

# Analysis of the Greek Reformation Program 2007-2013 in terms of Innovativeness and Effectiveness

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## Summary

The European Social Fund co-funded a major reform program in the Greek public sector. The program was called “Operational Program Administrative Reform 2007-2013” and was managed by a Greek public administration’s special authority. During a seven year period, over 500 projects, of almost 600 million euros, were implemented risk free, in terms of funding, but amidst an unprecedented economic crisis. We try to understand whether the factors that have impeded in the past large reform efforts in Greece continue to do so. We synthesized a research framework in order to study the effectiveness of the program and to find out failure and success factors. We concluded that although the reform program was designed with intension to promote innovative actions, the effort was weakened and eventually the lower level innovative efforts were the most likely to be implemented. We found interesting correlations among the innovation level of each project and its core characteristics (financial status and number of subprojects).

## Introduction

The reform of the Greek public sector has been a cornerstone of the country’s development strategy after the collapse of the 1967-1974 dictatorship. Numerous reform efforts have been implemented, not always successful. Greece is notorious for its record of failed reforms (Monastiriotes & Antoniadis, 2009).

In 2007 the Operational Program Administrative Reform 2007 – 2013 (OPAR) was put forward. The 2007-2013 Greek reform program of the public sector was co-funded by two major European Union’s organizations (members of the European Structural and Investment Funds - ESIF), the European Social Fund (ESF) and European Regional Development Fund (ERD). The Greek government co-operated with those organizations in order to set up a structural program that would promote significant reforms in the public sector.

However, despite the Greek public sector's modernization programs, the Greek economic crisis of 2009 demonstrated the weaknesses of the Greek public administration. The mismanagement of the public finance, from a bureaucratic and ineffective public sector, is considered to be one of the main factors for the failure of the Greek economy (P.Kouretas & Vlamis, 2010) (Lyrintzis, 2011). A number of studies have demonstrated the factors that have driven major Greek reforms to failure (Papoulias & Tsoukas, 1994).

At the present study we try to examine whether the factors that have impeded in the past the Greek reforms in the public sector, continue to exist. Also we opt to survey to what extend these factors are related with the ones that have been identified from the scholars that study the topic of Public Sector Innovation. We argue that Public Sector Innovation is a great theoretical basis for studying the effectiveness of public reforms.

Our study was established on a database of 417 reform projects that were planned to be carried out within the premises of the Operational Program Administrative Reform 2007-2013. Also we carried out a questionnaire that was addressed to the experts of the Operational Program in order to find out the factors that accelerate or impede the reforms.

## The Case of Reforms in Greece

Monastiriotes & Antoniadis (Reform that! Greece's failing reform technology: beyond 'vested interests' and 'political exchange', 2009) argue that one of the main impedes of the Greek reform efforts is the poor Greek "reform technology" or else the lack of know-how and technocratic documentation regarding the management of reforms. Also Demetrios B. Papoulias and Haridimos Tsoukas (1994) reviewed large social reforms that were undertaken during the period 1974 to 1992 in Greece and concluded that they had a high degree of failure and did not satisfy the Operational Research / Management System techniques (OR/MS) criteria.

Moreover, it seems that in Greece (as in many other countries of southeastern Europe) the existence of high levels of corruption in the public administration system, have driven the country towards the adoption of a legal culture that is antagonistic to a results-based culture (Sotiropoulos, 2015). Regarding the technology of public administration, it is argued that in Greece, public administration has been approached mostly from the perspective of the Weberian thinking and it is heavily dependent on administrative and constitutional law (Makrydimitres & Pravita, 2005).

There is a common argument, that the modern Greek identity is affected by a deep traditional culture which is rooted to the civilizational past of the country and which creates an amalgam of beliefs and ethics that antagonize the values of the modern state (Marangudakis, Rontos, & Xenitidou, 2013). This cultural heritage is a burden for the promotion of reforms in Greece, especially when there is the common feeling that such modernization efforts are dictated from "abroad" (Marangudakis, Rontos, & Xenitidou, 2013, p. 25). The Europhobic dimension of traditionalism seems to be a common characteristic of the Greek culture that is antagonistic to liberalism as it perceives it as a

threat to the cultural identity (Nezi, Sotiropoulos, & Toka, 2010). In a relevant survey to 74 Greek Members of Parliament (MPs) in 2014 (Tsirbas & Sotiropoulos, 2015), it was found that although the MPs believe that EU membership has in general been beneficial for Greece, they perceive the role of European Institutions as antagonistic to the effort of the country to return to economic normality. Besides Greece is considered to belong to a group of countries (South Eastern Europe) that demonstrate poor social capital (Paraskevopoulos, 2007). The cooperation among different public authorities is considered to be rather poor whereas the political agenda is strongly biased by the interventions of “unofficial “interest groups that want to adjust the reformation programs to satisfy their interests.

Is it possible that the economic crisis can act as a motivator of reforms in Greece that could overcome the aforementioned impeters? The equilibrium-functionalist approach states that only exogenous shocks have the dynamics to break the complementarities between institutions, that enforce an equilibria or a status – quo (Hall & Thelen, 2006). “The economic crisis came as a shock to the Greek society which was forced to realize in a very short period of time that old certainties were undermined and old practices had to be abandoned” (Lyrintzis, 2011, p. 11). However, crisis may not be the best adviser for social reform and especially for promoting public sector innovation. Crisis may dictate the need for change but perhaps the authorities may lack the necessary resources and even appropriate time to implement innovations that destruct existing infrastructures (Andersen, 2008). Furthermore economic crises decrease the capacity of public administrations to respond to social needs (Carstensen & Bason, 2012). Public organizations lose their touch with the stakeholders and may enter in a situation of isolation while they dedicate their resources towards implementing downsizing and financially restrictive policies which further decrease their social imprint.

