

The Europeanization of Greece:

An Overall Assessment

By

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THE CONCEPT OF EUROPEANIZATION

The aim of this article is to examine the processes of Europeanization in Greece. As Featherstone has pointed out: 'Europeanization is a term that can be stretched in different directions at the cost of some debasing of its meaning' (Featherstone 1999: 1). Europeanization is seen as the process that is transforming the political systems of the EU member states and beyond, namely the political systems of the states aspiring to accede to the EU in eastern Europe.¹ Europeanization as a process describes the impact of EU membership or prospective membership (Friiss and Murphy 1999) upon political systems, society and economy in general. Ladrech, who has promoted the wide circulation of the term in academic discourse, sees Europeanization 'as an incremental process reorienting the direction and shape of politics to the degree that EC political and economic dynamics become part of the organizational logic of national politics and policy-making' (Ladrech 1994: 69). Europeanization is a process of 'internalization of environmental inputs' by the political and societal systems of EU member states, and, as such, it entails a steady redefinition of functions, relationships, boundaries, values and cultural traits, regulatory patterns that shape the internal dynamics of the political system. It involves the redefinition of boundaries between the state and society as well as of relationships within state structures and within society.

The position is, however, that Europeanization is experienced differently by member states depending on factors such as the specific state formation, the patterns of policy-making, the political culture, but also the balance of power between state and society on the one hand and national and subnational units on the other. It depends also on the expectations, significance and functional role a given member state accords to the European integration process and the EU in particular.

Thus, it is one thing, for instance, to view the EU as a framework for projecting an international role (i.e. Britain) or maximizing a position of power (i.e. France), and entirely another to regard the EU as an external power source and stimulus for advancing economic, social and political modernization, as in the case of Greece. In the latter case, there is a predetermined tendency on the part of the political elites of the member state to transplant into their political system the logic, norms, patterns of behaviour and regulation, even the culture, associated with European integration. This is because they tend to see all these elements as integral components of the modernization process. The case of Greece conforms precisely to this model.

More generally, it has been suggested that Europeanization penetrates more deeply the unitary, statist political systems, rather than the federally, decentralized structured ones. As Schmidt argues (1999: 2): 'the EU's quasi-federal institutional structures have had a greater

impact on member states with unitary institutional structures, by altering the traditional balance of powers among branches and levels of government, than to those with federal institutional structures, where the traditional balance of powers has been largely maintained'.

Europeanization can therefore be conceptualized into two basic types:

(1) responsive Europeanization, and (2) intended Europeanization. Responsive Europeanization refers to cases where no or little conscious effort is being made by the political actors to introduce into the political system the logic, norms and dynamics of the EU. Europeanization in these cases comes somehow spontaneously, as a response to the pressures and penetrative impact of European integration upon the political system. Europeanization does not, in other words, form a substitute for modernization and change and is not projected as such by the political actors. Europeanization results from the interactive osmosis between the national political system, institutions and various elites (political, administrative) on the one hand and the EU system and processes on the other. Europeanization does not represent an alternative model for the organization and functional arrangement of the political system; nor does it offer a source of legitimization for political, social and economic change. Responsive Europeanization is in a sense a political process, in so far as it is not being embraced by political actors and is not embedded into a political and ideological design for political change.

The case of intended Europeanization is clearly different. As already said, intended Europeanization stands for modernization. That is, there is a strong intention and thus a purposefully framed scheme by the political actors to transfer into their political systems the logic, dynamics, organizational traits, behavioural and regulatory patterns associated with European integration (governance patterns). This is because they aim at transforming their systems by making them 'modern' which (to them) means 'European'. As a result, in addition to responsive Europeanization, which operates practically in all EU member states and beyond, there is the purposeful action by the political elites to copy the European model (intended Europeanization). Consequently, Europeanization becomes a political or even an ideological programme for change, a slogan for political reform.

These characteristics indicate the very political nature of the process of intended Europeanization for the countries concerned. It must be clear that, in contrast to responsive Europeanization, intended Europeanization is much broader in the scope of its implications in terms both of its territorial and thematic penetration.

The cases of Greece, Spain and Portugal, as well as those of eastern European countries seeking EU membership, seem to conform to the model of intended Europeanization. Indeed, the so-called 'Copenhagen Criteria' for accession can be seen as a well-prepared programme for the Europeanization of these countries, imposing upon them a model of governance reflecting the values, norms and principles upon which the EU system and those of its member states are constructed (Friiss and Murphy 1999: 218-19).

