Reflections on where the theory of neo-corporatism in Greece has stopped and where the praxis (or the absence?) of neo-corporatism may be going *.

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* This paper is a part of my PhD research undertaken at the European University of Florence under the provisional title: “The Politics of Pension Reform in Greece in Comparative Perspective (Italy and France)”. It is not a lack of inspiration that led to the rewording of the title of Ph. Schmitter’s famous article, but rather its impressive accuracy in describing the content of the paper.
Introduction

The idea for writing this paper arises from recent literature on the resurgence of concertation in Europe in the 1990s as it is related to the literature on ‘corporatism’. The 1990s witnessed a series of social pacts in countries that are not traditionally characterised as ‘corporatist’. However, similar processes have not emerged in Greece. Apart from the questions raised on the usefulness of the term in describing these political phenomena, additional issues arise concerning the policy-making capacities of the state and the social actors in non-corporatist countries.

The questions to be answered in the paper are the following:

- How has the notion of corporatism been used in the literature on state-interest group relations in Greece and what is its usefulness today?
- How can we explain the attempts to introduce social dialogue practices in Greece in the 1990s on the basis of the corporatist literature?

In the first part we present the debate on the exact nature of state-interest group relations in Greece and how this is linked to the corporatist literature as it has been applied in the case of other western-European countries. Although hardly present in international studies on the theory and practice of corporatism, for Greek scholars, Greece can still fit in the discourse on corporatism once, however, variables that have received little attention in the international literature have been brought in.

Criticisms to the existing analyses of Greek corporatism can be summarised in the following points:

a. We suggest that the existing literature is rather static and provides few indications of the factors that may affect the evolutions in the system of interest group representation and what form these are expected to take.

b. In the Greek literature in most cases the term ‘corporatism’ refers to the structure of interest organisations rather than the interaction that develops among them. However, once the need for formal interaction arises, the need for new terms to describe these processes becomes obvious.

In the following part we refer to the notion of political exchange. We claim that in order to explain the limited success of concertation in Greece in the 1990s one has to look at the following long-term interconnecting sets of variables (Siaroff, 1999, 177-179) ¹: First, we refer to the impact of favourable contexts. Then we refer to the functional roles assigned to the trade unions and the resulting behavioural patterns, the focus being on the logic of political exchange. It is claimed that historical contingencies and a state-centric political tradition apart from shaping the form of interest group intermediation, they also played an important role in shaping domestic policy-making patterns.

¹ Siaroff also refers to structural features of corporatism such as the presence of few highly institutionalised peak organisations, centralised wage bargaining and a state involved at least moderately in the economy (p.178). From this point of view Greece is not highly diverging.
This tradition was not interrupted after the transition to democracy, the emphasis, however, being on party-state control. For the greatest part of the 1980s the debate on the organisation of labour was clearly political. This, in turn, prevented the unions from overcoming internal fragmentation and claiming an active role in policy-making. During this period the unions maintained a minimum functional role in policy-making and implementation and - as a result of their low integration in economic management - those behavioural patterns essential to corporatism: that is, patterns of political exchange which help actors be “better informed about each other’s intentions, respectful of each other’s capabilities, and willing to trust each other’s commitments” (Schmitter 1983 as quoted in Visser and Hemerijk (1997), p. 68) did not emerge.

Social dialogue in the 1990s met with some adverse conditions: the low degree of integration of the social partners in economic management (i.e. lack of those networks that promote the logic of political exchange) paired with a long tradition of state-led control of the economy and the limited space allowed to actors that could act as policy brokers in situations of high conflict (i.e. technocracies) ¹. This helps us explain why the attempts for macro-level social dialogue in the 1990s met with limited success, despite the fact that some of the contextual obstacles receded (withdrawal of the state from union affairs, relative de-ideologisation of politics, pro-labour governments).

1. Industrial relations in Greece: The theoretical debate.

At the basis of any comparative work lies a previous agreement on the definition of the analytical tools that make comparison possible. When it comes to studying interest groups this agreement (at least in Western Europe) most of the times is expressed by resorting to the tools offered by the corporatist literature. By focusing on the ‘tree’ of political idiosyncrasies rather than its place in the ‘forest’ of international literature on the topic, scholarship on interest representation in Greece occupies a marginal position in the academic debates on corporatism which have been revived in the last years owing to the resurgence of social pacts in Europe.

In this part we review those few attempts to discuss the issue of interest group representation in Greece in relation to the corporatist literature. This review is necessary for two reasons: First, it will help us isolate some historically determined features of the Greek system of interest representation that are expected to influence pension politics and second, it will provide the background for the analysis that follows. We claim that by placing emphasis on the system-wide characteristics of the system of interest intermediation and by privileging a predominantly historical-sociological approach, analyses of the system of interest intermediation in Greece have failed to establish links between the historically formulated institutional features of the system and issues such as patterns of interaction and policy making.

¹ Consultative tripartite bodies designed to assist in the drawing up of policy decisions as well as the implementation phase foster interaction between the social partners and can help alleviate conflict. In Greece, such bodies have made limited contribution in terms of input in the policy-making process. This was the case, for example with the socialisation of public utilities in the 1980s as well as the establishment of several consultative committees. Attempts to create such bodies date back to the 1930s. In the post-authoritarian period similar attempts led to the creation of SKOP (Council for Social and Economic Policy) in the 1970s and ESAP (National Council for Development and Planning) which by the 1990s had disappeared. For an example of the role of technocracy in a specific policy area (pensions) see Featherstone, Kazamias and Papadimitriou (2001).
a. State corporatism without concertation.

Writing on the issue of corporatism appears to be a highly path-dependent activity. Apparently any piece of academic writing about the role of interest groups in shaping politics seems to follow an established pattern: the introduction to the topic includes the original definition of corporatism by Schmitter. This paper will be no exception. According to Schmitter, therefore, corporatism is:

“... a system of interest representation in which the constituent units are organised into a limited number of singular, compulsory, non-competitive, hierarchically ordered and functionally differentiated categories, recognised or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports” (Schmitter, 1979, p. 13).

