



# The European Union's Crisis Management Policies and its Effect on the Organizations Change and Development:

A Case Study on the Degree of Success the First and Second Economic  
Adjustment Programmes had in Greece.

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## **Abstract**

This study aims to analyze the policy success of the two economic adjustment programmes introduced to solve the Greek debt crisis to better understand the EU's change and development after dealing with crises. The analysis uses McConnell's (2010) policy evaluation framework, which enables the study to see what degree/spectrum of policy success occurred and which of the five policy areas were more or less successful. The findings of this study conclude that the crisis management policies are leaning towards the spectrum of success and that there is an incentive to suggest that policy success is a factor contributing to the EU's organizational change and development, but that more research is needed to confirm it as a significant factor. Furthermore, the study does reveal which policy success areas can be a bigger cause for the EU's change and development, them being more achieved implementation, the targeted policy group/actor seeing benefit without damaging other groups/actors, and there being minor opposition aimed towards the policies introduced in crises.

Keywords: European Union, EU crisis management, EU policy evaluation, Greek debt crisis, Eurozone crisis

Word count: 20,689

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## 1. Introduction

The European Union (EU) is widely regarded as a unique organization, and as it continues to develop from an organization initially created for common trade, it has evolved into the complex political organization we see today (Boin et al. 2014: 430). Throughout the EU's existence, it has gone through different crises, some notable being the Eurozone crisis, the Migration crisis, and the recent Covid-19 pandemic (Rhinar et al., 2023: 84-85, 134, 159). All these crises have made the EU become an essential actor for the states within to handle these challenges they are being faced with. In dealing with crises, the EU has experienced change, as handling crises has been impactful, and mentioned as a key factor that results in change and development in the EU (Caporaso et al., 2015; Gaigaliene et al., 2018). This has sparked my interest to dive in and look at why there is a correlation between the EU's organizational change after dealing with crises. To deal with crises, the EU introduces different policy measures, which is the main frame of crisis management, and with this acknowledgment, the policies introduced in crises become the focus to dive deeper into to better understand the EU's organizational change after dealing with crises. Since the crisis management policies are created for the purpose of resolving crises, meaning them being created for success, then analyzing policy success is the step this study takes to gain more knowledge of the EU's organizational change after dealing with crises.

For this reason, this study is going to analyze the degree of success the policies/programmes introduced during a crisis management case have, in order to get a better understanding of the policies responsible for the EU's organizational development and change. The case chosen in this study is the case of the Eurozone crisis, with a further narrow focus on the handling of the Greek debt crisis, which was the most crucial point for causing and resolving the Eurozone crisis (Zahariadis, 2012). The reason for selecting this crisis is that it is the first major crisis the EU dealt with, which can then show clearly if policy success is a primary factor for organizational change before lesson drawing is a component to factor in. This means that the possible lessons drawn by the EU later can potentially cover whether policy success is the reason for the EU's change and development. The first major case is desirable to analyze to hinder such confusion, meaning analyzing the Eurozone crisis, more specifically, the EU handling the Greek debt crisis. Using a theoretical framework that mainly gives an interpretation of success and failure regarding a policy would not give nuance for a deeper discussion of EU's change after crisis management, hence why the policy

evaluation framework provided by McConnell (2010) will be used since the framework provides a spectrum of what success is and can highlight in what policy areas there is more or less success. This delivers a clear understanding of which policy areas are successful and how successful the EU crisis management policies are in dealing with the Greek debt crisis. This can lead to a good discussion and result in an understanding if the EU's crisis management success is responsible for the EU's organizational development and change.

### **1.1 Research aim and question**

This study aims to better understand the EU's organizational change and development through the lens of the degree of success their crisis management policies had. This will be done by analyzing/evaluating the EU policies introduced to attempt to solve the Greek debt crisis with the help of McConnell's (2010) policy evaluation framework, which will provide the necessary nuance to conclude if policy success is a possible factor for the EU's organizational change and development. The research question is therefore going to be, *to what degree were the EU policies introduced to solve the Greek debt crisis successful?*

### **1.2 Problem area**

The EU is explained to be an organization that is constantly developing as it faces new difficulties. This has resulted in the organization to change in various ways, like gaining more authority and even being regarded as beyond a regulatory organization (Boin et al., 2014: 430). Thus, crises are being described as one of the key factors leading to change in the EU (Falker 2016: 219). The current studies on the topic mainly discuss the causes and consequences of the crises in relation to the EU's crisis management and how they cause change. However, there is a lack of research evaluating the policies introduced, meaning evaluating to which degree the newly introduced policies are successful or assessing the policies introduced in any deeper regard (see, e.g., Brooks et al., 2022; Gaigaliene et al., 2018; Burns et al., 2018; Schwarzer, 2015). The ones providing some form of evaluation do so briefly and do not give nuance to it (see, e.g., Featherstone, 2011; Boin and Rhinard, 2022). This has caught my interest in gaining more knowledge of the EU's policies introduced in crisis management to understand if their success is a factor contributing to the EU's organizational change and development. With the lack of studies evaluating the policies

that are identified to be responsible for organizational development and change, a study that does so through a policy evaluation can be a step to see the correlation between the success of crisis management policies and their influence on organizational change and development. In addition, this study consequently analyzes the EU's interaction with Greece through the means of crisis management, which is key in the field of Global politics as the field wants to get a better understanding of all actor's relations and their interaction on a global level (Barnett and Sikkink, 2009: 62), thus this study then contributes to the field by explaining how a global actor interacts through crisis management policies.

### **1.3 Delimitations**

As previously mentioned, this study will choose the crisis named the Eurozone crisis but narrow it down to specifically looking at the case of the EU trying to resolve the Greek debt crisis since it was the main cause of the Eurozone crisis and the primary way to deal with it (Zahariadis, 2012). Furthermore, this study will limit itself by looking at the first two programmes introduced to help Greece with its debt, as they were introduced on the EU's incentive to relieve Greece of its debt crisis (European Commission, 2024). This means that the two first programmes were introduced to resolve the crisis, meaning the EU introduced crisis management policies, and further programmes that came after aimed to aid Greece in its economy in general (European Commission, 2024). With this understanding, this study further limits itself by analyzing the actions made before the programme's expiration date, meaning that this study limits itself to analyzing the years 2010-2015.

### **1.4 Disposition**

This study's structure is divided by presenting a background chapter that will describe information regarding the Greek debt crisis in relation to the Eurozone crisis and explain why the crisis is regarded as such and to whom the crisis is regarded as. This will provide the reader with the necessary information to better understand the next chapter, the literature review. The literature review will further present the research topic but dive into the research problem by presenting the current studies on the topic and pointing out where the research gap is that strengthens the need for this study. After presenting the literature review, the theory used for analysis will be presented. Next, a methods chapter will introduce how the

study will be conducted and motivate the reasons for the chosen approach. The chapter will also contain important components of discussion, such as operationalization, validity, and reliability, and explain the relevance of the chosen material. This will lead to the next chapter, the analysis chapter, which contains the policies/programmes combined with the analysis on them using this study's theoretical framework. The full transcribed programmes will be available in the appendix. Lastly, the analysis's result will be discussed, leading to the conclusions of this study.



## **2. Background**

This chapter will give an overview of the Eurozone crisis in relation to the Greek debt crisis, explaining and describing what these crises entail and how they are related. Explaining this will highlight how the Greek debt crisis was the main contributor to the Eurozone crisis and why the EU put a lot of effort into resolving the Greek debt crisis. Furthermore, this chapter will present for whom it is a crisis and why it is regarded as such because there can be interpretations of what the meaning of crisis entails in this study, which this chapter will make clear. This will further make visible why the Eurozone crisis is narrowed down to the case of the Greek debt crisis in this study, as opposed to looking at all policies introduced by the EU to solve the Eurozone crisis, but also contribute to the necessary information to ease the reading of the previous studies presented in the next chapter.

### **2.1 Eurozone crisis in relation to the Greek debt Crisis**

During the end of 1999, the Greek economy saw progression in that the country's bank sector started to get more privatized, this led Greece to being considered and later admitted to the Eurozone, meaning taking the euro as currency and aligning themselves with the EU agencies regulating the currency (Simitis, 2014: 3-4). After they were admitted, it was discovered that Greece had a deficit in GDP growth that was not communicated but was not a problem as other countries entered the Eurozone with similar deficits (Simitis, 2014: 4-5). However, transparency would become a problem as the lack of transparency increased over the years, and by the time of 2008 and 2009, the newly elected government had tampered with the numbers they reported to the EU (Simitis, 2014: 5). It was discovered that Greece was, during this time, a little more than twice in GDP deficit from what they reported and by the end of 2009 almost three times in GDP deficit from the reported figures (Simitis, 2014: 6).

Furthermore, it was discovered that Greece national debt, which is supposed to be under 60%, was above 100%, and the national budget was excited which meant that Greece was spending more than they could produce (Simitis, 2014: 7-8). Greece took use of the European Central Bank's (ECB) key interest rate policy, meaning that an EU member state is able to borrow on low-interest short-term, but despite that, the national debt continued to compound, and it started to affect other EU member states and institutions (Simitis, 2014: 9).

With the Greek private and public banking sector affecting other countries that overall did not have economic problems, it led to a domino effect of different sectors within other EU member states being affected due to them being connected to Greece by either the currency or loans they no longer were able to provide or payout (Simitis, 2014: 69-70). Examples are Spain and its construction sector, Ireland and its real estate sector, Germany and its banking sector, and so on (Simitis, 2014: 70, 73). With initially Greece, later Ireland and Portugal, the worry of an EU crisis was not yet perceived as such because of their combined market share being low, but when the effect later entered Spain and Italy, which had a significant combined EU market share, an EU crisis was identified (Simitis, 2014: 73). This led to issues that started in Greece to later become an EU crisis, in other terms, Eurozone crisis (Simitis, 2014: 74). Given that the Greek economic adjustment programmes were introducing different regulating mechanisms, they later became important for solving the Eurozone crisis, making Greece an important aspect in resolving the crisis, both because of it being a first test state and Greece continuously affecting the euro (Simitis, 2014: 74-76).

## **2.2 Summary**

To summarize and make the purpose of this chapter clear, Greece's sovereign debt was unregulated, which led to a domino effect in the EU. With Greece being a Eurozone member, but mainly with them having the euro as currency, it caused the currency to weaken because Greece was unable to pay debts, with their national debt being high. In combination with a lack of transparency, Greece took on loans they could not bear to pay back, which affected other member states' sectors and, later, the EU as a whole. With Greece being the first member state to receive support to resolve their national debt, they consequently led the pathway for the resolving of other national debt issues in the EU. This means that the Greek debt crisis was crucial for the handling of the Eurozone crisis. With this understanding, the Eurozone crisis is regarded as such because of its effect on the EU and the respective national countries. It is not a crisis for those outside the organization, meaning it is mainly an EU crisis.

### **3. Literature review**

This chapter will present relevant studies on EU crisis management, through different crisis management cases but mainly fixated on the Eurozone- and Greek debt crisis. The presented studies are put forward to give the reader knowledge of the EU's crisis management that is relevant to the EU's way of handling the Greek debt crisis. This chapter aims to provide an understanding of the topic while exploring the lack of- or something missing in the previous studies to find a research gap and, by extent, strengthen this study's aim.

The chapter will be divided into two sections, where the first section will present the previous research distributed to lead the reader to the research gap and why this study is needed. The second section will summarize the most important aspects of the previous studies, discuss them, and present a clear research gap that strengthens this study's aim.

#### **3.1 Previous research**

In a study conducted by Boin and Rhinard, (2023: 655), they try to explain the assessment of the EU's policy response to the EU Covid-19 crisis. The authors compare traditional crisis management to derive a form of EU crisis response conception, which leads to them being able to assess and conclude that in the case of the EU Covid-19 crisis, the EU had a good performance that introduced changes to the health policies. Boin and Rhinard (2023: 655, 668-669) do, however, get the results mainly by explaining that the EU had a quick response later on compared to its slow initial response, where they could mobilize resources to fight the pandemic, thus deeming it a good performance. However, the study does give a slim understanding of what good performance entails but does pinpoint that a change in the organization is visible.

In an article that uses the same case of the EU Covid-19 pandemic, the authors instead focus on analyzing the newly introduced and/or reformed health policies during the crisis, to see if it has strengthened the EU's integration (Brooks et al., 2023: 721). The study's results are based on the lens of neofunctionalism, and Brooks et al. (2023: 724-725) find that there are linkages between neofunctionalism and the EU, meaning that the EU is achieving regional development beyond state sovereignty. However, in relation to the findings brought forward

by Brooks et al. (2023: 725-726), they likewise hint that a development/change in the EU occurs in dealing with the Covid-19 crisis.

The same conclusion can be seen in an article that focuses on economic policies rather than health policies. In this article, Gaigaliene et al. (2018: 655-656) explain that the Eurozone crisis brought changes in the global economy post-financial crisis. The relevant part of this study is that the authors find that the policies introduced during this time changed the organization, which was hinted at in the previous studies, with Gaigaliene et al. (2018: 656, 669) explaining that the policies introduced during the crisis changed the organization by them becoming more decentralized in their policymaking. This becomes especially interesting when Zahariadis, (2012: 114) points out that a centralized response in policymaking contributes to an effective adaptation of policies, which is the part that helped Greece, the main contributor to the Eurozone crisis, to get out of its crisis. However, this acknowledgment leaves a question mark in the evaluation of crisis management policies since Gaigaliene et al. (2018) show the EU has a decentralized crisis management response to help the EU in dealing with the financial crisis, and Zahariadis, (2012) acknowledged a centralized approach is that which saw positive effect in Greece, giving meaning to the need of evaluating EU crisis management policies as a whole rather than focusing on a single aspect of a given policy.

An additional article hints at decentralization in the EU during crises and wants to provide knowledge of the EU transboundary crises since they occur more often (Boin et al., 2014: 418). The term transboundary, used in this article, refers to crises that cannot be solved by a single sovereign state, in which the EU becomes a prime example as the organization is facing challenges while enabling transboundary solutions. The authors conclude that the EU is increasing cooperation both in and after crises, with it improving the ways the member states work together after a crisis occurs (Boin et al., 2014: 430). Additionally, in their conclusion, they further mention that assessing policies introduced to solve the crisis is hard to accomplish, which they explain is mainly due to a lack of research on assessing the crisis management policies (Boin et al., 2014: 431). With this, Boin et al. (2014: 431) points out that there is a need for more studies evaluating EU crisis management policies to gain more knowledge of the EU and its increase in transboundary crisis management.

A similar study further examines the notion of a transboundary crisis in the context of a sovereign state within the EU resolving crises beyond the borders, but from the perspective of explaining the EU's capacity to handle them. The authors look at different types of crises the EU has dealt with, mainly security precautions, and find that the EU capacity lacks full authority, which leads to them having a hard time facing a transboundary crisis (Boin et al., 2014: 131). However, in another study, Caporaso et al. (2015: 889) takes the perspective of using the EU as a regulatory state. The studies analysis shows that the EU has started to develop and change by gradually gaining more authority as the crisis does expose shortcomings in their previous regulation and policies (Caporaso et al., 2015: 896, 903). Since new policies done in crisis are explained to change the organization, it is assumed that policies are a big impact factor on the organization, since it is explained to change the organization by gaining more regulatory power.