Placed in a wider context, the study of the Europeanization process raises inevitably the question of the relationship between the EU on the one hand and the nation-state, society and subnational units, like the regions, on the other. Space does not permit a detailed examination of the subject here. The present research, however, clearly supports the thesis that Europeanization works towards the direction of weakening the relative power, role, control and autonomy of the central state institutions, while at the same time strengthening the power and autonomy of the subnational units, actors and society as a whole. The strengthening

includes also the ability of those units to form networks through which they participate, alongside state institutions (government administration) in the process of policy formation at a European-wide level. In other words, Europeanization seems to lead to what has been termed the model of 'multi-level governance', according to which 'decision making competencies are shared by actors at different levels rather than monopolized by state executives' (Jorgensen 1997).

THE EUROPEANIZATION OF GREECE

Greece acceded to the EC in 1981, after being an associate member for almost 20 years, since 1961, the year in which the (first) association agreement ('Athens agreement') between Greece and the EC was signed. Although the association agreement never functioned properly, Greece opted in 1975, a year after the collapse of the seven-year dictatorship, for full membership. The application for accession was filed by Constantine Karamanlis, the then Prime Minister, who saw EC membership as the paramount factor for achieving political stability, consolidating democracy, strengthening external security, as well as securing the conditions (financial resources, large market, etc.) for the modernization of the Greek socioeconomic system (Tsoukalis 1979).

Modernization was interpreted, of course, to mean 'westernization', or more precisely 'Europeanization'. However, at the time when Greece was seeking to join the EU, the effort did not enjoy widespread support among Greek political elites. Greece's drive to join the EC was supported by the conservative New Democracy party and small centre groups and the Eurocommunists, but was fiercely opposed by the rising political force in Greek politics, PASOK (the Panhellenic Socialist Movement) and the orthodox Communist party, KKE. Nevertheless, Greece succeeded in concluding the accession negotiations in 1979 and thus adhered to the EU as a full, institutional member in January 1981, before, that is, the advent of PASOK to power in October 1981. Once in power, however, PASOK came to gradually accept the EC, as it evolved into the EU, as the underlying framework for the modernization and Europeanization of Greece. So, by the early 1990s, all Greek political forces, save the KKE, had emerged as keen supporters of Greece's membership of the EU and ardent advocates of deeper integration along federal lines (Tsalicoglou 1995; Ioakimidis 1998).

To understand the Greek stance towards the EU, however, as well as the process of Europeanization, it is imperative to take into consideration the salient features of the Greek state and social formations. One of the striking features of the state morphology at the time of Greece's accession was the gigantic size of the state apparatus and the over-centralized nature of the state and political system in general. The state occupied a hegemonic position in practically every aspect of Greek society. The gigantism of the state was exemplified in (1) the over-employment in the public sector; (2) the high amount of public expenditure as a share of GNP; and (3) the extensive regulatory role performed by the state and the latter's overwhelming participation in economic activities (Tsoukalas 1986).

Over-employment in the public sector constituted one of the main traits of the state's gigantism. The number of public sector employees amounted in 1981 to 351,028 people, rising to 615,956 people in 1992, or 17 per cent of the total Greek population. This meant that one in six Greeks or one in three employed in the tertiary sector were working in the public sector. As Tsoukalas observed, 'public sector employment coveted by the overwhelming majority of the Greek population dominated the labor market' (Tsoukalas 1981: 36). The clientelistic nature of Greek politics was an important factor for swelling employment in the public sector.

The level of public expenditure reflected also the gigantism of the Greek state. Total public expenditure amounted in 1981 to 49.6 per cent of Greek GDP, much higher than the EU average, while public debt rose from 17.6 per cent of GDP in 1970 to 28.3 per cent in 1981, and 112 per cent in 1986. The huge public deficits incurred by the steadily expanding activities of the Greek state were described as 'the blight of the Greek economy' (Agapitos 1996).

The state's extensive regulatory role over the economy constituted a further strong expression of state gigantism with particular importance for the country's position in the integration process. According to all indicators in almost all sectors, the Greek state was considered to have developed a powerful role in the economy. In the areas of production (regulation for product production) and the labour market, Greece was viewed as the most tightly regulated country in the EU. The regulatory rules imprinted in tens of opaque bureaucratic provisions, laws or texts, governed the allocation of state subsidies, grants and aids in every form (to business, exports, economic activities, transfers, etc.). Hence, a study published in 1993 located the existence of six different categories of (state) grants given directly by the state budget to state businesses, foundations, educational institutions, payments for loan forfeiture, etc. (Patsouratis 1993).