The corporatist literature developed to counterbalance pluralist approaches to interest group representation and was based on empirical observations of the actual form of interest group systems in Western Europe in the period following World War II. Contrary to the propositions brought forward by pluralist approaches, interests in these countries were not organised according to the principles of liberal-democratic theory (infinite number of associations, acting in competition to each other in a level play-field, created spontaneously and dissolved once the objective that led to their creation is fulfilled) but they rather formed an oligopoly regulated by the state, an actor that received limited attention in the pluralist paradigm. With corporatism the focus of attention, therefore extends from the interaction among interest groups to both the interaction among groups as well as the interaction between groups and the state.

According to the nature of the relationship established between the state and interest associations, Schmitter makes the distinction between ‘societal’ and ‘state’ corporatism. The differences between the two are summarised in the following table:

<table>
<thead>
<tr>
<th>Table 1.</th>
<th>Societal corporatism</th>
<th>State corporatism</th>
</tr>
</thead>
<tbody>
<tr>
<td>How is the limited number of associations established?</td>
<td>By interassociational agreement</td>
<td>Established by political cartels</td>
</tr>
<tr>
<td>How does singular representation occur?</td>
<td>By competitive elimination</td>
<td>State imposed eradication</td>
</tr>
<tr>
<td>How does representation become compulsory?</td>
<td>De facto through social pressure, contractual dues check-off, provision of essential services and/or acquisition of private licensing capacity</td>
<td>De jure through labour code or other officially decreed, exclusively conceded authority</td>
</tr>
<tr>
<td>How does the system become non-competitive?</td>
<td>A product of internal oligarchic tendencies or external treaty-like voluntary agreements among associations</td>
<td>Continuous interposition of state mediation, arbitration and repression</td>
</tr>
<tr>
<td>How is hierarchic order established?</td>
<td>Outcome of intrinsic processes of bureaucratic extension and/or consolidation</td>
<td>State-decreed centralisation and administrative dependence</td>
</tr>
<tr>
<td>How does the system become functionally differentiated?</td>
<td>Arrived at through voluntaristic agreements on respective ‘turfs’ and non-raiding conditions</td>
<td>State established framing of occupational categories</td>
</tr>
<tr>
<td>How is state recognition achieved?</td>
<td>A matter of political necessity imposed from below upon public officials</td>
<td>Granted from above by the state as a condition for association formation and continuous operation</td>
</tr>
<tr>
<td>How is representational monopoly established?</td>
<td>Independently conquered</td>
<td>Dependenly conceded</td>
</tr>
<tr>
<td>What is the nature of controls on leadership selection and interest articulation?</td>
<td>Reciprocal consensus on procedure/goals</td>
<td>Asymmetric imposition by the organised monopolists of legitimate violence</td>
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Based on Ph.C. Schmitter, 1979, p. 20-21.
On the basis of these two ideal types, G. Mavrogordatos in one of the few studies that not only attempts to link the structure and organisation of the interest group polity to politics but also locates the structure of interest associations in Greece within a wider theoretical framework, defines Greece as a case of state corporatism by placing particular emphasis on the consequences of state intervention and political polarisation on the legitimacy and the autonomy of trade unions and professional associations (Mavrogordatos 1998).

As far as legitimacy is concerned, trade union activity for the greatest part of the history of the trade union movement in Greece was acceptable to the extent that it did not escape the control of the state. It is impressive to see, for example, how the initial thrust for the organisation of civil society after the first World War turned into a race for the curtailment of their activity (by passing laws regulating industrial relations) once the government-sponsored leadership of GSEE had lost the control of the confederation. In the years that followed many trade unions were dissolved due to fears of a ‘communist threat’. The result was a fragmented and weak trade union movement that was deprived of its most dynamic elements. It is during this period, too, that the practice of appointing trade union leadership was introduced establishing in this way a tradition that was maintained by all democratic and autarchic regimes and only came to an end in the late 1980s. State control was also exercised by other means such as the creation of rubber-stamp unions in order to support government sponsored majorities in trade union elections and the quasi-institutionalisation of the falsification of electoral results and the financing of workers’ organisations by the state (Katsanevas, 1994).

As far as trade union autonomy is concerned, whereas for the greatest part of the period preceding the 1967 coup d’état union autonomy was defined in relation to the state (this hardly changed during the dictatorship) the return to democracy introduced (or rather re-enforced) another variable that determined developments in the trade unions: their dependence on political parties. This can be better understood if we take into consideration the post-1974 political developments. The task of the re-organisation and the revitalisation of the trade union movement were essentially left to political parties, the only ‘solid’ political actors at the time. However, what was supposed to be an enterprise fostering the activation of civil society soon turned into a game where political conflict took precedence over the articulation of workers’ interests (Zambarloukos 1996, p.111).

Central to Mavrogordatos’ analysis of the developments in the trade union movement especially during the 1980s is the notion of populism - or rather a populist gleichschaltung as he calls it (1998, p.56). PASOK’s attempt to free workers’ organisations from the legacy of the past did not bring about their long-awaited democratisation but led to further distortions because party politics practically spilled over to the ‘corporatist’ arena. For the author, the clearest example of populism as employed in the case of trade unions is the imposition by law of a proportional system of representation which practically replicates parliamentary majorities and keeps trade union under party (and at the same time state) control (1998, p.190). For Mavrogordatos any change of the rules of the game by trade union leadership -given its strong affiliation to the governing party- is unlikely and is paralleled to a review of the Constitution (1998, p.203).

1 Contrary to what happened in the cases of Spain and Portugal, the passage to democracy in Greece did not involve a new social contract (Zambarloukos, 1996 pp. 102-106). Furthermore, in 1974 the trade union movement was too weak to make any significant contribution to the process of democratic consolidation that followed the fall of the colonels’ regime.

