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**Learning and steering:
changing implementation patterns and the Greek central government**

ABSTRACT: Greece is frequently construed as a laggard in the implementation of EU policy. This paper examines the key characteristics of the Greek central government and links them to patterns of policy implementation. However, since governments, like all organisations, have the capacity to learn. Thus, implementation patterns change over time. Observations and inferences from experience matched by the acquisition of new techniques and critical events help improve the implementation of EU public policy. This is demonstrated by means of a case study (public procurement policy).

KEY WORDS: Central government; Greece; implementation; learning; public procurement

INTRODUCTION

The implementation of EU public policy¹ is attracting increasing attention (see, e.g., Knill and Lenschow 1998; Börzel 2000) from political scientists. However, implementation in Greece-which is widely perceived as a consistently under-performing member state - remains under-researched. Figure 1 illustrates that Greece was involved in a significant part of the total number of cases that reached the ECJ between 1983 and 1999 (12.27% on average).

Figure 1 about here

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These problems are not rooted in a specific period of Greece's 20-year membership of the EU. Rather, they concern a whole array of areas and types of policy including the internal market, competition, environment, consumer protection and agriculture (CEC 1987: 46-8; CEC 1992: 84-6; CEC 1999: 150-68). Thus, problematic implementation constitutes a systemic attribute of Greek membership of the EU.

Less attention has been devoted to the question of whether and how implementation patterns change over time. The aim of this article is twofold. On the one hand, it looks at key features of the Greek central government in an attempt to shed light on some of the factors that shape the Greek implementation record. On the other hand, it seeks to identify and analyse the dynamics that change established patterns of policy implementation in Greece.

It will be argued, first, that key features of the Greek central government account largely for problematic implementation of EU public procurement policy. Second, it will be demonstrated that implementation patterns have changed over time for two reasons: On the one hand, although the Athenian bureaucracy has remained largely passive, it has provided evidence of single-loop learning after identifying a mismatch between the relaxation of the socialist government's anti-EC rhetoric in the mid-1980s and the mounting pressure from Brussels to improve implementation in one sector of public procurement (supplies).ⁱⁱ Thus, it resorted, primarily but not exclusively, to (a) blame avoidance in order to promote domestic compliance with European rules and (b) EC-centered legal arguments as opposed to domestically-informed politico-economic ones.

On the other hand, critical events in which the Commission took remedial action ('fixing') have facilitated single-loop learning at the political level. Fixing has not *generated* change. Change was incremental but evident even *prior* to these events. Change has not been limited to the sector (works) where these critical events occurred. Rather, it has spread

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to supplies as well. Nevertheless, fixing was extremely important because it has accelerated the *pace* of change by enabling the Greek government to better conceptualise what was at stake.

Given the complexity of implementation and the large number of actors involved in it, an attempt to identify sources of these problems could focus on various levels of analysis and different variables. Drawing on implementation and organisation theory, the following section focuses on the Greek central government, its characteristics that are likely to affect implementation and the manner in which these patterns can change.

IMPLEMENTATION PATTERNS: LESSONS FROM IMPLEMENTATION AND ORGANISATION THEORY

Central government features and implementation patterns

There are two broad reasons why one should focus on the role of central governments in EU policy implementation, one formal and one substantive. First, central governments alone are formally responsible *vis-à-vis* the EU for issues regarding implementation. Secondly, this produces a functional imperative. Central governments must have a clear horizontal view of national implementation patterns. Ignoring this could only have a detrimental effect on their interests, especially in light of the jurisprudence of the ECJ which has consistently dismissed attempts by national governments to justify ineffective implementation on the basis of problems stemming from ‘domestic institutional arrangements’ (Rideau 1994: 667-8). Moreover, there are a number of reasons why one should focus on the central government in the case of Greece in particular.

First, since 1974 Greece has had no history of tension between the parliament and the executive. The impact of the parliament on the policy process has been effectively limited while the government remained the dominant actor. The activity of the two institutions in the

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context of the EU policy process confirmed this pattern. The Cabinet, however, has not managed to co-ordinate ministerial activity during the 1970s and 1980s (Loverdos 1991).

Since 1996 PM Constantinos Simitis has revitalised the Cabinet as a central political forum where major issues are discussed, although policy-specific Cabinet committees remain largely inactive. Thus, co-ordination at the political level remains quite problematic. Co-ordination, however, is crucial (Grunow 1983: 157) because implementation involves a number of different actors, each with its own standard operating procedures and priorities.

Implementation goes through a number of decision points (Pressman and Wildavsky 1984: xxiv) where clearance is needed. If implementation is to be successful these points must be reduced or weakened.