At the present paper we are going to study the Greek efforts for the promotion of major reformations in the public sector during 2007-2013. The Greek program of reformations has been motivated by two drivers. The first was the directions for reformation of the Greek public sector according to the National Strategic Reference Framework that was signed before the burst of the economic crisis in Greece in 2009. The second came from the memorandums signed between the Greek Government and “troika”, the tripartite committee led by the European Commission with the European Central Bank and the International Monetary Fund that sets the targets and oversees the recovery of the Greek economy.

The effort for the promotion of reforms in the Greek public sector was applied within conditions that are very interesting in terms of innovation theory. First, the promoted reformations were applied within an environment of severe economic crisis, which has imposed stress to the political leadership and has forced major reformations in the Greek public administration. Secondly, the majority of reformations were co-funded by European organisations like the European Social Fund, thus minimizing the contribution of resources from Greek authorities and thus reducing the risk of implementation. Also, the program was managed by the central NSRF authorities and the ministries. That third aspect translates into higher bureaucracy in the management of the programs and less degree of freedom for the peripheral organisations but also can be associated with higher probability for the

promotion of radical innovations supported from the central political authorities (and the foreign supervisory organisations). Still, over the period 2007 – 2014 there was also severe political turbulence in Greece causing frequent changes in political leadership and high degree of pressure from the people and the creditors of the country for achieving short term financial goals. Consequently, it is interesting to investigate how innovative were the Greek reforms and to what degree they were adopted and implemented successfully.

Eventually we see that the modernization of the Greek economy was based heavily on reforms that had to be implemented in the Greek public administration. The selection of the projects was made from the Greek government as long as the projects selected satisfied several criteria set from European Union and especially (in our case) the European Social Fund (ESF). **ESF seems to completely follow the logic of reformations in the public sector that would eventually bring innovations**<sup>1</sup>. ESF talks about the necessity to promote public sector innovation whereas it embraces that main drivers of public sector innovation are “pressure on government budgets; rising public expectations of more accessible and flexible services and greater participation in service and policy development and review; and complex social, environmental and economic challenges” (European Social Fund, 2014, p. 9). **Finally ESF adopts also the typology of innovation that was introduced from PUBLIN in regards to public sector** (new or improved services; process innovation; administrative innovation; system innovation; conceptual innovation; radical -or paradigmatic- changes of belief systems or rationalities).

Thus we see that **one of the main goals of the main funding body (ESF) of the Greek reform program in the public sector was to a large extent to promote public sector innovation as a tool for the acceleration of good governance**. At the same time the Greek government was found under pressure to introduce large scale reform programs as a response to the financial crisis. Reforms that in all terms can be considered as radical ones. In the core of the Greek reform efforts were the structural reforms that demanded the modernization and downsizing of the public sector<sup>2</sup>.

Consequently, for the purpose of this thesis, we limit the scope of our research by seeking to address the following key research questions.

- To what extent the stakeholders (mainly ESF and government) of the program did choose to proceed with radical or process innovations?
- Did they take the risk to implement radical innovations within an environment that is risk - free in terms of funding (all the projects were co-funded from ESF) but heavily dependent on the achievement of short-term goals?
- Is there a relationship between the type of innovation and the successful implementation of a project?

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<sup>1</sup> “At a time when Member States are facing increasing pressures on public budgets, the challenge of ensuring high-quality public services requires technological and organizational innovation to boost efficiency” (European Social Fund, 2014, p. 4).

<sup>22</sup> “It is clear that the public sector has become too large and costly and has to become smaller, more efficient and agile, and oriented to providing better services to citizens.” (European Commission , 2010, p. 42)

- How do the basic characteristics of the projects such as the cost and the size were related to their progress?
- Were the projects in terms of budget and number of sub-projects, more prone to failure?
- What were the causes for the successful or not successful implementation of the reforms? Is there a pattern of factors that impede or accelerate reforms in Greece?

Trying to synopsise our survey's goal we can formulate the following question: "Can a structured co-funded reformation program of the public administration promote successfully public sector innovation within conditions of crisis? If not what are the causes? "

## Public sector innovation, drivers and barriers

Public Sector Innovation (PSI) is a topic where theories from the manufacturing and the private service sector are synthesized with topics from political science, sociology and public law. It is a subject that is currently on development from scholars around the world and which its theory is considered to be a sound basis for the clarification of the process of change in the public sector. Through studying the PSI theory we can identify and classify the reforms according to their impact whereas we can study the factors that impeded or accelerated the implementation of certain types of reformations (as they are classified in certain categories of PSI's typology). Thus it is a useful tool in our effort to assess the effectiveness of the Greek reformation project.