The direct state involvement in economic activities through setting up and operating (public) business and the overt or covert business control constituted for Greece a particular dimension of state regulatory role and a further facet of its gigantism. From the early 1960s until the country's entry into the EC, one of the constant and ideologically indisputable elements of economic policy had been the increasingly entrepreneurial expansion of the public sector. Irrespective of the ideological identity of governments, statism had been the main trait of all the post-war governments' economic policy. It is characteristic that even the conservative (rightist) governments were accused of following, as part of their main ideological trait, statist, paternalistic policies. Particularly after 1974 and despite the fact that Greece had submitted its application for accession to the EC, the conservative government of ND began a massive process of state expansion in the area of entrepreneurial activity with, among others, the nationalization of significant segments of the economy (Olympic Airways, Commercial Bank, etc.). Furthermore, the expansion of the entrepreneurial activity of the public sector was accomplished through the functioning of an opaque network of patron-client relations and 'dependencies'. The net effect was that at the time of Greece's entry into the EU as a full member, the state was regarded as the greatest entrepreneur and employer, controlling an unspecified number of businesses in practically all areas of economic activity.

Besides its indirect involvement in economic activity, the Greek state exercised decisive regulatory powers through the asphyxiating control of the banking system. The banking system was actually in the hands of the state, which distributed loans and other banking favours for purely political, clientelistic purposes.

Overall, the huge economic state interventions driven by clientelistic, political motives gave rise to a paternalistic, regulatory model, clearly at odds with the economic logic of the EU. It must be stressed in this respect, however, that the gigantic character of the Greek state did not mean a powerful or effective state. It was rightly described as 'a colossus with a feet of clay' in terms of its organizational and functional capabilities (Sotiropoulos 1993). Gigantism resulted from a varied set of peculiar socioeconomic conditions, the most important of which was the patron-client system operated by the political parties. It would not be, therefore, an exaggeration to suggest that the state was used by political parties as a means of distributing favours in order to maximize their electoral appeal.

The state's predominant position in the Greek socioeconomic system also manifested itself in the over-centralization of powers, functions and competencies in the state apparatus located in Athens with very little regional powers and autonomy. Athens controlled practically everything at regional level. Moreover, greater Athens was the residence of almost 45 per cent of the total Greek population and the location of almost 70 per cent of the total economic activities. Greece was rightly considered as the most centralized unitary state in Europe in the early 1980s. Coupled with the unstable regional environment within which Greece found itself, the hegemonic position of the Greek state left little room for the development of an articulate civil society in Greece.

The Europeanization process in Greece must be seen against this political background. Given the peculiar situation described, as regards state-society relations and the formation and multiple roles of the Greek state, it is not surprising that the Europeanization process seems to have had more pervasive consequences in Greece than elsewhere. More specifically, this research leads to the conclusion that Europeanization has deeply penetrated into the Greek political system and has brought about redefinitions in at least four different, but interrelated, levels (Ioakimidis 1998); regulatory, functional, territorial, and institutional.

The cumulative effect of these redefinitions has been the birth of the dynamic process for rebalancing relations between state and society in favour of the latter. The boundary between state and society has been changing as a result of EU membership in the direction of limiting the scope of the state and widening that of society. The rebalancing process results in enhancing the civil society, a phenomenon exemplified in:

- (1) loosening the state's grip on the social institutions and reinforcing the latter's autonomy;
- (2) widening existing opportunities or creating new possibilities for the participation of interest groups in the policy-making process at national and European levels;
- (3) loosening Athens' grip on the regions through a process of regional decentralization largely spurred by EU membership;
- (4) weakening the dominant position of the party system in Greek society and, as a consequence, diminishing the role of the traditional patronage system as a factor shaping state-society relationships; and
- (5) 'de-externalizing' foreign policy by broadening its scope and agenda and bringing new actors into the process of policy formulation and implementation.

Inevitably the Europeanization process, with its far-reaching consequences, has given rise to new types of political conflicts and ideological cleavages. Thus, the old ideological conflict between right and left has largely been replaced by a new pattern of conflict between the Europeanists/modernizers on the one hand and the traditionalists on the other, a conflict that cuts across political parties. The traditionalists are in a sense seeking to contain the impact of the Europeanization process (Lyrintzis et al. 1996). They tend to see Europeanization as a force threatening the country's traditional cultural identity. They therefore resist the adaptation of the political and socioeconomic systems to the logic and requirements of European integration. Albeit in diminishing numbers, the traditionalists carry considerable weight in the political process largely because they appeal to 'losers', which the Europeanization process inevitably produces. This is especially so, after the advent of Costas Simitis to power, as Prime Minister of the PASOK government in 1996. Simitis, indisputably one of the most pro-

European figures in Greek politics, upon assuming power initiated a vigorous programme for Greece's Europeanization by, among other things, seeking to achieve the so-called 'convergence criteria' for the accession of Greece to the euro. Meeting the convergence criteria (reducing public deficits to three per cent of GNP, reducing inflation, etc.) involved a radical reform of the Greek public finances and economy, something which has unavoidably created a large number of 'losers' among those who depended on the state for their economic survival.