Second, implementation theory has also stressed how important formulation is for subsequent effective action in implementation (Mayntz 1980: 10-11). In Greece, the central government has exclusive responsibility for policy formulation in EU affairs. Passas and Makridimitris (1994: 73-4) effectively demonstrated that co-ordination at both the political and the administrative levels in the formulation stage is 'personalised' or even 'anarchical' because it relies on personal communication and co-operation of policy-makers.

Third, the Parliament has delegated extensive powers to the government for the transposition of EU legislation into Greek law. Thus, the Greek central government is the dominant institutional actor in the policy process. The Ministry of National Economy has formal responsibility for the co-ordination of transposition. However, sectoral ministries which pursue individual courses of action regularly ignore this arrangement.

Fourth, the Greek central bureaucracy is 'top-heavy and politicised' (Sotiropoulos 1999: 15). The politically motivated abolition of the posts of directors general in 1982-which were re-introduced in the early 1990s-has been coupled with the extensive use of political

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appointees in senior posts. They usurped many bureaucratic functions but moved every time there was a ministerial reshuffle. Although some of them had a solid academic and professional background and experience, in the end they re-produced the problem of bureaucratic ineffectiveness instead of resolving it. New structures created in the Athenian bureaucracy in order to deal with EU policy have been staffed largely by political appointees (Sotiropoulos 1999: 16). Permanent civil servants are transformed into mere observers of the policy process without a direct stake in it. Highly qualified young university graduates trained in the National School of Public Administration-which they enter via a competitive examination-do not reach the upper levels of the bureaucracy. This is largely due to resistance emanating from senior civil servants (Sotiropoulos 1999: 21) and the unwillingness of ministers to go against these officials.

Finally, the political acceptability of a policy is also a key part of successful implementation (Hood 1976: 9). However, it is not only linked to perceptions of interests. In addition to the fact that ‘actors seem more concerned with what they in particular might lose’ (Bardach 1977: 42), implementation is also underpinned by reference to wider frames including ideology, tradition, etc. Policies that conflict with these frames of reference are less likely to be implemented in an effective manner. Yet, these linkages too are subject to change because governments and the individuals that operate within them have the capacity to learn (see below).

Changing implementation patterns: learning and steering

Greece does not have a rich tradition in decentralisation that could foster activism on behalf of regional or local government involving deliberate attempts to affect implementation patterns. Furthermore, although some Greek pressure groups have a history of activism, their

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role has been usurped by the political parties which control them (Tsinissizelis 1996: 244-9).

Hence, when implementation is problematic, how can change occur?

Organisation theory (Argyris and Schön 1996) and implementation theory (Hood 1976: Ch.5; Mayntz 1980: 11) emphasise the importance of learning. Organisational learning is construed here as ‘an organization’s acquisition of understandings, know-how, techniques and practices of any kind and by whatever means’ (Argyris and Schön 1996: xxi). It entails the improvement of an organisation’s performance over time and relies on observations and inferences from experience that create fairly enduring changes in structures and procedures (Olsen and Peters 1996: 6). Organisational learning involves change in an organisation’s theory of action that is implicit in its activity. Such changes may stem from conflicting views, shifting organisational environments, the analysis of the potential and the limits of alternative strategies as well as images of desired outcomes (Argyris and Schön 1996: 17). Therefore, learning can be construed both as a process *and* an outcome. Learning can take twoⁱⁱⁱ forms: *single-loop learning* is instrumental (i.e. it focuses on effectiveness) and entails changes in the strategies of action or assumptions underlying them without affecting the values of an organisation’s theory of action; *double-loop learning* entails changes both in an organisation’s strategies of action as well as the values that underpin them (Argyris and Schön 1996: 20-1).

Learning can be attributed to an agent who is either within or outside an organisation and deliberately seeks to *improve performance*. Hence, learning (as defined above) and change are inextricably intertwined. However, change is conditional since it depends on the availability of resources, the willingness and capacity of its promoters to overcome opposition and may well be based on single but critical events, especially in conditions of ambiguity and uncertainty. Such events are significant because they (a) are branching points which affect

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subsequent developments and (b) 'evoke meaning, interest and attention for organizational participants' (March, Sproull and Tamuz 1999: 140) and, most importantly, they focus the attention of decision makers. The pace of change associated with learning is not linear. Rather, the more radical change is, the more likely it is to activate opposition (Olsen and Peters 1996; Argyris and Schön 1996: Ch.1; March, Sproull and Tamuz 1999). Hence, single-loop learning-and the incremental pace of change that is associated with it-is less controversial than double-loop learning usually combined with radical change.