2 In Greece, contrary to what happens in other European countries (i.e. Italy and France), political parties are not represented by individual confederations but they are all represented within the same body.
What we have to underline at this point is that for Mavrogordatos state corporatism is compatible with the notion of populism. The author does not take a clear position with regard to the debate concerning the actual content of the term, that is, whether the term 'populism' refers to political rhetoric or denotes a principle for the organisation of society which leads us to accept both definitions.  

As N. Mouzelis argues, if populism is viewed as a mode for the political organisation of society, then the Greek case appears to be quite different from other cases of 'state corporatism'. To describe the case of Greece, Mouzelis uses the notion of incorporation (populism is considered a mode of incorporation) to describe a process through which the state broadens political participation by imposing its tutelage on interest organisations. This concept is different from either state or societal corporatism in the sense that it refers to "... the de facto control exercised by the state over associations, which while on paper free from legal commitments to keep the 'social peace' are weak and therefore easily subjected to state manipulation and control" (1986, p.75). As both state and societal corporatism imply a de jure established interaction between the state and interest groups (arrangements are imposed in the first case and they are freely negotiated in the second), due the lack of such formalised interaction, Greece does not qualify it as a state corporatist country. 

The main difference between the two authors has to do with the issue of the compatibility of corporatism and populism. Contrary to Mavrogordatos, who interprets state corporatism as the institutional expression of populism intended as an organisational principle by placing emphasis to the structural characteristics included Schmitter's definition (limited number, singular compulsory etc. etc.), Mouzelis focuses on corporatism meant as a form of policy-making, namely a type of formalised exchange established between the state and interest groups. By referring to the lack of de jure arrangements between the social partners, he refers not so much to the mode of interest intermediation but rather to the lack of formalised (albeit state controlled as, for example, in the case of fascist Italy) interaction.

It would be wrong to view these two approaches as conflicting for that would mean that no distinction is made between corporatism as a mode of organising interests and corporatism as a mode for public policy making and implementation, which Schmitter has called 'corporatism 2' or concertation (Schmitter, 1982, pp. 262-263). Although neither of the two authors clearly

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1 For the author, the essence of populism consists in the ‘demonisation’ of what goes against ‘the will of the people’ (regardless of the particular characteristics of its constituent parts) represented by the party in government and more precisely its leader. In the case of trade unions -as in the case of PASOK itself -those party members who choose to ignore the party line were automatically labelled as “… traitors of the President (and therefore of ‘the people’) and are expelled- the cosmic equivalent of excommunication when in comes to a populist movement headed by a charismatic leader” (1998, p.55). These are essentially comments on the rhetoric schemata of populism. His emphasis on the results of the electoral rules that have been imposed on the trade unions, on the other hand, clearly refers to the organisational aspects of populism. Even if Mavrogordatos' style risks being characterised as 'ideologically over-charged', this does not invalidate his conclusions about the features of the trade union movement in the particular period.

2 Mouzelis refers to two modes of incorporation: clientelism and populism. He defines the difference among the two as follows: "clientelism...implies a certain autonomy of the local patron vis-à-vis the national party organisation and leadership-an autonomy based on his capacity to act as a relatively independent political entrepreneur or subcontractor rather than as an interchangeable cog in the party organisation". For the author those incorporative practices did not necessarily lead to state corporatism but when these mechanisms broke down they were substituted by the imposition of dictatorship. Furthermore, it is implied that in terms of their emergence, clientelism preceded populism (1986, p.93 and p.76).

states so, each one starts from a different point of departure (Mavrogordatos uses the first definition, Mouzelis the second). Therefore, once this clarification is made, on the basis of these authors’ conclusions we could say that Greece is a case of what has been called ‘disjoined corporatism’ (Lavdas 1997, p.17), that is state corporatism (as the institutional expression of efforts for political incorporation of the working classes chosen by the state at given points in time) without concertation (other types of interaction develop here: i.e. clientelist exchange, confrontation through strikes) which due to the factors outlined above (strong state presence, a trade union movement created following a top-down process, which later on was also deprived from dynamic elements) is full of problems regarding the system of conflict resolution. On the basis of the economic outcomes usually associated with corporatism\(^1\) due to the lack of concerted action these are absent but still this does not disqualify Greece as a state-corporatist country on the basis of the structural organisational characteristics of the system\(^2\).

Conflicting as they may appear at first sight, however, Mavrogordatos’ and Mouzelis’ approaches to the concept of corporatism and its applicability in Greece share two common points: First their emphasis is on the unfavourable context that impeded the development of corporatism in Greece and namely the (absolute) control of the state and the political parties over trade union issues\(^3\) achieved through populism (meant as a mode of organisation) which is also the reason that leads both authors to conclude that the elements of continuity in the way that state-interest group relationships worked in the past also prescribe the course of future developments.

b. From state corporatism to concertation.

As seen above the scholarly attempts to explain the particular nature of state-trade union relationships adopted a rather uni-dimentional approach to state-interest group relations by placing excessive emphasis on the organisational features of the latter. The weaknesses of the Greek trade union movement are attributed to factors such as the absence of a strong working class (a result of delayed industrialisation), and the oppressive presence of the state which was replaced by the overwhelming influence of political parties.

The first question regarding the approaches by Mavrogordatos and Mouzelis discussed above has to do with the issue of change, which has received limited attention in both studies. For some initial insights on this matter we can turn once more to Schmitter who discusses the passage of state corporatist countries to the societal variety of corporatism. Taking into consideration that Schmitter’s state corporatist countries are those under autarchic regimes (Schmitter is writing at the end of the 1970s) it is implied that the passage to forms of societal corporatism is possible only once a democratic regime has been established, which would allow for greater ‘breathing space’ for the trade unions because such a passage in most cases involves various strategies of political inclusion as well as the granting of political freedom. For Schmitter the passage from state to societal corporatism involves a. a period of organisational

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\(^{1}\) For a brief review on the issue see O. Molina and M.Rhodes (2002).

