Democracy in Greece has survived the economic crisis, but democracy’s long-term problems have been accentuated during the crisis. Democracy has started backsliding.

The backsliding of democracy is related not only to the gravity of the recent crisis, but also to long-term, historical legacies, such as political clientelism, populism and corruption.

Political clientelism has thrived, as discriminatory access to state resources was offered to favoured individuals and particular social groups even under the crisis.

Populism has attracted the support of popular strata but has failed to deliver on its promises, contributing thus to disaffection with democracy.

Corruption has undermined transparency and accountability, negatively affecting the rule of law.

Long-term reforms are required, in order for a reversal of democracy’s backsliding to be achieved and a new political and economic crisis to be averted.
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1. Introduction

The economic crisis which struck Greece in 2010 had multiple negative economic and social effects and has probably negatively affected the functioning of democracy as well. As is well known, in exchange for being rescued from sovereign default, Greece signed three Memoranda of Understanding (MoUs) with its international lenders in 2010, 2012, and 2015. The MoUs stipulated that the Greek government would receive tranches of the three corresponding rescue packages on condition that it would implement austerity and reforms in a vast range of public policies, including fiscal management of the State, pensions, incomes, labour relations, market competition, and public administration. Essentially, policy formulation and decision-making in a vast range of policy sectors was to a large extent taken away from the hands of elected government and parliament and passed on to the ‘Troika’, namely the representatives of the European Commission, the European Central Bank, and the International Monetary Fund.

This is typical today in situations in which heavily indebted countries, at the brink of insolvency, ask for foreign aid. It is a phenomenon that also reveals the pressures exerted on national governments by forces of globalization, as explained by D. Rodrik (2011) in his trilemma: democracy, national sovereignty, and global economic integration are mutually incompatible in the sense that, for any given country today, only two out of these three aims are fully and simultaneously compatible. In other words, depending on the situation at hand, democracy can be circumscribed.

The Greek crisis of national economy and democracy, of course, cannot be explained only through a global economic theory. For a long time before the start of the crisis, major structural weaknesses such as declining economic competitiveness and fiscal mismanagement, had not been addressed by successive governments. When austerity was suddenly and comprehensively imposed from abroad, democratic institutions in Greece were forced to adapt to economic constraints which took the Greek people by surprise. The consequences were multifold, including political instability (five general elections in 6 years, 2009-2015) and the rise of political radicalism throughout the political spectrum. All this challenged representative democracy at least with regard to the manner in which it had functioned since the transition from authoritarian rule in 1974. These developments have led many observers to argue that democracy in Greece was circumscribed and challenged, if not “attacked”, by the economic crisis and the way in which the European Union (EU) handled the crisis in Greece (e.g., among others, Stiglitz 2015, Philips 2015, Antonopoulos and Humbert-Dorffmueller 2018).

While it is plausible to argue that the economic crisis and crisis-management negatively impacted the functioning of democracy in Greece since 2010, one must look at the issue through a wider analytical lens, which would include long-term problems with democracy in the world today, and through a historical lens, which would focus on long-term legacies in Greece, such as political clientelism, populism and corruption. Such legacies had impeded the improvement of representative democracy in Greece before the crisis struck and have contributed to its deterioration or backsliding ever since. In view of the above, the purpose of this report is to explain how clientelism, populism, and corruption in Greece have actively contributed to the backsliding of representative democracy and to understand how strategies of political party elites, competing for government, have contributed to such backsliding.

This report proceeds first to discuss problems of democracy and democratic backsliding in general, on the basis of the relevant literature of comparative political analysis. I will then offer a brief glimpse at data demonstrating the relative backsliding of democracy in Greece. Since Greece was not the only EU Member-State hit by the crisis, the report puts the case of Greece in the comparative perspective of other crisis-ridden Eurozone countries lying on the European periphery, such as Ireland, Italy, Portugal, and Spain, as far as the performance of their national democracies is concerned. I will then attribute Greece’s comparatively worse performance in terms of the functioning of democracy to long-standing problems, namely political clientelism, populism, and corruption, the combination of which stands in the way of democracy’s improvement, and I will conclude with some policy recommendations.
2. Democracy and Democratization today

The number of European countries in which democratic institutions, such as the justice system and the mass media are challenged by democratically elected governments, is growing. Elected governments periodically attempt to illegitimately control institutions (e.g., in Hungary, Poland). One could go as far as to claim that a process of de-democratization or democratic backsliding is possible or has already been set forth (Tilly 2007, Bermeo 2016, Levitsky and Ziblatt 2018). However, in theoretical terms, it is not necessary that all dimensions of democratic life co-vary and follow the same downward trend (Fishman 2016).

At the same time, for more than ten years now, the currently dominant, 21st-century version of liberal democracy, namely contemporary representative democracy, is also being theoretically challenged, both in normative and analytical terms (Crouch 2004, Canfora 2006, Galli 2016). Still, representative democracy’s defenders (Sartori 2015) would not admit that representative democracy suffers from a deep, structural crisis. They would grant to critical observers that representative democracy may have temporarily slipped, but that it is not shaken.

One could claim that, after all, democracy, particularly if recently established, as is the case with democratic regimes in Greece, as well as in Eastern and Southern Europe, is an open-ended project (Whitehead 2002). Thus, one expects that its distance from the standard model of Western liberal democracy may fluctuate over time.

However, there is empirical research pointing to long-term disaffection of populations living under democratic regimes with democracy itself (Foà and Mounk 2016). Moreover, other critics have pointed out that democracy today has failed to integrate ethnic, religious, linguistic, and other minorities and to accommodate their claims to recognize collective rights and participate in decision-making (Kymlika 2002). Above all, there is a strong claim that representative democracy has now become a political regime characterized by constantly weak political participation, widening income and wealth inequalities (Piketty 2014). Such inequality-related concerns have given rise to a theoretical discussion of the lack of democratic depth (Fishman 2016: 303-305). In particular, as the recent economic crisis has shown, democracies cannot accommodate well the negative political and social effects of rapid economic decline. Loss of trust in one’s capacity to sustain one’s income and living conditions is accompanied by loss of trust in the political system within which economic activity unfolds.

In liberal democracies under economic crisis, such as Greece in 2010-2018, there has been a dramatic decline of trust in democratic institutions and electoral turnout. Repeatedly after the crisis broke out in early 2010, representative institutions, including the Parliament and corporatist channels of consultation between the government, business and labour representatives, were circumvented. In detail, successive Greek governments, under pressure to implement waves of austerity, sidestepped the usual consultation rounds with social partners. After all, the topics of such consultations, such as policies on incomes and pensions, were determined in the three Memoranda of Understanding (MoUs) signed between Greek governments and the representatives of international lenders in 2010, 2010 and 2015. Further on, since 2010, owing to the economic crisis, Greece, a fully consolidated democracy, has undergone tremendous changes with regard to its party system and state-civil society relations and experienced a trimmed, if not curtailed, democratic legitimation of decision-making.

The rise of Syriza and Anel parties to government in 2015 on the one meant a renewal of political personnel and an opportunity for the social strata most severely-hit by the crisis to defend their interests, but on the other hand led to an attempt by the government to put constraints on the mass media, public administration, and the justice system (Mudde 2017b). In brief, Greece presents a litmus case of democracy under very severe economic stress. Similar but probably less dramatic phenomena occurred in Ireland, Italy, Portugal and Spain, which have been under severe financial strain, but statistical data show (Tables 2 and 3, further below in the report) that Greece seems to be an outlier.

This report draws on the political science literature on democracy, in which democracy is commonly defined in the following way: it is a political regime that allows for the turnover of governing elites through periodic, open, fair, and free elections, in which more than one
The eruption of the economic crisis. The decline in voter turnout is visible and constitutes a first indication of relative backsliding of democracy.

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnout (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>74.15%</td>
</tr>
<tr>
<td>2009</td>
<td>70.92%</td>
</tr>
<tr>
<td>2012 (1) May</td>
<td>65.10%</td>
</tr>
<tr>
<td>2012 (2) June</td>
<td>62.49%</td>
</tr>
<tr>
<td>2015 (1) January</td>
<td>63.87%</td>
</tr>
<tr>
<td>2015 (2) September</td>
<td>56.57%</td>
</tr>
</tbody>
</table>


Meanwhile, in the 2000s, the research on democratization moved in at least two directions. First, some analysts have continued discussing whether some new democracies have been partially or fully consolidated. Others have moved to a second research agenda, focusing on what is the quality of already consolidated democracies (O’Donnell, Cullell and Iazzetta 2004, Diamond and Morlino 2005, Magen and Morlino 2009).