The existence of robust parliamentary majorities combined with strong party discipline in parliamentary systems like Greece may enhance the ability of governments to innovate and impose losses on groups and institutions (Weaver and Rockman 1993: 17). Precisely because of their robustness, Greek governments could be more capable than the weak Athenian bureaucracy of generating change in implementation patterns. Therefore, if such change is desired, it is more likely to originate from the political level rather than the bureaucracy. Since 1974 Greece had very stable governments. Nevertheless, implementation has been problematic since the Greek accession, despite government stability. Therefore, one must seek to identify additional sources of change. Recent literature (Börzel 2000) has underlined the need to integrate domestic and EU-level factors in the analysis of implementation in the EU. The role of the Commission as the gatekeeper of legality in the EU puts it in the position of what Bardach (1977: 31) called 'fixer', that is an actor that can intervene at critical moments of the implementation process in order to steer it in the desired direction. Therefore, if change is necessary, the EU is likely to be a catalyst thereof.

How is change implemented? Lundquist emphasises the importance of steering which he defined as 'the conscious attempts of the decision-maker to influence implementation in the desired direction' (Lundquist 1972: 36). He identified four types of steering: in *direct*

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steering implementers are given goals and/or means to shape their output, *indirect steering* influences the ability and/or will of the implementer to carry out direct steering, while *specific* and *general steering* respectively involve a decision-maker's attempt to shape *some* or *all* of implementation decisions or all decisions of a certain type (Lundquist 1972: 36-7). Steering affects three properties of actors, namely 'understand' (perceptions), 'will' (norms, goals, values, preferences and priorities) and 'can' (capability) (Lundquist 1987: 76). Hence, it is a key 'integration-furthering factor' (Lundquist 1987: 74) of particular importance in fragmented structures like the Greek central government.

EU PUBLIC PROCUREMENT POLICY

The involvement of the EU in this sector begun in the early 1970s but the drive towards the establishment of the Single European Market increased pressure (by a series of Directives covering public works, supplies, services contracts awarded by public authorities and, later, utilities^{iv}) for the abolition of discriminatory practices. The objective was to increase competition and opportunities for bidders by obliging awarding authorities to advertise competitions above specific thresholds^v; use specific selection and award criteria^{vi} and procedures based on objective standards coupled with review procedures, including provisions for the award of damages, established by the so-called 'Remedies Directives' (Fernández Martín 1996) and a system of monitoring procedures for the award of EU-funded contracts^{vii} thus providing a functional link between regional and public procurement policy. Following a well established pattern, Greek negotiators managed to enshrine into the Directives adopted after 1981, longer than average periods for transposition, so some flexibility has been used in the formulation stage. EU member states-including Greece (CEC 1989b)-have in the past utilised public procurement for the achievement of wide socio-

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economic objectives through the use of discretionary measures favoring domestic producers in a particular sector or region.

The process of transposition arguably demonstrates two distinct faces of authority. On the one hand, political authority, construed here as the authority that emanates from the political levels of the Greek central government, accounts for problems in transposition (and implementation) during the early 1980s, especially in the case of public supplies. On the other hand, bureaucratic authority, construed as authority emanating from the administrative level of the Greek central government, accounts for problems in transposition and implementation in the cases of public works and Directive 89/665 (remedies). While the former stemmed from diverging political priorities and the latter illustrated the culture of conflict and lack of co-ordination that characterise the Greek central government, both entered a phase of change in the 1990s when emphasis shifted from transposition to administrative implementation.

TRANSPOSITION: CONFLICTING POLITICAL PRIORITIES AND THE TWO FACES OF AUTHORITY

Political authority: public supplies Directives

Transposition of public supplies Directives has been quite problematic and a clear illustration of initial patterns of administrative implementation. When Greece joined the, then, EC (January 1981) public procurement policy at the European level had already developed its basic characteristics. Thus, Greece had to adapt to an established policy. At the same time, however, the first three years of Greek membership were marked by the socialist government's reluctance to implement some of the fundamental aspects of the Treaty of Accession including trade liberalisation. The memorandum it submitted in spring 1982 reflected the need for longer transitional periods in various aspects of trade relations,

Early version of the following: Dimitrakopoulos, Dionyssis G. 2001. Learning and steering: changing implementation patterns and the Greek central government. *Journal of European Public Policy* 8 (4):604-22. including public procurement, and the preferential treatment of key Greek agricultural products.

The memorandum was consistent with PASOK's pre-electoral view that Greek producers were not ready to compete in an open European market. However, it broke with its pre-electoral rhetoric regarding withdrawal from the, then, EC and the establishment of a 'special relationship'. Indeed, it was an initial indication that the new government was increasingly aware of the new organisational context where it was operating. The memorandum was the beginning of a process of gradual change in the attitude of the government *vis-à-vis* the EC while it realistically reflected the state of the Greek economy (Pangalos 2000). The intensity of protectionist policies which had been implemented in the past (Zorbala 1992) meant that not only was there a need to transpose EU legislation but an important effort had to be made in order to modify or abolish a large number of legislative instruments and for a new policy and institutional culture to emerge.