\(^{2}\) Ioannou claims that Greece along with Spain and Portugal form a separate category because the crisis in their systems of industrial relations produces behaviour that is not compatible with the macro-economic results that are associated with corporatism. In this case as well the author makes no distinction between corporatism as a structure and corporatism as a process of policy-making. (1989, p.116).

\(^{3}\) Both writers refer mainly to workers’ organisations. Of the two only Mavrogordatos devotes a part of his study to employers’ organisation with extensive reference to the period between 1981 and 1988. Although in this case as well there have been attempts to put these organisation under state (and by consequence populist) control, some these organisations have managed to maintain a greater space of autonomy (1998, p.179,189).
autonomy, b. authentic representation, c. extensive encounters between classes and sectors which acquired distinct self-images and loyalties and eventually, a measure of mutual respect and d. the presence of competitive party and parliamentary arenas to which wider appeals could be addressed. For Schmitter the transition to societal corporatism is preceded by a period of pluralism 1.

In the case of Greece the return to democracy was followed by some efforts to change the organisational structure of trade unions and allow them a role in decision making (i.e. at the company level) 2 without, however, changing some other aspects of trade union organisation such as financing, which even today is provided by the state (no need to mention the clientelist networks, i.e. the special fund providing pensions to trade unionists). In fact, some elements of the democratic regime have affected developments in the trade union movement quite adversely. For instance, the creation of a competitive parliamentary arena has rather harmed trade unions to the extent that the de-ideologisation of politics (meant as a convergence to the centre) is now seen as one of the factors that are expected to transform the system (Alexandropoulos 1990). After the change to democracy it has been the party-state that has had an influence on the trade unions (and to a lesser degree on employers' organisations). As will be shown in the following paragraphs, democratisation has had little effect on the form of interest intermediation 3. If any change is to be observed, this is related to the increasing need to modify the established patterns of policy-making, that is the need to pass to consensual forms of policy making.

In recent corporatist literature the stress is no longer on the structural (i.e. organisational) aspects of corporatism but on concertation practices emerging even in countries that lack the typical corporatist structures and which in the past did not produce the policy outcomes traditionally linked to them 4. In the 1990s corporatism was related to the new roles that the state has to perform due to changes in the economy which create increased needs for legitimacy that only consensus-seeking mechanisms could provide. Given the changes in the economic environment (international competition, participation in EMU) and the resurgence of consensus-seeking practices in Europe even in countries that were not 'institutionally-fit' (i.e. limited tradition of policy formation that includes the interests affected as indispensable negotiators), the discussion on the usefulness and the content of the term has been revived. The term 'neo-corporatism' has been employed along with other terms (concertation, competitive corporatism, political exchange just to state some) to describe the emerging relationships between the state and interest groups.

The emphasis on specific organisational and structural issues in the pieces of literature regarding the Greek case mentioned so far and on which our criticisms are based might be time-specific. Therefore, taking into consideration the developments in countries under authoritarian regimes or countries that had entered a post-dictatorship transition period at the

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1 At that time Schmitter had not made the distinction between ‘corporatism 1’ and ‘corporatism 2’. As will be discussed in the following paragraphs the Greek case could be a case of state corporatism as far as corporatism 1 is concerned, slowly moving to corporatism 2 as far as the interaction between the actors is concerned. (1979, p.40-41).

2 For Alexandropoulos PASOK's attempts to 'socialise' public sector enterprises (i.e. to increase workers' participation) in the 1980s constitute elements of societal corporatism (1990, pp.76-77). However, the way that such arrangements were introduced (detailed state regulation of the process) did not leave much space for active labour participation.

3 Given the high initial costs related to the establishment of new representative bodies at the highest level and the rigidity of the existing legal framework changes at this level are unlikely.

4 See for example Rhodes (1998).
end of the 1970s, Schmitter pointed to the differences between societal and state corporatism. Mavrogordatos and Mouzelis on the other hand are writing in the second half of the 1980s when the debate is focused on the following question: “What kind of democratic polity is developing in Greece after the dictatorship?” which explains the emphasis on issues such integration and political participation (thus the emphasis on populism) and the developments in the party system. In the 1990s, however, under the influence of the process Economic and Monetary Union (EMU) these questions give place to questions about the politics of economic policy-making and therefore, the link between the state corporatist structure, the policy-making process and the outcomes it produces.

The task of giving a ‘label’ to the Greek case, therefore, becomes more complex. On the one hand, much of the institutional framework of industrial relations is state-corporatist (legalistic) especially when it comes to ‘traditional’ issues (i.e. labour law; compulsory arbitration in wage bargaining was abolished just in 1990), financing and provisions pertaining to the electoral rules for the selection of leadership. The focus of this study however, is the process of social dialogue and its policy implications and it is clear that the elements stressed so far in the Greek literature account only for a part of the input to this process. ‘Social dialogue’ was one of the catch phrases of the 1990s (as a part of the grand plan for the ‘modernisation’ of the country). When the social partners in a not-so-much state-corporatist (especially by the mid-1990s) country where conflict has been the predominant pattern of policy-making resort to social dialogue what kind of interaction will develop among them and most importantly what will help social dialogue become stable over time?

The form of concertation that will emerge under these circumstances could be described as autarchic because actors are expected to be suspicious to new logics of action and new behavioural patterns and will tend to stick to existing attitudes and orientations. Concertation pre-supposes a convergence of perceptions. This is difficult to achieve because of the conflictual nature of state-interest group relations we referred to before. Therefore, although both the government and the social partners may appear committed to social dialogue, the former due to the lack of established interaction and under the pressure of economic modernisation will tend to pre-define the rules and the content of the game, and the latter will tend to consider social dialogue as an invitation to assist to faits accomplis.