Likewise, another study by Lekakis and Kousis (2013: 305) explains the effect post-crisis management brought after the EU tried to handle the Greek debt crisis. They demonstrate that the Troika, a cooperation between the European Commission, European Central Bank, and IMF, is making Greece implement policies outside of the fiscal policies, to make Greece exit the crisis (Lekakis and Kousis, 2013: 305). The authors conclude that the Troika, in which the EU is the leading influencing actor, has gained overwhelmingly much power and surveillance over Greece (Lekakis and Kousis, 2013: 326). Combining Boin et al. (2014), Caporaso et al. (2015), and Lekakis and Kousis's (2013) conclusions on the Greek debt crisis, the Greek debt crisis becomes an interesting case to analyze. The reason being that the EU are explained to have had an overwhelmed authority and surveillance over the crisis situation, thus contributing with Greece being a case that enables an analysis to be made where the EU is explained to have had control, which then can give the necessary knowledge of EU policies where they are explained to be the controlling actor.

Furthermore, Lekakis and Kousis (2013) conducted a form of assessment on EU crisis management in the case of the Eurozone crisis and found that the EU had success in gaining influence over states in their management. Still, the study does not mention whether the policies were a success, hence, another look at the case through a policy evaluation can give another perspective on policy success and EU crisis management, since the EU is explained to have gained more influence, meaning a form of change occurring after managing the Eurozone crisis.

In another study that takes a different approach, Falker (2016) is trying to understand the effect crisis causes on the organization, however, his conclusion to some degree is in line with Boin et al. (2014) study, or at least comparable to it. Falker's (2016: 221) main difference is using a framework, which enables him to identify change from the perspective of protocol change, in which he analyzes the change in the EU's crisis management protocol before and after the crisis. Through this, Falker (2016: 231), finds that the main change occurs in the cooperation, when compared to the original crisis management protocol. Simultaneously he acknowledges that it is hard to pinpoint to what degree the outcome is successful regarding the EU's crisis management policies, which he explains remains for further studies to analyze (Falker, 2016: 231). This is similar to the findings by Boin et al. (2014: 431), meaning that the research area needs more research to gain knowledge of EU crisis management through an evaluation of the EU's policy success in crisis management cases.

Following the same conclusion from previous studies, Featherstone (2011: 194) explains EU's organizational change after crises through the case of the Eurozone crisis. He describes that the organization has seen improvements since the unpreparedness of the crisis was made visible, in which lesson drawing was not possible to take advantage of, by the Eurozone crisis being a deviant occurrence (Featherstone, 2011: 193, 201). Since this is pointed out to be the first major case of an EU crisis, there are uncertainties in the achievements being made by the policies introduced to handle the crisis, in which the author could identify some initial success (Featherstone, 2011: 211). With this understanding, the conclusion made by Featherstone (2011: 211) does point out that there was initial success in handling the crisis, but to what degree remains to be expanded on, this leads to the interpretation that research on the topic of how or to what degree the EU is successful in crisis management remains uncertain and strengthens the need of this study.

A study further confirming this notion is conducted by Burns et al. (2018) who try to assess the changes in the EU from the perspective of the policy's impact on the organization. The authors use punctuated equilibrium theory, a tool to help the study find and pinpoint if the financial crisis brought a radical change in the organization (Burns et al., 2018: 728). By comparing both public and private policies, they conclude that there was a significant impact on private policies during the EU crisis because it caused a radical change (Burns et al., 2018:

741). Still, on the other side, the authors cannot conclude the same regarding the public policies within the EU, which means that a crisis might not impact a radical change in the organization (Burns et al., 2018: 729, 741). Regarding Burns et al. (2018) findings, there is, however, an interpretation to be made that a change is occurring in the organization, whether it be radical or not.

Furthermore, Schwarzer (2015) also confirms that after the Eurozone crisis, the EU underwent incremental changes, including the capacity to turn assets into funds to deal with crises. The author argues that with the help of the IMF, the EU gained knowledge of certain expertise that changed how the EU deals with crises, this being that the EU could draw lessons after the crisis in the way of being able to, in practical terms, implement programmes and identify weaknesses with the Eurozone (Schwarzer, 2015: 599, 621), thus the lessons from dealing with crisis changed the EU in some form.

### **3.2 Summary and discussion**

In summary, the conclusions presented in the previous research have a common denominator, almost every study points out that when the EU faces a crisis, it undergoes some form of organizational change. Those changes can span from the health care policies, and fiscal policies, explained by Brooks et al., (2023) and Gaigaliene et al. (2018), to organizational structures, explained by Burns et al. (2018), Schwarzer (2015), and Brooks et al. (2023). With this understanding, some form of change is occurring in the organization, and whether it provides more authority or power can all be valid conclusions depending on which point of view or perspective is applied to the crisis management cases. Furthermore, the previous research explains that initial success is seen in the case of the Greek debt crisis, but slow compared to the EU Covid-19 crisis. With the previous studies mentioning that crisis management brings change, there is an incentive of getting the knowledge of the clear link between the EU's handling of crisis and its change, but with it being evident that there is not research that evaluates the policies that are responsible for it.

Understanding the key takeaways from the previous research, there are identifiable research gaps that this study could fill. Throughout the previous research, organizational change is explained to be a consequence of EU crisis management, whether it be regarded as radical or

less so, the organization is explained to develop through this, but an evaluation of the policies that are the cause of the organizational change is not found in previous research. Therefore, it leaves a certain interesting aspect of getting the knowledge of these policies, in which a first step is evaluating these policies/programmes introduced in crises, to understand them better. Even though both Featherstone (2011) and Boin and Richard (2022) touch upon a form of evaluation on EU crisis management policies, with the explanation that the crisis management policies saw initial success in dealing with the Greek debt crisis and that they were initially slow but later performed good in the Covid-19 crisis, there is room for explaining and giving nuance to, 'initial success' and 'good performance'. This means to dive deeper into the policies introduced by evaluating the degree of success, thus further expanding on the slim view of success presented by Boin and Richard (2022). Furthermore, with the acknowledgment, from both Boin et al. (2014) and Falker (2016), that there is a need for research that evaluates policies introduced in EU's crisis management to better understand the EU and its crisis management, as there is a lack of studies researching it, there is a identifiable need to analyze this problem area further. This means, because of the lack of research on this identified problem area, the wider understanding of EU crisis management is reduced. Thus, the lack of research on the problem area limits the knowledge for providing a discussion on the topic of crisis management policies and their responsibility for EU's organizational change and development after dealing with crises. This led to an identifiable research gap, meaning the need of a study that focuses on evaluating the success of the EU crisis management policies, which can contribute to the knowledge on the topic of EU crisis management in relation to them having an impact on the EU's organizational change and development.



## **4. Theoretical framework**

McConnell (2010: 345) describes that policy evaluations end up in an understanding of either a policy being successful or resulting in failure. He describes that the reality however is that a policy is usually in between these two extremes, that is why McConnell (2010) created a framework that can analyze and evaluate how successful a policy has been, by adding spectrums beyond only success and failure called the gray areas (McConnell, 2010: 345). McConnell (2010) put forward a framework for evaluating a policy on a spectrum ranging from success to failure, leaving three categories in between. The policy evaluation, in its fullness, has three types: process evaluation, programme achievement, and agenda setting (McConnell, 2010: 352, 354, 356). However, this study mainly wants to see the success of the policy in terms of achievement of the programmes introduced, meaning an evaluation of the degree of success of the programs/policies introduced by the EU to resolve the Greek debt crisis. Thus, this study will use the type McConnell (2010) calls the 'Program type' evaluation.

### **4.1 What is success?**

Before explaining the theoretical framework, there is a need to explain what success is defined as, which will be done in accordance with McConnell's (2010) explanation of what policy success is. McConnell (2010: 350-351) explains that success can be seen from two perspectives, the first one being, the success of to what degree the policy/programme is achieving its goals, in which he adds that the word success does have a positive cognition which leads to the second perspective, that a policy must be considered as positive universally. This means that a policy should not achieve results at the expense of others (McConnell, 2010: 351). Although this perspective is linked with McConnell's (2010: 351) explanation of discursive policy success, he points out that the discourse success of a policy is hard to measure as it can be perceived as subjective, with factors such as beliefs and values affecting the perception of policies, but with this study mainly analyzing the Greek debt crisis and to what degree the programmes introduced were successful the discursive is not identified nor relevant for analysis in this study. Furthermore, McConnell (2010: 351) does combine the two perspectives in the measurement of policy success but acknowledges that 'the more tangible aspect of policy success relates to goal achievement' (McConnell, 2010: 351), meaning that it is the essence of the policy evaluation, and is the main focus in the

framework he provides called ‘program policy evaluation’, which to some degree introduces a tangible measurement of how to perceive the critique aimed towards a policy. With this understanding, McConnell (2010: 351) states that policy success is mainly seen when the goals of a policy are achieved, with the add-on that it is combined with a goal that is desirable and positive, given the connotation of the word success. In summary, McConnell (2010) defines policy success as; *A policy is successful if it achieves the goals that proponents set out to achieve and attracts no criticism of any significance and/or support is virtually universal* (McConnell, 2010: 351).

## **4.2 Policy Evaluation Framework**

McConnell’s (2010) policy evaluation framework is based on a spectrum ranging from Success to Failure, where Resilient Success, Conflicted Success, and Precarious Success, are in-between the two, which is distributed from left to right. The spectrums have five categories that are supposed to be placed on the spectrum, which McConnell (2010) left unmanned, but I will name them for clarity reasons. They are presented each under their given names, where an explanation is provided on how to evaluate each respective category. Furthermore, I will present a visual table at the end to clarify how the framework works, in ‘Table 1’.

### **4.2.1 Implementation**

For the category of Implementation to be considered to fall on the spectrum of *Success*, the objective of the policy needs to be implemented in the way it was planned out to be if however, there are slight deviations from what the objective was, it falls in line on the spectrum of *Resilient Success* (McConnell, 2010: 354). However, if minor identifiable progress has been reached in implementing the objectives of the policy, and another spectrum is hard to justify, then the category of *Implementation* would fall on the spectrum of *Precarious Success* (McConnell, 2010: 354). But if the objective of the policy is fully absent to be identified, it fulfills the placement on the spectrum of *Failure* (McConnell, 2010: 354). At the same time, if the policy objective is shown to be mixed with the reasons of there being unanticipated problems that occurred, that hindered some, not all, objectives of the policy from being fulfilled then it falls in the middle of the spectrum of *Conflicted Success* (McConnell, 2010: 354).

### 4.2.2 Outcome

*Success* in the category of *Outcome* is placed on this spectrum if the policies desired outcome is completely fulfilled, meaning if the desires pointed out in the policy are achieved, if, however, there are some minor shortfalls and the desired outcome is not fully met, then it falls in the spectrum of *Resilient success* (McConnell, 2010: 354). In the case that the policies show mixed results in the desired outcome, with it being that some unwanted controversy was part, meaning unwanted results or occurrences, it then falls under the spectrum of *Conflicted Success* (McConnell, 2010: 354). At the same time, if the controversy outweighs the desired outcomes achieved while them being small, meaning that more controversy is aimed at the policy outweighs the small achievements of the desired outcome, then it falls on the spectrum of *Precarious Success*, but if it fully fails to meet any achieved desired outcome the policy on the category of *Outcome* falls on the spectrum of *Failure* (McConnell, 2010: 354).

### 4.2.3 Benefit

The *Benefit* category is closely related to that which McConnell (2010: 351) explains about the policy having to be positive to be seen as successful. It relates to the way a policy has to benefit and not harm groups in general. With this understanding, for the category of *Benefit* to be placed on the spectrum of *Success*, the policy should impact a group overwhelmingly positively without impacting another group negatively (McConnell, 2010: 354). If, however, there are minor instances of discrepancies, but the targeted policy group receives benefits through the policy, then it falls in the spectrum of *Resilient Success*, but if the policy does not fulfill what it intended but some benefits are shown toward the targeted policy group the policy fall under the category of *Conflicted Success* (McConnell, 2010: 354). Given that the policy sees a minor produced benefit to what it intended but at the same time is overshadowed by the policy damaging or impacting a group negatively, the category *Benefit* is then placed on the spectrum of *Precarious Success*, meanwhile if the policy, on the contrary, is completely damaging to groups, meaning no beneficial effect is shown, then the policy is regarded to be on the spectrum of *Failure* in the category of *Benefit*.

#### **4.2.4 Fulfillment of Criteria**

In regard to the category of *Fulfillment of Criteria*, McConnell (2010: 353) explained that it is to be evaluated within the policy's jurisdiction, meaning either rule or territory, in relation to the budget or values set out by the government, community, organization, etc. Given this, for the category to be placed on the spectrum of *Success*, the policy must achieve its desired outcome within the lines of the set-out budget following the territorial values (McConnell, 2010: 354). If, however, there are arguments to be made that the spectrum of success is not entirely met then the category of *Fulfillment of Criteria* is placed on the spectrum of *Resilient Success* (McConnell, 2010: 354). If the desired outcome is achieved but the policy is outside the line of following the set-out budget, infringes on core values, or the policy problem is not yet fully solved, the policy is placed on *Conflicted Success* (McConnell, 2010: 354). At the same time, if minor achievements are made in regard to the desired outcome set out in the policy, and it is not in line with, budget, values and the problem it is trying to solve is seeing minor reduction or archives a slow increase compared to when the policy came to effect, it is regarded to fall in the line on the spectrum of *Precarious Success* (McConnell, 2010: 354). If the policy fails to meet any criteria, meaning it is completely out of budget and completely infringes on core values, while failing the desired outcome, the policy in the category of *Fulfillment of Criteria* is placed on the spectrum of *Failure* (McConnell, 2010: 354).

#### **4.2.5 Opposition**

The category of *Opposition*, regards critique aimed towards the policy, meaning if the policy does almost not get any critique aimed toward the achievements made by the policy, it is viewed as falling on the spectrum of *Success*. However, if the policy receives criticism regarding values, to the extent it was not anticipated, it falls on the spectrum of *Resilient Success* (McConnell, 2010: 354). At the same time, if the policy receives about an equal amount of criticism as support, then the policy falls on the spectrum of *Conflicted Success* (McConnell, 2010: 354). Following the same pattern, if the policy receives more critique compared to support, then it falls on the spectrum of *Precarious Success*, and if there is overwhelmingly more critique amid towards the policy and a limited amount of support is shown, then the policy in the category of *Opposition* is placed on the spectrum of *Failure* (McConnell, 2010: 354).