REDEFINING THE REGULATORY REGIME

The impact of EU membership upon the state's economic role has manifested itself in two specific developments: first, it has fostered a considerable reduction in state economic activities and the gigantic size in general of the Greek state; secondly, it has altered radically the regulatory pattern of the Greek economy, from one tightly controlled by the state into one conforming with the EU's regulatory regime.

The reduction of the size of the state resulted primarily from the need imposed by the EU to curtail public expenditure as a means of trimming excessively high budget deficits. For a considerable period of time after entering the EU, Greece, under the PASOK government, pursued a wild expansionary fiscal policy in order to satisfy the pressing social demands as well as demands of its electorate. Consequently, the total volume of public expenditure increased from 30 per cent of GNP in 1980 to 42 per cent in 1985, while employment in the public sector had also expanded dramatically.

This expansionary policy was clearly at odds with the contractionary fiscal policies pursued by the rest of Europe and with the macroeconomic policy guidelines recommended by the European Commission to the EU member states. Until at least 1985, Greece simply conspicuously ignored these guidelines. The net effects of this reckless fiscal policy were uncontrollable public deficits, rapidly rising public debt and a bloated public administration with a steadily increasing number of employees in the public sector (Christodoulakis 1994). Nevertheless, because of the rapidly worsening fiscal position, Greece was forced in 1985 to seek the EU's assistance in order to face the consequences of this situation, especially in the balance of payments which exhibited huge deficits. The EU responded positively to the Greek request for assistance, but only after imposing a tough programme for economic stabilization and reforms involving, among other things, a drastic reduction in public deficits, expenditure and employment. It involved, that is, the drastic curtailment of the gigantic size of the Greek state. The EU stabilization programme of 1985 heralded the opening of the process for reversing the trend towards the steady expansion of the Greek state (Kazakos 1991: 17). Although this programme was abandoned in 1987 in the face of mounting social pressures, it contributed to raising political awareness of the need to carry out widespread economic reforms in the public sector in order to enable Greece to adapt to EU requirements and the internal logic of integration.

Without doubt, the most drastic EU intervention in the Greek economy came with the adoption of the Maastricht Treaty which set out the 'convergence criteria' along with the multilateral surveillance mechanism for supervising the economies bent on joining economic and monetary union (EMU). All these have subjected the economies of EU member states to a systematic macroeconomic discipline through the implementation of the so-called 'convergence programmes' for meeting the criteria, a discipline supervised by the European Commission.

Greece, eager to join EMU but without any real hope of doing so under the prevailing chaotic conditions in the Greek economy, submitted its convergence programme to the EU in 1993, which was then revised in 1994. The aim of the programme was to meet the convergence criteria by reducing public deficit, public debt, interest rates and achieving monetary and fiscal stability. This was in essence a programme for restructuring the Greek public sector with two key novel elements: first, the supervision of the implementation of the programme by the EU itself, and secondly, the fact that failure to implement it carried a heavy penalty, notably the exclusion of Greece from EMU, the group of states that was expected to form the hard core of policy-making in the EU.

The first task of the Simitis government in 1996 was to reduce sharply the huge budget deficit, the highest in the EU. The deficit indeed fell 12.5 per cent in 1993 to 0.9 per cent in 1999. However, curbing the public deficit involved primarily the reduction of public expenditure, the reduction of employment in the state and the termination of state financial support through state aids and subsidies to public firms and enterprises. It entailed, in other words, a radical reduction in the size of the Greek state and a thorough redefinition of the state's economic role. Indeed, this seems to have been accomplished to a significant degree by 1999. The budget deficit of 0.9 per cent was an unprecedented figure in Greek post-war history, while employment in the public sector also began to decline. The same applies to state aids and subsidies to Greek state enterprises, most of which were either privatized or closed down as heavily indebted and unprofitable. Indeed, privatization has gathered momentum in recent years as a means of rationalizing the economic role of the Greek state (Christodoulakis 1998).

In addition to spearheading the reduction in the size of the state and altering its economic role in a fundamental way, EU membership brought about a complete overhaul in the regulatory regime governing the private economy in Greece. Prior to EU accession, the Greek economy was tightly controlled by the state through a plethora of legal and bureaucratic regulations, which left little room, if any at all, for competition and unhindered economic activity. Moreover, as noted, the state had in its hand, almost in its entirety, the banking system and thus it was in a position to determine the distribution of loans and financial favours on purely political grounds, flagrantly ignoring economic logic.