Despite high levels of conflict that characterised state-interest group relations in general new patterns of policy making did appear during the 1990s. In fact as we claim, concertation tended to be asynchronic; asynchronic because new forms of participation in policy-making could emerge in some policy areas (i.e. management of Community Support Framework funds) (Ioakimidis 1996, p.42, Lavdas 1997) than others (i.e. pensions) where the conflicts involved are higher and the opportunities for exchange and side-payments are limited.

The following section is divided as follows: First we briefly discuss the role of the state and political parties in shaping corporatist relationships in post-authoritarian Greece. Then we refer to some of the attempts made over time to include trade unions in economic management. In the following part we identify those factors that are expected to either facilitate or obstruct concertation in Greece. More precisely, we point to the favourable context created a. by the (relative) de-ideologisation of trade union politics as a result of a similar process, taking place in the parliamentary arena and b. the impact of European Integration on traditional ways of policy-making and policy implementation. As far as the obstructing factors are concerned these have

1 These terms are borrowed from Ioakimidis (1996, p.34).
to do with the extremely low degree of union integration in the economy ¹ and by consequence the lack of those networks that could foster modernisation and facilitate political exchange.


The first efforts to introduce a "participatory model of political modernisation" (Kioukias 1997, p.308) in Greece undertaken by the Centre Union government during the 1960s gave place to the repressive practices of the seven-year dictatorship. Developments in Greece in the years following the return to democracy were conditioned by the long tradition of exclusionary politics. The long period of selective inclusion of the masses to the political game had placed state-society relations under heavy strains. This was the point when the expectations that had been building since World War II had to be cashed ². To prevent social conflict political élites chose to deal with it bureaucratically (Wiarda 1989, pp.43-51) and to establish a new social order of controlled participation. Thus, the changes were introduced in a fashion that aimed at a compromise of the status quo ante with what lay ahead, that is by introducing new elements that did not entail revolutionary transformations as far as the basic power structure of the state is concerned.

There are two important points that have to be underlined here: First, labour organisations failed to claim a role for themselves in the shaping of the new polity which remained the prerogative of the political parties ³. Second, in contrast to other Southern-European countries where state-corporatist arrangements gave way to pluralism (the phase that precedes the passage to societal corporatism according to Schmitter), in Greece the union movement remained united in a single peak union, which facilitated the perpetuation of state-corporatism but also intensified political antagonisms and lay the union movement open to party-related conflicts. Controlled modernisation from above between 1974 and 1981 undertaken once more by right-wing governments did not preclude a party-sponsored syndicalism (we could say that this was one of the side-effects of liberal climate promoted by the right-wing government at the time) which was promoted by the opposition and more precisely the newly established Panhellenic Socialist Movement (PASOK) and included trade unions, farmers' movements and local government movements. Demonstrations and strikes became the standard form of protest against what then appeared as a non-participatory social order (Kioukas 1997, pp.308-309).

¹ Siarrof defines integration as "a long-term co-operative pattern of shared economic management involving the social partners and existing at various levels such as plant-level management, sectoral wage bargaining and joint shaping of national policies in competitiveness-related matters (education, social policy etc.)". According to the author, integration is not conditional on neither structural (i.e. level of unionisation) or contextual factors (i.e. the political role of social democracy). However, some of the indicators used to measure integration can be shaped by these factors (i.e. social democracy should affect the indicators falling under the name 'overall policy-making patterns' meant as generalised exchange) (1999, p.189).

² Let's not forget that from 1940 to 1974 Greece had been through a World War (1940-1944), a civil war (1945-1949), a dictatorship (1967-1974), and at the same time had to observe the delicate balances of the Cold War.

³ According to Zambarloukos, these developments can be attributed to the following factors: a. the weakness of labour at the time of the transition to democracy b. the short period of the transition, c. the absence of pluralist tradition of representation and d. the role played by the communists, who were committed to a united labour movement. In contrast to what happened in other Southern European countries during the same period changes within the corporatist institutions underwent a gradual transformation. (1993, pp.127-135).
During PASOK's first two years in government state corporatism gave way to what Tsoukalas calls 'the politics of controlled corporatisation' (Tsoukalas, 1986, p.32) as it is reflected in the basic piece of legislation on union organisation, Law 1264/82. Initial euphoria following these developments soon turned into widespread disappointment as the effort for the re-organisation of the trade union movement gave way to political conflict. The limits of PASOK's effort to corporatise labour in the 1980s became clear in 1985 when the government announced its stabilisation programme which created a crisis within GSEE and revealed the conflicts created by ideological polarisation. This was a moment when union leadership had to reconsider its allegiance to the political parties and re-claim its role as representative of labour.

We may say that at the end of the 1980s and the beginning of the 1990s Greece appeared to be experiencing the pluralist phase that could be a transition phase to societal corporatism. Given the organisational structures of Greek trade unions (the monopolistic position of GSEE and the obstacles and costs involved in setting-up up a new federation) pluralist tendencies were expressed within the same organisation at the sub-group level but this time they were less related to the political parties and more specifically to PASOK. For Kioukias the period following the austerity programme is a period of pluralist-clientelist politics:

"... the socialist party became increasingly less effective as the co-ordinator and supervisor of the socialist design...preoccupied as it was with delivering particular benefits to particular mass followings, it ceased to produce ideology...As political controls relaxed and supervisory tasks were increasingly neglected, the corporatist system could no longer function properly and the vacuum thus created left room for independent initiatives on the part of group leaders... corporatism was also damaged by the fact that quite a few interests gradually became independent of the parties" (Kioukias 1997, pp.310-311).