Table 1:

	<b>Success</b>	<b>Resilient Success</b>	<b>Conflicted Success</b>	<b>Precarious Success</b>	<b>Failure</b>
<b>Implementation</b>	The implementation is in line with the objectives.	The implementation objectives were broadly achieved, despite minor refinements or deviations.	The results are mixed, with some success, but accompanied by unexpected and/or controversial problems.	Minor progress towards implementation has been made as intended. It is challenging to defend.	The implementation fails to be executed in line with objectives.
<b>Outcome</b>	The desired outcomes are fully achieved.	Outcomes are broadly achieved despite some identified shortfalls.	Unwanted results counterbalance some successes, but the partial achievement of intended outcomes.	Some small outcomes were achieved as intended but overwhelmed by controversy or failure to produce results.	Failure to achieve desired outcomes is identified.
<b>Benefit</b>	Benefit is identified for the target group.	There are a few shortfalls and some uncommon damage cases, but the intended target group broadly benefits.	Partial benefits were realized, but not as widespread as intended nor deep as intended.	Small benefits are achieved and are overshadowed by damage to the targeted group meant to receive benefit.	Damage is caused to the particular target group.
<b>Fulfillment of criteria</b>	The policy meets the domain criteria.	The desired outcome is not quite reached but close enough to lay a strong claim that the criteria are fulfilled.	Partial achievement of desired outcome, but accompanied by failures to achieve the criteria.	A few minor successes are identified but are plagued by unwanted media attention, for example a scandal.	The apparent inability to meet the domain criteria.
<b>Opposition</b>	Opposition to programme, values, aims, and means of achieving them is virtually nonexistent, or support is practically universal.	Opposition to programme aims, values, and means of achieving them is more substantial than anticipated, but support outweighs it.	Opposition to the programme's values, aims, and means of achieving them is equally balanced with support.	Opposition to the programmes, values, aims, and means of achieving them outweighs the modest support given.	Opposition to programme aims, values, and means of achieving them is virtually universal, or support is practically non-existent.

#### 4.2.6 Summary

To summarize, McConnell's (2010) policy evaluation framework provides an understanding of how to interpret a policy's success, through evaluating/analyzing a policy by interpreting where on the spectrum it fits in. Given that the policy is successful it fulfills the spectrums of *Success* in all the respective categories and vice versa regarding failure. This means, that where the policy leans towards when all the categories are evaluated/analyzed is then to which degree a policy is perceived as successful, and in essence, McConnell's (2010) framework gives a good understanding of which degree a policy is successful.

### **4.3 Critique Based on a Global Political Perspective**

Before the development of McConnell's (2010) theoretical framework for policy evaluation, he and Marsh (2010) brought forth a policy evaluation framework based on the conclusion from the study 'Policy diffusion and policy transfer' by Marsh and Sharman (2009), which stated that there is a need of a policy evaluation framework that can define success and evaluate a policy to develop the field of Policy Analysis further. However, with McConnell's and Marshes' (2010) framework, there was only a spectrum of success and failure, leading to McConnell (2010) further developing the framework and providing more nuance. The field of Policy Analysis has been developing, but the definition of what policy success entails can be identified outside of the field. For example, in this study's literature review, Boin and Rhinards (2022) describe the right mobilization of resources as a good performance, and Featherstone (2011) points out that the EU handling the Greek debt crisis is in itself as successful. With this understanding, the framework that McConnell (2010) provides can be criticized through different perspectives of what success is, however, with this study describing that it is within the field of Global Politics, it is only fitting that it is the perspective used in the critique of the chosen framework.

Theories in International Relations (IR) which is closely related to Global Politics, with the difference of IR limiting itself to being states-centric, while Global politics uses IR theories in combination with beyond-state actors, like the EU, the theories become relevant to the critique (Barnett and Sikkink, 2009: 62). This means that depending on which perspective/theory/ideology is used, the understanding of what success or policy success is differs. To exemplify, using the perspective of Realism, which is the understanding that an actor in the global arena is acting in self-interest, thus success in that sense would entail an actor attaining more power, like economic- or military power and so on (Basu, 2012: 171-172). While using the perspective of Liberalism, which is the understanding that humans are good in nature, thus positive global progress is possible through interaction, like collective action and institutional reform (Naaz, 2012: 153-154). This means that through corporations, the global arena can achieve the ultimate goal of human freedom, reflected in the increase of democracy and the capital market (Naaz, 2012: 153-154). Given this understanding, success, in the view of Liberalism, is achieving anything that increases democracy and free capital market in the global arena.

To summarize, depending on the perspective used to understand ‘policy success’ can vary and bring different results. However, this study mainly tries to evaluate the policies introduced to solve the Greek debt crisis to better understand the policies introduced in a crisis management case and, through this, understand its effect on the EU’s development and change after such a case occurs. McConnell (2010), with his framework, gives the ability to dissect the policies into different categories and then provide a spectrum on which they are to be placed on, thus giving a better understanding of policies themselves, and therefore enabling an understanding of EU’s crisis management and its effect on EU change and development, through understanding the crisis policies introduced.

## 5. Method

This study adopts a case study research design, which enables the study to focus on one case and explain it thoroughly while explaining the more significant debate (Halperin and Heath, 2020: 234). The case chosen in this study is the EU's attempt to solve the Greek debt crisis, which can then shed light on the more significant debate, meaning the EU's change and development after dealing with crises. Given that an analysis of the case of the EU's attempt to solve the Greek debt crisis can enable a better understanding of the more significant debate, the case study research design becomes fitting for this study.

Halperin and Heath (2020: 234) explain that there are different ways of conducting a study that uses the case study research design, hence the need to specify further how this study will use it. They explain that a case study is implicitly comparative in nature, meaning that when using a case study research design, a form of comparison takes place (Halperin and Heath, 2020: 234). In this study, the 'form of comparison' will be between the case and using the theoretical framework as an analytical tool, rather than the other common approach of comparing cases with one another (Halperin and Heath, 2020: 234). However, for the case to be singled out, meaning that a single case is used in a study, Hammond (2021: 21), explains that the case needs to be a deviant occurrence or phenomenon that is explained with the use of a theory. With the explanation from Featherstone (2011: 193, 201), that the Greek debt crisis was the first major crisis and a deviant occurrence, this case is interpreted as a deviant occurrence or phenomenon in the EU's timeline. Alongside the single case, a theoretical framework is used as an analytical tool, meaning that it is a measurement/evaluation tool that enables the understanding of the single case, which becomes fitting in Hammonds (2021: 21) description of the justification of when to use a single case.

Furthermore, a theory in a case study, explained by Halperin and Heath (2020: 235), can be used in two different ways, the first one being to make use of an already developed theory and place it in a context, and the second one being to develop a theory by placing it in a new context. In this study, the theoretical framework is already developed and placed in its designed context, meaning it is a policy evaluation framework used to understand policies, in this case, the policies introduced by the EU to attempt to solve the Greek debt crisis. It can be argued that this study does research that is either theory-confirming or theory-infirming, with the theory being placed in its relevant context and tested to a degree (Halperin and Heath,



2020: 236). However, with this study mainly focusing on using the theoretical framework as an analytical tool to understand the degree to which the EU is successful in their crisis management policies, the aim of the study does not lay any focus on the policy evaluation framework itself. To further strengthen this notion, Halperin and Heath (2020: 200) point out that if a theory is tested and consequently fails or is unable to explain a single case, it does not become a representation of the theory's strength or weakness, since more cases would be needed to confirm this. This means that the aim of this study does not enable it to become either a theory-confirming or theory-infirming study but mainly a study that makes use of a theoretical framework as an analytical tool to gain an understanding of which degree the policies introduced by the EU to attempt to solve the Greek debt crisis were successful.

On the other hand, the case study research design is not without its weaknesses, with Halperin and Heath (2020: 237) emphasizing that the main one is to which degree a generalization can be achieved from mainly using a single context/case. But with Halperin and Heath (2020: 237) explaining that an operationalization can present a pathway for a study to be conducted and repeated if a similar case were to be used, and with this study presenting an operationalization, it means that this study does enable a form of generalization to be made by repeating it. I further argue that there has been a limited number of crises that the EU has dealt with during its timeline, meaning that one case can provide the research problem with a good understanding of the bigger debate.

## **5.1 Operationalization**

Operationalization in a study describes the relation between the theoretical and the empirical or a match to show how the study will be conducted in practice, for the reason of the reader being able to determine the approach taken in the study (Halperin and Heath, 2020: 149). In this study, there will be operational indicators that are presented in the form of questions aimed toward the material that is based on the McConnell's (2010) theoretical framework for what policy success is and how to evaluate it. This means that the operational indicators will serve as a representation of how I find the relevant information in the material to make an analysis possible with the help of the theoretical framework as an analytical tool. Since five categories are supposed to be placed on the spectrum, the following operational indicators/questions will be divided in accordance with the same structure, to make it possible

for each category to be analyzed/evaluated. This further indicates that if this study were repeated and the same material and theoretical framework were used in combination with the same questions, the results obtained would be the same.

Before presenting the operational questions, it is important to highlight that they are strictly questions aimed toward the material based on the five categories to determine policy success, and should not be confused with this study's research question: *To what degree were the EU policies introduced to solve the Greek debt crisis successful?* Below are the operational indicators/questions used to make the analysis possible and measurable.

### **Implementation**

- What are the objectives found in the two programmes, and are they reported to be achieved in the follow-up reviews without any foreseen hindrance?

This question will enable this study to analyze and identify if the EU's objectives/targets were implemented after the two programmes were introduced, and if they experienced any obstacles. This by comparing the programme's objectives to the programme reviews, to see how the objectives/targets were implemented, and if or to what degree they were.

### **Outcome**

- What are the written programme's desires, and to what degree are they in agreement with that which is described in the follow-up reviews?

By posing this question, it will be possible to highlight the programme's desires and then relate them to the follow-up reports to identify/establish if they were met in practice and how close or far they were from meeting them.

### **Benefit**

- Does the material show if the targeted group/actor of the programmes gain positive results without damaging any societal group within the policy implementation territory?

This systematic question posed to the material helps with the lens of seeing if the two programmes benefited the targeted group/actors, and if it occurred without them damaging a particular group/actor, thus enabling evaluation of the category *Benefit*.

### **Fulfillment of Criteria**

- Does the material point out the state of the programmes desires, and if they are achieved or unfulfillment through them being within or outside of the given budget or without any infringement of EU core values?

This question is posed to clearly identify if the degree of desired outcome is achieved or unfulfilled within the line of the budget set to help Greece with its debt, simultaneously as the perspective of EU values is considered, thus making the category *Fulfillment of Criteria* possible to analyze.

### **Opposition**

- How much critique relative to support, towards the two Greek economic adjustment programmes, is found in the material?

This systematic question is posed to see the amount of support contrary to the critique given by the European Parliament aimed towards the EU's handling of the Greek debt crisis, enabling *Opposition* to be evaluated.

## **5.2 Validity and reliability**

Validity and reliability are terms that need to be confronted and discussed in a study, with Halperin and Heath (2020: 189), explaining that no matter what material is used in a study, the researcher needs to discuss this to point out if the materials used is valid and reliable. If the material is not valid and reliable, then there is a risk for the study to be misleading, thus certifying the importance of discussing these concepts.

In regard to validity, Halperin and Heath (2020: 189-190) explain that there are three different types of validity, meaning ways to confront validity, in other words, to confirm what

the researcher is researching in a study. These three types are content-, construct, and face validity, with this study taking use of content validity to strengthen this study's validity. Since Content validity incorporates a study using indicators and how they explain a concept, which in this study is reflected in McConnell's (2010) policy evaluation framework and its five categories enabling to explain to what degree of success policies are regarded as, Content validity becomes fitting and strengthens this study's approach to analyzing the research problem. This means that since the definition of Policy success is in accordance with McConnell's (2020) definition, and him providing how to measure it in the framework, this study then researches what it intends, meaning to see to what degree the policies introduced by the EU to attempt to solve the Greek debt crisis are successful, thus argued to have a good content validity. In addition, with Halperin and Heath, (2020: 237) pointing out that a study that uses a case study research design provides a deep understanding of a deviant case it consequently offers a good match between the empirical and theoretical, in other words, a good internal validity. With this study having both good content and internal validity, its validity is regarded as good.

Regarding reliability, I argue that with this study providing the operational indicators, future studies could repeat the study and gain the same result if they used the same theoretical framework, and material combined with the operational questions. This is interpreted to strengthen the repeatability of this study which, per definition, strengthens this study's reliability.

### **5.3 Material**

The chosen material in this study is policy documents (the two economic adjustment programmes), fact sheets, and follow-up reviews that relate with the EU's measurements to solve the Greek debt crisis. The written material is related to this study's chosen case and regards, measurements taken by the EU, numbers and figures regarding the situation in Greece, and evaluations of how things are evolving after the policies were introduced. The material is mainly from the EU Commission but also agencies within the EU that contribute to an analysis to be made. Apart from the EU, there are documents taken from the OECD, Bank of Greece and the World Bank, which provide insight of what happened after the programme's introduction in Greece. Furthermore, a set of press releases from the European

Parliament (EP) are used in this study, which is in the form of expressed opinions regarding the EU's handling of the crisis, with them being crucial for the possibility of the category of *Opposition* to be analyzed.

The material used for an analysis is found mainly through the European Commission's website. By choosing the link from the home page that regards 'Business, Economy, Euro' and further going to 'EU financial assistance', which lastly directs to the page of 'Financial assistance to Greece' where policy documents, agreements, statistics, and follow-up reviews are compiled and used in this study. Additionally, outside sources such as OECD reviews on Greece and statistics/figures for the Bank of Greece and the World Bank are used to find relevant information to make the analysis possible. The last piece of material used for the analysis comes from the European Parliament's press releases, where the keywords of Greek/Greece debt- aid- and support are used to measure the support and critique aimed at the policies the EU introduced to handle the Greek debt crisis.

The materials are all primary sources and are taken from internationally recognized organizations, namely, the EU, the OECD, and the World Bank. These organizations present fact sheets and follow-up reviews regarding the Greek debt crisis. It can be argued that they have biases in them, however, these documents only present what occurred during these attempts to solve the crisis and do not bring up biased assumptions, meaning opinions related to a certain ideology of what is right and wrong, but only facts and information regarding what policies were introduced and the follow up on them, which do not present political views on the situation. Furthermore, since the material used in this study comes from different sources and describes the same occurrence, inconsistencies would have been highlighted. Hence, the materials confirm each other in presenting accurate and unchewed descriptions of the Greek debt crisis. But when it comes to the EP's press releases, the respective political parties do express their own opinions regarding the handling of the crisis, which is done for the category of *Opposition* to be analyzed/evaluated. In order to mirror the public views regarding the situation, the political parties' representative, the Members of Parliament (MEPs), that sit and voice their opinion, become a valid approach to reflect what the opinions are voiced regarding the EU's handling of the Greek debt crisis.

Throughout this section, 'Material', it shows the various documents used in this study and why they are the ones chosen, it furthermore points out how to find the material to strengthen

this study's transparency and offers motivation for why it is fit for an analysis by displaying the objectiveness in the respective documents, and how the subjective opinions in the press releases are justified to validly reflect support and critique aimed at the handling of the Greek debt crisis. In summary, this points out the relevance of the material used and why it is relevant for an analysis to be made.

## **6. Analysis**

This chapter will take use of McConnell's (2010) theoretical framework and apply it to the material, meaning on the two economic adjustment programmes for Greece. With this, every category from the theoretical framework will be analyzed using the operational questions presented in '5.1 Operationalization', thus the structure will be presented accordingly. The presented parts from the programme are fully transcribed in the appendix. Each section will be summarized, where explanations are presented in regard to the placements on the spectrum of each respective category. Lastly, the results of the analysis will be summarized through explaining where each category got placed and it being visualized on 'Table 2'.