EU membership gradually led to the complete liberalization of the banking system. New private banks were set up while, by applying the second EU banking directive, an increasing number of European and foreign banks began to establish branches in Greece. Furthermore, the state was forced to introduce EU legislation aiming at securing transparency in the transactions between the state and public enterprises. This, coupled with the introduction into the Greek economy of the plethora of EU directives underpinning the internal single market, directives designed to establish a competitive regulatory regime for the whole of the European economy, the liberalization of the banking system and the general reduction of the economic role of the state, resulted in shaping a new competitive regulatory regime for the Greek economy congruent with that of the wider European economy and the single market.

REDEFINING STATE FUNCTIONS AND COMPETENCIES

According to established theories of European integration, EU membership involves first and foremost a transfer of competencies and functions from the state level to the central EU level. The transfer is presumed to be always upwards, one-directional, from the state to the EU. The parallel hypothesis is that because of this upward transfer of competencies and functions the state is steadily and irreversibly losing powers and stripped of its functions.

The Greek case reveals, however, that EU membership could involve not only an upward transfer of functions or a surrender of competencies to Brussels, but also a downward flow of competencies from the EU (i.e. to an individual state). This is because the EU could develop policies on the basis of legal competencies acquired by a process which does not necessarily involve subtraction of competencies from a given state or simultaneously from all member states. When the EU acquires, through the intergovernmental conferences for the revision or expansion of the Treaties, new competencies in policy areas, this by no means implies that the competence in question is taken away from all member states. For it is possible that a given individual state might not have developed or exercised at all a specific competence. The case of environmental policy is a very characteristic example. The EU constitutionally assumed this competence in 1987 through the Single European Act as a concurrent power, a power shared between the EU and the state. Greece had not, however, by that time developed any coherent environmental policy and so there was very little, if anything, at the state level to be transferred to Brussels (Kazakos 1999b).

Environmental policy is not the only example as far as Greece is concerned. Indeed, empirical research suggests that, because of EU membership, the Greek state, while forced to abandon a host of economic functions and activities, was at the same time led by the EU's impact and dynamics to assume new functions and develop policies that otherwise it might not have developed at all. The EU, in other words, imposed upon the Greek state an array of new competencies and new functions.

More specifically, research suggests (Ioakimidis 1998: 85-128) that the Greek state developed at least six new policy functions as a direct response to the need to adjust its performance to the EU's policy *acquis*.

These policies were:

- structural policy
- policy for vocational training
- policy for the protection of the environment
- policy for research and technology
- consumer protection policy
- policy for cross border cooperation.

The Greek state had, of course, before its accession to the EU, pursued certain incoherent activities in the above policy areas. But these activities could hardly be described as 'policies' in any meaningful sense. Indeed, my own research suggests that without the impact of the EU, the Greek state would not have gone so far as to shape coherent policies, as it did, probably in all six areas mentioned and certainly not in some of them (border cooperation, consumer protection, vocational training). The Greek experience therefore indicates a downward flow of policy competencies, from the EU to the state. The state is forced in certain cases to assume functions and to shape policies, choices and performance which it would not have assumed in the absence of the EU's impact. This can be seen as the Europeanization of the policy mix performed by the state, Europeanization that springs from the interactive policy exchanges between the EU and the member states on one hand, and an individual member state on the other.

TERRITORIAL REDEFINITION OF POWERS

Given the over-centralized character of the Greek state and political system in general prior to Greece's EU membership, it is not surprising to discover that the territorial impact of the Europeanization process has been considerable in the Greek case. Indeed, it would not be an exaggeration to say that EU membership has been the factor that contributed to altering fundamentally the territorial distribution of political power, political activities, choices and resources (Ioakimidis 1996; Verney and Papageorgiou 1993).

The most important component of the EU's integration process that has affected the redefinition of power relationships between the Greek centre and the periphery has been the structural and cohesion policy which was inaugurated by the EU in 1985 with the adoption of the so-called 'Integrated Mediterranean Programmes' (IMPs) and culminated in 1988 in the new structural policy (the Delors package). As in other member states covered by the structural policy (Hooghe 1996), the implementation of the cohesion and structural policy in Greece has generated the dynamics and conditions for introducing a systematic policy of regional decentralization and reinforcing the powers and autonomy of the regions.