3. The Relative Backsliding of Democracy in Greece

An objective indicator of how a consolidated democracy performs is the scale of change in political participation over time. If people do not participate in democracy, then the legitimacy of such a political regime is eroded. While citizens have many channels of participation (e.g., through participating in protests or joining political parties and labour unions), the most crucial test of democratic participation is the turnout of voters in national elections. As Table 1 shows, turnout in Greek elections had started declining even before the eruption of the economic crisis. The decline in voter turnout is visible and constitutes a first indication of relative backsliding of democracy.

A second instance in which the performance of democracy may be evaluated is the availability of channels available to citizens to voice their concerns and accountability mechanisms through which officials can be held accountable (Kaufmann, Kraay and Mastruzzi 2009). The World Bank has devised an indicator to measure voice and accountability, defined as follows: “Voice and accountability captures perceptions of the extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media” (World Bank 2018). As Table 2 shows, before the economic crisis began, Greece used to underperform in voice and accountability. More concretely, over a long period of time, Greece performed worse than other countries of the European periphery which are Eurozone members, which also underwent an economic crisis.

Moreover, in general assessments of democracy today, many different aspects, in addition to turnout in elections and voice and accountability, are taken into account. For instance, according to the Economist Intelligence Unit (EIU), five such aspects are electoral process and pluralism, civil liberties, the functioning of government, political participation, and political culture. These are assessed by informed observers (as is also the case with the World Bank’s assessing of voice and accountability, already discussed above). However, the number of indicators to evaluate the five aspects is quite large (60 indicators), and the overall exercise is fine-tuned.
A combined assessment of the aforementioned five aspects presented in Table 3 shows that, compared to other Eurozone countries hit by the crisis, Greece is a laggard in terms of democracy. For example, while democracy also relatively declined in Ireland, Italy, Portugal, and Spain during the crisis years, later on, it started recovering. The case of Greece was much different, as a declining performance of democracy has been continuous since 2006.

<table>
<thead>
<tr>
<th>Year</th>
<th>Greece</th>
<th>Spain</th>
<th>Italy</th>
<th>Ireland</th>
<th>Portugal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>78.8</td>
<td>87</td>
<td>86.1</td>
<td>95.7</td>
<td>90.4</td>
</tr>
<tr>
<td>2008</td>
<td>73.6</td>
<td>87.5</td>
<td>81.3</td>
<td>95.7</td>
<td>89.4</td>
</tr>
<tr>
<td>2009</td>
<td>73.9</td>
<td>88.2</td>
<td>81.5</td>
<td>93.8</td>
<td>86.7</td>
</tr>
<tr>
<td>2010</td>
<td>74.4</td>
<td>85.3</td>
<td>75.8</td>
<td>93.4</td>
<td>83.9</td>
</tr>
<tr>
<td>2011</td>
<td>72.8</td>
<td>83.1</td>
<td>75.1</td>
<td>92.5</td>
<td>84.5</td>
</tr>
<tr>
<td>2012</td>
<td>69.5</td>
<td>82.2</td>
<td>74.6</td>
<td>92</td>
<td>81.5</td>
</tr>
<tr>
<td>2013</td>
<td>68.1</td>
<td>78.4</td>
<td>76.1</td>
<td>92</td>
<td>82.6</td>
</tr>
<tr>
<td>2014</td>
<td>68.5</td>
<td>76.8</td>
<td>77.8</td>
<td>92.6</td>
<td>82.8</td>
</tr>
<tr>
<td>2015</td>
<td>70</td>
<td>82.8</td>
<td>81.3</td>
<td>92.6</td>
<td>84.7</td>
</tr>
<tr>
<td>2016</td>
<td>69</td>
<td>81.3</td>
<td>79.3</td>
<td>93.6</td>
<td>86.2</td>
</tr>
</tbody>
</table>


The lower the figure in each cell of the above Table, the smaller the number of countries compared to which the indicated country (e.g., Greece) performs better with regard to voice and accountability.

<table>
<thead>
<tr>
<th>Year</th>
<th>Greece</th>
<th>Spain</th>
<th>Italy</th>
<th>Ireland</th>
<th>Portugal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>8.13</td>
<td>8.34</td>
<td>7.73</td>
<td>9.01</td>
<td>8.16</td>
</tr>
<tr>
<td>2008</td>
<td>8.13</td>
<td>8.45</td>
<td>7.98</td>
<td>9.01</td>
<td>8.05</td>
</tr>
<tr>
<td>2010</td>
<td>7.92</td>
<td>8.16</td>
<td>7.83</td>
<td>8.79</td>
<td>8.02</td>
</tr>
<tr>
<td>2011</td>
<td>7.65</td>
<td>8.02</td>
<td>7.74</td>
<td>8.6</td>
<td>7.81</td>
</tr>
<tr>
<td>2012</td>
<td>7.65</td>
<td>8.02</td>
<td>7.74</td>
<td>8.56</td>
<td>7.92</td>
</tr>
<tr>
<td>2013</td>
<td>7.65</td>
<td>8.02</td>
<td>7.85</td>
<td>8.68</td>
<td>7.65</td>
</tr>
<tr>
<td>2014</td>
<td>7.45</td>
<td>8.03</td>
<td>7.85</td>
<td>8.72</td>
<td>7.79</td>
</tr>
<tr>
<td>2015</td>
<td>7.45</td>
<td>8.30</td>
<td>7.98</td>
<td>8.85</td>
<td>7.79</td>
</tr>
<tr>
<td>2016</td>
<td>7.23</td>
<td>8.30</td>
<td>7.98</td>
<td>9.15</td>
<td>7.86</td>
</tr>
<tr>
<td>2017</td>
<td>7.29</td>
<td>8.08</td>
<td>7.98</td>
<td>9.15</td>
<td>7.85</td>
</tr>
</tbody>
</table>

Source: Economist Intelligence Unit, https://infographics.economist.com/2018/DemocracyIndex/, using a scale of 1.00-10.00, based on 60 indicators. Generally, a score of 6 to 8 indicates flawed democracy, whereas 8 to 10, full democracy.
The case of Greece may be contrasted to that of the rest of the countries in the periphery of Europe, indicated in Tables 2 and 3. There were intense policy debates in the first phase of the crisis in all these countries (Parker and Tsarouhas 2018). However, in other countries of the European periphery, more or less well functioning political institutions and a culture conducive to balance sectoral interests with the general public interest allowed for the emergence of an initial consensus among political parties and/or unions over the proper manner to manage the crisis.

For instance, in Spain, there were fierce political clashes between the governing centre-right “Partido Popular” (PP) and its opponents, the Socialist party (PSOE) and the “Podemos” party. Yet, it was only in 2015, i.e., three years into the crisis, that the Spanish government faced the strongest challenges against its austerity policy, and it was as late as 2018 when PP’s Prime Minister (Mariano Rajoy) was forced out of power. In Portugal, on the other hand, after the bailout of 2011, there was an initial convergence among political parties and unions on the policies deemed appropriate to overcome the crisis. Later on, unions heavily disputed austerity, but it was only in 2015, i.e. four years into the crisis, that austerity was partially reversed, after a government turnover which brought to power a Socialist Prime Minister (Antonio Costa) supported by his party and also the radical left “Bloco” party, the Green Party and the Communist Party.

By contrast, in Greece, there was a rejection of austerity from the very first stages of austerity. In May 2010, Greece’s socialist Prime Minister at the time, George Papandreou, presented an austerity plan, agreed upon with Greece’s international lenders. The plan was immediately rejected by all unions and all political parties across the political spectrum, including not only left-wing parties but also the centre-right New Democracy (ND) party. The latter completely changed course in November 2011, as soon as it rose to power in a coalition government. In 2011-2014, in Greece, there was no room for discussion on policy objectives between government and opposition. This was only in August 2015, after the coalition of Syriza and Anel had come to power, had reversed its initial anti-austerity policy course and had finally adopted austerity measures. Then, the majority of political parties agreed on a common set of policies, imposed by Greece’s lenders. Eventually, in that month, the Third Memorandum of Understanding (MoU) was voted by the governing coalition parties, Syriza and Anel, and most parties of the opposition.