The difficulties associated with the transposition of EU public procurement legislation are exemplified by Law 936/1979, adopted in the short period between the conclusion of the Treaty of Accession in May 1979 and its ratification by the Greek Parliament two months later. Art. 6 (6) facilitated the implementation of discriminatory practices against imported products (supplies) along the lines of a protectionist policy dating from 1955 (Zorbala 1992: 206-7). Having already missed this opportunity to commence the process of change even before accession, Greece followed the same pattern throughout the best part of the 1980s.

Transposition of supplies directives has been further characterised by the conflict between EU policy and the overt policy of so-called 'Hellenisation'^{viii} actively pursued by the Greek government from 1981 until 1985, even via ministerial declarations (Bernitsas 1987: 188). The Greek government initially refused to transpose EC public procurement legislation

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and used existing legislation to protect domestic suppliers. This has attracted the attention of the Commission which initiated the procedure of art. 169/226 of the Treaty (case C-84/86).

The need to handle this issue (and a large number of other similar problems regarding trade liberalisation) led the government to create an EC Affairs Unit in the Ministry of Trade which, despite the existence of a separate Legal Affairs Unit and the recent establishment of ENYEK (a similar unit in the Ministry of Foreign Affairs) in 1986, was responsible for dealing with problems relating to infringement procedures.

The Commission did not bring the case to the ECJ as the Greek government convinced it that it was about to commence the process of transposition. The initial result took the form of Law 1797/1988 which was not satisfactory as it failed to abolish the distinction between domestic and international competition and the regional preference scheme (Zorbala 1992: 208). This has been rectified by Presidential Decree 105/1989 which correctly transposed Directive 77/62, followed by Presidential Decree 173/1990 containing some secondary discriminatory provisions subsequently abolished by Presidential Decree 137/1991. The process has been completed by Law 2286/1995 which expressly abolished every remaining discriminatory provision.

Bureaucratic authority: public works and remedies Directives

Transposition of public works directives has been plagued by problems regarding the specificity and accuracy of the Greek legislation (Law 1418/1984) adopted in an attempt to transpose the public works Directives which existed before 1981. The background remained largely determined by *political* considerations. The problem was resolved in 1991 with the adoption of Presidential Decree 265/1991 which was based on the ‘copy-out technique’ that enabled Greek authorities to avoid condemnation for non-transposition.

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Transposition of Directive 89/665 (remedies) has also been plagued by a legal dispute regarding the adequacy of Greek legislation that was rooted in the inability of the central government to initiate and co-ordinate the process of transposition. More importantly, it resulted from the unilateral action of the Ministry of the Environment, Spatial Planning and Public Works. The Commission utilised its powers under art. 169/226 and rightly argued that Greek legislation (Presidential Decree 23/1993) covered only works contracts. The said ministry pushed through the necessary legislation in a manner that completely ignored the Ministry of Trade and the need for a co-ordinated approach.

In the proceedings before the ECJ (case C-236/95) the Greek government admitted not having adopted the necessary measures to cover supplies contracts but it argued that the existing system of remedies offered some legal protection to bidders and that the recent jurisprudence of the Council of State (especially its judgments in cases 355/1995, 470/1995, 471/1995, 473/1995 and 559/1995) made explicit reference to the directive thus providing adequate protection for bidders. Moreover, it argued that domestic formal and procedural difficulties undermined its efforts effectively to transpose the directive. However, it did not avoid a condemning judgment. A committee composed of two members of the Council of State and a member of the Court of Appeal successfully completed its work in August 1997 (Law 2522/1997), six years after the formal deadline.

ADMINISTRATIVE IMPLEMENTATION

Attitudinal change and the role of the Commission

The approach of the Commission has contributed to the process of change initiated during the second half of the 1980s. It has avoided the marginalisation of Greece despite using its powers under art. 169/226. This approach had three important repercussions. First, it contributed to a gradual shift in the implementation patterns facilitated by continuous

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contact with 'Brussels' and a change in the attitude of the socialist government *vis-à-vis* the integration process as illustrated by the appointment of a number of pro-European politicians to senior ministerial posts, including the Ministry of National Economy. Secondly, the increasing number of infringement procedures initiated on the basis of art. 169/226 led to the institutionalisation of contacts with the Commission. These *réunions-paquets* produced significant results. Commission officials were informed of recent changes in national legislation and jurisprudence while they also highlighted outstanding complaints which have been brought to their attention by bidders. Thirdly, Greek officials gradually discovered that the Commission could easily be used as a mechanism for blame avoidance whenever they were faced with pressure or protests from domestic suppliers. This was a crucial development because it diverted pressure away from the Greek central government thus facilitating change by making it appear practically inevitable. Nevertheless, these informal procedures have not eliminated every problem as case C-79/94 illustrates.