Having examined several definitions of Public Sector Innovation (**Smits R. , 2002, p. 865**), (Damanpour & Schneider, 2006, p.216), (**Rogers E. M., 2002**), (**Mohr, 1969**), (**Albury, Fostering Innovation in Public Services, 2005**), (**Green, Howells, & Miles, 2001**) and (**Galanakis, 2006**), (OECD, 1997) , (**Mortensen P. S., Measuring Public Innovation in Nordic Countries: - Toward a common statistical approach, 2010**), (**Monteiro, Institutional and Organizational Restructuring of the Civil Service in Developing Countries, 2002**) we conclude that a proper definition of the term has to state the factors of relevance, of "newness", of volume of impact, of the successful implementation , of novelty and creativity and to suggest the relevance of public sector innovation to the strategy of the modern state. Thus we suggest that "public sector innovations is the successful and creative adoption of ideas which provide a degree of novelty and are new to the public organization or system of public organizations adopting them, whereas they result in significant and durable improvements in outcomes in efficiency, effectiveness or quality and in the way with which public sector creates greater public value and favorable conditions for the development of a smart networked and innovative society".

When a reform is identified as innovative then it has to be assessed in terms of its innovativeness. We adopted the sixfold typology presented from Halversen et Al. (On The

differences between public and private sector innovation, 2005) whereas we created a categorization - typology that allows us not only to catch the innovativeness of the projects but also to clarify the level of their impact of implementation in a two level axis system (Degree of innovation and Range of Implementation) (TABLE 1: TYPOLOGY OF PUBLIC SECTOR INNOVATION), (GRAPH 1: TYPE OF INNOVATION). Furthermore we generated a variable that defines the degree of successful implementation of each project. With the aid of the two variables we can assess both the impact (innovativeness) of a project and the level of its implementation (GRAPH 2: FROM SEVEN TYPES OF INNOVATION TO THREE). Moreover, the literature review demonstrated the drivers and barriers in Public Sector innovation (GRAPH 3: FACTORS AFFECTING PUBLIC SECTOR INNOVATION). Accordingly, the literature review demonstrates that drivers and barriers in Public Sector innovation come from seven main areas: Firstly from the **organization's structure and culture**. Secondly from its **resource management**. Thirdly, from the **attributes of innovation** per se. Fourthly from the **political leadership**. Fifthly from the **network of public and private organizations** that consist the government body. Finally, from **social and economic factors**.

## Brief Presentation of the Operational Program Administrative Reform 2007-2013

The implementation of the Operational Program Administrative Reform 2007-2013 (OPAR) was accomplished through a number of Projects which were defined as "Group of activities aiming at the realization of a functionally complete and distinct object / result" (Ministry of Development and Competition, 2014). The crucial information that follows a project is its unique coding (usually a six digit number like "302957"), its title, its budget, its deadlines and specified deliverables.

A variety of different types of projects were developed within the framework of OPAR. Initially we had to proceed with the categorization of the projects that we intended to study. O.P. Administrative Reform 2007-2013 is consisted from four General Objectives. At a second level the General Objectives were segmented into priority axes and Priority Themes. The Program had eleven thematic priorities consisted from 815 projects budgeted at 407.770.776,36 €.

Our survey focused in General Objective 1 entitled "enhancement of public policy through the modernization of the regulatory framework and structures of public administration" and in General Objective 2 entitled "human resource development of public administration". From the eleven Priority Themes our survey focused in the thematic priorities as they are presented at the following table.

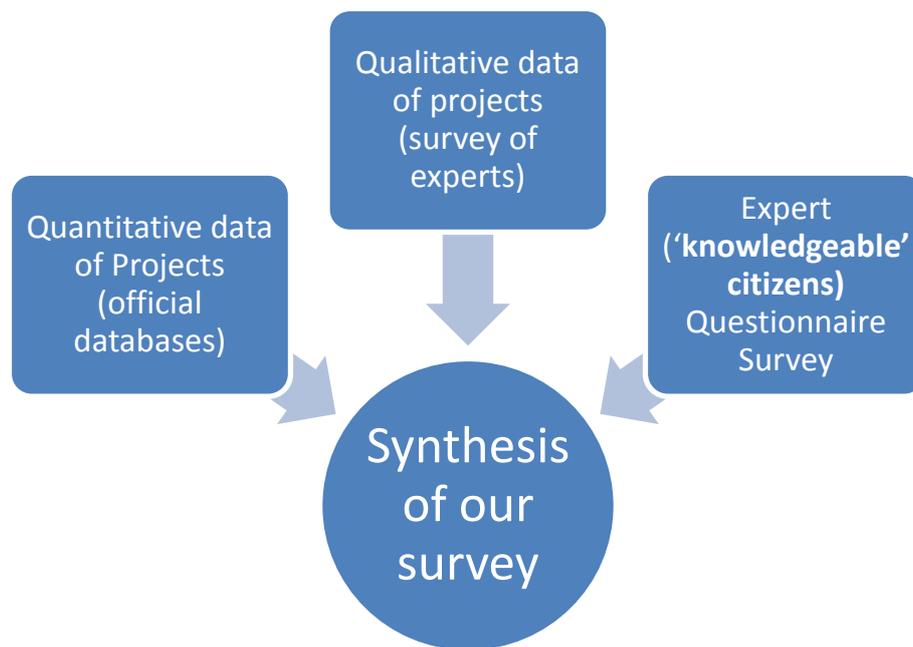
PRIORITY THEME	DESCRIPTION	NUMBER OF PROJECTS	%	BUDGET	%

13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.)	48	12%	116.186.693,84 €	32%
63	Design and dissemination of innovative and more productive ways of organizing work	351	84%	219.999.080,96 €	60%
81	Mechanisms for improving good policy and program design, monitoring and evaluation at national, regional and local level and capacity building for the implementation of policies and programs	18	4%	31.761.219,60 €	9%
	Total	417		367.946.994,41 €	

From the initial approach to the data of the table we can assess that innovation (T.P. 63) is a cornerstone of administrative reform efforts in Greece, as by far it exceeds, in budgetary and physical terms, the rest of the thematic priorities. Moreover the T.P 63 “Design and dissemination of innovative and more productive ways of organizing work” outperforms the rest of the T.P.s giving us a positive sense that OPAR is opting at promoting innovativeness at the Greek Public Sector.