In other words, while the economic crisis expectedly provoked intense policy disagreements and parliamentary conflicts in all affected countries mentioned above, in Greece the crisis unveiled the shallow bases of democratic life. The conflict became almost uncontrollable, while the public sphere resembled an arena in which, also violent fighting evolved.

In view of the above, it can be argued that although the economic crisis, as expected, dampened the performance of democracy in crisis-hit countries, overall, Greece experienced a worse pattern of democratic decline. Democracy did not perform well before the crisis erupted and visibly worsened since then. While a full account of the reasons why Greece is an outlier cannot be offered within the confines of this report, an argument can be made that there are long and continuing political/historical legacies in Greece which plague the functioning of democracy, to an extent which is most likely larger than in other comparable countries. Three such legacies are political clientelism, populism and corruption.

4. Political Clientelism and Democracy in Today’s Greece

Political ‘clientelism’ or ‘patronage’ (used interchangeably in this report) may develop and become more expanded along with democratization. In other words, political modernization does not guarantee any decrease in clientelism, as shown by many empirical examples. For instance, clientelism exists in various forms in South European democracies throughout the last two centuries (Ferrera 1996, Papadopoulos 1997, Sotiropoulos 2004). While clientelism should not be considered the primary, let alone the exclusive, driving force and explanation for political developments in contemporary Greece, it should nonetheless be taken into account in understanding the structure of state-society relations (Mouzelis 1986, Sotiropoulos 1996, Pappas 2009, Afonso, Zartaloudis and Papadopoulos 2015, Triantidis 2016) and also the functions of contemporary Greek democracy.
Clientelism may be analysed in various ways, among which the linkage or “patron-client exchange” approach is the most common one (Kitchelt and Wilkinson 2007). This approach stresses that clientelism essentially functions as a mode of political participation through which citizens become integrated in a political system. Citizens engage with patron-client networks and, through such networks, they become integrated in the polity of their country. Since participation of citizens in politics is one of the major criteria on which democratic regimes are distinguished from non-democratic ones, clientelism is a major, albeit distorted, channel of such political participation.

### 4.1 Clientelism as political participation

In detail, in the approach which understands clientelism primarily as a form of political participation, clients are individual voters or whole families who side with candidates for political office prior to each election. Alternatively, voters establish a long-term exchange relationship with candidates for office, as candidates become political patrons. The exchange involves mutual accommodation, i.e., namely voters support one candidate instead of another and, in exchange, they receive preferential treatment by public services which the patron, if elected in office, can influence. Examples of preferential treatment in Greece include obtaining quicker or superior treatment in public hospitals after one is admitted for medical treatment, and transfers to convenient military posts, during one’s term in military service, which is compulsory for all Greek males. Of course, the most common example is preferential treatment of a political client if he or she applies for a public-sector job (see relevant data for today’s Greece in Tables 4 and 5, below).

As Greece’s democracy is a party democracy which follows the model of other contemporary European democracies, the development of clientelism is entangled with the development of political parties as political organizations. Thus, the aforementioned person-to-person exchange relationship has been often complemented, if not replaced, by a systematic person-to-organization relationship, namely a relationship of a political client with a party bureaucracy. Thus, we speak of bureaucratic clientelism (Lyrintzis 1984). The Greek voter does not so much turn to his or her individual political patron as to the local bureaucracy of the party or the party-affiliated labour union to which the voter is attached. For example, the parties of the Panhellenic Socialist Movement (Pasok), New Democracy (ND), Syriza and KKE have their own affiliated factions within every ministry or state agency.

Further on, following Mouzelis (1986), we may understand this type of political clientelism as a mode of political participation in the following manner: instead of turning to any professional association or labour union or other “horizontal” association which may defend interests related to their occupational status, voters engage with politics through “vertical”, i.e. hierarchical, linkages with political patrons. In other words, voters turn to parliamentarians, party cadres, and government officials who look after their clients’ personal or family interests. This is a mode of political participation also in the additional sense that political clients build patronage-based political identities.

Now, depending on which party or coalition of parties rises to government, different groups of political clients are served after each government turnover. In democracies today, it is rare, if not suspect, to have the same party win consecutive elections over a very long time period. Thus, clients expect to take turns in receiving favours by their political patrons who periodically rise and fall from government.

Clientelism thus becomes a distorted mode of political participation in democracy, as it is not based on the principle of political equality before impersonal decision-making authorities, but on personal, differential and periodic access to state resources managed by decision-makers, be they individual political patrons or political party organizations. Yet, from the standpoint of political clients, i.e., individual voters or families, partaking in a network of patronage is a strategy of survival (e.g., to gain access to necessary resources, such as public-sector jobs in periods of high unemployment), if the clients are of low social class origin. Such clients use clientelism as a strategy for upward social mobility.

### 4.2 The repertoire of clientelism

In that respect, in developing societies which have scarce economic resources, or in advanced economies undergoing a severe economic crisis, such as in Greece since 2010, political clientelism consists of a repertoire of political initiatives, contributing to a governing party’s stay in power.
Clientelism’s repertoire involves material benefits, such as, for instance, opening up public sector jobs and dispensing welfare state benefits to one’s own political clients; offering promotions and transfers of civil servants supporting the government; and granting to political clients low-interest bank loans by government-controlled banks. Greek political parties used to offer combinations of all these opportunities to their own supporters for a long time before the economic crisis started and continued to do so during the crisis.

Within the Greek public sector itself, clientelism is manifested through another repertoire of usual practices. For years on, under ND or Pasok governments, although there was rigorous legislation specifying the procedure of selection and appointment of heads of administrative units, in practice heads of sections, directorates and general directorates of Greek ministries used to be appointed by the competent ministers for six-month or one-year renewable terms. In their decisions as to whom to appoint to such high-ranking administrative posts, ministers employed a variety of selection criteria ranging from personal sympathy and friendship with a candidate to governing party affiliation on the part of candidates for such posts.

After the adoption of the Third Memorandum of Understanding (MoU) between Greece and its lenders in August 2015, the Greek government was explicitly required to start a process of depoliticization in the public sector which involved the eradication of clientelist procedures for selecting higher public-sector managers. A new law, corresponding to this MoU requirement, was passed in 2016 by the Syriza/Anel government (Law 4369/2016). This law was slowly being implemented, and progress was made in the winter of 2017-2018, with the selection of new heads of administrative units. Yet, clientelism was still alive and well, as demonstrated by the fact that in the spring of 2018, the European Commission, closely monitoring the process under investigation, demanded that 22 official calls for filling posts of general and special secretaries in Greek ministries were cancelled and modified in order to be launched again. It had turned out that the selection criteria, cited in the official calls issued by Ministries, actually reflected the particular professional or educational profile of Syriza/Anel political appointees who were already serving in such ministerial posts at the time when the official calls were first launched.

Despite recommendations by international organizations after 2010 and the requirement by Greece’s lenders, specifically included in the aforementioned Third MoU (2015), that the public administration is to be depoliticized, political clientelism has increased. This is shown by official data (Table 4) on the number of political appointees (general and special secretaries of ministries, political advisors of ministers, deputy ministers and heads of State agencies, appointees at the Prime Minister’s Office, etc). It is also shown by official data on the recruitment of temporary personnel to Greece’s public sector (Table 5).