It concerned a three-year framework agreement concluded in July 1991 by the, then, Ministry of Industry and six textile manufacturers for the supply of dressing materials for hospitals. The agreement could be extended to cover the needs of other institutions for these materials, exclusively supplied by the six manufacturers. The Greek administration admitted that it had not advertised the contract but argued that canceling it unilaterally would expose the Greek state to claims for damages from manufacturers. Further, the ministry in question abolished a clause stipulating that the manufacturers would use only domestic primary material and stated its intention to organise a public competition before the end of 1993 thus fulfilling EU obligations but commensurate action did not follow. Hence, the case reached the ECJ where condemnation was inevitable.

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This case was indicative of a broader pattern of subtle, incremental and adaptive change. Indeed, the Greek government used *substantive* arguments based on European rules. It argued that Directive 77/62 did not apply in that case (because the value of each contract did not exceed the threshold) and that in the past no foreign supplier had expressed an interest in similar competitions thus reducing the publication of a tender notice to a mere formality. It illustrates that the central government was becoming more capable and willing to use *substantive* and *procedural* arguments based on *EU rules rather than national policy priorities*.

Steering implementation

Until the early 1990s administrative implementation of public works directives relied exclusively on the use of the lowest price as the main award criterion. This was a key choice that produced a number of significant unintended consequences. Constructors used artificially low bids in order to beat competition. This meant that they had to find ways to limit construction costs *after* the award of a contract. This had direct impact on the quality of the works many of which had structural problems, because the quality of the materials used was frequently poor (*To Vima*, 12 January 1997). The use of unrealistic bids did not prevent constructors from making a profit. On the contrary, they made extensive use of their legal right to claim the difference between the initial bid and the final cost of the project *after* its completion, thus falsifying competition. This problem was associated to the use of incomplete or low quality plans upon which these projects were based. This resulted from the lack of specialised staff in the central administration which was unable effectively to monitor the construction process. Therefore, it relied on *ex post* controls, facing a *fait accompli* every time there was a problem. The Commission and a group of determined ministers were the catalysts that increased the pace of change by means of a number of measures.

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The conditional nature of EU funding gave a *de facto* role to the Commission.

Although EU public procurement policy does not regulate the enforcement of public contracts, the role of the Commission was mainly based on this phase and the link to regional policy. The Head of DG XVI and Commissioner Millan, then responsible for EU regional policy, repeatedly threatened the Greek government that the flow of funds from Brussels was going to stop. This happened in 1993-in a demonstration of specific and direct steering-in the case of the Evinos' dam because an inappropriate award procedure had been used by the conservative government. This event provided a key incentive for change especially at the political level because it enabled the government to better conceptualise what was at stake. This new interpretation of events provided the impetus for change. The first sign was the letter by three ministers of the new socialist government in 1993 to the Commission which contained a clear political undertaking to adopt all the legislative and administrative measures necessary to improve implementation (general steering). These measures were to be channeled through the Ministry of the Environment, Spatial Planning and Public Works, under the supervision of a joint steering committee composed of officials of the said ministry, the Ministry of National Economy and, crucially, the Commission (specific steering).

The most significant legislative measure was the limitation of the right of constructors to re-assess the cost of a works project on an *ex post* basis. This obliged them to submit realistic bids. Furthermore, the administration is no longer obliged to accept the final assessment of the cost. Procedures for the preparation and submission of plans have been simplified while a register of public works designers has been introduced. Model notices have been established in order to oblige awarding authorities to use comparable documents before the award procedures. Competitive procedures for the award of contracts have been extended to below the threshold of the directives and a contract has been signed with an

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academic research centre (Centre for International and European Economic Law, University of Thessaloniki) which now provides legal advice to public bodies covered by the directives, despite opposition from the Ministry of the Environment, Spatial Planning and Public Works resulting from its power struggle with the Ministry of National Economy (which supervises the Centre). More importantly, all major public contracts have to be reviewed by the Greek Court of Auditors as a condition for their entry into force. In a clear illustration of specific and direct steering, fines have been imposed by the government on companies which do not fulfil contractual obligations (*To Vima*, 12 January 1997) while a number of award procedures have already been suspended because incorrect procedures have been followed. Major public works now have to be covered by insurance schemes. A major effort to codify the dispersed existing legislation is already under way.