The basic principles of the new structural policy, and especially those of 'programming' and 'partnership' stipulating the active involvement of the regions in all stages of policy-making and policy-implementation, have compelled the Greek state and the governing political elites to cede considerable chunks of power, resources and autonomy to the regions, so as to make possible the implementation of the EU's structural and cohesion policy. Admittedly, the PASOK government which took office in October 1981 had projected as one of its main programmatic objectives 'the radical decentralization of the over-centralized Greek state'. However it is widely held that decentralization would have remained either an empty promise or, at best, it would not have gone as far as it did, if it had not been for the impact primarily of the EU's structural policy (Ioakimidis 1996a; Verney and Papageorgiou 1993; Christopoulos 1999).

Thus, although the first legislative measures for promoting regional decentralization were adopted in 1982 with the setting-up (on paper) of the so-called 'prefecture councils', it was not until 1986 that a set of far-reaching reforms was introduced. Included in these reforms were the division of the country into 13 administrative regions (in order to 'facilitate the planning, elaboration and coordination of policies for regional development') and the establishment of the second level of local administration (i.e. the provision for electing the heads of the nomos (prefects) instead of appointing them by the government of the day).

These reforms were followed in 1994 by a new package of measures which completed the required institutional framework and structures for the operation of the second degree of regional administration. In October 1994 the first elections at the level of nomarchies (prefectures) were held. The first elected nomarchs (prefects) took office in January 1995. This marked a decisive step in Greece's political organization. The regional reforms were extended in 1997 through the adoption of the so-called 'Kapodistrias plan'. This plan sought to confront the problem of widespread fragmentation in the local administration system comprising as it did no fewer than 363 demoi (municipalities) and 5,550 koinotites (communities), by promoting their amalgamation into a smaller number of units. In spite of some original hostile reactions, the 'Kapodistrias reforms' were eventually carried out, thereby leading to the rationalization of the regional administrative system.

Although, as noted, all these reforms towards a more decentralized political system were carried out by the PASOK governments, as part of their programmatic policy, most, if not all of them, were introduced as a response to the requirements and impact of EU membership. The 1986 reforms came about after Greece had discovered that it was not in a position to implement the IMPs because it lacked the decentralized regional structures required by the EU as partners in the execution of the structural policy. Hence, the division of Greece into 13 regions (peripheries) occurred with a considerable degree of autonomy and resources as the basic administrative units for developmental purposes. The implementation of the new structural policy (the Delors packages of 1988 and 1993) was effected through the Community Support Frameworks (CSFs) which contained two basic parts, one with developmental priorities of a national dimension (big infrastructure projects) and one composed of 13 regional development programmes specifically tailored to the regions' developmental needs and priorities. These programmes evolved into the most important instruments for the economic invigoration of the regions, thus contributing immensely to the implementation of decentralization and regional autonomy.

But besides the reforms designed and carried out by the governing elites as a response to the EU pressures, EU membership has contributed in a more direct way to enhancing regional power, autonomy and sense of identity. Thus, because of the EU structural policies, the Greek regions have gained financial resources, access to policy making at national and supranational levels, communication channels with the organs of the EU and their counterparts in other member states, networks of influence, and exchange of experiences (Ioakimidis 1996a).

More importantly perhaps, the regions' involvement in the process of framing and implementing the CSFs has altered profoundly their policy agenda. While prior to the arrival of the EU structural policy and financial resources, regional authorities used to deal almost exclusively with a limited range of issues (waste collection, street cleaning, etc.), the implementation of structural policy through the CSFs has forced them to confront wider developmental issues and choices. On the other hand, the setting-up of the Committee of the Regions by the Treaty on EU provided the institutional forum at the EU level for the regions to air their views and build alliances with their counterparts in other member states.

On the whole, the Europeanization process has indeed had a substantial impact on the territorial distribution of power by shifting the balance in favour of the regions. In a unitary, over-centralized state like that of Greece, the territorial transformation in the balance of political power, resources and relationships represents an important move towards the democratization of the political process.

EUROPEANIZATION AND THE INSTITUTIONS

The effects of the Europeanization process on the institutional structures of an individual political system is one of the most contested aspects of the whole process of European integration. The commonly held view is that EU membership tends to strengthen the executive and bureaucratic branches of the political system, to weaken the role of national parliamentary institutions and the domestic legislative process, and thus to challenge the democratic bases of the political process (Andersen and Eliassen 1996). Wessels and Rometsch speak of a process of deparliamentarization of the political system of the EU member-states, a process accelerated by European integration because 'national parliaments to a varying degree [have] lost in decision making competencies in all member states, whereas the national governments with the help of the bureaucracy could strengthen their position and extend their scope of competencies' (Wessels and Rometsch 1996: 362).