<table>
<thead>
<tr>
<th>Month Year</th>
<th>Political party (parties) in government</th>
<th>Number of political appointees in central services of ministries and state agencies</th>
<th>Annual percentage change over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2013</td>
<td>ND-Pasok-Dimar coalition</td>
<td>1764</td>
<td>(not available)</td>
</tr>
<tr>
<td>April 2014</td>
<td>ND-Pasok coalition</td>
<td>1923</td>
<td>+8.3%</td>
</tr>
<tr>
<td>April 2015</td>
<td>Syriza-Anel coalition</td>
<td>1233</td>
<td>-56.0%</td>
</tr>
<tr>
<td>April 2016</td>
<td>Syriza-Anel coalition</td>
<td>2046</td>
<td>+39.7%</td>
</tr>
<tr>
<td>April 2017</td>
<td>Syriza-Anel coalition</td>
<td>2186</td>
<td>+6.4%</td>
</tr>
<tr>
<td>April 2018</td>
<td>Syriza-Anel coalition</td>
<td>2501</td>
<td>+12.6%</td>
</tr>
<tr>
<td>% change 2018/2013</td>
<td></td>
<td></td>
<td>+29.5%</td>
</tr>
</tbody>
</table>

Source: http://apografi.yap.gov.gr/apografi, (official site of the Greek government on public employment). No reliable data exist for the period before 2013. “Dimar,” shown in the first row of data, was a small, pro-European left-wing party which was in government, along with Pasok and ND, until the summer of 2013. “Anel” is the right-wing nationalist party which has been in government with Syriza since 2015.
As Table 4 shows, since 2013, there has been an increasing trend in the hiring of political appointees (with a drop in 2015 when two national elections took place and the government was not stable). The absolute numbers of appointees look small (in the order of a few thousands), but one has to consider that the higher levels of the Greek administration do not comprise but 19 central services of ministries (after the government re-organization of August 2018) and 13 regional governments.

It is then useful to study clientelism at different levels of analysis. In the case of Greece, seen from above, namely from the standpoint of a party or parties in government, clientelism helps recruit and manage a small army of appointees controlling the public administration and form a malleable body of public sector workers and higher civil servants; build a solid electoral base in the country; and keep the opposition at bay: the opposition’s supporters are usually discriminated against by government authorities, while officials and technocrats, who are non-aligned with the government, are excluded from public policy formulation.

This type of clientelist public policymaking is, of course, well known in other advanced democracies, too, but in Greece, the phenomenon is recurrent, characterizes all parties which have been in government, and can be observed at the collective/group- and the individual/voter-level of analysis.

At the collective level (referring to whole groups or categories of the population), all major governing Greek parties have exhibited clientelist tendencies since the 1974 transition to democracy. Among numerous examples, one may cite three: first, in 1999 Pasok’s earmarking of half a billion Euros in the state budget exclusively for the pension fund of the employees of the Public Power Corporation (DEI), a practice faithfully followed by Pasok’s successors in government, namely the ND party, in order to make DEI more attractive as an asset to prospective private investors and to appease the formidable labour union of DEI. Second, ND’s one-off award of half a billion Euros to Greek farmers in January 2009, presented as a gift to this traditional ND-supporting group. Third, Syriza’s award of one additional monthly pension, granted in December 2016, to all pensioners receiving pensions under 850 Euros per month (regardless of other sources of income of beneficiaries or of the income level of members of their household); and Syriza’s additional social assistance package for low income-earners and pensioners in November 2017. It is worth mentioning that most of these measures were not systematic social policy choices but were ad hoc policy measures (in the form of one-off lump sum of money handed out to a favoured social group).

4.3 Clientelism at the individual level: massive hiring of public employees

At the individual level (referring to party supporters one by one), clientelism has also been practised by all Greek parties in government. As already noted, typically clientelism was pervasive in hiring temporary personnel in the central and local government, namely, hiring public employees who were hand-picked by ministers or mayors, but also by State university rectors and politically appointed managers of State agencies. Such personnel were hired on fixed-term labour contracts or on a project-basis and then re-hired for successive short terms or awarded more projects to carry out. Finally, after successive labour union mobilizations of employees who had served in ad hoc or temporary posts for many consecutive terms (e.g., numerous consecutive semesters or years), a governing party striving to be returned to power would pass a law turning such non-permanent labour contracts into permanent labour contracts without any prior evaluation of the employees hired en masse to the public sector. This was the case of the massive, almost overnight transformation of temporary labour contracts of public employees to permanent labour contracts by Vasso Papandreou, Minister of Public Administration under Pasok, in 2002 (Law 3051/2002), and by Prokopis Pavlopoulos (the current President of the Republic), Minister of the same ministry under ND in 2004 (Presidential Decree 164/2004).

Since then, the practice of recruiting temporary personnel, without any entrance examinations or evaluation of dossiers of applicants, has continued unabated, despite the enormous fiscal constraints encountered by the Greek state after the derailment of Greece’s public finances in 2010. Part of this tendency to hire non-permanent personnel is explained by the
fact that there are unpredictable or seasonal needs (e.g., hiring social welfare personnel during periods of natural disasters, recruiting additional fire-fighters every summer to help with the recurring summer fires in Greece and appointing supplementary teachers to fill empty teaching posts in high schools). Yet, as Table 5 below shows, the scale of the phenomenon is so large, that it cannot but reflect on the one hand the demand for public sector jobs “from below” and, on the other hand, the propensity of successive governing parties to meet such demand through opening posts in the public sector which are filled by party voters as well as relatives, clients or friends of government officials.

In detail, every year between 2013-2018 in Greece, regardless of the government in power, the number of non-permanent personnel of the central and local (including regional) government rose. Officially owing to the austerity policies followed since 2010, the hiring of permanent personnel has been all but curtailed in order to help streamline Greece’s public finances. Unofficially, however, successive governments, but also regional governors and mayors, preferred to hire personnel in less-than-transparent ways. They thus circumvented procedures of hiring permanent personnel, which are managed by the independent administrative authority “Higher Council for the Selection of Personnel in the public sector” (the ASEP authority, which had been established by a former Pasok government already in 1994). Admittedly, the latter authority follows cumbersome hiring procedures and delays the recruitment of personnel which may be urgently needed in Greece’s public administration. However, in normative and practical terms, the response to delays in hiring permanent administrative personnel cannot be the massive recruitment of non-permanent personnel.

The fact that compared to permanent civil service personnel, non-permanent personnel represents about 10 per cent of the total public employment in Greece does not belittle the significance of the phenomenon under investigation with regard to the functioning of democracy. Indeed, the upward trend of hiring new non-permanent employees in 2013-2018 instead of hiring either permanent civil servants through standardized procedures or facilitating horizontal transfers of already employed persons among public services, speaks volumes of the reproduction of clientelism in Greece. Political clientelism has continued unabated, even at a time of severe economic crisis.

<table>
<thead>
<tr>
<th>Month Year</th>
<th>Political party (parties) in government</th>
<th>Number of non-permanent employees in central services of ministries and state agencies</th>
<th>Annual percentage change over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2013</td>
<td>ND-Pasok-Dimar coalition</td>
<td>58,390</td>
<td>(not available)</td>
</tr>
<tr>
<td>April 2014</td>
<td>ND-Pasok coalition</td>
<td>61,897</td>
<td>+5.7%</td>
</tr>
<tr>
<td>April 2015</td>
<td>Syriza-Anel coalition</td>
<td>65,959</td>
<td>+6.2%</td>
</tr>
<tr>
<td>April 2016</td>
<td>Syriza-Anel coalition</td>
<td>72,460</td>
<td>+9.0%</td>
</tr>
<tr>
<td>April 2017</td>
<td>Syriza-Anel coalition</td>
<td>75,385</td>
<td>+3.9%</td>
</tr>
<tr>
<td>April 2018</td>
<td>Syriza-Anel coalition</td>
<td>83,636</td>
<td>+9.9%</td>
</tr>
<tr>
<td>% change 2018/2013</td>
<td></td>
<td></td>
<td>+30.0%</td>
</tr>
</tbody>
</table>


To sum up this section, in contemporary democracies, in which political equality is often accompanied with, and constrained by, income and wealth inequalities (Piketty 2014), clientelism may be seen as a mode of political participation, particularly of the poorer or powerless groups, such as low-income groups or less-educated groups. The case of Greek democracy today is a good example of this pattern. Thus, under clientelism, a governing political party or coalition of parties may bend various public policies, such as the human resources policy in the public sector and the social assistance policy, to serve the needs of selected, favoured
categories and income groups of the population. This
tendency may perhaps reduce economic inequalities.
However, the effects on democracy are negative: instead
of following universalistic criteria in administrative
personnel recruitment or in the distribution of social
transfers, public policies are adapted to the needs and
demands of traditional supporters or favoured groups
of prospective voters of political parties.