This observation directly questions those approaches that privilege the role of the state over the agency of labour. We should not forget that by fostering the creation of workers' organisations the state necessarily delegates (albeit under heavy constraints) certain functions to workers organisations. Literature on principal-agent relationships tells us that agents are expected to act according to the principals' preferences (i.e. a change in principal preferences implies a change in the agent’s behaviour) but very often within a given (and rather rigid, change-immune) institutional setting agents use their powers to pursue their own goals (shirking) or are constrained, due to perverse incentives to act against the agents' preferences (slippage) acting either in their field of competence or expanding their activity to new fields. In other words, without rejecting the effect of legacies of the past, changes in the system of interest intermediation should not be expected to occur just as a result of changes in the form of the state (as implied in Schmitter) for this implies a rejection of the trade unions' capacity (or rather willingness) to make claims for their autonomy of action but most importantly on their capacity to claim a role for themselves in the policy making process (either on 'traditional' issues but especially on new ones).

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1 Seven members of PASKE defied the decisions taken by the government and left the governing board of GSEE and later on they were expelled from the party.

2 This was for example the case of Italy in 1948, Spain and Portugal in the years following the transition to democracy.

3 This was especially the case with some trade unions that enjoyed privileged access to the economic system (i.e. public sector, utilities). Referring to the same phenomenon, other scholars have used the term 'syntechniasmos'. The term is used to refer to the guild mentality and the particularistic expressed by certain professional categories of both the public and the private sectors (i.e. doctors, lawyers). See for example: P. Kazakos (1991) and Mavrogordatos (2001).

4 For a brief review on literature on the subject, see Mark A. Pollack (1998).
In the years following the restoration of democracy corporatism was expected to emerge as an essential component of the new regime. By the end of the 1980s corporatism should emerge due to the developments in the political arena, which called for new policy making mechanisms. According to Offe (1981), corporatism is the result of two factors; first, the increasing need for the de-politicisation of conflict resulting from the transformation of class parties into mass integration parties (and the ensuing increase of demands made on them) and second, the failure of the techniques that the government can use to control certain elements in society such as the application of selective incentives that are expected to modify courses of action 1, which in the case of Greece took the form of an étatist solution of economic problems and clientelist arrangements. The particular characteristics of PASOK as a catch-all party and the results of its economic policies have been recorded elsewhere 2. What we have to add here is that the political crisis (three consecutive elections in roughly two years) and the economic malaise of the end of the 1980s called for a reconsideration of politics and policy-making mechanisms in post-authoritarian Greece.

b. Favourable contexts. The 1990s: Whither concertation?

In the previous paragraphs we have referred to those factors that have affected developments in the system of state-interest group relations in Greece since World War II by paying particular attention to the period following the restoration of democracy in 1974 to the end of the 1980s. Scholars writing in the 1990s have produced more elaborate analyses of state-interest group relationships 3. Central to their analysis is the idea that state corporatism is being challenged by developments taking place both in the political and economic arenas.

At the beginning of the 1990s all the ‘ingredients’ traditionally linked to the emergence of concertation were there: Centralised organisations, a democratic regime (Schmitter), a political crisis resulting from the overload of demands channelled to the political system and serious problems in the economy resulting from the way such demands had been handled in the past (Offe, 1981). The subsequent need for economic modernisation implied a reduced role for the state and therefore increased the demand for consensus-building mechanisms (Cawson 1985, p.225). It is under these conditions and at ‘formative moments’ like this, that concertation is usually expected to flourish 4. Why didn’t this happen in Greece?

In the years from 1990 to 1993 the failure of concertation could be somehow justified on the basis of ideology. It is true that as far as GSEE is concerned, political scandals provided an additional reason for review of the PASKE-led leadership’s links to PASOK, which had been

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1 This very much resembles the situation in Italy especially at the end of the 1960s and the beginning of the 1990s, for example. In both cases developments in the party system (the increasing internal conflicts in the government coalition during 1960s in the first case and the political crisis following ‘tangentopoli’ in the second) were paired with increasing difficulties in the management of the economy resulting from a growth strategy based on an individualistic model of building consensus what Amato names ‘governo spantorio’, (Amato, 1976). Labour in both cases was able to claim a role as a ‘soggetto politico’ and enter into negotiation with the government. See also: Boulgaris (1990, p.94), Pizzorno (1981) and C. Offe (1981).


3 See for example Alexandropoulos (1990) and Kioukias (1994, 1997)

4 This is the case of the Netherlands in 1982 and Italy at the beginning of the 1990s. ‘Innovative corporatism’ is the term used to refer to corporatism emerging under these circumstances which is paralleled to a paradigmatic change. J. Visser and A. Hemerijck (1997, p.73).
changing since the announcement of PASOK’s austerity programme in 1985. This development, notwithstanding, conflict emerging from the interaction of a right-wing government with the unions could not be avoided. Indeed, a pro-labour government is very often seen as a necessary pre-condition for the establishment of consensus-building mechanisms (Regini, 1995, p.34). Concertation during the ND term in government was impossible to achieve.

That ideology-based explanations are probably a mask to other factors can be shown by difficulties faced by the PASOK governments in establishing social dialogue during the 1990s. Social dialogue was one of the main points in PASOK’s campaign for the 1993 elections. The PASOK government that was elected in 1993 had to face a series of challenges which were mainly related to the country’s participation in EMU. EU membership has very often been pictured as an important factor of change in domestic politics. Although the problems faced by the Greek government in complying with the Maastricht criteria as well as the range of available solutions are similar to those available in other European countries, the actual choice of instruments could only entail gradual changes with regard to the institutional history of the country, the pre-existing policy-making patterns and values of political action.

In fact the PASOK government had to face an extremely complex situation: In order to satisfy the EMU criteria, PASOK essentially had to redraw the boundaries of state intervention in the economy that itself had extended at the beginning of the 1980s and unsuccessfully tried to contract by introducing 1985-1986 austerity programme. This time, however, there were three factors that placed the government in a more favourable situation: First, the bitter experience of neo-liberalism à la grecque during 1990-1992. Second, the pro-European of the political elites and the willingness to participate in EMU and the ensuing commitment to design and implement policies on the basis of long-term planning which reduced insecurity and increased the governments’ credibility. Finally, once again, the ideological orientations of the governing party and union leadership coincided and therefore agreement on what was advertised as a new social contract would be easier to achieve. This time possible conflicts developing between the two sides would not be resolved by using practices of the past (i.e. appointing new leadership, forcing out dissidents) but through social dialogue.