Our effort was based on data that were sourced at the end of 2013 (official deadline of the program) and were updated with data extracted from the Ministerial Decree consolidation program of the OPAR (Ministerial Decision no. 39844/5-8-2014) which clarified the number of projects that will remain in the current programming period and the number of projects that will be terminated or postponed until the beginning of the next programming period (2014-2020).

## Methodology



As a case to investigate the above questions, We examined the implementation of the Greek reformation program 2007-2013 and we sought to investigate the factors that have influenced its progress during that period.

The program was conceived and aimed to introduce significant and innovative (by Greek standards) reforms. However, the design and implementation of the programme took place under conditions of financial and time pressure. There were three challenges that had to be overcome in our survey.

The first challenge was to clarify what and in what way to search for and measure. There was performed a thorough literature research that aimed at clarifying the terms and definitions of public sector's innovation. Then it was created a map of concepts that helped us to clarify what could be considered as innovation and what types of innovations could exist within the spectrum of public sector. Moreover, a plan of factors that affected the adoption and successful implementation of innovation in the public sector was created. That way we acquired the theoretical basis that would permit us to examine the Greek reformation program.

Our second challenge was to conduct a thorough examination of the Greek reform program. We wanted to rely on hard quantitative and verified official data that would permit us to perform thorough statistical analysis. Thus through our survey we extracted significant data, from official databases, regarding the fiscal status of the projects, the scope and the implementation for each project and even the synthesis of each project. There, by examining each project we could synthesize the whole picture of the program. At the time of the study the Operational Program Administrative Reform 2007-2013 was consisted of approximately 500 projects. Thus a lot of work was done on data pre-processing and mining. We generated

a large database that contained useful data regarding all the projects. For the purpose of the study we also sought out the contribution from experts of the Operational Program Administrative Reform 2007-2013 in order to help us assess the innovation status and status of implementation of each project. That way we acquired a clear picture of the whole program and we were able to assess it in an evidential way that would enable us to derive significant, in both academic and practical conditions, outcomes.

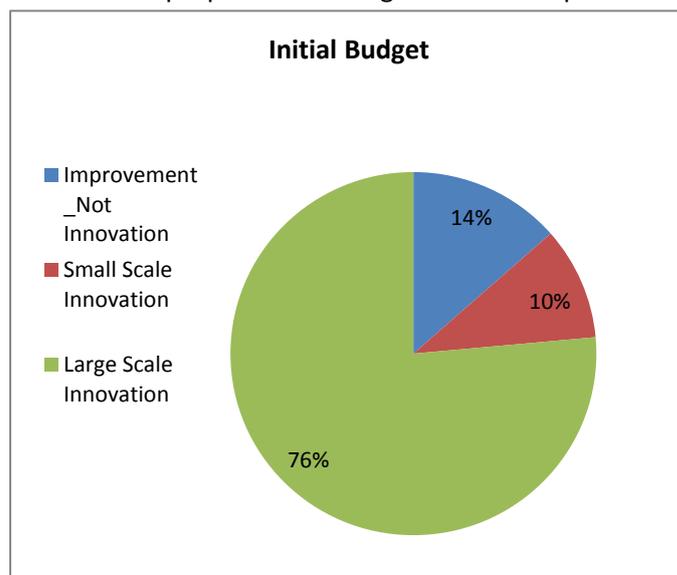
Then, having adopted a significant amount of quantitative data we opted to perform a survey, through a questionnaire, on experts of the program that would permit us to capture and evaluate sensitive qualitative data regarding the program. What was the opinion of the experts, or knowledgeable citizens, regarding the factors that burdened or accelerated the innovativeness of the program? This was a great opportunity to check the implacability of the theoretician's conclusions on the topic, there where we included in the questionnaire a lot of questions that were opting at checking the factors of success or failure of public sector's innovation.

That way, we created the database of projects, consisting from 3 Priority Themes, with a total number of 417 project, budgeted to 228.311.424,33 €. The data regarding the numerical variables (per project expressed in €) of Initial Budget, Legal Commitments and Expenditures along with the number of subprojects per project were used. Then a questionnaire was created and was addressed to the experts of the "Operational Program Administrative Reform 2007-2013" in order to offer us their view regarding the success and the failure factors of the program.

## Key Findings

### Mismatch between Programming and Implementation

The first conclusion is that in terms of innovation the program Operational Reform 2007-2013 was designed to promote large innovations in the public sector. There are two ways to check this assumption. The first one is in terms of number of projects and the second in terms of the proportion of budget that was kept for the promotion of specific projects. Large



scale innovations tend to occupy the 76% of the total budget. The result comes in contrast with the fact that from the 417 projects only 29% or the projects can be considered as large scale innovation (whereas 63% of the projects were considered as Improvement Not Innovation).