5. Populism and Democracy in Today’s Greece

5.1 The concept and analytical dimensions of populism

The study of populism often focuses on the populist
logic and discourse (Laclau 2005, Taggart 2000) and on
the rise of populist movements and parties to power.
Low-income or politically powerless groups, carried
on the shoulders of populist parties, often become
integrated into the political system, given that other
parties, e.g., conservative or centrist parties, often do
not attract the support of such groups. This is typical
of populism in Latin America and Greece (e.g., Di Tella
1965, Lyrintzis 1987). Another focus of the relevant
comparative politics research is what populist parties
do after they arrive in power (Malloy 1977). Research
on populism in today’s Europe (Mudde 2017a, Mueller
2016a) justifiably tends to distinguish between right-
wing populism, which is akin to nationalism and
racism, and left-wing populism, which is akin to a
radical critique of neo-liberal capitalism. The former
has a socially exclusionary strategy, while the latter an
inclusionary one (Mudde and Kaltwasser 2013).

As a mode of political integration of social strata
into the political system, populism entails three traits
which actually also represent the core elements of
the definition of populism: first, a direct relationship
between a political leader and his or her followers;
second, an understanding of politics based almost
exclusively on sharp contrasts between two antagonistic
poles, such as, for example, the people and the enemies
of the people; and, third, a series of policy promises
which only seemingly favour the popular strata but in
practice prove to be damaging to their interests soon
after populists ascent to government.

In detail, first, populism is a form of political
organization (Canovan 1999). Observers of populist
parties discern a direct, unmediated relationship
between the populist leader and his (or her) followers,
while intermediary bodies, such as party cells and
committees, are marginalized (Mouzelis 1986). This
is a typical characteristic of populist parties, but it
is not a necessary one, as confirmed by the wide
variety of European populist parties which are led by
non-charismatic leaders today in various European
democracies (Van Kessel 2015). In post-1974 Greece,
we find this organisational characteristic in the
archetypical case of the populist leader and the founder
of Pasok, Andreas Papandreou (Pantazopoulos 2001,
Sotiropoulos 1996).

Second, analysts of populism focus on a necessary
characteristic of the same phenomenon, namely, that
populism’s political discourse is replete with themes of
an acute ideological antagonism (Laclau 2005, Hawkins
2010), meaning that populists antagonize their political
opponents through vehement political and personal
attacks against them rather than just through rejecting
the opinions of their opponents. Typically, populist
discourse thrives on pitting the people, represented
by the populist party, against an oligarchy or the
establishment. Populists conceive the latter to be a
traditional political elite or an elite of well-connected
businessmen. At the time of Pasok’s rise to power
(1981), a populist theme, employed by Papandreou
in his electoral campaign, was the struggle of the
“people” against the “establishment”. At the time
of the September 2015 elections the corresponding
theme, employed by the Syriza leader, Alexis Tsipras,
against the “oligarchy”, was “either we finish them off
or they finish us off” (political speech of PM Tsipras in
Syriza’s rally on 13.09.2015 in Keratsini, Piraeus).

Third, during electoral campaigns, populists make
promises to popular strata which they falsely believe
they can hold or make such promises even though they
know that they are impossible to keep. Such promises
are related to the fact that often, but not always, the
electoral pool of votes of populist parties consists of low-
income rural and urban strata. The latter constitute in
particular the social bases of left-wing populist parties.

For example, in the 1980s, Pasok drew votes
disproportionately from the lower and middle classes,
a trend replicated also in the 2000s (Sotiropoulos 2013: 191, Sotiropoulos 2014). The same holds true for Syriza in the elections of 2012, in the sense that Syriza established itself as the party which represented the interests of the victims of Greece’s economic crisis (Stavrakakis and Katsambekis 2014, Pappas 2014; the same occurred in the elections of 2015).

However, things turn out differently soon after populists arrive in government. For instance, halfway through the decade of the 1980s when Pasok was in power, a series of harsh austerity measures, which the Pasok government took in 1985-1987, showed that this populist party’s original policy promises were reversed. In the case of Syriza, a similar but far more dramatic policy reversal occurred 7 months into the first term of this party in power. The reversal of populist promises took place as soon as PM Alexis Tsipras signed the third Memorandum of Understanding between Greece and its lenders, in the summer of 2015. As C. Mudde put it, in the case of Syriza, we have an example of “Left populism, which overpromises and seldom delivers” (Mudde 2017b).

The transformation of populists, once they are in government, does not end with the failure to keep their promises which they had made before winning elections. Often, after populists arrive in government, they employ the same inflammatory political discourse in order to fuel a political struggle against institutions, such as the judiciary, mass media, civic associations and opposition parties. Such discourse is addressed against anyone who could pose a potential threat to the populist party and the populist leader in power. The examples of the Right populist rule of Orban in Hungary and Kaczynski (the leader of Law and Order party) in Poland, who are actively hostile to courts and independent regulatory authorities, are telling enough. As Eiermann, Mounk, and Gultchin put it (2017): “There are two distinct kinds of harms which the rise of populism is already creating: the first is in the realm of policy and threatens to harm the rights of minorities. The second is in the realm of institutions, and threatens to undermine the long-term stability of democracies across the continent.” Populists do not want to overthrow democracy, but they are rather intolerant towards the usual checks and balances which are found in most contemporary democratic constitutions (e.g., the judicial review of laws and decrees by courts) and suspicious of civil society’s organizations (e.g., NGOs, media) which they do not control. In other words, once in government, populism becomes fluid, claims that it only expresses popular sovereignty, and reacts nervously towards institutions and organizations which do not follow the populist government’s line in politics.

5.2 Conditions for the consolidation of populist power

Populists attempt to consolidate their power after winning elections and forming a government. Parliamentary majority by itself is a necessary, but not sufficient, condition for populists to exercise control of the most important, if not all, institutions of a democracy, such as the public administration, public and private mass media, the justice system, and independent regulatory and administrative authorities. Three more conditions must be fulfilled in order for populist parliamentary majority to be transformed into substantive control over such institutions.

The first condition is to benefit from a historical legacy of politicization of state institutions. This is a typical legacy of the historical development of democracy in Greece (Sotiropoulos 1996, Pappas 2014). In Greece, the historical norm is that, after each government turnover, all ministries and state agencies are colonized by the incoming governing elite. In such a case, this elite controls all ministries, public bodies and state-owned enterprises, state media and, to a large extent, even the justice system. In brief, the winner of elections proceeds to appoint governing party cadres and sympathizers to middle- and high-ranking posts in the state administration and public sector.

The second condition is to reproduce and benefit from a bequeathed unequal balance of power among democratic institutions. In Greece, past governments, e.g., the governments of ND and Pasok, were successful in keeping other institutions, such as prosecuting authorities, supreme courts, the public bureaucracy and independent authorities, under control, or at least at bay. Subsequently, governing elites benefit from, if they do not expand upon, the prevalence and control of the executive branch over the rest of branches of governance.

The third condition is to continue political campaigning against the opposition for a long time after the
elections are over. Blaming the opposition never ends. For example, Panos Kammenos, the leader of the right-wing populist party Anel (Syriza’s partner in Greek governments after the elections of 2015), although he himself was an old parliamentarian of the ND party, has put himself forward as an outsider (Van Kessel 2015). He has never ceased to attack Pasok and ND politicians, before and after elections. In other words, the electoral campaign of a populist party continues well into the post-electoral period, after the party assumes power, and even though the opposition has been defeated in the elections. This may be understood as part of a long-term strategy on the part of the populist government to preserve its hegemony in the political system and to keep the opposition in a defensive position.

5.3 Strategies to prolong the hegemony of populist rule

If the above conditions exist, then populists employ a few strategies in order to dominate in political contests after winning elections. First, populist discourse, when seeking to legitimize political power, privileges the “people” over established democratic institutions and processes. The populist government’s initiatives, such as launching new political campaigns, colonizing existing ministries and state agencies with populist party cadres, or modifying legislation, are not solely legitimized by the fact that the government enjoys the support of the parliament. According to populism, such initiatives draw their legitimacy on the fact that the governing party has proved victorious in the most recent elections.

After their ascent to power, populists find or construct anew a real or fictitious enemy against which to marshal social forces (unions, movements, local communities) and to vet popular discontent with any unpopular governing measures. The key is to use an anti-establishment rhetoric which would now be directed not against the new establishment, i.e., the populist government itself, but a convenient target located outside the government’s quarters. A neighbouring country with which relations have been tense or a businessman with ties to the preceding government or a former government official may serve that purpose.