### **6.1 Analysis of the Category Implementation**

This section's analysis is based on this operational question: *What are the objectives found in the two programmes, and are they reported to be achieved in the follow-up reviews without any foreseen hindrance?*

#### **Pension and Labor reforms**

From the two programmes, there are several remarks regarding pension and labor reforms, with the aim of increasing public savings, and introducing a new fiscal framework (European Commission, 2010a: 15, 23). With this, the programme explains that there are to implement cuts on the average pensions and wages (European Commission, 2010a: 20). More specific measurable implementations are wage cuts through bonuses from Easter, summer, and Christmas with the replacement of a flat bonus of EUR 1 000 for those earning less than EUR 3000 per month and those who gross and higher wages their allowances will be reduced (European Commission, 2010a: 20). Similarly, the pension cuts consist of hindrance of bonuses from Easter, summer, and Christmas, for those who earn more the EUR 2 500 gross will be replaced with a flat bonus of EUR 800. The higher pension earner, meaning the ones exciting EUR 1 400 per month gross, will see a reduction in 8 percent of their pension (European Commission, 2010a: 20).

Throughout the programme's reviews, there are many instances where there is a mention of different ways that Greece has saved money and increased its revenue through the labor reforms. Some examples are Greece's savings on luxury goods, public administration, and

pharmaceutical expenditures (European Commission, 2011a: 30, 46, 48). Furthermore, the different flat bonuses mentioned, are stated to have been implemented and saved at least EUR 770 million (European Commission, 2011a: 45). This means that the savings has been fully implemented in Greece thus fulfilling *Success* in the category of *Implementation*.

The pension and labor reforms also include, mentioned in the programme, the implementation of an increase of the average pension age to 63 years old to result in the nominal pension age of 65 years old, increase the retirement age of women in the public sector by the end of 2013, and that in the future have the nominal pension age increased accordingly with the life expectancy (European Commission, 2010a: 23). Furthermore, the programme mentions that Greece is to implement a separation of the pension system and healthcare system, where a single pension fund is to become merged into three funds, with the accrual rate, being limited to 1.2 percent annually (European Commission, 2010a: 23). Likewise, pension increases should be related to prices (European Commission, 2010a: 23). Additionally, the programmes mention a reduction of pension benefits is set to decrease by 6 percent annually, with an in-depth review of the revisions (European Commission, 2010a: 23; European Commission, 2012a: 37). Lastly, implementing a supplementary pension fund should result in saving EUR 300 million (European Commission, 2012a: 25).

When it comes to the merger of funds, there are two supplementary pension funds that are described, called ETEA and TAPIT, and with the goal of three, there is an interpretation to be made that it has not been fully implemented (European Commission, 2014: 43, 75). With there being newly implemented funds in Greece described in the reviews, the interpretation of them not being implemented at all cannot be drawn. But when adding the targets of in-depth revisions and the decrease of annual 6 percent in pension benefits not being found in the review except that a reduction in pension benefit occurred, there are split interpretations to be made (European Commission, 2012b: 25). In addition, the supplementary pension fund should have saved EUR 300 million, which in the review (European Commission, 2012b: 75) is not found except that it resulted in savings. With McConnell (2010) explaining that if interpretations can be made for both sides, it then falls on *Conflicted success*, then using McConnell's (2010) explanation, the implementation of two out of three funds and no evidence of in-depth revisions nor the decrease of annual 6 percent in pension benefit fund, except that the pension benefit reduced resulted in saving, the interpretation is that it falls on



*Conflicted success* in the category of *Implementation* since both success and failure can be identified in the implementations.

On the topic of raising the average and nominal pension age, there is no clear evidence in any review that it occurred, but with the provided evidence that the Greek government, instead of implementing the given target, opted for raising the pension age to 67 years old through law, it does suggest that an increase of pension age occurred (European Commission, 2012b: 3). However, with the programmes setting specific targets and them not being implemented as intended, an increase of average and nominal pension age must have occurred since the law has raised the pension age, but not in accordance with the programmes intention. Since it was not implemented as the programmes described, it cannot be interpreted as successful. Furthermore, *Conflicted success* cannot be a possible interpretation, as the different pension age goals were not implemented, but at the same time, a pension age increase must have occurred, thus not completely failing the intentions of the programme, making the implementation that the policies of pension age did not completely fail thus landing on the spectrum of *Precairous Success* in the category of *Implementation*.

The programmes point out that the labor market is to become reformed, with the enforcement of a wage-setting mechanism that includes a new bargaining system, establishment of a single-rate statutory minimum wage, a launch of a social pact with social partners, and cuts in the non-wage labor costs (European Commission, 2010a: 25, 26, 27; European Commission, 2012a: 38). The implementation is to contribute to a reduction of 15 percent of labor costs to the business sector, additionally the so-called ‘special wages’ to be reduced by an average of 12 percent saving EUR 205 million (European Commission, 2012a: 25, 38).

Legislation is explained by the EU Commission (European Commission, 2010b: 64, 86) to have been introduced in Greece that introduces a wage-setting mechanism that includes a new bargaining system, single-rate statutory minimum, and a social pact with social partners, which is later confirmed by the EU Commission has been adopted (European Commission, 2011b: 11; European Commission, 2011a: 117; European Commission, 2014: 77). Although the exact term of wage-setting mechanism is not mentioned in the reviews, the things included in such a mechanism have been adopted in Greece, meaning there is an interpretation that the wage-steering mechanism is fully implemented and thus fulfilling *Success* in the category of *Implementation*. Regarding the cuts in non-wage labor costs, the

programme review states that a reduction in non-wage labor costs has been implemented and has occurred, and the reduction in special wages that should result in a reduction of EUR 205 million is observed and fully implemented (European Commission, 2012b: 73; European Commission, 2013a: 14). This means that it is interpreted as being fully implemented and thus falling on *Success* in the category of *Implementation*.

### **Tax reform**

In regard to taxes, the programme wants to reform taxes, meaning changing taxes on property, personal income and VAT, but also to introduce measures fighting tax evasion, which includes reducing social benefits (European Commission, 2010a: 15; European Commission, 2012a: 34). The tax reforms include an increase of VAT and excise taxes, tax increase of 4% of GDP excluding productivity, reduction of tax amnesty but not reducing indirect taxes relative to direct taxes and social contributions, and simplifying the taxes meaning an elimination of tax exemptions and preferred regimens (European Commission, 2010a: 19, 20; European Commission, 2012a: 34). With tax reform delays from the first programme it is explained that the Greek government should present steps in fighting tax evasion before March 2012 (European Commission, 2012a: 34).

The review (European Commission, 2010b: 23) mentions that efforts to fight tax evasion were introduced immediately after the first programme, but not to its best ability and with delays in the appointed schedule of March 2012. In the second programme, it is explained that the EU wanted to see better tax evasion implementation compared to the first programme, which in the review document (European Commission, 2012b: 76; 2014: 3) is explained as being weak, meaning that measures are implemented but the problem persists, thus failing in fully implementing but succeeding in reducing tax evasion. With both success and failure being described the interpretation is that it falls on the spectrum of *Conflicted success*.

When it comes to the increase of VAT and excise, it is explained to be implemented as early as June 2010 and fully implemented in 2011 (European Commission, 2010b: 6; European Commission, 2010c: 52). Concerning the tax increase of 4 percent set in the first programme it is not directly pointed out to be fulfilled, however, in the first review of the first programme, there is a clear statement that all the fiscal measurements have been adopted, in which the tax increase of 4 percent is included (European Commission, 2010b: 6). Regarding

tax amnesty, it is explained to be reduced and in addition, Greece will not introduce any tax amnesty scheme and will also end the existing ones (European Commission, 2013a: 74). Likewise, it is seen in the target of reduction of tax exemption in legislation, with it being adopted (European Commission, 2012b: 159). With the increase of VAT, a tax increase of 4 percent, reduction of tax amnesty and reduction of tax exemption in legislation, they are interpreted as fully implemented in relation to the programme's targets, meaning that it is interpreted to fall on the spectrum of *Success* in the category of *Implementation*.

When it comes to indirect taxes, they are explained as not reduced, but the target of them being intact in relation to the direct taxes is observed, thus not completely implemented (European Commission, 2014: 137). This means that both success and failure are identified in the policy, meaning that it is interpreted to fall on *Conflicted Success*.

On the topic of the reduction of social contributions, they are shown to have been reduced (European Commission, 2014: 137), however, it also shows that a possible increase can happen, but at the same time, Greece is mentioned to have adopted new legislation that can further reduce the social contribution by 3.9 percent (European Commission, 2014: 105). Given this, the interpretation is that the target is met, and the implementation of reduced social benefits are fully implemented, thus the interpretation is made of it falling on the spectrum of *Success*.

The programme's intention to create an agency that observes tax evasion is implemented and called OAEE (2012b: 139), and it is seen to have an effect (European Commission, 2014: 33). However, preferred regimes are not clearly pointed out as having been eliminated as a result of the agency's creation. This means that both successes and failures are identified in agency OAEE and thus interpreted to fall on the spectrum of *Conflicted success* in the category of *Implementation*.

Other measures that are introduced to fight tax evasion by the programmes are regulation of illegal buildings and the sale of gambling and gambling licenses, increasing capital for administrations fighting tax evasion, create more tax audits while assessing their performance, unifying the IT system across Greece, protecting whistleblowers, rotating management, and creating e-auctioning as of March 2012 (European Commission, 2010a: 20; European Commission, 2012a: 34-35, 36). The number of tax auditors is to double from

1,000 employees to 2,000 and replace underperforming managers in the tax office (European Commission, 2012a: 34-35).

It is explained that there has been an increased number of tax audits (Bank of Greece, 2013: 6), but the programme review mentions the disappointment of the tax auditors (European Commission, 2012b: 37), and in the final review in regard to tax evasion, it is mentioned as in need of further improvement through new reforms, referencing that the tax audits need improvements (European Commission, 2014: 1). With this understanding the tax audits have increased but when it comes to the assessment of them, it is explained as a disappointment and in need of improvement, thus with the problem persisting despite the increased tax audits it is interpreted as having both success and failure in its introduction thus falling on the spectrum of *Conflicted success*.

Regarding the implementation of rotating managers, it has been registered into law and the managers in tax administrations will be rotating every three years (European Commission, 2014: 200). If the managers are underperforming based on guidelines, a law is adopted that will replace such managers (European Commission, 2012b: 62). This means that both the rotation of managers and replacement of underperforming managers is fully implemented in Greece and is thus interpreted as falling on the spectrum of *Success* in the category of *Implementation*.

The 2,000 increased staff members target has yet to be met (European Commission, 2014: 198). As explained in the last programme review, 1,400 new staff have been achieved, with the goal remaining to achieve it (European Commission, 2014: 198). This is interpreted as not being fully implemented to the target of the programme, but a significant increase has occurred, thus, *Failure* cannot be identified as it would require, in accordance with McConnell (2010), that almost non-tax auditors were staffed. Furthermore, this means that *Conflicted success* cannot be interpreted, as the target is close to *Success* and remains to be achieved, therefore it is interpreted that it is in line with the spectrum of *Resilient success*.

On the topic of protecting whistleblowers, a plan has been made in an anti-corruption plan (European Commission, 2013a: 74), but the plan is explained in the latest review to have been delayed (European Commission, 2014: 35), meaning it still needs to be implemented. *Success* cannot be interpreted as an implementation has yet to occur. Still, with a plan being

presented, complete neglect of protecting whistleblowers does not occur, meaning that it is not deemed as fully failed, thus interpreted as falling on the spectrum of *Precarious Success*.

Finally, regarding the regulation of illegal building and illegal gambling sales of licenses, unifying IT, and creating an e-auctioning, there are no sources or mentions of it in the programme reviews, meaning it is interpreted as not implemented, thus falling on the spectrum of *Failure*.

### **Monitoring and Transparency**

With the programmes wanting to increase and strengthen the transparency in Greece, a set of monitoring measurements are mentioned to become implemented (European Commission, 2010a: 15). The examples presented in the programmes are the EU Economic Policy Committee conducting reports, technical assistance from both the EU Commission and IMF while increasing their staff on the ground in the Bank of Greece, creation of a mechanism that will offer better tracing and monitoring of official loans and standing funds for debt saving, and enforcing that the Bank of Greece needing of approval from the EU Commission before injecting capital to Banks (European Commission, 2010a: 23, 24-25, 29-30; European Commission, 2012a: 44-45).

On the topic of transparency, it is stated that huge improvements occur continuously after the first programme but is explained to be not fully satisfactory as there are delays and full availability of data are not presented (European Commission, 2010b: 15; European Commission, 2010c: 9; European Commission, 2011a: 19; European Commission, 2011b 19). This leads to the interpretation that Greece is almost fully transparent, which means that transparency is not yet fully implemented, thus, it is interpreted to fulfill *Resilient Success* in the *Implementation* category.

A mechanism that better offers monitoring has been introduced (European Commission, 2012b: 58), and technical assistance is explained to be given to Greece, however, the assistance was mentioned not to be enough and the Greek government requested more staff (European Commission, 2010b: 22, 57), in which it is pointed out to have been granted based on the second programme and given (European Commission, 2012b: 51). Meaning, that the necessary mechanism, staff, and technical assistance is fully implemented in Greece, thus interpreted as falling on the spectrum of *Success* in the category of *Implementation*.

## Healthcare

The reformation of healthcare is something that the programme stresses. In the transcribed programme documents, measurements that should be implemented are presented. Those measurements are: organizations responsible for health purchasing are to use a rational approach using the available resources, compulsory prescription of active substances, compulsory for doctors and pharmacists to implement e-prescriptions, monitoring the behaviors of doctors giving out prescriptions, doctors compliance in giving prescriptions based on the set prescription guidelines, pharmacies is to give a recommendation of the more affordable medicines, off-patent medicine to move closer to the prices in other EU countries, implementing a claw-back mechanism (European Commission, 2012a: 37). Furthermore, implementations of reducing medicine prices, increase co-payments, a reduction of EUR 50 million in overtime pay to doctors, updating its list of what is categorized as positive medicine, this to reduce expenditure of EUR 1.08 billion (European Commission, 2012a: 25).

It is described that the following implementations have been fully observed, adopted and implemented, and are: adopting a rational approach to allocation resources in the health care system by a reduction of 8 percent of operational cost (European Commission, 2012b: 95), making prescription of active substance is compulsory (European Commission, 2014: 40), making the off-patent medicine prices relative to EU countries (European Commission, 2014: 40), implementation of a claw-back mechanism (European Commission, 2014: 21), observed reduction of medicine prices (European Commission, 2012b: 71), co-payment is implemented and have increased saving (European Commission, 2012b: 25, 71), a system is implemented that monitors all doctors' behaviors of giving out prescriptions (European Commission, 2012b: 8), reduction of overtime pay for doctors has been observed and resulted in saving at least EUR 50 million (European Commission, 2012b: 71), implementation of a updated list of what is categorized as positive medicine (European Commission, 2012b: 71), which all in all has led to reducing expenditures of at least EUR 1.078 billion (European Commission, 2012b: 71), which is shy of EUR 20 million to the targeted amount. With those as mentioned earlier being fully implemented, adopted and observed and almost achieving the reduction of EUR 1.08 billion, it is, in accordance with McConnell (2010), almost exactly the implemented target, which is then to be interpreted as falling on the spectrum of *Success*, meaning that the EUR 20 million is minor in comparison to full sum and in addition it is stated 'at least' giving indicator that it possibly even reaches the full goal.

Regarding making e-prescription compulsory, it pointed out in the latest review that it has managed to achieve 90 percent of pharmaceutical prescriptions, using data provided by a health insurance agency, meaning that the dark number can vary (European Commission, 2014: 40). This then is not fully implemented but it is very close, however with the addition of the dark numbers it is uncertain and cannot be interpreted as either successful or as failed, meaning that the evidence is conflicted, therefore interpreted to be in line with the spectrum of *Conflicted Success*.