Our statistical analysis also demonstrated a moderate correlation between the initial budget of a project and its type of innovation (0.351 - Spearman) and is significant at the 0.01 level (2-tailed)). Proceeding also with ANOVA we found that there is difference among the initial budgets of the projects according to their type of innovation. In simple words, the designers of the reformations intended to devote a large sum of the budget to large scale innovations and in a large part to System Innovations. However, the large number of small scale innovation projects and Not Innovation projects (in terms of number of projects) create a mismanagement risk in terms of administrative burden. Interestingly the experts did not seem to believe that one of the intentions of the program was towards innovation (60% of them believed that the projects were of small scale innovation) . Interpreting this viewpoint we can infer that the experts believed that the more innovative projects did not had a good level of successful implementation. In other words they expressed their disappointment from the progress of the program. This interpretation can come also from the fact that the majority of the respondents also expressed the viewpoint that the initial design of the program did promote the main strategic objectives (as they were set) but unfortunately in the course of implementation, these objectives were not met.

However, in order to assess the innovativeness of a program one has to check also the proportion of success of the projects in correlation with the type of innovation (let's have in mind that scholars tend to assess the factor of successful implementation as crucial for the characterization of an innovation). So in terms of intentions, Operational Program Administrative Reform was innovative. Can we say the same in terms of implementation?

Implementing correlation analysis between the variables "type of innovation" and "degree of implementation" we can infer that the more innovative was a project the less successful would be in terms of implementation. In statistical terms we found that the two variables were not independent<sup>3</sup> although there was found a positive moderate correlation between them<sup>4</sup> (we remind that the higher the degree of a type of innovation the higher its size and degree of radicalness whereas the higher the degree of the variable successful implementation the less successful was its implementation).

Moreover, we can extract useful information from observing the correlations between the variable type of innovation and two quantitative variables that denote the economic maturity of the evolution of a project. These variables are the legal commitments and the expenses. When a project is ready to be implemented then a legal contract is generated, and published in the official system of the program, between the beneficiary of the funding and the contractor. This step is crucial as the legal commitments bind all stakeholders to a specific time schedule of deliverables and payments. Thus when a project is recognized to have legal commitments we can consider as certainty its positive evolution whereas when in the database are documented expenses then we have a positive sign of maturity of the project. Implementing one-way analysis of variance we found that there is a significantly different behavior between the non-innovative projects and the significantly innovative ones.

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<sup>3</sup> By running the  $\chi^2$  test we have the following result  $\chi^2=1,8734E-35.< 0.05$  Thus we accept H1 as true which denotes that the two variables are not independent

<sup>4</sup> Spearman's rho ((rs(409) = .577, p = . 1,8972E-38)

Through the Operational Program administrative Reform 2007-2013, Greece had the opportunity to facilitate the reformation of the Greek Public Sector. Initially the program devoted 76% of the initial budget (174.529.349,22 € ) to promote 123 projects that were characterized as large scale innovations. Although 65% of those projects were characterized as successfully implemented, at the same moment they presented a dissatisfying ratio of converting initial budget to legal commitments of only 27% . Although, Greek authorities are notorious as last minute achievers, it is obvious that in terms of project management, large scale innovations were not properly implemented whereas only the smaller projects (in terms of budget) had a better chance to be achieved.

Conclusively, The Operational Program Administrative Reform 2007-2013 was a program that was designed to promote public sector innovation. In the implementation the program did fail to promote public sector innovation, as the projects of small innovation were the more successful ones whereas the large innovation projects had high degrees of failure.

## Factors That Affected the Implementation of The program

The Thematic Report of European Commission (2012) on Public Sector Innovation (PSI) recognized that across European union the major drivers of innovation are the political ambition, the demand of the stakeholders for better public services and the tightening resources. The report argues that leadership, culture and institutional skills are the cornerstones of successful implementation of an innovation. However, **large scale innovations are more prone to fail when they are implemented in complex and politically dominated social systems**. Public Sector Innovation is a delegate and sophisticated evolution of public sector's management and thus it has to be positioned high in the political agenda of a country.

### Poor Programming

Our survey supports that the technocratic support of the Greek decision making is rather poor as almost 74% of the experts supported that "Failures or incorrect estimates for the initial planning" was one of the main problems during the execution of the OP 2007-2013. Indicative is the fact that only 16% of our experts (mostly civil servants) have stated that they were actively involved at the programming stage of the projects. Thus, it is obvious that the Greek political systems seems to neglect the bottom –up learning or in other words not to adopt the post-positivistic approach on the valid knowledge, which reveals that practitioners and other stakeholders have low levels of involvement in the policy area. Mostly, the politicians seem to follow a pre-set agenda of reformations that has been elaborated from a close team of consultants. Thus, they tend to support their own reformations whereas neglecting the ideas and knowledge that come from other paths. That way, the public authorities are called to support and implement reformation projects (within strict deadlines) that do not know and merely understand. An indication of the poor