The Greek case suggests, however, that the Europeanization process and EU membership in general can play a decisive role in strengthening democratic institutions and widening the scope of the democratic process by bringing into it new social and political actors. Similarly, the Europeanization process can give rise to new institutional structures, bodies and channels of democratic expression, where the democratic structures and processes appear weak and deficient and the political elites are anxious to bolster them by 'importing' institutional formations from Europe as part of their strategy of intended Europeanization.

Of course, when referring to Greece one needs always to bear in mind that in 1975 Greece sought EU accession primarily as a means of consolidating the newly established (1974) democratic institutions. Indeed, it is convincingly argued that EU membership contributed significantly to underpinning political, democratic stability in Greece, a country plagued by instability and authoritarian rule until at least 1974, the year of the collapse of the military regime (Verney 1990; Ioakimidis 1994). Accordingly, the EU is credited with playing a pivotal role in assisting the consolidation of democratic institutions and processes. As a result, the EU is seen not only by Greece, but also by Spain, Portugal and even the east European countries seeking EU membership, as a powerful force for building democracy and a pluralistic society. It is regarded as exporter of democratic governance.

The EU's role in assisting the process of building democracy in Greece was mainly the effect of a systemic and cultural spillover. However, on a more concrete disaggregated level, the Greek experience shows that in addition to fostering regional decentralization, the Europeanization process has affected in a dynamic way the process for strengthening the formal as well as the operational autonomy and independence of public and social institutions. The case of the Bank of Greece is perhaps the most important example. The Bank, tightly controlled by the government until 1995, gained almost full institutional independence and operational autonomy in shaping monetary policy by being forced to comply with the EU rules in the context of the convergence programme for acceding to the EMU. These provide for central bank independence as a prerequisite for joining the single currency, the euro. As pointed out, along with the central bank, the commercial banks also acquired considerable independence by adopting the EU's regulatory regime.

More interestingly perhaps, from the perspective of state morphology, EU membership fostered the conditions for enhancing the managerial and operational independence of the public administration, particularly the civil service more directly involved in or exposed to EU policy vis-a-vis the government and the political parties. First of all, because the handling of the EU policy agenda required specialized skills, technocratic knowledge and expertise, the recruitment of civil servants, at least in the departments dealing with EU matters, became more transparent and based on objective criteria, rather than on the patron-client system and party patronage. Similarly, the grip of government and party politicians on the administration declined, while the latter's ability and manoeuvre to influence policy outputs increased through its participation in the EU policy formulating process (Tsinisizelis 1996).

Although Greece has not yet succeeded in setting up an efficient system of European policy-making and policy coordination, public administration as a whole seems to have profited considerably from its interaction with the EU policy-making process and other administrations of the EU member states. The interaction has offered resources, experiences, skills, channels of communication and opportunities for travelling to an administration suffering traditionally from low pay and low morale. This, however, does not imply that the administration as a whole has grown capable of coping with the negotiating pressures emanating from the EU. Precisely because of the incapacity of the established administration

to deal efficiently with the EU negotiations, new specialized administrative units have been created recruiting personnel from the private sector, something which contributes to the overall modernization of the administration.

Moreover, the Europeanization process has encouraged in several ways (institutional, financial, etc.) the formation of an increasing number of social associations, especially non-governmental organizations (NGOs). Statistical data show that the number of social associations financed by the European Commission quadrupled between 1996 and 1998. Included in these new groups is the Economic and Social Committee which was founded in 1994 as a matching institution to the EU's Economic and Social Committee (ESC) to contribute to economic and social policy-making.

Coupled with the proliferation of new social associations and interest groups is the equally important phenomenon of gradually opening the national policy-making process to society. Indeed, the Greek state was forced as a consequence of EU pressures to invite social associations and interest groups to participate in the process of elaborating the developmental and structural policy to be supported by the EU. It is characteristic that while in the drawing up of the first Regional Development Plan covering the period 1988-93 only 23 regional and social bodies took part, in the second plan for the period 1993-99 no fewer than 71 social and regional bodies were involved (Ministry of National Economy 1993). It must be pointed out here that one of the effects of the Europeanization process is that the Greek state has begun to draw up developmental plans of an enforceable, operational nature as the basis for concluding the CSFs with the European Commission. What is interesting in this context is that the widening of the policy-making process to actors other than solely the executive bureaucratic institutions eventually embraced even the domain of foreign policy. Thus, apart from other governmental departments, like the ministries of national economy, agriculture and environment, which by virtue of their involvement in EU negotiations have begun to have a substantial bearing on foreign policy, other social and economic actors (economic associations, universities, etc.) have also been drawn into the process of seeking to influence foreign policy outputs; so much so that one can speak of a tendency towards de-externalizing the foreign policy-making process, in the sense that a wider range of actors are by now involved in the process rather than only the Ministry of Foreign Affairs, as was previously the case (Ioakimidis 1999).