Furthermore, the following prescription guidelines are explained to not be followed as there is a lack of control in enforcing the guidelines, but the attempt to enforce them is ongoing (European Commission, 2014: 40, 97). This cannot, therefore, be interpreted as seeing any success, hence the interpretation of *Conflicted success* cannot be made, but with there existing an attempt to solve the issue, *Failure* is also then an interpretation that cannot be made. This leads to the interpretation that it leans towards failure but does not completely fail, meaning it falls on the spectrum of *Precarious Success*.

Similarly, it is mentioned that pharmacies continue to give branded medicine, thus not reducing or recommending off-branded affordable medicine (European Commission, 2012a: 42), but that a mechanism has been created to fix the problem (European Commission, 2014: 41). This led to it being interpreted as *Precarious Success*, with the same argument as mentioned above, meaning the implementation has failed but measures are taken to solve the issue, thus not fully failed and neglected.

### **Government, Public sector and their institutions**

The programmes point out that there is to be a new public market reform which should be implemented in tourism, education, and retailing while regulating professions as lawyers, architects, engineers and so on for economic growth (European Commission, 2010a: 27). Furthermore, the public sector is to relieve 150,000 employees from 2011 to 2015, this in combination with identifying redundancies where there is an assessment of the qualifications of in-service professions in reserve workers (European Commission, 2012a: 36, 41).

Based on the target set in the first programme, it is explained that tourism lost ground (European Commission, 2011a, 12), with some progress identified (European Commission,

2011b: 50), retail sales were deteriorating as of 2011 (European Commission, 2011b: 9), education lagged behind EU average (European Commission, 2011b: 42), and regulating professions like lawyers, architects, engineers was ongoing and not completed (European Commission, 2011b: 40). With this, the interpretation of the implementations would be regarded as falling on the spectrum of *Failure* as nothing can be interpreted as successful and achieving the targets set in the first programme. However, with the reparations in the second programme, it is explained, as of the latest review, that tourism has seen strong years (European Commission, 2014: 13), retail has improved, and additional steps have been taken to improve it further (European Commission, 2014: 55), education have gained significant improvement, but further improvement is needed (2014: 44), and proceedings have been implemented to regulate professions like lawyers, architects, engineers (European Commission, 2014: 55). This leads to the interpretation that the implementations of the first programme saw failure but that the failures were not abandoned and processes to improve the targets continued and then saw success. Therefore, both success and failure can be identified, and it falls on the spectrum of *Conflicted Success*.

Concerning reducing 150,000 staff in the public sector, the statistics show that 125,994 employee reductions were achieved (Eurofound, 2016). However, the identification of redundancies and qualifications is not mentioned. With 124,994 being close to the target, *Resilient success* could have been argued, but with there not being presented how of if the identification of redundancies and qualification occurred, the result remains conflicted, and thus being interpreted as falling on the spectrum of *Conflicted success*.

In the programmes, there are several clear cut implementations that Greece is to implement, which include lessening the arrears, consolidation measures to meet 4% of percent of GDP in 2012 and in 2013, and in the range of 2 - 2 1/2 percent of GDP in 2014, Greek Statistical Office is to be reformed to a non-partisan fiscal agency, and sufficient resources to the is to be given while it being fully compliant with the European Commission Statistical Action Plan (European Commission, 2010a: 20, 24, 30; European Commission, 2012a: 35).

The first review explained that all consolidation measures had been fully adopted (European Commission, 2010b: 16). Despite considerations of an increase in arrears (European Commission, 2011b: 21), it is explained that all targets for the arrears were later met (European Commission, 2013a: 2). Since all consolidation measures and all targets for the



arrears were achieved, it is then interpreted that the implementation is in line with the spectrum of *Success*.

Similarly, success can be seen in the targets for the Greek Statistical Office and the required consolidation measures. It is explained that the Greek Statistical Office (ELSTAT) has achieved independence and has gotten continuous support from the Greek government (2010c: 40; 2012b: 243), and the required consideration measures went beyond the targets with 7,5 percent of GDP in 2013-2014 (European Commission, 2012b: 3), with the review mentioning it as 'impressive' (European Commission, 2014: 1). This led to the interpretation that required functions for the Greek Statistical Office and the required consideration measures were achieved, meaning that it falls in the spectrum of *Success* in the category *Implementation*.

Further clear-cut implementation mentioned in the programmes is: creation of a financial stability fund, reduction in the amount of employed deputy mayors and associate staff to save EUR 30 million, reduction in purchasing military equipment by EUR 300 million, reduction in government operational expenditure to EUR 270 million, cutting the rate of benefits for residents buying state-owned residents in remote areas and cutting entities supervising ministers to reduce expenditures to EUR 190 million, cuts in the Public Investment Budget to private and domestically financed investment by EUR 400, and lastly for the General Secretariat for Public Property to start selling properties (European Commission, 2010a: 29; European Commission, 2012a: 25, 31).

From the review it mentioned that all these measures have been implemented with the financial stability fund being established (European Commission, 2010b: 2), a reduction of deputy mayors and associate staff has been observed and is estimated to have saved at least EUR 37 million (European Commission, 2012b: 72), a reduction of EUR 300 million in military equipment have been observed (European Commission, 2012b: 72), the creation of an expenditure ceiling has resulted in the government lock in savings of EUR 320 million (European Commission, 2014: 169), cutting the rate of benefits for residents buying state-owned residents in remote areas and cutting entities supervising ministers have been observed and reduced expenditures of EUR 190 million (European Commission, 2012b: 72), the Public Investment Budget have allocated a financial investment of EUR 400 million to private and domestically financed investments (European Commission, 2012b: 72), and the

General Secretariat for Public Property have complied with the programmes requests (European Commission, 2012b: 82). Given this observation it is a clear interpretation that everything is fully adopted and falls on the spectrum of *Success*.

With tax reforms delayed, the programme writes that the government must present a full schedule in March of 2012 where steps should be presented on how to implement these reforms (European Commission, 2012a: 34). With the delays Greece is also to lock in deadlines in regard to energy and gas directives (European Commission, 2010a: 27). The Greek government is also explained, in the programmes, to reconstruct its regulatory changes and the loss-making firms in the country (European Commission, 2012a: 31).

With regard to the deadlines on energy and gas directives, Greece pointed out that they would be compliant with the EU directives regarding gas and electricity (2014: 189), meaning that they followed the deadline and presented a solution for the directives, thus fully implementing the deadline and its intent given the interpretation that it is in line with the spectrum of *Success*.

Furthermore, the programme explains that Greece is to reorganize its social programmes and follow OECD's recommendations regarding which vulnerable group receives social benefits (European Commission, 2012a: 36). From the review, it is explained that Greece has adopted all the recommendations given by the OECD (2012b: 27), thus the interpretation that the implementation falls on the spectrum of *Success*.

### **Private Sector, Competitiveness and Privatization**

In regard to the private sector and the reforms that aim to improve business through privatization and competitiveness, the programme explains that the public sector is to open up the bussing sector for domestic and foreign investors and lessening the state's direct participation in the domestic industries with an induction of the agenda of strengthening competitiveness (European Commission, 2010a: 15). The Greek government is explained in the programme to implement an introduction of levies on profitable firms, a simplification in business start-up requirements, lowering license burdens, lowering administrative burdens on firms, and supporting public creation of a platform that can solve procurements (European Commission, 2010a: 27). Furthermore, the Greek government needs to liberalize the energy

sector and divide the electric and gas companies (European Commission, 2010a: 20, 27, 29; European Commission, 2012a: 42).

The Bank of Greece (2024a) presents statistics regarding foreign investors. It shows that foreign investment increased from 2010 to 2013 and declined as of 2015 (Bank of Greece, 2024a). This means that reforms were implemented and achieved their goal at the programme's end, thus being interpreted as being on the spectrum of *Success*.

Privatisation is mentioned as being planned but still in progress (European Commission, 2011a: 51, 95; European Commission, 2011b: 82), and the last review of the second programme mentioned that an adopted legislation will improve privatization significantly (European Commission, 2014: 27). This hints at privatization not being satisfactory, but a plan to solve it is implemented. Thus, it cannot be interpreted as fully failed, and with success not being evident, it is interpreted that the reforms regarding privatization fall on the spectrum of *Precaious Success*.

On the topic of competitiveness, it is explained that Greece has seen improvements in some areas but that there are still improvements to be made (European Commission, 2010b: 2; European Commission, 2010c: 5, 27; European Commission, 2011a: 5, 9; European Commission, 2011b: 1, 12; European Commission, 2014: 1, 4). Given this understanding, there is some success, but at the same time, there are areas in which the competitiveness reforms could be more satisfactory. This leads to the interpretation that arguments for both success and failure in some aspect can be made and thus the interpretation that it is in line with the spectrum of *Conflicted success*.

The reviews explain that, on the topic of making simplifications for businesses to get started, the business environment has improved where it has become easier for businesses to get started, and the progression shows that more businesses have been started (European Commission, 2011b: 98; European Commission, 2014: 52). This means that the reforms for improving the business environment and simplifying business start-up are interpreted as fully implemented and in line for the placement on the spectrum of *Success*.

Regarding the lessening of different administrative burdens for the benefit of the administration and for different firms, it is pointed out that burdens have been contained,

where examples of ease the licensing attainment, levies being implemented, and system of VAT introduced has continued to the reduced burden (European Commission, 2010b: 84; European Commission, 2012b: 224; European Commission, 2014: 5, 17, 31). Given that the measurements are implemented to reduce administrative burdens, it is interpreted that they fall on the spectrum of *Success*.

On the topic of liberalizing the energy sector, it is explained that Greece complies with the EU directives concerning gas and electricity, meaning it will become liberalized and unbundled (European Commission, 2014: 189). However, with it still not being observed but steps toward success, it cannot be interpreted that success is seen, only that possible success is to be seen. This means it cannot be seen as fully failed since a measure to liberalize the energy sector is planned. Still, at the same time, an interpretation of *Conflicted success* cannot be made since success is yet to be seen, thus, the interpretation is that it is in line with the spectrum of *Precarious Success*.

Lastly, the planned platform for procurements is explained to have been delayed, not implemented (European Commission, 2011b: 39), but further review does not mention it, and evidence for its creation and plans for it cannot be found, meaning that this is then interpreted as being on the spectrum of *Failure* in the category of Implementation.

### **6.1.1 Summary of the analysis on the category Implementation**

In summary, the interpretations made in the category of *Implementation* cover the different spectrums ranging from *Success* to *Failure*. However, when combining the implementations, the analysis shows them leaning towards the spectrum of *Success*, in particular with the interpreted failures, such as no e-auction or unified IT system, not being as impactful compared to the successful health care savings of EUR 1.078 billion, or reforms of administration which for example reduced administrative burdens. This means that the analysis shows more *Success* and *Resilient success* compared to *Precarious Success* and *Failure*. Still the targets overall are not fully implemented, hence the interpretation is made that the category of *Implementation* fulfills the spectrum of *Resilient success*.

## 6.2 Analysis of the Category Outcome

The category of *Outcome* is analyzed by posing the question *What are the written programme's desires, and to what degree are they in agreement with that which is described in the follow-up reviews?*

### Competitiveness

Throughout both programmes, several desired outcomes are mentioned; one of the more prominent ones is the increase of competitiveness in Greece, which is to result in an increase in revenue (European Commission, 2010a: 15, 17, 19, 25, 27; European Commission, 2012a: 31, 41).

After the first programme, the first review came afterwards and pointed out that competitiveness needed to be improved so that revenue could increase and reach the programme goals, as it missed the targets set out in the programme (European Commission, 2010b: 1). The second review stated the same and explained that the revenue collection was weaker than projected (European Commission, 2010c: 64). Then in the third review it was explained that Greece started to see some progress in regard to competitiveness, however, it needed more improvement as the revenue still saw shortfalls (European Commission, 2011a: 1, 78), and in the last review of the first programme competitiveness was stated to still need improvement (European Commission, 2011b: 84). After the introduction of the second programme, the last review summed up what achieved outcomes occurred. It is explained that competitiveness improved after the new labor reforms were implemented, competitiveness saw continuous improvement (European Commission, 2014: 1). But it further mentioned that businesses were still in need of boosted competitiveness, as even though Greece's competitiveness had recovered and increased, it still lagged when compared to other EU countries receiving aid through an adjustment programme (European Commission, 2014: 4, 15). Lastly, the Greek government had implemented measures to enhance competitiveness further (European Commission, 2014: 77, 107), but there was still room for improvement there, as revenue in Greece is almost the same as of the latest reviews, meaning little increase was seen (European Commission, 2014: 17). The desire to improve competitiveness was achieved, but not satisfactory as the goal of it resulting in significant revenue increase, and it being stated that the revenue remained almost the same, it cannot be interpreted as *Success*, nor *Resilient success*, since desire described did not come close to what the programmes

explained it wanted. At the same time there were small achievements with it not being stated that any controversies were perceived, thus leading to the interpretation of *Conflicted success*.

### **Reforming labor and business market**

When it comes to the reformation of the labor market and the business market, there are certain outcomes the programmes explain that they wanted to achieve. The desired outcomes mentioned are seeing improvement in the business environment that leads to new businesses getting started more easily and, with this, seeing new job opportunities/creation for the Greek population in general but with the emphasis on youth and long-term unemployed groups (European Commission, 2010a: 25, 26, 27).

From the review on the topic of the business market, the business environment was explained to require improvements mainly through simplifying the ability of start-up businesses, which later occurred (European Commission, 2011a: 40; European Commission, 2014: 52).

Furthermore, the desire to create job opportunities for the improvement of the business environment, it is mentioned that other than the youth having gained improved contract agreement for working, it does not suggest that they have gained more work (European Commission, 2011b: 97). By looking at the OECD review of Greece, they stated that low employment rate of women remains in Greece and the youth saw some increased employment rate, but they were not inclusive in the work market (OECD, 2018).

Additionally, unemployment is explained to have risen compared to before the crisis (World Bank, 2024a). With small achievements combined with controversy, meaning increased unemployment as of the second programme's end, it is interpreted as controversy, meaning unwanted outcome. With the combination of small achievements and controversy, the interpretation is that it is in line with the spectrum of *Precairous Success*.

At the same time, the programme does want to introduce wage reforms that set pressure both on the Greek government and also by balancing out the private sector with the public sector, so enforcement of wage cuts does not become necessary (European Commission, 2010a: 26, 27). With this, there is a desire that it should lead to decentralized wage bargaining and a new collective agreement, which includes wage competitions without the Greek government's interference, thus leveling the playfield between employers and employees (European Commission, 2010a: 27).

The desire to not cut wages has not become a reality as public expenditure cuts have been made, which included wage cuts (European Commission, 2010b: 16), but they did not enforce the wage cuts on the private sector, as it seems to have spilt over into the private sector creating balance (European Commission, 2010c: 1), which was desired. Given that both success and failure can be identified, but with the wage cut being implemented, it does suggest that the desired outcome of not cutting wages did not occur, meaning the opposite of the desire expressed in the programme. Thus, even if the enforcement of wage cuts did not happen in the private sector, the balance would not have been achieved without enforced wage cuts in the public sector, leading to the interpretation of *Failure*.