In Greece, a well-known case is that of Andreas Georgiou, former head of Greece’s statistical service (the ELSTAT) who helped consolidate the collection and presentation of statistical data on the country’s economy after the first Memorandum of Understanding (MoU) of 2010 was rolled out. However, he since then has been falsely accused of having inflated the numbers related to the Greek public debt and budget deficit. The populist press and populist politicians have held him responsible for provoking the intervention of Greece’s lenders who allegedly - on the basis of the cleaned statistical data – diagnosed Greece’s crisis and imposed rounds of austerity policy on the Greek people.

Populists in power may also curb established processes, to the point, for instance, of overturning the delicate balance of powers among the executive, the legislature, and the judiciary; or turn a blind eye to the questionable implementation of constitutionally enshrined democratic principles, such as equality of all citizens before the law or respect for and tolerance of minorities. This is a typical feature of right-wing populist parties in particular. A populist party in government may feel free to cross those lines, claiming that it has been chosen to simultaneously represent and lead the people. In case democratic institutions and principles lie in its way, the populist party will tend to assume that mainly it, if not it alone, represents the people. In the words of Andreas Papandreou, “there exist no institutions, only the people exists” (political speech in Pasok’s political rally in April 1989 in Kozani). In this characteristically populist way of thinking about politics, institutions and principles must be bent to the will of the people, as interpreted by the populist party. Thus, populist parties weigh over or even sideline democratic institutions and processes (Mudde 2004). They claim that such institutions are legitimate only to the extent that people approve of them through their chosen party. In the words of J.-W. Mueller (2016b: 3), “It is a necessary, but not sufficient, condition to be critical of elites in order to qualify as populist…In addition, to be anti-elitist, populists are always anti-pluralist. Populists claim that they, and only they, represent the people. When in government, they will not recognize anything like a legitimate opposition”.

In the same vein, there are additional means which populist governments employ to prolong their hegemony in the political system. One is to publicly discredit MPs and former ministers, now in opposition, for their earlier deeds while they were in government,
and also to attack judges if court decisions are not in line with government policy. For example, Syriza/Anel ministers have openly and publicly criticized Greek courts when court decisions did not toe the government’s line, thus putting pressure on judges to converge with government policies.

A second means to the same end is to accuse politicians of the opposition, as well as journalists who are critical of the government, of voicing opinions and policy choices which can be interpreted, on purpose, as conspiracies or plans of foreign actors. A third is to launch criminal investigations against members of the opposition for alleged acts of corruption, given that, as already mentioned, prosecuting authorities are traditionally placed under the supervision of the incumbent government.

For instance, in February 2018, the Syriza/Anel parliamentary majority in Greece made a much-publicized but aborted attempt in parliament to link two former Prime Ministers and eight former ministers (all of them members of former ND and/or Pasok Cabinets), with acts of corruption allegedly committed by the multi-national pharmaceutical company Novartis. While the case is not yet over, the parliamentary investigation was short-lived and inconclusive, as it turned out that the parliament did not have the jurisdiction to process the case. However, the purpose of discrediting politicians of the current opposition in the Greek parliament was served.

And a fourth means is to marginalize any critical voices of opposition through the control of state-owned and private media, allowing thus freedom of expression and dissemination of anti-government ideas to flourish only through the less easily controlled social media (blogs, Facebook, twitter). Media control may, in fact, be a longer-term feature of some current democracies. For example, in Greece, media, regardless of their leanings to the Right or the Left, broadcast programmes of very low quality and are rarely independent of political parties and strong business interests (Leandros 2010, Sotiropoulos 2017). Media, in fact, partake in networks of corruption, as discussed in the next section of this report.

State-controlled media, on the other hand, have almost always followed the government line in Greece. This is a phenomenon dating back to the 1970s, which resulted in successive governments’ heavy influencing of the news programmes and analysis of the public broadcaster (ERT). In 2013, when the ND-Pasok coalition government realized that it could not control ERT journalists, who kept an anti-government stance, it decided to suddenly shut down the public broadcaster overnight. It then proceeded to replace it with a new public broadcaster which was in turn dissolved by the Syriza-Anel coalition government and replaced by the previous broadcaster (ERT). The latter currently functions as a government mouthpiece.

In sum, the most important feature of populism in power is the repertoire of tools which populist elites use once they ascend to power. The repertoire may include smear campaigns against the opposition which has already been defeated in elections and the undermining of independent authorities which are not controlled by the government. All this may not amount to an undermining of democracy. After all, one can justifiably claim that populist parties, including the Greek parties mentioned in this section of the report, have helped bring wider social strata back into the centre of the political scene in a period when in Greece, as in other democracies, democratic politics seemed to have become an uninspiring alternation of governing elites in power.

Thus, the aforementioned strategies to prolong the rule of populist parties do not aim at a deconsolidation of democracy as far as today’s Greece is concerned. However, democratic institutions and processes are tolerated, as long as they serve the manner in which the populist winner of elections interprets the will of the populist. This is a logic which does not necessarily lead to authoritarianism, but it may help downgrade the quality of democracy and contribute to the backsliding of democracy.

6. Corruption and Democracy in Today’s Greece

The most commonly used definition of the concept of corruption is the definition of the World Bank, according to which “corruption is the abuse of public or corporate office for private gain” (Bhargava 2005: 1). This is a valuable definition precisely because it can be
applied to a multitude of historical contexts, past and present, and organizations, private or public. Political corruption, however, concerns the abuse of public office. Such abuse can take place, as is often the case, in authoritarian regimes. However, political corruption is considered a far greater problem in contemporary democracies because, if left uncontrolled, corruption can damage the moral fabric of democracy, i.e., democracy’s political values and institutions, as explained below.

In detail, in a democracy, political corruption has corrosive effects for several reasons. First, it undermines popular sovereignty, since decision-makers do not decide on the grounds of the will of the people, but on the basis of backdoor deals with economically powerful interests. Second, corruption clashes with the democratic values of equality before the law and non-discrimination of citizens by state authorities, because citizens and organizations engaging in unlawful exchanges with state officials can benefit (e.g., win a tender for a project) in ways in which those not participating in corruption acts cannot benefit. In other words, corruption negatively affects the rule of law, a cornerstone of contemporary democracies. Third, after surpassing a threshold of expansion, corruption becomes so diffuse as to provoke the spread of distrust towards democratic institutions, such as the elected government, the parliament, and the justice system. On all the above counts, the post-1974 Greek democracy has been negatively affected by corruption.

6.1 The extent and varieties of corruption in Greece

Corruption may be on small scale or on a grand scale, depending on the size of bribes or state funds channelled into private hands. The scale of political corruption at the level of a small municipality, even when non-negligible, is obviously different from that at the level of national government. The scale of corruption may be mistakenly interpreted when a severe crisis erupts. One sporadically reads that in Greece corruption has been responsible for the derailment of the country’s economy (The Telegraph, 10 July 2015; New York Post, 6 July 2015). However, it would take a very loose definition of corruption, which would include clientelism, pre-electoral waste of public funds and mismanagement of the state’s property and revenue, to argue that such a grave and long economic crisis, which has hit Greece since 2010, was primarily owed to corruption. The truth is that the size of corruption, however, measured, can neither account for the country’s very negative economic performance (very high public debt, continuous budget deficits and current account imbalances in the years up to the outbreak of the crisis) nor match the size and tremendous burden of pension expenditures on the Greek public finances (Giannitsis and Zografakis 2016). The manner in which political corruption negatively affects democracy is not uniform but depends on, among other things, the different forms or varieties it takes. Indeed, corruption can be of different sorts, such as, for example, petty corruption, involving under-the-table informal exchanges between street-level bureaucrats and individuals or businesses.

Given the nature of these exchanges, it is impossible to actually measure the extent of corruption. Researchers often use measurements of perceptions of corruption, among which a common one is the estimation of control of corruption in each country by the World Bank (Table 6). The World Bank ranks states by the extent to which they are estimated to control corruption within their territory.

As Table 6 shows, compared to other countries which underwent an economic crisis, in Greece corruption is perceived to have been quite extensive (less controllable). Greece fared better than 61 per cent of countries ranked throughout the world in 2007. It only fared better than 56 per cent of ranked countries in 2016. Italy and Spain exhibited a similar trend, but it should be taken into account that, in 2007, Greece had “started off” from a much lower starting base (the 61 per cent threshold mentioned above).