The usefulness of each one of these arguments, however, is subject to certain limitations: First, the measures taken during the conservatives’ term in government have very often been pictured as a Greek version of Thatcherist neo-liberalism. Although it is beyond the scope of this paper to provide a detailed comparison of the economic policies followed by PASOK and ND during the 1990s, one has to keep in mind that what may appear as neo-liberalism under a conservative government may be a Nixon-goes-to-China argument for a centre-left government, which however is not reliable in the long-term. During the 1990s the centre-left under the pressure of strong external constraints, has had to pursue macroeconomic policies that were similar to the monetarist ideas advocated by the right which were politically sustainable as long as the supply-side policies advocated by the centre-left could be presented as a viable alternative. During the 1990s, however, these supply-side policies increasingly failed to produce the expected outcomes, driving the centre-left to ‘a rather unpleasant cul de sac’ (Notermans 1998, pp.18-19).

1 See also S.Zambaloukos (1998).
Second, despite its positive effects in terms of increased pressures for long-term policy planning, Europeanisation and EMU are not a passe-partout for economic modernisation. Given that Europeanisation affects some policy areas more than others (i.e. those related directly to the internal market) governments should find it easier to use Europe as an external pressure in order to reduce state subsidies, for example, than reduce welfare spending (EU has limited competencies in the traditional areas of social policy). In fact, in the case where European policies do not set down specific institutional requirements, Europeanisation can influence domestic policy-making only by altering the perceptions of the political actors (Knill 2001, p.221). Therefore, even if Europe provided the initial impetus for change much of the outcome still depended on the particular actor and problem constellations in any given policy area, which mediated and possibly limited the influence of Europeanisation.

Finally, as far as the ideological affinity between the PASOK governments and the trade union leadership is concerned, it is true that to a certain degree this provides a starting point for the convergence of perceptions that we referred to previously provided that ideological conflicts within the GSEE are overcome and that both the government and the labour actively support a consensual way of decision-making. However, the pressures emanating from EMU and the links established between PASOK and GSEE led to an extremely complex situation: On the one hand, for the government social dialogue implied concessions that could put convergence programmes under serious risks. Unilateral action, on the other hand, impinged on issues of party cohesion (unions prevail upon party factions) and raised electoral concerns.

As in the past, however, a shift to this type of policy-making could not be immediate. Favourable contextual factors are necessary but not sufficient conditions for the emergence of corporatist policy-making practices. As we claim in the following paragraphs, behavioural patterns developed from the interaction of social partners in the economic sphere can also play a significant role as they help create those networks that facilitate policy change. In the 1990s traditional interaction patterns had to change under the pressure of a changed context and such a change could not be instant.

c. Integration in economic management and behavioural patterns.

In an ideal-type corporatist polity social partners are expected to be actively involved in policy-making and implementation which in turn helps create those consensus-based behavioural patterns that sustain corporatist arrangements usually observed among the members of a policy community¹. Frequent interaction among interest groups leads to a convergence of views about the causes and the possible solutions of the problems (i.e. policy-oriented learning) and helps them “redefine the content of their self-interested strategies in a public-regarding way… ‘Public-regarding’ behaviour relies on mutual trust, a notion of duty and a sense of fairness” (Visser and Hemerijk, 1997, p.68).

In fact the notions of ‘trust’ and ‘credible commitments’ have received special attention in the corporatist literature in relation to the logic of action underlying corporatist arrangements, namely the logic of political exchange. Political exchange (scambio politico) is the concept that was developed by Italian scholars at the end of the 1970s to describe the situation where “an actor who has goods to distribute (i.e. the government) is ready to trade them in exchange for social consensus with an actor who is able to provide or withdraw this consensus (by disrupting public order) (Pizzorno 1977,p.169). Political exchange is inherently unequal. Whereas the

¹ Policy communities are associated with frequent interaction of all groups on issues pertaining to a specific policy area. All participants share basic values and accept the legitimacy of outcomes (Marsh, 1998, p.16).
concessions made by the interest organisations have immediate effects for the government, the benefits the organisations receive (i.e. growth, employment) can only materialise in the long run. It follows that for an exchange of this kind the level of trust between the partners has to be high, the government has to be credible and the union leadership has to be prepared to assume the responsibilities resulting from its role as a co-signatory in this process (Regini 1995, p.28).

The trust involved in political exchange does not appear overnight. As said, it is the result of ongoing interaction either at the policy-making stage or at the policy implementation stages. Ongoing interaction also provides the conditions for the convergence of beliefs and perceptions¹ (what is usually referred to as learning) preceding political exchange, which has not been fostered through institutionalised macro-corporatist interaction exclusively (Regini 1997, pp. 259-278, Grote and Schmitter 1999). Therefore, to be able to explain the limited success of social dialogue in Greece during the 1990s first we have to see to what extend interest groups have been effectively (i.e. not symbolically) integrated in economic management and second, identify those specific behavioural patterns developed among the state and the social parties over time, which of course are not independent of the contextual factors we referred to in the previous section.

Legislation has traditionally played a central role in Greek industrial relations. From 1955 to 1990 collective bargaining was regulated by Law 3239 that laid down an extremely inflexible framework of centralised collective bargaining. However, as Ioannou argues, in Greek industrial relations the main concern is not only at what level (company, industry etc.) collective bargaining takes place but rather "whether industrial relations, pay and conditions of work, are regulated by collective bargaining or other methods of wage and employment determination" (Ioannou, 2000, p. 97) ². In fact, the main feature of Greek industrial relations for the period from 1955 to 1990 was the regulation of collective bargaining by state arbitration which essentially meant that collective agreements were modified to fit the governments' income policies.