programming is the fact that the experts support that the badly written contracts is another issue for concern as it is associated with the weak planning ( $r_s=0.335^{**}$ ), the ineffective education, and the poor human resources management ( $r_s=0.369^{**}$ ) The ineffective professional education is also positively associated with the barrier of poor planning whereas political instability is negatively associated with the factor of staffing. All the aforementioned factors can be categorized as basic variables (some of them endogenous) of the program, denoting that poor programming resulted in poor assessment of managerial requirements, poor allocation of staffing and poor preparation of procedures. Eventually the organizations involved in the program were required to manage a complicated bureaucratic program with poor training preparation, poor guidelines and with limited human resources. At this point it has to be mentioned that a huge wave of staff reallocation took place in the middle of the program, as the government decided to cut off payroll benefits from the personnel that had been detached from their permanent positions to manage co-financed projects. At the same moment rumors about layoffs from central ministry posts began to spread. During that period the detached personnel was theorized as the most probable to be dismissed. The fear of losing their job along with the termination of benefits schemes that resulted in reducing the value of their positions (even in ethical terms) drove many experienced and well educated executives to return to their original positions. All that perhaps resulted in the generation of poor legal commitments that eventually became a great barrier for the evolution of the program. As long as the procedure of auditing was a cornerstone of the program, poor legal documents resulted in great delays in the procedures of diligence which eventually brought great delays in the projects' development. Finally, political instability resulted in continuous changes in the political hierarchy of the program and the political executives that were responsible to manage it. As long as the program was heavy dependent in the political interventions, that led to poor project management and poor staffing decisions.

### Cultural conflicts

Though, the reformation projects, and especially the innovational ones, demand the long term commitment of resources and the creative cooperation among different public authorities and political parties. Such, a long term commitment prerequisites the existence of a cooperation attitude in the Greek public sector. However, Greece is considered to belong to a group of countries (South Eastern Europe) that demonstrate poor social capital (Paraskevopoulos, 2007). The cooperation among different public authorities is considered to be rather poor whereas the political agenda is strongly biased from Interventions of "unofficial "interest groups which want to adjust the reformation programs so as to satisfy theirs interests.

For once again we ask the experts the way with which they assess that the culture of Civil Service Tribunal may have prevented the promotion of major innovations. We remind that the respondents have evaluated the inadequate culture of cooperation as a systemic

problem. For once again this point is verified, as 64%<sup>5</sup> of the respondents agree with the argument, denoting the necessity of major shifts in public service's culture. The experts assume the bureaucratic structure to be a cumbersome environment that is accompanied from a counterproductive culture of innovation promotion

## Political Instability and Patronage

Our Survey demonstrated that our experts firstly argue that the politicians were the main decision makers of the program and due to political instability during 2007-2013 the implementation of NSRF program was affected negatively in a significant way. Also, there seems to exist a bell shape – normal distribution of answers regarding the question “Position yourself on the following suggestions - The Political leadership is interested in promoting innovative actions in public administration”. The opinions diverge on the subject with 41% of the respondents to avoid taking clear position. However, 10% of the respondents are clearly denoting that politicians are not interested in promoting innovations whereas another 20% support the same opinion in a more mild way.

Having in mind the fact that 43% of the respondents<sup>6</sup> supported that the political authorities are the ones who have the decision power in the system, we can infer that the experts support that the more prone to innovation are the politicians the more possible it is for the innovative projects to be adopted and implemented successfully. Consequently we can infer that a strong relationship exists between the political authorities and the effectiveness of a reformation program at the Greek public sector. An indication of great reliance of the Greek reformation program on the political willingness and a small degree of independence of the Greek public sector. Accordingly the more the public servants are involved in the management of the projects the less those projects are affected from political instability.

Also we found that the variable Political turbulence seems to be negatively associated with the factors that are related with the effective cooperation among the public agencies and their effective staffing. Consequently the more effective and autonomous the public authorities the more capable are to manage reform projects without the aid or the dependence of the political system<sup>7</sup>.

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<sup>5</sup> 46% Agree and 18% Completely Agree.

<sup>6</sup> Politics\_Chose: Interviewers were asked to respond at the following question: You think that the Projects for the most part were chosen from: "1: Central Political Authorities, 2: The Organizations 3: Both of the Above 4: Don't Know/ Can't Answer".

<sup>7</sup> We found that the more the public servants are involved in the management of the projects the less those projects are affected from political instability. We can infer that there is less than a 1% chance that the strength of the relationship happened by chance in this estimation. Also, Political turbulence seems to be negatively associated with the factors that are related with the effective cooperation among the public agencies and their effective staffing. Consequently the more effective and

## Economic Crisis

In the case of the Operational Program Administrative Reform, the experts argue that innovative projects were associated with the factor of crisis in a negative way. They believe that economic crisis impeded the implementation of innovative projects<sup>8</sup>. We can deduce that short-term budgeting did not aid the complicated nature of innovative projects which needed more devoted resources. As it was mentioned above, the economic crisis created turbulences and accelerated pressures of instability to the political and social system that did not facilitated decision making. On the other hand the Greek economic crisis was accompanied from several Memorandums, which for the first time in Greece depicted a clear path of reformatations that Greece had to follow. Thus, the experts support that “The pressure of the Memorandum was instrumental in promoting the administrative reform agenda and innovation in Greece” (65% Agree and total Agree).

On the other hand, the position of the respondents is clear in terms of evaluating the memorandum as a facilitator of innovativeness. It seems that memorandum helped the formulation of goal achieving strategy and pushed the system to promote administrative reforms. Although, we have to highlight that the respondents did evaluate in a negative way the impact of economic crisis on the successfulness of the NSRF program. Perhaps, the experts argue that as economic crisis created turbulences and accelerated pressures and instability to the political and social system, at the same moment the Memorandum was aiding for the creation of a stable reformative environment.

From the above we can infer that the experts believe that the costlier and more innovative projects are more prone to fail during periods of economic turbulence. At the same moment, as it is expected, financial cuts bring problems in the supporting of public sector with the appropriate resources.