Further, the focus of the mechanism for control shifted to control during rather than after construction work. Mechanisms for monitoring have been extended to include private companies which are hired on the basis of competitive procedures. New administrative units have been created within the Ministry of the Environment, Spatial Planning and Public Works in order to monitor the implementation process while external advice has also been sought through a specialised Italian company that has been brought in to monitor quality in major public works projects. Apart from the creation of a Directorate-General for Quality Control in Public Works within the Secretariat-General for Public Works (Presidential Decree 428/1995) the most significant institutional change involved the establishment of a Secretariat-General for Co-funded Public Works (Presidential Decree 166/1996) which reports directly to the Minister. This enhanced its profile within the implementation structure and underlined Minister Laliotis' 'hands-on' approach. Specialised staff have been recruited in order to enhance administrative effectiveness, especially at the regional level.

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The need for specialised managers who would manage co-funded public works projects in the context of regional policy led to the establishment (Law 2372/1996) of the Community Support Framework Management Unit, a semi-independent body which is supervised by the Minister of National Economy. It employs officials from the private and public sectors and is responsible for the assessment of the needs of the administration in terms of staff. It has the power to recruit new staff from the private sector or second civil servants and to provide technical expertise in the management of projects in order to assist public bodies in meeting EU criteria and obligations for funding. Its establishment has been delayed by strong opposition from the officials of the Ministry of National Economy and their union (*Ekonomikos Tachydromos*, 8 June 1995) who argued that this would simply establish a new power centre, blurring existing lines of authority.^{ix} Moreover, they argued that the recruitment of staff from the private sector did not constitute a guarantee for success. Rather, they felt that the mentality and the methods of the private sector were simply ‘inappropriate’ for this particular task.

Finally, an interministerial committee comprising ministers and senior officials, entitled Committee of Major Works has also been established. Unlike other committees created since 1996, this committee—which reports to the Cabinet-meets frequently in order to monitor the development of all major public works (*To Vima*, 29 March 1998).

Change in public works did not remain confined there. Rather, it spill over to public supplies. Indeed, technical standards which are used for the description of supplies are now defined by one public body and controlled by the Ministry of Development. In addition, the income of public officials involved in public procurement is now subject to official scrutiny aimed at identifying corruption^x.

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LEARNING AND THE DYNAMICS OF IMPLEMENTATION

Implementation patterns in Greece are dynamic. The pattern in the early 1980s was one of political conflict underpinned by the persistent pursuit of domestic policy priorities. Change occurred initially in the mid- to late 1980s and picked up pace in the 1990s albeit in a variegated and incremental manner. Variation concerns the pace of change which is higher in public works. This has been transformed into a pattern of co-operation with the Commission and compliance with the broad lines of EU public procurement policy.

Existing data support this view. Although procurement expenditure as part of Greek GDP has fallen between 1987 and 1994 by about 50% (CEC 1996: 19) more contracts have been advertised (CEC 1996: 125). This is evidence of the market's increasing transparency which is a fundamental objective of EU public procurement policy. Figure 2 illustrates significant increases in the number of Greek calls advertised in the *OJEC*, the number of Greek awarding entities advertising contracts in the *OJEC* and the value of the advertised contracts between 1993 and 1998.^{xi}

Figure 2 about here

To what extent do specific attributes of the Greek central government account for implementation patterns and, more importantly, how did this change come about?

The first five years of Greek membership were characterised by political opposition by the newly elected socialist government to trade liberalisation *en bloc* largely, but not exclusively, due to ideological reasons. However, both before and after that period, significant problems occurred. Therefore, it has been argued that fundamental attributes of the Greek central government account for the patchy nature of implementation in Greece.

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The process of transposition illustrates clearly that the Greek central government was-and partly remains-dominated by sectoral logics which transform the policy process into a power struggle between ministries and ministers. Repeated calls for a co-ordinated approach to transposition are frequently ignored by major actors who seem to be more interested in pursuing their narrow goals rather than acting as parts of a larger body. Arguably, this attribute has become a part of the *ethos* of the Greek central government and mirrors identical problems that plagued the Cabinet and the Athenian bureaucracy since the 1970s. The Ministry of Environment, Spatial Planning and Public Works has repeatedly acted as a pro-active player by promoting a narrowly defined sectoral logic which ignored wider policy considerations while it weakened considerably the position of the Greek state *vis-à-vis* EU institutions. Thus, problematic co-ordination (or total lack thereof) was associated with ineffective transposition (and implementation).

Problems in administrative implementation initially mirrored difficulties in transposition. The passive role of the administration after transposition largely reflected the view held by many officials that their role ended once EU law had been incorporated into national legislation (Anastopoulos 1988: 250). The capacity (Lundquist's 'can') to use the tools of government in order to steer action *after transposition* largely remained outside the actual remit of the bureaucracy, although it was within its formal powers. The lack of homogeneity and equilibrium in the bureaucracy also contributed decisively to this phenomenon. The bureaucracy is both top-heavy and politicised. Thus it remains unable to develop skills and practices that could improve its effectiveness. As Passas and Makridimitris (1994: 59) put it, politicisation 'negates or undermines every systematic attempt to improve the bureaucracy's own capacity to manage EU affairs'. Hence, attempts

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to change long-established practices and implementation patterns (steering) are imposed either from the top or stem from the EU.