To rely on perceptions, of course, may be misleading, as respondents to relevant surveys are influenced by the general economic situation and news about investigations on acts of corruption committed many years ago. In Greece, former minister Tsachatzopoulos was brought to trial after more than a decade had passed since his involvement in corrupt acts. The same holds true for the criminal investigation against former minister Papantoniou in 2018, which concerned arms deals made almost two decades ago.
An additional and perhaps more useful indicator is the extent to which people perceive corruption as acceptable, i.e., a normal or desirable element in their interaction with public administration. In a pan-European survey conducted in 2013 (European Commission 2014), sampled citizens of EU Member States were asked whether it is acceptable a) to give a gift and b) to give money, if they wanted to get something from the public administration. Among Greek respondents, 42 per cent replied that it is acceptable to give a gift (EU-27 average: 23 per cent) and 24 per cent replied that it is acceptable to give money (EU-27 average: 16 per cent).

In Greece, typical public services in which corruption is widespread include the Ministry of Transport, which is in charge of issuing driver’s licenses; town planning authorities responsible for granting building permits or inspecting construction sites; tax authorities, particularly at the stage of auditing and verification of books of businesses and professionals (Transparency International-Greece 2012: 28-29); customs offices responsible for inspecting imported items - in fact irregular payments in exports and imports are not uncommon (World Economic Forum 2014: 143); and public hospitals where one can jump the line and arrange to have an operation earlier rather than later, or be hosted in a more convenient hospital room.

Corruption, of course, does not only include petty corruption. It may be high-level or grand corruption where, for instance, high-level state officials, such as government ministers and politically appointed heads of state agencies, engage in unlawful exchanges with businessmen. It is telling that since the onset of the economic crisis, several politicians, e.g., mayors and former ministers of both centre-right (New Democracy) and centre-left (Pasok) governments have been tried and convicted for various acts of corruption. For example, Vassilis Papageorgopoulos, former mayor of Thessaloniki and former MP of New Democracy, was imprisoned for embezzlement. Akis Tsochatzopoulos, former Minister of Defence and MP of Pasok, was imprisoned for money-laundering and accepting bribes. Tassos Mantelis, former Minister of Transport of Pasok, was condemned and fined for money-laundering, and Yannis Papantoniou, former Minister of Defence and MP of Pasok, was condemned and fined for violating the legislation on asset verification.

### Table 6: Control of Corruption in Greece in Comparative Perspective, 2007-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Greece</th>
<th>Spain</th>
<th>Italy</th>
<th>Ireland</th>
<th>Portugal</th>
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<tbody>
<tr>
<td>2007</td>
<td>64.6</td>
<td>84</td>
<td>67.5</td>
<td>83.2</td>
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<td>2008</td>
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<td>93.8</td>
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</tr>
<tr>
<td>2014</td>
<td>53.4</td>
<td>72.1</td>
<td>56.3</td>
<td>91.8</td>
<td>79.8</td>
</tr>
<tr>
<td>2015</td>
<td>55.3</td>
<td>69.7</td>
<td>57.7</td>
<td>92.3</td>
<td>80.3</td>
</tr>
<tr>
<td>2016</td>
<td>56.6</td>
<td>68.8</td>
<td>59.6</td>
<td>92.8</td>
<td>80.3</td>
</tr>
</tbody>
</table>


The lower the figure in each cell of the above Table, the smaller the number of countries compared to which the indicated country (e.g. Greece) performs better in controlling corruption.

6.2 Policy capture, corruption and democracy

However, the most important instance of political corruption in contemporary democracies is related to the economic aspect of electoral politics. As it is well-known, Electoral campaigns are costly, and political parties cannot rely solely on state subsidies,
as these are not adequate to meet the relevant costs (political advertisements aired on television and radio, nationwide electoral campaigns, and organization of political rallies). Thus, political parties accept donations from individuals and businesses, a widespread practice not only in Greece, but across contemporary democracies. It is telling that the Council of Europe has offered very mixed reactions to recent changes in regulations of political party financing in Greece (Council of Europe 2018), assessing that regulations still allow for unregistered donations.

Meanwhile, private mass media, which often belong to holding companies involved in various sectors of the market (construction, banking, etc.), wish to influence, if not actually shape, government policy in the sectors in which they are active. A triangle which breeds corruption thus emerges: political parties – private businesses – mass media, while the phenomenon of policy capture also arises.

Policy capture is the exercise of unwarranted influence of private business interests on policymaking. Private business firms formulate “the rules of the game to their own advantage” to the extent that “public officials and politicians privately sell underprovided public goods and a range of rent-generating advantages à la carte to individual firms” (Hellman, Jones and Kaufmann 2000). Such capture includes the formulation of tailor-made policies by the government-of-the-day to suit the interests of influential businessmen or groups.

For instance, Greek shipowners have traditionally captured policies related to naval commerce and have also enjoyed tax breaks unparalleled in any other business sector of the country. This example is reminiscent of group-level or collective clientelism, discussed in this report. Yet, while clientelism in this case means that the government caters to the interests of an interest group as a whole, corruption in the form of policy capture shifts the stakes at a much higher level. The significance of corruption supersedes the exchange of clientelist favours for political support. Policy capture is analysed in the context of political corruption because it is an interaction which is more permanent than an exchange between patrons and clients. In other words, policy capture is a structural feature of corrupt polities.

In detail, whereas in clientelism patrons may dispense social benefits to selected groups of the population (e.g., typically in Greece to groups such as the old age pensioners or the farmers) and also offer public sector jobs to individual political clients, in the case of corruption, the governing elite offers State subsidies, new business opportunities, and tailor-made regulations to domestic and foreign business entrepreneurs in exchange for their long-term support. Thus, at least since the early 1990s, successive Greek governments have awarded contracts to a few European companies in the telecommunications sector, to a few Greek companies in the IT sector, and to a few selected Greek companies in the construction sector (i.e., public works).

In this corrupt inter-organizational environment, in which parties, private companies, and mass media took part, governing elites carved out government-friendly niches in the private economy. Some TV channels and newspapers, belonging to shareholders who themselves also owned companies in the construction sector, supported the government or switched sides as soon as they perceived that the governing party was waning in popularity and was bound to be defeated in parliamentary elections.

Notably, governing elites were not passive observers of changes in the strategies of private businesses. In fact, governing elites constructed market niches by favouring selected businessmen over others. For example, Ministry of Public Works officials awarded public works contracts to domestic and foreign businessmen in a very selective manner, as public tenders were not managed in a transparent way. This was a practice common in Greece. In exchange, businessmen contributed to the finances of the governing political party. The support of businessmen was also manifested when the mass media, which they owned, supported the electoral campaign of a political party with which they had made back-door deals.

6.3 Democracy strikes back: control of corruption and democratic accountability mechanisms

In contemporary representative democracies, corruption is fought through mechanisms of control and democratic accountability. Democratic institutions, such as the government and the Parliament, as well as individual politicians, are subject to external controls,
meaning controls by prosecuting authorities as well as the courts and independent authorities (audit offices, electoral committees, the Ombudsman, personal data protection authorities, etc.)

In Greece there are mechanisms of accountability, but some mechanisms, such as the courts, are completely inefficient and remain under the periodic political influence of the government (Papaioannou and Karatza 2018, Sotiropoulos 2017), while other ones, such as anti-corruption mechanisms, are recent and weak with regard to the resources and skills they can mobilize to control corruption (Bratu, Sotiropoulos and Stoyanova 2017).

Important accountability mechanisms had been established before the crisis erupted which included the courts, the audit office, and the Ombudsman. There were also other mechanisms of accountability focusing not on the checks and balances with government and the parliament, but on the functioning of central and local public administration. Examples included the General Inspector of Public Administration and disciplinary councils within ministries and State agencies. Overall, the pre-crisis mechanisms of accountability had been ineffective. They lacked expertise and resources, while they were also pre-occupied with many other tasks. For example, courts were swamped with civil lawsuits, criminal cases, and the like. Justifiably, then, after the crisis broke out, new anti-corruption agencies were established.

After it was widely acknowledged in Greece that some responsibility for the crisis should be attributed to corruption among political and administrative officials and networks of corruption of which parties formed part, the aforementioned mechanisms of accountability and control of corruption were mobilized. Anti-corruption was implemented more systematically after 2011 through new legislation establishing new anti-corruption agencies (e.g., the anti-corruption prosecutors). Indeed, as we have already seen, former ministers where prosecuted and tried. Such prosecutions can be accounted for by waves of negative publicity within Greece regarding the extent of corruption and its "correlation" with the economic crisis.