## Concluding Remarks

The implementation of the Operational Program Administrative Reform (OPAR) 2007-2013 was a unique opportunity for the promotion of, the so needed, large Reforms in the Greek public sector. The substantial funding from European authorities created a favorable condition for the promotion of innovations in the public sector. Additionally, the economic

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autonomous the public authorities the more capable are to manage reformation projects without the aid or the dependence of the political system.

<sup>8</sup> The question was the following. “How do you consider the economic crisis contributed to the promotion of innovation in the public sector?”. The five scale answer had the form of 1 equals to 1- Did Not help the promotion of innovativeness where 5 equals 5 - Greatly facilitated the promotion of innovations. A cumulative 43% does not believe that economic crisis supported the innovativeness and 41% were reluctant and positioned themselves in the middle of the scale.

crisis of 2009 generated the conditions for promoting substantial changes in the Greek public sector.

However, a review of the history of the efforts of the Greek state to manage large scale reforms reveals a serious weakness in this field. Several authors argue that social factors, like the Greek culture along with deficiencies of the Greek bureaucracy and political system, impede the implementation of large reforms. Such deficiencies have also been detected from many scholars that study the factors that accelerate or impede the implementation of innovations in the public sector.

From the analysis of the OPAR's projects, we come to the conclusion that the majority of the projects that were recognized as reforms were non innovative projects with little economic impact. Although, these small non – innovative projects were the winners, in terms of successful implementation. Thus, we can conclude that the OPAR was a program that did not fully meet the expectations of its initiators.

In our effort to examine the factors that impeded the successful implementation of the program we surveyed over 90 experts of the NSRF's ecosystem in Greece. Their testimonies drove us to the following conclusions.

1) As it has happened before in Greece, the reforms promoted through the OPAR were heavily dependent on the support from the political hierarchy. Due to the political volatility of the period 2009-2015, major reforms that were promoted from one political party were not supported from the political successors. The public administration was reluctant to support the high impact reforms due to their large political cost and their complicated nature.

2) The proposed innovations were considered to have poor documentation and they were implemented within an environment that opted rather for short term financial results. Thus, many innovative projects did not come through the initiation phase, damaging that way the maturity of program.

3) The innovative projects demanded the cooperation among different authorities and the motivation of a bureaucratic mechanism in order to surpass severe obstacles. Although, the cooperation among the public authorities proved to be inflexible and embedded within a rigorous legislative framework.

4) The economic crisis from one point of view did not seem to assist the promotion of innovative reforms through the OPAR 2007-2013. The political volatility that escorted the crisis prevented the existence of a stable supportive environment, a crucial parameter for the promotion of innovations in the Greek public sector which is highly dependent from political hierarchy. However, from another point of view the treatment of the crisis demanded the establishment of a memorandum between the loaners and the Greek state. The memorandum dictated a number of reforms that were preconditions for the deposition of the loan's installments. Memorandum operated like a useful map of changes for the Greek authorities. Although, on the one hand the changes that were imposed from a

memorandum were taken from Greek public opinion as conditions of subordination and thus they were confronted.

Taking into consideration the aforementioned syllogism we can infer that several pathologies of the Greek ecosystem that have impeded in the past the introduction of major reformations, were also present during the period of implementation of OPAR. The Greek governments were able to present a vigorous pro-innovative reformation agenda that they partially managed to apply.

## Further Research

We created a theoretical basis that permit to a scholar to assess the impact of a reform according to its innovation status. This scaling was generated according to the Public Sector Innovation theory and with the aid from practitioners of the public services (project managers and auditors) and thus offers a great utility for assessing the impact of a public reform activity. However, such scaling can be elaborated with the help of a statistical tool that can categorize each reform through data scaling. Thus each reform can have a value and can be processed statistically with a more precise way.

Furthermore, an econometric model can be generated in order to assess the successful implementation of a program of reforms. We found the endogenous variables (innovation level of each project, its budget and number of subprojects) along with exogenous variables (economic environment, political volatility, bureaucracy skills) that can initially create regression models with the help of which we can predict the course of reform program.

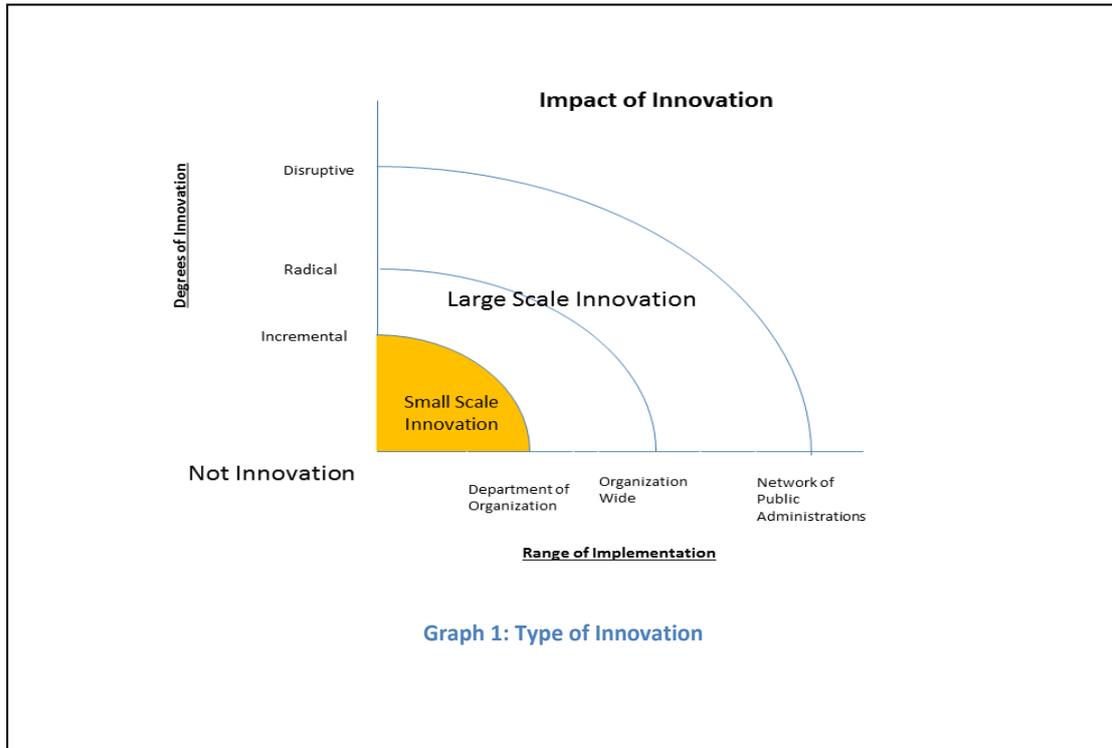
Finally, with the assessment of the Greek reform Program we have set a basis for comparison with other similar program across the European union and with other countries.