Change in the field of public works is indicative of the significant role of determined ministers and the Commission. The Commission has provided a major incentive for the acceleration of change because it has enabled the Greek central government to ‘understand’ what was at stake. Previously, the symbolic power of art. 169/226 procedures and subsequent proceedings in the ECJ (authority) have been unable to foster change by influencing the ‘will’ of the Greek government. On the contrary, when the Commission threatened to stop the flow of EU funds, change gathered pace. The subtle but significant change observed in the arguments used by government officials in cases that reached the ECJ exemplifies the new approach. Clearly, the choice of the tools of government and the change of attitudes affect each other and it is their cumulative effect that shapes implementation patterns while both are mediated by key attributes of the Greek central government which affect its ability to learn.

Arguably, learning played a significant role in the evolution of these implementation patterns. The concept of organisational learning outlined above relies essentially on (a) observations and inferences, (b) the acquisition of new techniques and (c) the improvement of an organisation’s performance. Crucially, it has been argued that it involves *changes* in an organisation’s theory of action which is implicit in its activity. Further, the key difference between single-loop and double-loop learning consists in the fact that the latter, unlike the former, entails a change in *values* that underpin this theory of action. Single-loop learning accounts for the changes in Greek implementation patterns in the case examined here for five reasons.

First, change started from the bureaucracy when officials identified a mismatch between an increasing number of problematic cases raised by the Commission on the one

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hand, and the gradual abandonment of PASOK's anti-EC rhetoric from the mid-1980s, on the other. Thus they resorted to blame avoidance (see below) and the gradual adaptation of the domestic legal framework. From the perspective of the bureaucracy, this is a case of single-loop learning because the values, in particular the primacy of the elected government and the *passive subordinate role* of the bureaucracy, remained stable.

Whether the stance of the government represents a case of double-loop learning-i.e. one that involves changes in values is less clear-cut. It is disputed whether PASOK actually meant to take the country out of the EC in the first place. Indeed, one of the first acts of foreign policy undertaken by the socialist government in early 1982, that is only a few months after the general election of October 1981, was the submission of the memorandum which focused on the *terms* of membership, rather than membership *per se*. Changes in values are much more cumbersome and take place over long periods of time than changes in strategies. Hence, this change in emphasis from membership *per se* to the terms thereof was tactical and cannot be interpreted as evidence of learning. On, the contrary, if one places this shift in a wider context, in particular the involvement of pro-European politicians in the management of European affairs and the gradual discovery of the opportunities offered by the, then, EC (Pangalos 2000), one can argue that, although the values-that is the importance attached to the protection of the economic interest of the country-remained unchanged, the strategy was evolving.

Second, learning has been facilitated by the approach of the Commission which has institutionalised contacts with the Athenian bureaucracy during the second half of the 1980s. Indeed, unlike court proceedings which are by definition confrontational, these contacts enabled the Greek administration (and government) to approach issues regarding implementation as a form of problem-solving. The gradual introduction of new techniques,

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such as the use of copy-out for the transposition of EU legislation and, more importantly,

blame avoidance constitute evidence of single-loop (instrumental) learning. Blame avoidance has enabled both the government and the administration to divert pressure from the previously protected domestic suppliers who gradually became exposed to competition.

Third, evidence that single-loop learning, illustrated by the conscious use of new techniques as a result of observations and inferences in the quest for improved performance, rather than a rational institutionalist approach based on the use of the 'stick and carrot' strategy, accounts for the dynamics of the implementation patterns examined here is provided by the fact that (a) change started *before* the critical event of the Evinos' dam and (b) change-timid though it was-occurred first in the field of public supplies where the Commission does not-possess a 'carrot' (conditional funding). More importantly, when the Commission resorted to this strategy, the changes introduced by the Greek government did not remain limited to the field of public works.

Fourth, since learning is not always routine (Olsen and Peters 1996: 12), it relies on *critical events*. One such event was the decision of the Commission in the case of the Evinos' dam. This was a branching point which has affected subsequent developments by demonstrating that the Commission was both capable and willing to use its powers. This has facilitated learning not only by defining the potential and the limits of alternative strategies- e.g. how far the Greek authorities could go in breaching EU law-but by openly legitimising subsequent changes as well. This was underpinned by the attempt of the Greek government to limit potential losses which is a typical feature of implementation (Bardach 1977: 42).

Fifth, learning is easier when it is associated with incremental, rather than radical change. Marginal adjustments based on trial-and-error (normally associated with experiential learning) do not generate strong opposition. Such opposition can be overcome when

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promoters of change draw on the experience generated by critical events. More importantly, strong opposition may not even occur in the first place *because* of critical events. Indeed, the use of fines against (mainly domestic) constructors prior to the case of Evinos would have been opposed by their powerful lobby.