In detail, as early as 2010, the government of Pasok established a new electronic transparency system called “Diavgeia” (meaning clarity; Law 3861/2010). From then on, all public services were required to upload all administrative acts. Under the ND-Pasok coalition government (2011-2014), new prosecutorial authorities were founded. The Economic Crime Prosecutor was established in 2011 and was staffed by two prosecutors charged with investigating economic crimes. The Anti-corruption Prosecutor was established in 2013 and was endowed with powers to control corruption across the public sector.

Anti-corruption efforts in Greece used to be coordinated by one person, the National Coordinator of Anti-Corruption, a post which was established in 2013. After the government turnover of 2015, the new, Syriza-Anel coalition government abolished this post and assigned the role of coordinator to a cabinet minister. In addition, the new coalition government created a new General Secretariat out of the formerly existing General Secretariat of Transparency and Human Rights. The latter had been established in 2012, under the ND-Pasok coalition government, as a unit of the Ministry of Justice with administration-wide competences to control corruption. In 2015, after the Syriza-Anel coalition government was formed, such anti-corruption competences were assigned to the new General Secretariat of Anti-corruption (GEGKAD), forming part of the same ministry.

The fact that successive governments have re-organized anti-corruption agencies is a sign of the different political uses of control of corruption. More concretely, anticorruption seems to contribute to democratic accountability, but its use by interested parties can become a problem as well. In Greece it has been customary for anti-corruption initiatives, taken by the government, to become a tool in political party contests. For example, in 1990-1992, under the ND government led by Constantine Mitsotakis, the former Pasok Prime Minister Andreas Papandreou, and several of his ministers, were put on trial on charges of corruption. The former PM was acquitted, while two ministers were condemned to prison sentences (which were later annulled). In 1993, Andreas Papandreou won the parliamentary elections and initiated a criminal investigation against Constantinos Mitsotakis. Soon, however, the case was dropped in order not to prolong a personal duel between the two politicians.

It would be wrong to analyse political corruption in Greece as a temporary pathological symptom or a side-
effect of a mismanaged democratic regime. Rather, it should be understood as a more permanent feature of governance, involving the building of linkages between the government and established businessmen. The government offers a convenient regulatory framework in exchange for services that the businessman would provide to the government. Thus, a power base is woven through such a government – business nexus of relations which is out of reach of Greece’s recent and weak accountability mechanisms.

Since the economic crisis broke out in 2010, successive Greek governments have upgraded the institutional arsenal that the Greek State had at its disposal in order to promote accountability. Yet, the new mechanisms of accountability have not been fully operational so as to prevent the backsliding of democracy. It is probably too early to judge their effectiveness and efficiency, as they still lack funds, personnel, digital infrastructure, and other resources, which in the context of a country only slowly emerging out of a deep economic crisis, are difficult to procure.

An example of remaining weaknesses in the way democratic institutions treat possible sources of corruption occurred in the autumn of 2016. As already noted above, many different private media were heavily involved in party politics in Greece. The decision of the Syriza-Anel government to allow for the existence of only four private nationwide TV channels was perceived as a constraint placed on pluralism of opinion. In democracies, governments do not have the jurisdiction to determine, let alone restrict, the number of mass media outlets. Eventually, the government aborted this asphyxiating policy measure in late 2016, after a high-instance court, the Council of the State, declared it to be unconstitutional. At the time, the limited number of available TV licenses, established by government fiat, on the one hand had provoked a race among interested businessmen who wanted to enter the private TV market; on the other hand, it had created fertile ground for suspicions of possible government-business backdoor deals.

In brief, the artificially created scarcity of available nationwide TV licenses in 2016 did not resolve old problems, but created new problems for a pillar of democracy, namely the independence and pluralism of opinions. Further on, as is already argued above, anti-corruption is not necessarily a safe vehicle to promote democracy, because anti-corruption institutions themselves may be bent to serve the strategies of contesting political parties rather than the requirements of democratic accountability.

7. Conclusions and Policy Recommendations

The crisis which began in 2010 in Greece and is still going on has had profound negative effects on Greek democracy, even though, during this crisis, there has been smooth government turnover and individual and collective rights, including freedoms to organize political parties and associations, and to protest, have survived. However, Greeks have grown disaffected with democracy, as shown by the decreasing turnout in elections and declining trust in political institutions (Exadaktylos and Zachariadis 2014). Levels of tolerance periodically declined, as evident from the assaults of protesters against government buildings and periodic physical attacks against pro-government politicians (such as, for example, attacks against ND’s Costis Hadjidakis in 2010 and Pasok’s Theodoros Pangalos in 2011, as well as former Prime Minister Lucas Papademos in 2017, among others) and journalists (e.g., Tassos Telloglou in 2011). While it is plausible to argue that the economic crisis and crisis-management negatively impacted the functioning of democracy in Greece since 2010, the backsliding of democracy should be linked with long-standing political and historical legacies, namely political clientelism, populism and corruption.

All three of them affect democracy in substantively negative ways. Political clientelism, at least as practised in Greece, is a crude violation of political equality and equality before the law, as individuals and particular groups have differential, continuously changing, and unpredictable access to state resources. Populism erodes political trust, as it is primarily manifested through false promises given - in pre-electoral periods - by populist politicians to prospective voters. The fact that such promises are purposefully given specifically to popular strata, such as low-income strata or categories of the population hit by the economic crisis, and then the same promises are reversed by populists in power, can only contribute to a large-scale, popular disaffection with democracy. As for corruption, it
produces the same effect among citizens, in addition to undermining the cornerstones of contemporary democracies which are the rule of law and transparency of political institutions and processes.

Each of the three, long-standing political and historical legacies mentioned above has negatively affected democracy and all three of them require long-term reforms in order for a higher level of democratization to be reached, and a new future political and economic crisis to be averted. Although a different and much more comprehensive analysis at the policy level would be necessary, several policy recommendations may be put forward in order to provoke a discussion on how to limit clientelism, populism, and corruption:

First, given the extreme politicization observed in many quarters of Greece’s public administration, it is important to empower civil society associations, social movements as well as the existing independent regulatory and administrative authorities. They can function as watchdogs, since, if left unchecked, the traditional clientelistic intrusions of governing political parties into the public sector will continue unabated. Existing organizations of civil society, such as “Transparency International” (monitoring transparency in the public sector) and “Vouliwatch” (monitoring transparency in the parliament) need to be multiplied and strengthened. The government needs to provide incentives to such civic associations to grow.

Second, there is a need to reduce the points of personal contact between citizens and businesses on the one hand, and officials and State agencies on the other, because in such contacts, the temptation to engage in corrupt acts always exists. Digitalization of services offered to citizens has already progressed, including services offered by the judicial system, public procurement, and tax authorities, but further progress on that front may bear better results. Improvements along these lines would include the further digitalization of other public services. These may be services linked as closely as possible to citizens, such as for example, public services of regional governments and municipal authorities. Regional governors and mayors need to enlarge the range of services offered online (certificates, licenses), so that citizens are not required to have personal contact with employees of regional and municipal authorities. It is thus expected that opportunities for corruption will be reduced.

Third, it is necessary to open new channels of communication and deliberation between citizens, the government, and public administration, and to create additional sources of information such as independent media, internet sites, and observatories of government policies. Such initiatives may help hinder the populist tendency to offer unsustainable promises; or to put it otherwise, to put on hold the tendency of politicians of different sides of the political spectrum to promise something to everyone. In order to curb the popular appeal of such a tendency, one can think of improving the capacity of citizens to assess alternative policy options. For instance, based on EU funds or funds provided by not-for-profit foundations, one may envisage the launching of fact-finding missions and the establishment of observatories keen to assess data accuracy, including the accuracy of statements offered in public debates, in parliament, and elsewhere. The purpose of such missions and observatories would be to upgrade the quality of public discussions over available policy choices and to deter the diffusion of unsubstantiated, often populist, misperceptions.

These policy recommendations, if implemented, may help limit the combined negative effects on Greek democracy which have resulted not only from worldwide and EU-based economic trends and the recent crisis, but also from long-term political and historical legacies which are particular to the country under investigation.

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References


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