Regarding wage bargaining, it is explained that legislation was going to become adopted in Greece that introduces a wage-setting mechanism that includes a new bargaining system, single-rate statutory minimum wage and a social pact with social partners (European Commission, 2010b: 64, 86), which in later reviews by the EU Commission (European Commission, 2011b: 11; European Commission, 2011a: 117) is explained to have become adopted in July 2010, with the necessary law amendment to ratify the new agreement being adopted in July in 2011. There was no mention of decentralization in the reviews on the first programme, but in the later reviews, it is pointed out that decentralized wage bargaining was achieved (European Commission, 2013a: 14). Given the information from the reviews on the desired outcome of the wage reforms leading to decentralized wage bargaining, it seems to have been fully achieved. Thus, the interpretation is made that the outcome is on the spectrum of *Success*.

In addition, to boost the business sector, there is a desire for more privatization with the means of a correct transition for state-owned to privatize (European Commission, 2012a: 31). In programmes, the outcome desired is to increase the independence of the energy regulations and to unbundle the state-owned gas and energy companies before making them private (European Commission, 2010a: 27; European Commission, 2012a: 42). Similarly, the transport system is explained to be at a tough place where the desired outcome is to make the transport sector more privatized (European Commission, 2012a: 40, 42).

Regarding the desire to increase privatization in Greece, the majority of state-owned enterprises have been privatized (European Commission, 2014: 26). However, there have been some setbacks concerning the energy sector and some parts of the transport sector, but

progress has been made, such as the implementation of adopted regulation to achieve the desired outcome. But regulation on energy is made but waiting for it to be fully implemented (European Commission, 2010b: 93; European Commission, 2010c: 103; European Commission, 2012b: 68, 120; European Commission, 2014: 5). Based on this, there have been minor setbacks in reaching the full desired outcome, but the setback is in progression, however with the desired outcome mentioning more privatization, there is interpretation to be made that Greece did observe more privatization than before the crisis. Thus, the interpretation is that the desire for 'more' privatization is fully achieved and falling on the spectrum of *Success*.

### **Tax evasion corruption**

Another desired outcome the programmes emphasize is the hindrance of tax evasion, whether it be through mismanagement of social benefits, hidden transactions, hindering undeclared work, slippages of fees or the improvement of the collection of taxes. (European Commission, 2010a: 19; European Commission, 2012a: 34-36, 41).

It is explained that new measurements have been adopted by Greece to improve tax collection, reduce tax evasion and fight corruption, suggesting that it needs to be improved (European Commission, 2014: 3). Furthermore, new rules and a new tax procedures code has been adopted that is described as a major step to reduce tax evasion (European Commission, 2014: 30), but the legislation has not been adopted before the second programmes end (European Commission, 2014: 84). Additionally, fighting undeclared work has been a continuous effort, suggesting the programme is not satisfied with the results (European Commission, 2014: 228). With the tax evasion and corruption being stated as ongoing with improvements needed for its reduction, a satisfied desire is not interpreted nor there being minor shortcoming to achieving the programmes full desire. However, with there being controversies with the tax auditor's performance (European Commission, 2012a: 37), it does outshine the described achievement of the planned legislation to reduce tax evasion and corruption. Thus, it is interpreted as falling on the spectrum of *Precairous Success*.

### **Credibility**

Credibility is one of the outcomes the EU wants with the programmes, meaning to reduce corruption and Greece's bad transparency record for them to be attractive to investors but also to ensure that the programmes are implemented accordingly in the country, meaning setting a



positive track record with confidence in serving its debt, thus improving their credit standing (European Commission, 2010a: 15, 31; European Commission, 2012a: 41, 44-45, 48-49). This includes increasing banks' credibility in Greece and introducing EU and IMF monitoring and reporting data and statistics, thus maintaining stability in the systems of its implemented policies (European Commission, 2010a: 15, 29-30; European Commission, 2012a: 48-49).

It is explained that enhancing credibility is important for the programme's success (European Commission, 2014: 203), and the Greek authorities have made progress in terms of anti-corruption but have faced delays in its adoption (European Commission, 2014: 35). More transparency is explained to be needed (European Commission, 2014: 27, 30, 43), but with the debt initially decreasing (European Commission, 2014: 7), and shortly after the World Bank (2024b) points out that it has only been increasing, the increased credibility of Greece is hard to interpret. Regarding monitoring, there has been close cooperation with the EU Commission, and data has been given to the EU Commission, ECB and IMF (European Commission, 2014: 96, 98), but is explained to need to be improved (European Commission, 2014: 4). Given this the credibility, as of the end of the second programme, is not expressed to be satisfactory, but some improvements like better monitoring is achieved. Since the anti-corruption plan is not implemented as of the end of the programme and corruption is still existing (European Commission, 2014: 3, 35), there is an interpretation to be made that the controversies outshine the small achievement, and adding that debt is increasing, it is interpreted that the desire for increased credibility falls on the spectrum of *Precarious Success*.

### **Governmental changes**

The programme desires that the Greek government introduces sustainable fiscal consolidation urgently, meaning fiscal consolidation that can hold in the long-term (European Commission, 2010a: 15). The programme also wants the government to increase savings and revenue by the desire for Greece to increase its capacity to produce, save and export (European Commission, 2010a: 15).

Fiscal consolidation concerning the long-term aspect has not been directly addressed in any review before the second programme, but a medium-term budgetary solution that contains fiscal consolidation is presented (European Commission, 2011b: 52). With there not a presented long-term solution as desired, but only a medium-term, it does miss to achieve the

full desired outcome of the programme. Furthermore, a minor setback is not observed as a long-term and medium-term solution is separated by many years. However, it cannot be interpreted as *Failure or Precarious success* since no controversy was observed. Rather, positive reviews were given regarding the fiscal consolidation (European Commission, 2010b: 16; European Commission, 2012b: 3), meaning that it is interpreted to fall on the spectrum of *Conflicted success*.

The desired outcome of increasing export, production and savings is explained to be achieved, in regard to the increased export and saving (World Bank, 2024c; 2014: 169). However, regarding the production, it is under a satisfactory level (European Commission, 2014: 12). With this understanding, the production is under satisfactory cannot be interpreted as a minor setback as it is not observed to be close to the desired outcome, thus weighing down the other two achievements, but it does not outshine them. Thus, the interpretation is that it is on the spectrum of *Conflicted success*.

Further desires listed in the programmes are making Greece handle 100 percent of its debt by June 2013, getting the primary balance 1 percent deficit by 2012 and following OECD recommendations and evaluations (European Commission, 2010a: 24-25, 30; European Commission, 2012a: 24, 31, 35-37).

In the reviews, it is pointed out that the primary balance 1 percent deficit by 2012 has been reached (European Commission, 2013b: 1), and it is written in the reviews that 'the government has established an independent task force under the OECD's guidance to fulfill the specific policy measures' introduced by the OECD's, meaning that Greece is following their recommendations and evaluations (European Commission, 2011b: 42). This is then interpreted as being fully achieved and thus in line with the spectrum of *Success*.

Regarding Greece handling 100 percent of their debt, it is explained that that was not achieved by the end of the second programme, with Greece's after the programmes end being reliant on the European Stability Mechanism fund (European Stability Mechanism, 2024): This gives the interpretation the desire of Greece handling 100 percent of their debt is missed and was not close to achievement since they need the European Stability Mechanism fund years after the programmes end (European Stability Mechanism, 2024), thus the interpretation of it falling on the spectrum of *Failure*.

Furthermore, the programme explains that it desires the Bank of Greece to be able to give out emergency lending assistance in the future that is backed by the state (European Commission, 2010a: 29). It also wants the public agencies to reduce staff in the way of not reducing the agencies to be inefficient and creating policies that companies can exploit to make more profit (European Commission, 2012a: 36, 38).

There is no mention of the Bank of Greece being able to lend out a bank emergency fund even if it is backed up by other member countries, rather, they are still in need of an emergency fund themselves (European Commission, 2014: 156). Thus, the opposite desire occurred, and it is interpreted to fall in line with the spectrum of *Failure*.

With the expressed desire to reduce public employees, it is pointed out that there has been a reduction of 125,994 employees (Eurofound, 2016), but public administrations still need to be more efficient (European Commission, 2014: 38). However, it does not mention the efficiency decreases as a result of the reduced employees, meaning the desire was fully achieved and falling on the septum of *Success*.

### **Inner programme desires**

Within the programmes, there are also mentioned of desired outcomes that are explained is needed for better implementation. It is explained that the programmes are under the confidence that the EU member states will provide the necessary funding and assistance to Greece, and as a result of the second programme taking lessons from the previous, it wants to mitigate slippages, meaning it wants things to be done accordingly to the programmes plans while taking lessons from the previous programme to making the second one easier to implement (European Commission, 2010a: 31; European Commission, 2012a: 21). Although not excluded, the second programme does not want to raise taxes further from that which it has been raised from the previous programme, but instead increasing the revenue of the administrations in Greece and broadening the tax base (European Commission, 2012a: 34).

There is no mention that the second programme mitigated the previous programme's slippages specifically, but with there being further measures presented on top of the first programme, which succeeded, for example, presenting better competitiveness and improved energy regulation (European Commission, 2014: 4.5, 15), it is then interpreted that the

second programme has mitigated some slippages, thus achieving its desired outcome. Furthermore, it is expressed that EU member states have assisted Greece (European Commission, 2011b: 4), that Greece has achieved a broaden tax base (European Commission, 2013a: 30), and that the administration has seen an increase in revenue through new debt collection (European Commission, 2014: 34), with no evidence that a tax increase occurred as of the previous programme. Given this understanding, the inner programme desires are fully achieved and are interpreted to fall on the *Success* spectrum in the *Outcome* category.

### **6.2.1 Summary of the analysis on the category Outcome**

In summary, the combined result of the desired outcomes in the programme shows *Success* almost to the equivalent of *Failure* and *Precarious Success*. This indicates that the result of analysis is mixed, with arguments made for both sides of the spectrum. In accordance with McConnell (2010), if results are mixed and it is hard to determine the spectrum, it falls on the spectrum of *Conflicted success*, meaning the category of *Outcome* is interpreted to fall on the spectrum of *Conflicted success*.

### **6.3 Analysis of the Category Benefit**

In order to analyze the category of *Benefit* the operational question of *Does the material show if the targeted group/actor of the programmes gain positive results without damaging any societal group within the policy implementation territory?* is used.

The main targeted groups identified in the programmes are Greece and the EU.

The EU is a target group of the programme since it is mentioned that the Greek debt led to the Eurozone crisis and then an EU crisis, which the programmes sought to manage (Simitis, 2014: 74-76). With this understanding, the benefit the EU received is that the Eurozone continued its existence, with the addition of the EU being able to introduce mechanisms that can better protect the EU if a similar crisis were to occur (ESM, 2024). Since the Euro currency and the EU economy, which was impacted by the Greek debt crisis, have seen improvements since the crisis (ESM, 2024), there is an interpretation that the programme benefited these two areas. Furthermore, with Greece no longer affecting the EU as it did after

the implementation of the programmes (European Commission, 2024), there are only interpretations of benefits being received by the EU.

Furthermore, Greece is another target group identified in the programmes as they were created for the purpose of relieving Greece's debt and by extent relieving the EU of its consequences (European Commission, 2024). It presented that Greece saw benefits, most evidently through the improvements of different policy areas, such as labor, pension, administration and so on, through reforms, as well as through getting Greece out of a complete collapse by aiding them with financial support (European Commission, 2024). At the same time, as of the end of the second programme, the results were still unsatisfactory, and it is evident that a new separate programme was needed to be implemented after the two programmes ended (European Commission, 2024; ESM, 2024). In addition, the Greek debt continued to rise after the programme's end, with Greece, regardless, being somewhat reliant on the EU after the two programme's implementation (ESM, 2024). However, clear evidence that suggests the benefits are identified as a result of the programmes is shown, mainly through Greece being able to come out of the most critical phase, meaning right before the programme's introduction (European Commission, 2024; ESM, 2024). Thus, the interpretation is that the targeted group, Greece, benefited from the programmes.

On the other hand, there is an argument to be made that because, for example, the wage cuts and the limitations of overtime pay did occur due to the introduction of the two programmes (European Commission, 2010a: 20), a group was damaged, meaning the citizens of Greece. However, when adding the perspective that the programmes did contribute to the Greek economy not collapsing, they, the citizens, by extent received more benefit than the possible damage if the programmes were not introduced. Furthermore, it can be argued that Greece caused a spillover effect damaging other EU member states (Simitis, 2014: 73-74). However, that is a result of Greece's previous action and is not a result of the programmes (Simitis, 2014: 6). At the same time, the EU member states contributed with capital (European Commission, 2011b: 4), and in that sense, it can be argued that they got damaged by the programme, which meant a loss of capital. But similarly, to the argument of the Greek citizens, if the EU member states did not contribute, there is a likelihood that the spillover would have gotten worse and impacting the member states greater than the contributed amount they allocated to Greece.

### **6.3.1 Summary of the analysis on the category Benefit**

It is identified that both targeted groups of the programmes, meaning the EU and Greece, did receive benefits. Given the lack of clear evidence that shows the programmes causing damage to a particular group, it is interpreted that the category of *Benefit* falls in line with the spectrum of *Success*.

### **6.4 Analysis of the Category Fulfillment of Criteria**

In this section the operational question *Does the material point out the state of the programmes desires, and if they are achieved or unfulfillment through them being within or outside of the given budget or without any infringement of EU core values?* is used to analyze the category of *Fulfillment of Criteria*.

#### **Core values**

Before the analysis of *Fulfillment of Criteria*, a little introduction of core values is needed to show that they have been considered in the analysis. Regarding core values, it is something that should be followed within the territory of programmes introduction and impact, according to McConnell (2010). In this case, it is interpreted as the EU. One EU value that is identified and discussed in the reviews is transparency. Since transparency is not a given clear EU value, it is found in the EU rule of law, which is listed as an EU value (European Union, 2024a; European Union, 2024b).

From the reviews, it is explained, by the end of the programme, that transparency exists, but it needs to be further improved (European Commission, 2014: 37). Still, it is not indicated that major infringements of lack of transparency occurred that hindered the programme's implementation. Thus, there are not any identified major infringements of core values during the course of the programme, and not something that is taken into consideration when analyzing the budgets,

#### **Budget**

There are several remakes of budget, savings, and expenditure that the programmes set out, and which should be followed, these are: saving EUR 300 million on hanging the supplementary pension fund, the financial stability fund is to be EUR 10 billion, a given

support package of EUR 28 billion from the first programme, EUR 110 billion in which the EU covers EUR 80 billion and the IMF EUR 30 billion, and is to be released accordingly to EUR 38 billion in 2010, EUR 40 billion in 2011, EUR 24 billion in 2012 and EUR 8 billion in 2013 (European Commission, 2010: 29-31; European Commission, 2012a: 75)

The financial stability fund is explained to have surpassed its initial budget and resulted in becoming EUR 50 billion (European Commission, 2012b: 153). The amount disbursed, as of the latest review, is a planned amount of EUR 214.9 billion by the end of the second programme, in which Greece has already received EUR 141.9 billion as of the last review (European Commission, 2014: 9), which is over the planned amount and can result in double the amount. However, the planned support package ended up EUR 25 billion, which is a little under budget, and the savings of hanging the supplementary pension fund were not specified, other than it resulted in an undisclosed amount of savings (European Commission, 2011a: 18). Combining these budgets, it is interpreted as them being outside the budget plan. However, to determine where it falls on the spectrum, it is to be observed in combination with the result in the category *Outcome* according to McConnell (2010), which is in this study interpreted as *Conflicted success*. To this understanding, the programmes desired outcome was not fully met but not fully or almost not met with it being outside the budget. It then, in accordance with McConnell (2010), is interpreted to be in line with the spectrum of *Conflicted success*.