Finally, single-loop learning such as that identified in this case does not lead to the resolution of *chronic problems* that generated it in the first place. Indeed, the action of the Greek government remained confined to the field of public procurement. In other words, the basic characteristics of the Greek central government that have been identified in the first place as causes of problematic implementation, have been addressed only to the extent that they concern public procurement.

CONCLUSION

Implementation patterns change over time because governments are capable of learning. Even when their values remain stable, they constantly make observations, draw inferences and adopt new techniques for the achievement of their objectives. The implementation of change by means of steering significantly depends on (a) the political willingness of innovators to utilise available resources and (b) the occurrence of critical events that justify the overt use of new techniques and increase the pace of change. Second, the effectiveness of the European Commission as a 'fixer' largely relied on key attributes of the policy area under consideration - especially the link between the award of contracts and the provision of *conditional* funding – as well as the 'diplomatic', but firm, approach that it has utilised. The threat and the actual use of its powers to with-hold EU funding has increased the pace of change that had commenced earlier at the national level. Third, change can, and does, spill over from one subfield to another within the same policy area. This happens in cases of

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common problems when critical events affecting implementation patterns in one subfield

legitimise policy-specific – as opposed to subfield-specific - action.

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Centre for European Politics, Economics & Society

Department of Politics and International Relations

University of Oxford

3 George Street Mews, Oxford OX1 2AA, UK

E-mail: dionyssi.dimitrakopoulos@social-studies.oxford.ac.uk

ⁱDiscussing implementation in the US federal setting, Berman (1978) usefully distinguished between *micro-implementation*, that is the activity of local organisations responding to federal action, and *macro-implementation*, i.e. federal action aiming to steer micro-implementation. This article focuses on macro-implementation. In that sense it differs from a classical implementation study as it is concerned with *broad procedural patterns* within the institutional context of the Greek central government.

ⁱⁱ It is doubtful whether this mismatch resulted from double-loop learning at the political level: PASOK's rhetoric was an electoral trick. This is demonstrated by the fact that PASOK moved from the pledge to take the country out of the EC to a statement of the need to re-define the *terms* of membership.

ⁱⁱⁱ A third form of learning, namely learning how to learn ('deuterolearning'), has also been identified in the literature (Argyris and Schön 1996: 28-9) but is not relevant for the purposes of this article.

^{iv}Analysis here focuses on public works (Directives 71/304, 71/305, 72/277, 78/669, 89/440 and 93/37) and supplies contracts (Directives 70/32, 77/62, 80/767, 88/295 and 93/36) and the corresponding remedies Directive 89/665. It excludes utilities and public services contracts and the recent Directive 97/52, which marginally amends Directives 92/50, 93/36 and 93/37.

^vCurrently, the value of the thresholds is 5 million EURO for works, while it varies from 130,000 to 200,000 EURO for different categories of supplies contracts.

^{vi}There are two award criteria namely, the lowest price and the most economical offer.

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^{vii}The Commission (1989a) has established a system of monitoring the compatibility of national award practices where EU funds are used with EU public procurement rules. The system is based on a questionnaire which has to be completed by the national authorities applying to the EU for financial assistance. On making the payments, the European Commission assumes that the contracting authority has complied with the EU public procurement rules. Payment is suspended if no references are given relating to the publication of notices in the *Official Journal of the European Communities* and no declaration is made to the effect that the proper procedures have been followed. The European Commission makes sample checks mainly in relation to qualitative selection criteria and award procedures. In cases of breaches of EU legislation, both suspension of payments and refunds are used in accordance with the specific rules of each Fund.

^{viii}The term referred to preference for Greek products.

^{ix}Greek construction companies too, strongly opposed it because they thought it was an attempt to limit their 'freedom'.

^x However, a proposal by the Ministers of Development and Transport to establish an independent administrative authority to monitor the implementation of public procurement policy was rejected in 1997 by the Ministry of the Environment, Spatial Planning and Public Works and officials of the Trade Section of the Ministry of Development. Senior government officials took the same view because they felt that the establishment of such an authority would be construed as an unacceptable transfer of responsibility from the political level, while constitutional obstacles have also been invoked.

^{xi}Unlike this article which focuses on public supplies and works contracts, these figures concern all types of contracts and awarding entities. However, this does not undermine the validity of the argument because Greek authorities had not transposed the directives that regulate utilities' procurement and services contract during the period covered by the data.

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Dr. Dionyssis Dimitrakopoulos, Marie Curie Post-Doctoral Fellow, Centre for European Politics, Economics & Society, Department of Politics & International Relations, University of Oxford.