among structures and tasks discourages co-operation. Collective commitment to a reform agenda is absent. Ministries do not share information easily. Co-ordination where it happens is usually *ad hoc*, based on personal knowledge. A striking recent example of silos is programme budgeting, which was developed without any link to performance management. Dramatic increases in productivity can be expected from rationalised ICT systems to allow the sharing of data within and between ministries.

**Key reforms**

**Steps for immediate action**

Develop a streamlined but complete strategy to strengthen the Centre of Government, the strategic centre of ministries and the inter-ministerial co-ordination that needs to link them together. Establish and roll out a complete strategy for shared internal ICT systems and the related rationalisation of government buildings.

- Establish a stable structure responsible for inter-ministerial co-ordination at the highest level with clearly defined responsibilities. This structure would deal with the ongoing inter-ministerial issues. But, in a first phase, it should also be in charge of the implementation of the decisions issued from the high-level reform steering group mentioned above.
- Establish strategic units at the centre of each ministry, covering strategic planning, HR, budget, better regulation, data and ICT issues, to secure intra-ministerial co-ordination within each ministry, an effective interface across ministries, and support for the steering group and inter-ministerial co-ordination group. These units should ideally include secondees from other ministries. No outsourcing of external appointees, if possible.
- Establish an ICT plan to secure interoperability between ministry systems and boost data collection and sharing, starting with core ministries and buildings (pending rationalisation of the latter).

**4. Implementation of policies and reforms is a major and debilitating weakness, due to a combination of weak central supervision and a culture that favours regulatory production over results.**

Ministries take decisions but these are often not reflected in concrete results. A succession of reforms launched in recent years (including reforms of the administration) did not bring the expected results, due to poor implementation. Central administration supervision and control of the wider public sector is ineffective. The relations between the central administration and the rest of the public sector need attention. Central vision and steering, once in place, will need to link up with key players elsewhere across the public administration (central and local), in order to secure “buy in” and effective implementation. Policy implementation, assessment and co-ordination account for a strikingly low share of the output of Greek ministries, which essentially consists in producing regulations. Virtually no attention is paid to reporting, control or monitoring.

**Key reforms**

**Steps for immediate action**

Establish a strategy to address the issues that block the implementation of reforms. Monitor reform implementation, with a measurement system that identifies policy priorities and expected results, through the establishment of indicators/thresholds/best international practice, when feasible. Strengthen the structures that link the central administration with the rest of the public sector. Identify and enable leaders in the rest of the public sector to deliver on key policy initiatives.

- Require that any new law or policy includes an implementation plan, with milestones and quantitative fact-based indicators of results, and the clear identification of those actors who need to play a part in the implementation process.

**5. Budget management needs urgent attention, to improve expenditure control.**

Despite some reforms, the pace of change is too slow and fragmented. It is very hard to monitor and control expenditures. The budget is fragmented and non-transparent, detailed and input oriented. There has been practically no use of output information and performance information in the budget process. Instead, there is a rigid and complex system of continuous central monitoring. This leaves HR and line managers little room for manoeuvre, and undermines their accountability.

**Key reforms**

**Steps for immediate action**

Rationalise and clarify the budget framework. Continue to strengthen the reforms to install programme and performance linked budgeting, with the focus on policy objectives.

- Move the focus from central *ex ante* to *ex post* controls on budget management and execution. Do this by strict monitoring and enforcement of budget ceilings on line ministries, and by dismantling inefficient *ex ante* controls currently executed by the Ministry of Finance. *Ex ante* controls should be the legal responsibility of the line ministries.

**6. Human resource management needs equally urgent attention, to strengthen the civil service and promote mobility.**

The senior civil service needs the credibility and competence to be effective as the steward of sustainable policies across political cycles. The distinction between the political level and a technically competent, objective public administration needs to be drawn clearly. The current hierarchy is top heavy, with senior civil servants sometimes in charge of “ghost” departments. There is no effective structure of middle management. Ministries are affected by organisational sprawl, redundant structures and too many units. There is little scope or incentive for ministries to allocate and manage their resources according to need. There is very limited mobility within the Greek public sector. Mobility involves heavy and difficult procedures. Reforming the current framework that prevents ministries from shifting human resources towards priority areas is fundamental.

**Key reforms**

Confirm and strengthen a non-political senior civil service and empower middle managers. Rationalise and strengthen the institutional framework to support an effective HR strategy. Establish a complete HR strategy. Establish performance assessment of top managers, linking this to the milestones for public administration reform. Confirm and strengthen clear rules and processes for key issues such as nomination procedures and length of appointment. Tackle mobility problems, not least by rationalising job categories.

**Steps for immediate action**

- Establish practical principles to guide immediate actions in support of more efficient and effective administrative structures, pending deeper reforms. These should include the principle of “units with a purpose” (tackling “ghost” departments and merging duplicative support units), and the principle of a well-defined hierarchy with defined leadership and management roles, starting with a simplified top management (rationalising the duties, number and scope of work of secretaries general, identifying the civil service leadership of a ministry, and clarifying roles among the top level).
- Make the necessary links between HR and budget reforms. Programme budgeting based on policy objectives to be achieved should be clearly linked to the development of performance management by objectives. The latter in turn should be clearly connected to individual performance appraisals.

**7. *There are crucial shortcomings in data collection and management which stand in the way of effective and evidence-based reforms.***

There is no systematic record keeping and a chronic lack of factual evidence and data as a basis for policy decisions – including day-to-day administrative management. Processes to collect, collate and analyse data are far from adequate. The administration does not have the habit of keeping records, or the capacity to extract information from data, and generally of managing organisational knowledge. Inadequate data means that reform strategies lack a strong evidence base to support effective and efficient policy decisions. The systematic use of data and the adoption of an evidence-based approach to policy making will require a profound cultural change across the administration.

***Key reforms***

***Steps for immediate action***

Establish a strategy to address data collection and management, with appropriate institutions, funding, and training at all levels of the administration. Implement a government-wide knowledge management system.

- Identify essential data for collection by ministries, via the strategic central ministry units proposed under issue 3 above.

**8. *The Greek administration is caught up in a complex legal framework which discourages initiative, puts the focus on processes rather than policy, and blocks reform progress.***

This problem needs to be tackled at its roots. Laws, regulations and formal processes, which have accumulated over time, shape the work of the public administration, leaving little room for effective policy making, or incentives for this. Administrative processes are more important than policy substance. The work of the Greek administration is defined at an extraordinarily detailed level by laws and processes. All decisions must derive from a legal provision. Ministers and civil servants are often blocked from taking even minor actions (such as removing a redundant unit) if the law does not provide for it. “Legal formalism” was originally established to secure integrity and protect against political interference. Instead, it has generated inefficiency on a massive scale, and done little for integrity.

***Key reforms***

***Steps for immediate action***

Address the underlying issues that drive the continuous development and use of laws and processes so as to simplify the legal structure and processes. Identify and analyse the parts of the legal framework which require reform in order to change the focus of the work of the administration from formal compliance with detailed requirements, to the achievement of strategic objectives and policies.

- Accelerate the processes for cleaning up and simplifying the legal and regulatory stock, and ensure that any new law related to the public administration reforms is coherent with the overall reform.
- Adopt and implement the Better Regulation Law.