Further set remarks of the budget are found in the planned savings containing a set amount of reduction in expenditure to be aimed for, which are: a reduction in pharmaceutical expenditure by at least EUR 1 080 million in 2012, reduction of EUR 50 million in overtime pay to doctors, reduction on purchasing military equipment by EUR 300 million, savings of EUR 30 million based on the reduction of employed deputy mayors and associate staff, a reduction in government operational expenditure to EUR 270 million in relation to the budget, reduce expenditures to EUR 190 million by cutting the rate beneficial for residents buying state-owned residents in remote areas, saving EUR 205 million on reducing 'special wages' in the public sector and allocation of EUR 400 million private and domestically financed investment (European Commission, 2012a: 25).

From the set aims in savings and expenditure reduction, the review explains that every point was achieved and observed, which reduced at least EUR 1.078 billion (European

Commission, 2012b: 71-73, 169). With EUR 20 million being a small amount compared to the full amount and stated 'at least', it is interpreted to be fully achieved. When combining the category of *Outcome* result, which is on the spectrum of *Conflicted Success*, meaning the programmes did not fulfill all the desired outcomes, even if the intended savings on expenditure was achieved, it then is regarded as a minor setback. Thus, the interpretation is made that the achieved budget saving falls on the spectrum of *Resilient success* in the category of *Fulfillment of criteria*, as they did not aid the desired outcome even if the planned savings on expenses were met.

#### **6.4.1 Summary of the analysis on the category Fulfillment of Criteria**

Combining the achieved budget savings of at least EUR 1.078 billion and missing the planned budget by EUR 31.9 billion and possibly going up towards EUR 104.9 billion, the budget savings then become insignificant. Given this information, the missed budget resulted in the category of *Outcome* to fulfill *Conflicted success*, thus having some *Success* and *Failure*, meaning the missed budget did not lead to the full achievement or failure of the desired outcome. This leads to the category of *Fulfillment of Criteria* being interpreted as falling on the spectrum of *Conflicted success*.

#### **6.5 Analysis of the Category Opposition**

In this section the question, *How much critique relative to support, towards the two Greek economic adjustment programmes, is found in the material?* is posed to make the analysis possible.

Different arguments were made by the MEPs, which reneged from lack of transparency during the programmes, lack of inclusion of the European Parliament on issues of economy, blaming the EU countries for not implementing the economic adjustment programmes when they had responsibility, meaning lack of accountability, and high unemployment rate of youths in Greece (European Parliament, 2014a; European Parliament, 2014b; European Parliament, 2014c; European parliament, 2014d). However, given the different critiques given to the programme and its creators, meaning the EU Commission, ECB, and IMF were the EU commission had most responsibility, there was a consensus that matters would be much worse if the programmes did not get implemented stating that it helped to avoid the



worst scenario, and additionally it is explained that the MEPs did not criticize mistakes of the programmes rather what could be improved and what lessons could be drawn (European Parliament, 2014a; European Parliament, 2014b; European Parliament, 2014e).

### **6.5.1 Summary of the analysis on the category Opposition**

With the understanding of the MEPs, which represent the views of their political parties and thus the EU citizens, there were mainly critiques given on needed improvements the programmes could have implemented, like more accountability and more focus on the youth unemployment rate in Greece. However, there was a consensus that the programmes were much needed. Therefore, the interpretation is that the MEPs were mostly satisfied with the programmes, but with some existing critique, it cannot be interpreted as falling in the spectrum of *Success*. Given the consensus of the programme fulfilling its purpose, meaning avoiding a much larger crisis, combined with some critique, the support is interpreted as greater than the critique, thus the interpretation that in the category of *Opposition*, the programmes fall on the spectrum of *Resilient Success*.

## **6.6 Summary of the analysis**

To summarize, the analysis shows which spectrum each category is interpreted to fulfill. The category of *Implementation* fulfills the spectrum of *Resilient success*, and the category of *Outcome* resulted in it being placed on the spectrum of *Conflicted Success*. Furthermore, the category of *Benefit* is shown to fulfill the spectrum of *Success*, and the category of *Fulfillment of Criteria* resulted in it fulfilling the spectrum of *Conflicted success*. Lastly, the category of *Opposition* resulted in fulfilling the spectrum of *Resilient Success*. To make the summary more comprehensible, it is visualized in 'Table 2', shown below.

Table 2:

	<b>Success</b>	<b>Resilient Success</b>	<b>Conflicted Success</b>	<b>Precarious Success</b>	<b>Failure</b>
<b>Implementation</b>	The implementation is in line with the objectives.	The implementation objectives were broadly achieved, despite minor refinements or deviations.	The results are mixed, with some success, but accompanied by unexpected and/or controversial problems.	Minor progress towards implementation has been made as intended. It is challenging to defend.	The implementation fails to be executed in line with objectives.
<b>Outcome</b>	The desired outcomes are fully achieved.	Outcomes are broadly achieved despite some identified shortfalls.	Unwanted results counterbalance some successes, but the partial achievement of intended outcomes.	Some small outcomes were achieved as intended but overwhelmed by controversy or failure to produce results.	Failure to achieve desired outcomes is identified.
<b>Benefit</b>	Benefit is identified for the target group.	There are a few shortfalls and some uncommon damage cases, but the intended target group broadly benefits.	Partial benefits were realized, but not as widespread as intended nor deep as intended.	Small benefits are achieved and are overshadowed by damage to the targeted group meant to receive benefit.	Damage is caused to the particular target group.
<b>Fulfillment of criteria</b>	The policy meets the domain criteria.	The desired outcome is not quite reached but close enough to lay a strong claim that the criteria are fulfilled.	Partial achievement of desired outcome, but accompanied by failures to achieve the criteria.	A few minor successes are identified but are plagued by unwanted media attention, for example a scandal.	The apparent inability to meet the domain criteria.
<b>Opposition</b>	Opposition to programme, values, aims, and means of achieving them is virtually nonexistent, or support is practically universal.	Opposition to programme aims, values, and means of achieving them is more substantial than anticipated, but support outweighs it.	Opposition to the programme's values, aims, and means of achieving them is equally balanced with support.	Opposition to the programmes, values, aims, and means of achieving them outweighs the modest support given.	Opposition to programme aims, values, and means of achieving them is virtually universal, or support is practically non-existent.

## 7. Conclusions and Discussion

This study aims to better understand the EU's organizational development and change by analyzing the degree of success of the policies introduced during a crisis management case, more specifically, the EU managing the Greek debt crisis, by answering this study's research question: *to what degree were the EU policies introduced to solve the Greek debt crisis successful?* Thus, understanding if policy success is a possible factor for the EU's organizational change and development, since it occurs after dealing with crises. The analysis shows, through the policy evaluation framework, that the introduced policies to resolve the Greek debt crisis and, to an extent, the Eurozone crisis are leaning towards the spectrum of *Success*. This means that there is an incentive to suggest that policy success is a factor contributing to the EU's change and development.

As described in the critique in 4.4, it is worth noting that success can be interpreted differently depending on which idea/perspective is used. This means that, for example, Realism and Liberalism would have seen the success of the two programmes introduced in Greece in different ways. Realism would instead see success if the two programme's resulted in the EU gaining more power after its introduction, like the EU becoming more economically dominant. Liberalism would instead see success if the two programmes introduced led to more cooperation that resulted in better relations between Greece and the EU and/or other member states, eventually leading to freedom through increased democracy and a free capital market in the EU or Greece.

Still, the evaluation framework for policy success used in this study does give nuance to understanding more specific factors that may be a bigger contributor to the EU's change and development by providing the understanding of what policy success area is more likely to be a cause for the organizational change and development after dealing with crises. This means, the three categories *Implementation*, *Benefit*, and *Opposition* have shown more success, thus being interpreted as possibly more significant factors for the cause for EU's development and change. For example, there are interpretations to be made that when EU crisis management policies are *implemented* as intended, it consequently results in the organization taking lessons and then developing, or when the targeted group sees *benefits* without damaging others, the policies are regarded as influential and results in the organization changing, or when the policies are *not opposed* in the territory where they are introduced, meaning they

are supported and not critiqued, then it leads to EU development as the policies are more accepted.

Given this understanding, the study provides the first step to identifying what different factors might explain the relationship between the EU's handling of crises and the changes and developments that result from them. Therefore, this study does provide a better understanding of the EU's organizational change and development after dealing with crises by gaining more knowledge of the possible factors responsible for it.

However, this study is a first step to understanding the problem area, and to further confirm this study's finding, more studies on the topic are desirable, since the case study research design used does limit the extent to which it can be generalized. Studies that either apply the same theoretical framework on another crisis case or use another policy evaluation framework on the same case, would further narrow down the understanding of the link between policy success and the EU changing and developing after crises, but also to further confirm if policy success is a possible significant factor.

Lastly, indirectly describing the interaction between actors who were involved in crisis management in Greece, then further provides knowledge to the field of Global Politics as this study highlights how actors in the global arena interact in crisis situations.

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## Appendix

### **First economic adjustment programme**

The programme points out that sustainability-enhancing fiscal consolidation is urgently needed in Greece (European Commission, 2010a: 15). To achieve this, the programme introduces measures that achieve both medium and long-term sustainability, which is needed to ensure savings in the public sector and improve the government's way of raising its revenue capacity (European Commission, 2010a: 15). To promote public saving and increase government revenue the pension system will need to be reformed, as well as introducing measures that fight tax evasion and corruption. All in all, a new fiscal framework (European Commission, 2010a: 15).

In the programme it mentions that the financial sector in Greece needs to maintain the stability of the system in its policies, which means that Greece needs to address its tight liquidity system in banks (European Commission, 2010a: 15). The Greek banks have lost access to the international money market as there have been outflows since the end of 2009. Due to this the Greek banking system has relied on the Eurosystems credit operation (European Commission, 2010a: 15). That is why Greece needs to increase the bank's credibility and communication to ensure stability in the banking system (European Commission, 2010a: 15). Furthermore, this means that there is a need for a strengthened monitoring system of liquidity and asset quality (European Commission, 2010a: 15).

‘The medium-term programme objective is to improve competitiveness and alter the economy’s structure towards a more investment- and export-led growth model’ (European Commission, 2010a: 15). To reform the fiscal system, there is a need to introduce the agenda of strengthening competitiveness. ‘accelerate reallocation of resources from the non-tradable to the tradable sector, and foster growth’ (European Commission, 2010a: 15). For the Greek economy to recover a boost that increases the capacity to produce, save and export will be necessary (European Commission, 2010a: 15). This is through the modernization of the public sector by recycling products and services, opening up the bussing sector for domestic and foreign investors with the combination of lessening the state's direct participation in domestic industries (European Commission, 2010a: 15). The reform of public management is

not only a short-term or medium-term solution to increase growth but also a long-term solution for Greece (European Commission, 2010a: 15).

With this the programme emphasizes that an overarching objective is to restore Greece's credibility to attract private investors (European Commission, 2010a: 15). If the credibility is not restored, it will hinder investors from allocating capital to Greece thus making the economic adjustment harder (European Commission, 2010a: 15). That is why Greece is to improve this measure by reporting data and the policy implementation transparency, making it easier for private investors to trust the new positive track record. A goal is set up to raise EUR 60 million both in 2014 and 2015. (European Commission, 2010a: 15)

Greece will need to restore price competitiveness as a non-adjusted domestic price level will slow down the measures that are to be implemented (European Commission, 2010a: 17). With the Greek authorities being in line with the programme it does not estimate that there will be any hindrance to the programme's implementation (European Commission, 2010a: 17).

With all the different measures presented in the programme it still does mention that it will primarily rely on expenditure cuts in Greece (European Commission, 2010a: 19). Expenditure cuts will need to be 7 % of GDP (European Commission, 2010a: 19). These cuts will release resources for the private sector and aim to increase competitiveness (European Commission, 2010a: 19). This will also need to result in an increase in revenue, where a tax increase of 4% of GDP will be implemented, excluding taxing on productivity, as it can affect competitiveness negatively (European Commission, 2010a: 19). Hence, the need to hinder tax evasion (European Commission, 2010a: 19).

Consolidation measures will need to meet, by the end of 2011 of 4 percent of GDP in 2012 and in 2013, and 2014 to be in the range of 2 - 2 1/2 percent of GDP (European Commission, 2010a: 20). A wage and pension cut is to be implemented upfront in combination with the increase of VAT and excise taxes (European Commission, 2010a: 20). Increased savings on the administrative level should also occur, but later in the programme (2010a: 20). The introduction of levies on profitable firms, regulation of illegal buildings, and the sale of gambling and gambling licenses (European Commission, 2010a: 20).

Furthermore, it is explained in the programme that the wage and pension cuts will be large since three-quarters of the primary expenditures were from wages and pensions and have been so for the last decade (European Commission, 2010a: 20). That is why there are requirements to be cuts in average pensions and wages for an adjustment for Greece to be possible (European Commission, 2010a: 20). The wage cut will firstly cut bonuses from Easter, summer, and Christmas and be replaced by a flat bonus of EUR 1 000 for those earning less than EUR 3000 per month gross. For those who have higher wages, their allowances will be reduced (European Commission, 2010a: 20). In regards to the pension cuts, it will consist of hindrance of bonuses from Easter, summer, and Christmas for those who earn more the EUR 2 500 Euros gross and will be replaced with a flat bonus of EUR 800. The higher pension earner, meaning the ones exciting EUR 1 400 per month gross, will see a reduction in 8 percent of their pension (European Commission, 2010a: 20).

The pension reforms will be implemented because the Greek authorities agree that if the current policies regarding pensions remain unchanged, the expenditures are expected to increase over the years (European Commission, 2010a: 23). That is why an already existing draft regarding pension reform is stressed both by the EU Commission and the IMF to be implemented (European Commission, 2010a: 23). The reform in question will ensure that the average pension age increases to 63 years old, separate the pension system and the healthcare system, and increase the retirement age of women working in the public sector (European Commission, 2010a: 23). The nominal pension age will be 65 as it would increase in line with the life expectancy, with the combination of the single pension fund to be merged into three funds that should strengthen the link between contribution and benefit (European Commission, 2010a: 23). The increase in the retirement age of women should be fully implemented at the end of 2013 (European Commission, 2010a: 23). The accrual rate, meaning the inflation and the difference between funds and bonds, should be limited to 1.2 percent annually likewise, the pension increases in relation to prices. (European Commission, 2010a: 23) Reduction of pension benefits is set to decrease by 6 percent annually (European Commission, 2010a: 23).

The EU Economic Policy Committee will conduct a report to assess the effect of the pension reform (European Commission, 2010a: 23). They will assess whether the reform will contribute to and result in lesser pension expenditures (European Commission, 2010a: 23). If that is not the case, then new reforms will be introduced (European Commission, 2010a: 23).

The EU, in agreement with the authorities, wants to set a ceiling for the State, social security, and local governments, this includes, ceilings for each Ministry, even aiming for a targeted deficit, covering both a budget for preparations and expenditures, while simultaneously leaving a reserve in the budget (European Commission, 2010a:24). This can be achieved if the Greek Statistical Office is reformed to make a more active fiscal policy planning and control with the addition of a non-partisan fiscal agency that provides independent and expert scrutiny of government finance (European Commission, 2010a: 24).