The behavioural patterns resulting from the exceptionally low institutionalisation of free collective bargaining in combination with the politicisation of industrial relations have led to the institutionalisation of an authoritarian policy style ³ for the government and highly aggressive bargaining behaviour that paired with the governments' 'credibility deficit' (Kolintzas 2000, pp.50-62, Featherstone and Tinios) very often brings forward unrealistic demands, what Kioukias (1994, p.72) calls "irresponsible individualism", that is, the tendency to act in a selfish way, independently of reason or the public interest which holds a central position in any conflict situation in Greece. Mass demonstrations that posed a threat to public order and the national economy were a strong weapon in the unions' repertoire in the years from 1975 to 1988. In the 1990s strike activity reached its highest level in 1990 (still lower than the one observed in the

¹ See also H. Compston (2002, p.359).
² A law passed in 1990 (Law 1876/90) established four types of collective agreements: the National General Collective Agreement signed by GSEE and employers' organisations, industry or branch collective agreements, company-level collective agreements and occupational (national or local) collective agreements.
³ Policy style can be defined as a governments’ ‘characteristic and durable method for dealing with public issues” G.P. Freeman (1985), pp.467-496. J. Richardson et al. provide a more elaborate definition along two dimensions: the government’s approach to problem solving (anticipatory-reactive) and the relationship between government and other actors in the policy process (consensus, imposition) (1982, p.13). On the basis of what we have said so far about the logic of political exchange, it is obvious that it corresponds to a consensual policy style. As far as imposition is concerned, we could say that it is underpinned by a logic whereby effective problem solving must depend on the concentration of power in the hands of a small number of (elected) people exercising foresight and judgement not possessed by others (Adapted from A.Shonfield (1965), p.71-72).
period 1975-1988) and has been declining ever since 1. This pattern can be associated to the improvement of economic indicators during the 1990s but it also denotes a transformation of behavioural patterns.

Arguments about the effects of politicisation on trade unions in Greece, once again miss an important element, namely the interest of participating organisations in shaping such policies. It is true that given its minority position in tripartite bodies or advisory committees, labour representatives could only make a limited contribution. It is equally true, however, that enhancing the participation in these bodies has not been among the interests of the unions until very recently. Furthermore, participation is very often based on political affiliation only, which presents a risk to the continuity of the positions taken by labour each time. In addition, union representatives very often lack the necessary technical knowledge related to a given policy area (Kouzis 1997, pp.119-121).

Conclusion

As mentioned in the introduction the aim of this paper was to outline the main characteristics of state-interest group relations in Greece as they have been presented in national and international corporatist literature. The central argument throughout this chapter was that the macro-systemic, structural-organisational focus of the existing literature is rather limited and static. Both disadvantages stem from the fact that issues of policy-making (i.e. limited reference to concertation) have not been addressed extensively mainly because new policy making patterns emerged as late as the 1990s. It follows that if until the 1990s Greece could be characterised as a case of disjoined corporatism (i.e. corporatism without concertation), the change in the modes of policy making participation since then call for new analytical terms that can best reflect these developments.

Staying at the macro-level and using Schmitter’s distinction between corporatism and concertation and confirming some aspects of the existing approaches to the Greek case we have maintained the notion of ‘state corporatism’ with reference to the interest group organisation issues. When it comes to policy-making, however, we have summarised these developments with the terms ‘autarchic’ and ‘asynchronic’ concertation, the emphasis being on the former and the historically defined patterns of interaction. The persistence of conflict (as opposed to consensual patterns of policy making) has been explained with reference to the tradition of state and party intervention in union issues and the low integration of the latter in economic management. Using what is essentially a historical-institutionalist argument we have argued that actors will tend to stick to their behavioural patterns despite changes in contextual factors usually linked to the emergence of societal forms of corporatism.

In addition, particular emphasis was placed on two factors that could help reduce conflict and promote consensus-seeking mechanisms of policy-making: the process of Europeanisation and the role of groups of experts. As argued, Europeanisation is expected to affect the policy making process in an indirect way. On the other hand, independent bodies that could help

1 See for example: Ch. Ioannou: (1999, 2000, p.284). Strike activity reached a peak during the ND government’s first year in term and has been steadily declining since PASOK’s return in government in 1993.
alleviate conflict are either too weak or do not appear as impartial in order to acquire the status of policy brokers.

So far, nothing has been said on the asynchronic nature of concertation. As mentioned above, new patterns of policy making did emerge during the 1990s. At the same time when certain authors talked about the ‘demise of corporatism in Greece’ (Zambarloukos, 1993) others pointed to new patterns of co-operation emerging with relation to incomes policies (end of compulsory arbitration, two-year collective agreements reached between GSEE and employers’ organisations for most part of the 1990s), Community Structural funds (Lavdas, 1997, p.232), the founding of new bi-partite and tripartite institutions (Ioannou 2000b, p.221), the signing of a Pact of Confidence in 1997 by GSEE, the federation of Greek industries (SEB) and the National Federation of Greek Commerce (ESEE) and employment (i.e. the drafting of the National Action Plans on employment, the creation of LAEK, a bipartite fund to support employment and vocational training, Ioannou 2000b, p.227).

It is because of the asynchronic nature that we suggest that a new approach to state-interest group interaction should be taken which relates existing structures and behavioural patterns and the characteristics of specific policy areas. As Lavdas (1997, p.250) has shown, the relative weight of some of the macro-systemic factors referred to so far (Europeanisation, behavioural patterns) changes according to the type of policy concerned. It is for this reason that we suggest a shift from macro-theoretical approaches and definitions such as those offered in the corporatist literature to the interaction developing around specific issues. Policy change can be viewed as a process of learning which is affected by both system-wide factors and policy-specific elements. Only by analysing the interactions of those two groups of variables may we be able to explain why concertation succeeds or fails.
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