The broadening of the policy-making process with the inclusion of an increasing number of actors in it clearly refutes theoretical hypotheses arguing that participation in the EU leads to the bureaucratization of the national policy-making process. The Greek experience tends rather to support the opposite thesis, namely that participation in the EU tends on the whole to debureaucratize the policy-shaping process, making it more democratic. This is especially true as the vast majority of pressure groups and social associations, including the Federation of Greek Industrialists (SEV) and the trade union confederation, GSEE, feel that the EU is affording them greater opportunities and better channels of influencing policy both at national and supranational levels. This, of course, explains why an increasing number of interest groups, including even the Church of Greece, seek to establish representation offices close to EU organs, namely in Brussels. Thus the Greek case seems to bear out the thesis that 'negotiations in Brussels offer new opportunities to certain interests otherwise marginalized in national decision making' (Meny et al. 1996: 5).

By contrast, this is not the case with the Greek parliament. Parliament had not (at least until the early 1990s) shown any visible interest in the EU policy-making process. From the early 1990s, however, parliament has begun to take a wider interest in Europe and for that it set up

a special committee on European affairs consisting of members of both the national parliament and the European Parliament. The new interest owes much to two basic factors: first, the deepening Europeanization of all Greek political parties (with the exception of the Communist Party, KKE) and especially the metamorphosis of PASOK from a fiercely anti-European movement in the 1970s and early 1980s into a pro-federalist, integrationist force in the 1990s; and secondly, the new emphasis placed by the Treaties of Maastricht and Amsterdam on the role of national parliaments in the EU policy-making process. However, in spite of the new heightened interest in EU matters, the Greek Parliament has not yet established a workable system for screening EU legislation.

CONCLUDING REMARKS

The overall conclusion one can draw from the analysis of the case of Greece in the EU is that Europeanization has been a powerful force for redefining the role, functions and powers of the state and altering the balance of power between the state on the one hand, and society and the regions on the other.

Contrary to the claims of state-centric approaches to European integration (Moravcsik 1998), the redefinition has clearly shifted powers, functions and resources away from the state to society in general and the regions in particular. There has been, in other words, a rebalancing of powers and a redefinition of boundaries between the state and society in favour of the latter. The state has certainly lost its unchallenged ability to impose its grip upon society and control the economy. Similarly, the party system has been forced to lessen its control upon the state and progressively shed the habit of using the latter as a means of promoting electoral objectives through the patronage system. Although it is widely claimed that new forms of opaque links have been forged between the state, the leading political parties and some strong private firms (*diaplekomena symferonta*, interlinked interests), it is true that a clear distinction has been established between the party system and the state system.

Viewed from the perspective of the state-society relationship, it is also evident that EU membership operates as a very effective force supporting the process of building a civil society in Greece. The absence of civil society has been identified as one of the fundamental shortcomings of Greece's social organization (Mouzelis 1997). By weakening the omnipotence of the state, the Europeanization process has actually emerged as a formidable factor assisting the process of shaping civil society in Greece. More than that, as noted above, the EU has helped the birth of numerous social associations and 'citizens' movements which, according to Diamandouros (1997: 37), form the basis for the construction of civil society in Greece and the improvement of the quality of democracy (also Tsoukalis 1997: 169). One should also not underestimate the role EU membership has played in the creation of new institutions for the protection of the citizen (Ombudsman) as well as in conferring new rights upon the Greek citizens (European citizenship, protection of minority rights, protection of personal data, etc.). The EU has been a source for the empowerment of civil society, not least through its substantial financial transfers amounting to about 4.5bn euros per year and the new regulatory patterns it has 'imposed' upon the Greek economy and society.

The Greek experience of internalizing Europeanization seems therefore to refute the sweeping assumptions of state-centric theories about the impact of EU membership upon state-society relationships and interactions. On the contrary, as the preceding analysis demonstrates, in the Greek case EU membership has been an important factor for rebalancing relations between the state and society in favour of the latter. And as an increasing number of societal and regional authorities feel that they have better chances of influencing policy outputs at the

European level and thus tend to advance their participation in various policy networks, the assumption of the multi-level governance school that 'decision making competencies are shared by actors at different levels rather than monopolized by state executives' (Marks, Scharpf, Schmitter and Streeck 1996: 346) seems to hold true.

NOTE

1. The term European Union (EU) is used throughout this text to denote the current EU and its earlier manifestations, European Economic Community (EEC) and European Community (EC).