## Tables

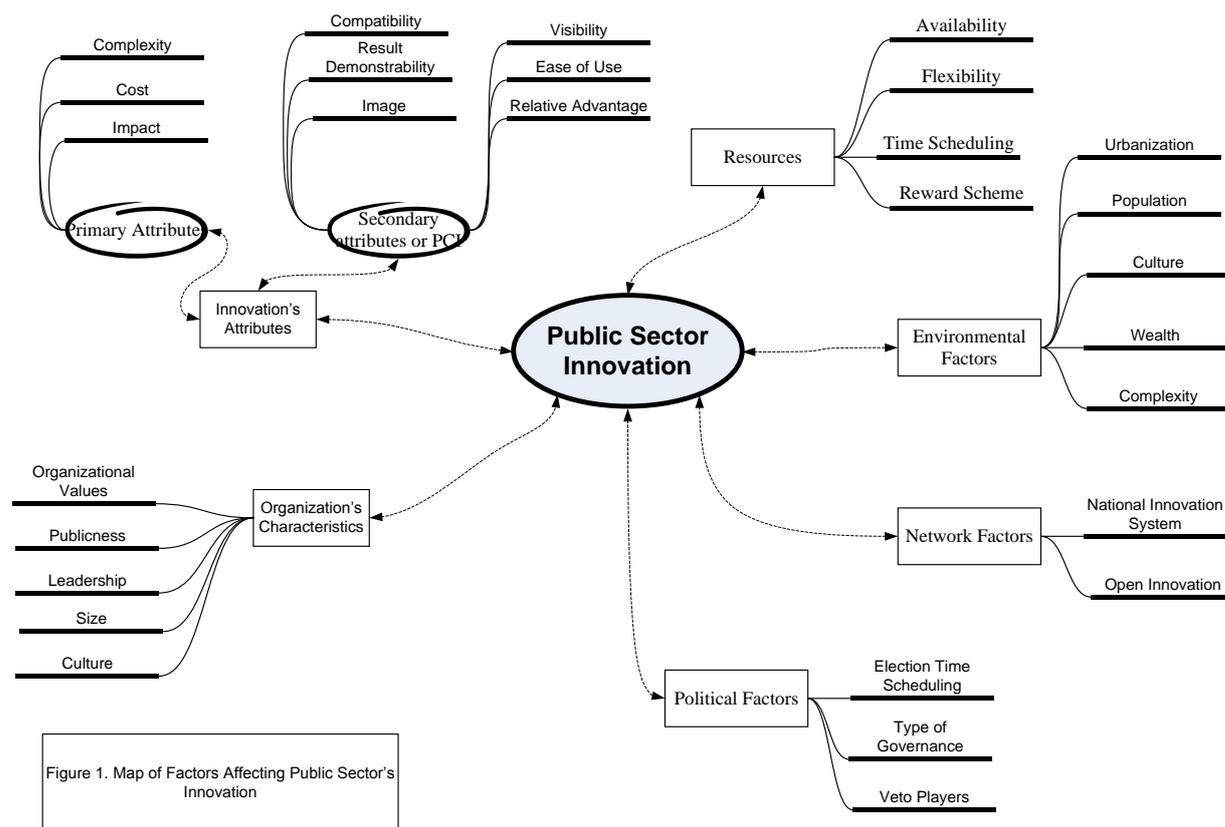
<b>Six-fold plus One Typology of Public Sector Innovation</b>			
<b>Degrees of Innovation</b>	<b>Types of Innovation</b>		<b>Range of Implementation</b>
<b>Disruptive</b>	Conceptual -Policy Innovation	Radical change of rationality	<b>Network of Public Administrations</b>
<b>Radical</b>	Administrative and organizational innovation	System Innovation	<b>Organization Wide</b>
<b>Incremental</b>	Process	Product	<b>Department of Organization</b>
<b>Improvement -Not Innovation</b>			
<b>Efficiency-Led</b>		<b>Need - Led</b>	

Table 1: Typology of Public sector Innovation

## Graphs



**Graph 2: From Seven Types of Innovation to three**



Graph 3: Factors Affecting Public Sector Innovation

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