Their reforms include newly introduced enforcement of higher-wealth individuals and enforcement on the VAT payments being made, thus reducing the arrears, meaning extra payments on missed due dates. Furthermore, Greece will rely on technical assistance from both the EU Commission and IMF to monitor and audit tax compliances, which means ensuring the information is not hidden (European Commission, 2010a: 24-25).

Labor market reforms should be implemented that will result in an increase of job opportunities in the country and also increase wage flexibility, especially for the young one entering the workforce (European Commission, 2010a: 25). This macroeconomic adjustment should result in widening the scope of tax collection (European Commission, 2010a: 25).

This programme will, as a result, produce more competitiveness, which needs to be improved in Greece (European Commission, 2010a: 25).

Relative to the EU average, Greece is underperforming in several policy areas, which include labor, product market, and public administration (European Commission, 2010a: 26). Hence, the Macroeconomic impact will be big, thus emphasizing that job creation and bolstering growth are the main goals (European Commission, 2010a: 26).

The private sector is to avoid wage cuts, as the state, if needed, could use overtime limitations, business abluitions, and a decrease in the minimum wage to balance the private sector and public without forcing wage cuts (European Commission, 2010a: 26). The cuts in wages in the public sector and lessening the public sector's labor will consequently impact the private sector (European Commission, 2010a: 26). However, the wage-setting mechanism

that will include a new bargaining system mainly stresses that an increase in competition should be made (European Commission, 2010a: 26).

The labor and wage reforms will result in wage pressure on the Greek government, creating more competitiveness (European Commission, 2010a: 27). The reforms will ease women and the young to enter the labor market, and should elevate the pressure of the private wage setting and thus improve competitiveness (European Commission, 2010a: 27). There will be a launch of a social pact with social partners that will lead to decentralized wage bargaining, and the introduction of a lower minimum wage will lead to new labor force entries, both from the young group and the long-term unemployed group in Greece (European Commission, 2010a: 27). Therefore, the government will enforce the wage-setting mechanisms into the labor market institutions (European Commission, 2010a: 27).

New public market reforms are going to be implemented and should result in an improvement in the business environment (European Commission, 2010a: 27). The programme emphasizes that these reforms should first be applied in the sectors of tourism, education, and retail while focusing on regulating professions such as lawyers, architects, engineers, and so on, for which no plans have been made (European Commission, 2010a: 27).

Business reforms include promoting newer businesses by making them easier to start, by simplifying the start-up requirements, lowering license burdens, lowering administrative burdens on firms, and supporting public creation of a platform that can solve procurements, meaning approval of purchases of goods and services (European Commission, 2010a: 27).

Emphasizes that the government locks in deadlines for energy and gas directives concerning plans to increase the independence of the energy regulators, thus liberalizing the energy sector (European Commission, 2010a: 27).

Implementing EU directives on railways and making a clear plan on how to lessen the losses of the railway system, and acting upon it, thus consequently resulting in a more competitive market (European Commission, 2010a: 27).

The EUR 28 billion support package is to be used as collateral for the bank to be able to pay off debts while reviewing that they have the means to do so based on the support package

(European Commission, 2010a: 29). The Bank of Greece is to be able to give emergency lending assistance, backed by a state guarantee, repeating the EU competition requirements and ECB rules (European Commission, 2010a: 29). The ECB will accept the Greek government's debt as collateral, regardless of the terms, not agreed in the programme, but something that will help its implementation (European Commission, 2010a: 29).

Creation of a financial stability fund to provide capital to Greek banks financed by the international financing package (European Commission, 2010a: 29). The fund will be EUR 10 billion and be independent of political influence with a strong governance structure. The capital injections to the banks will be possible after EU Commission approval (European Commission, 2010a: 29).

The Commission, ECB, and the IMF will strengthen their supervision of the Bank of Greece by increasing its presence of staff members so that data reporting is accurate, but also for contribution to supervision risk assessments and liquidity contingency plans (European Commission, 2010a: 29-30).

Fiscal and public sector reporting is essential for the success of the programme, where Eurostat and the EU Commission will work closely to develop an action plan to address outstanding statistical issues (European Commission, 2010a: 30). Sufficient resources are to be devoted to the Greek Statistical Office, and they will be a fully independent agency and be fully compliant with the European Commission Statistical Action Plan (European Commission, 2010a: 30).

The financing gap Greece will encounter will be covered by financial assistance. As the gap is identified to be EUR 110 billion, the financial assistance will be equivalent to that in the span of the year 2010 to the year 2013, meaning that in 2010 Greece will receive EUR 38 billion, in 2011 EUR 40 billion, in 2012 EUR 24 billion and 2013 EUR 8 billion, where the EUR 10 billion for the Financial Stabilization Fund is exempted. Setting the goal of Greece being able to handle 100% of the debt as of June 2013 (European Commission, 2010a: 30). The EU will cover EUR 80 billion in bilateral lending from the euro area member states, and the IMF will cover an additional EUR 30 billion (European Commission, 2010a: 31).

This programme wants to build a positive track record for Greece by creating a surplus and restoring the market confidence to serve its debts regarding medium- and long-term loans (European Commission, 2010a: 31).

It is lastly explained in the programme, that it will work under the confidence that the member states countries will provide the necessary funding and assistance to Greece during the duration of this programme (European Commission, 2010a: 31).

### **Second economic adjustment programme**

A newly introduced programme was made in 2012 to mitigate slippages caused in the previous programme (European Commission, 2012a: 21). However, the policy document explains that the programme is going well despite the economic difficulties. But note that the objective from the first programme remains, but the targets have loosened but the goals are the same in the second programme as well (European Commission, 2012a: 21).

The main measures/reforms that Greece has managed to implement to some degree from the prior program include ‘fiscal consolidation, revenue administration, pension reform, statistics, financial sector regulation and supervision, growth-enhancing structural reform (both labor and liberalization of regulated professions)’ (European Commission, 2012a: 21), which indicate that the credibility of the second programme should enhance, meaning reaching its objectives easier compared to the previous programme (European Commission, 2012a: 21).

The programme writes that the assessment is that the fiscal outlook from 2012 is estimated to worsen significantly than expected due to the deterioration in the macroeconomic outlook combined with the worsened fiscal outturn in 2011 (European Commission, 2012a: 24). If this is not addressed, the goal will not be reached from the previous programme (European Commission, 2012a: 24). Furthermore, the fiscal policy will change regarding the macroeconomic aspect (European Commission, 2012a: 24). However, the deficit target set out in the previous programme will be slightly lower but almost the same, meaning the primary balance should be a -1 percent deficit of GDP (European Commission, 2012a: 24).



Since the GDP targets are estimated not to be reached, the second programme introduces additional targets for Greece to hit with them reforming certain policy areas (European Commission, 2012a: 25). With this, it is expressed that in the programme, there should be a reduction in pharmaceutical expenditure by at least EUR 1 080 million in 2012 (EUR 1.08 billion) by reducing medicine prices, both generic and branded medicine, an increase co-payments, which reduces pharmacists and wholesalers trade margins, introducing compulsory e-prescriptions, updating its list of what is categorized as positive medicine, and having the pharmaceutical companies to give back economic unused benefits quarterly (European Commission, 2012a: 25).

A reduction of EUR 50 million in overtime pay to doctors and a reduction on purchasing military equipment by EUR 300 million (European Commission, 2012a: 25). Another reduction is to occur in the amount of employed deputy mayors and associate staff to save at least EUR 30 million (European Commission, 2012a: 25). Furthermore a reduction in government operational expenditure to EUR 270 million in relation to the budget (European Commission, 2012a: 25). Cutting the rate beneficial for residents buying state-owned residents in remote areas and cutting entities supervising ministers, thus aiming to reduce expenditures to EUR 190 million (European Commission, 2012a: 25). Cuts in the Public Investment Budget will be implemented with the budget reduced by EUR 400 million to private and domestically financed investment, where ongoing projects are exempted (European Commission, 2012a: 25). Additional savings are to be made through changing the supplementary pension found, high average pension fours or those taking form subsites, which should save EUR 300 million (European Commission, 2012a: 25). The so-called 'special wages' in the public sector are to be reduced by an average of 12 percent and should bring a saving of EUR 205 million (European Commission, 2012a: 25).

In the second programme it is explained that the negative market conditions have led to only a few privatization translations occurring, even with the necessary precautions being taken therefore, there will be a need to reconstruct loss-making firms, the way the state gives out aid and rights, like permits and so on, but also reconstruction regulatory changes, like reorganizing capital given to a specific actor (European Commission, 2012a: 31). All these steps are incremental for the transaction of privatization to occur (European Commission, 2012a: 31). Thus improving competition (European Commission, 2012a: 31). Concerning the real estate sector, the General Secretariat for Public Property has become operational and is to

sell properties and further assist on how land should be used (European Commission, 2012a: 31).

The tax reforms are explained to be delayed from its initial date of September 2011 to June 2012 (European Commission, 2012a: 34). To ensure it occurs, the government must present a full schedule in March of 2012 where steps should be presented and reviewed by the EU Commission, the IMF and the ECB (European Commission, 2012a: 34). The tax reform includes reforms on personal income, VAT, and property taxes and assesses the employers' social contributions (European Commission, 2012a: 34). This should reduce the high-margin taxes on labor and broaden tax bases (European Commission, 2012a: 34). However, the burden of indirect taxes relative to direct taxes and social contributions should not be reduced (European Commission, 2012a: 34). It is explained that a simplification in the tax reform should be implemented, which means that there should be elimination of tax exemptions and preferred regimens (European Commission, 2012a: 34). Tax amnesty should be reduced in the future, which means that tax forgiveness in return for a fixed amount for certain groups in Greece should not be implemented as it only provides a short-term solution for those who evade taxes. From the perspective of medium- to long-term solutions, this policy can be harmful (European Commission, 2012a: 34).

To fight tax evasion the programme will strengthen the revenue of administrations as fighting the evasion of taxes is a key goal for the new programme (European Commission, 2012a: 34). This is stressed as there is a need in the new programme not further to raise the taxes but instead focus on increasing the administration's revenue (European Commission, 2012a: 34). At the same time, if tax evasion is decreased, it will lessen the burden of the economic adjustment Greece is facing (European Commission, 2012a: 34). It is explained that some progress has been made regarding some policies to fight tax evasion (European Commission, 2012a: 34). However, the result is still being determined, as there is a possibility that tax evasion has increased, which means that the new programme needs to strengthen the focus on tax evasion (European Commission, 2012a: 34). The programme relies that the Greek government plans should cover the problem and support the following: increase tax audits, unify the IT system across Greece, performance assessment of tax audits, protecting whistleblowers against tax corruption and rotating management (European Commission, 2012a: 34). Greece needs to improve tax collection, and to achieve this Greece will increase the number of tax audits employees double to the existing, this means an increase from 1,000

employers to 2,000 (European Commission, 2012a: 34-35). A replacement of underperforming managers in the tax office from the targets set out in this programme's performance targets (European Commission, 2012a: 34-35).

The current reforms that introduce a better management of public expenditure are to be further developed (European Commission, 2012a: 35). The improvement is mostly to introduce comprehensive accurate information timely on the topic of social security funds and the public investment budget (European Commission, 2012a: 35).

Lessening the arrears is something that needs to be solved, as the programme points out that there are social securities and health care that are paid in late and are impacting the economy as a whole negatively, especially private-owned companies (European Commission, 2012a: 35).

The programme is in support of OECD recommendations to Greece on how to improve its public administration (European Commission, 2012a: 35-36). If done, the programme foresees that it should lead to effective public administration management (European Commission, 2012a: 35-36).

The reduction of public employment has not been effective, mostly due to slippage in following policies that would lay out the public sector employees, by hiring an outflow bigger than an inflow (European Commission, 2012a: 36). The Greek government will remove 150,000 publicly employed individuals from 2011 to 2015 (European Commission, 2012a: 36). For this plan to succeed, the programme lays out the plan to lessen the contractual employment and to transfer their reserve labor of 15,000 redundant staff, meaning staff that no longer are in need as their work assignment is not needed, to other public agencies, to lessen the inflow of employees in the public sector (European Commission, 2012a: 36). However, the programme stresses that they should clearly identify where the redundancies are in a public agency to ensure that they are adequately staffed and then reduce the number of staff while not causing the public agencies to be ineffective (European Commission, 2012a: 36).

The programme mentions that Greece should create e-auctioning as of March 2012 to make it easier to monitor transactions and reduce slippage of fees (European Commission, 2012a:

36). Greece should also reorganize their social programmes so the most needy get benefits in Greece and hinder giving out to those who are less in need of them (European Commission, 2012a: 36). This is to be done according to the OECD recommendation for an evaluation of the most vulnerable groups in Greece (European Commission, 2012a: 36).

The expenditure of the healthcare system needs to be further reformed, as there is identifiable corruption, lack of data availability and monitoring, and the current control mechanism of prescription of medication is leading to the target in the programme of reducing the expenditure in healthcare to be harder to achieve (European Commission, 2012a: 37). To solve this, the programme points out that the national health organization responsible for health purchasing should become fully operational in that they use a rational approach using the available resources (European Commission, 2012a: 37). A series of new implementations should be made, which are: compulsory prescription of active substances, compulsory for doctors and pharmacists to e-prescriptions, monitoring the behaviors of a doctors giving out prescriptions, doctors compliance in giving prescriptions based on the set prescription guidelines, pharmacies is to give recommendation of the more affordable medicines, off-patent medicine to move closer to the prices in other EU countries, and implementing a claw-back mechanism, meaning that the government does a quarter review if the benefits given to the pharmacies have left capital for them to pay back the government (European Commission, 2012a: 37).

The pension system still has some necessary functions to make it complete (European Commission, 2012a: 37). The programme mentions that there should be an immediate reduction of pension benefits and that there is to be an in-depth review of their revision, meaning the decision-making in who gets social benefits (European Commission, 2012a: 37). Labour reforms are still needed as the programme wishes to increase new jobs in the market, save the current jobs and help the firms with economic adjustment timely (European Commission, 2012a: 37-38). The programme supports the current government plans regarding competition and should contribute to the reduction of 15 percent of labor costs to the business sector (European Commission, 2012a: 38). The current wage cuts in Greece are working, however, the programme does emphasize trying to avoid companies using this policy to make more profit margins (European Commission, 2012a: 38).

The Greek government is to establish a single-rate statutory minimum wage, which will help workers with their bargaining and avoid being abused by the decreased minimum wage, which has been implemented (European Commission, 2012a: 38). The programme has the goal of the current collective agreements to be re-negotiated, to increase the and level the playing field between the employers and employees (European Commission, 2012a: 40).

As Greece still needs to improve its competitiveness, the programme mentions that in order to increase competitiveness, there are going to be cuts in the non-wage labor costs, which are certain social securities and tax commissions paid for an employee to work (European Commission, 2012a: 41). This is due to the previous state-owned enterprises having a larger pension scheme cost compared to the public sector (European Commission, 2012a: 41). There also should be a reduction of undeclared work, as it is a direct contributor to tax evasion and against social contributions (European Commission, 2012a: 41).

To increase the credibility for investors further, the programme points out that there should be an increase in the transparency of work relating to finance and disciplinary matters, as well as assess and revise the reserve workers to confirm the qualifications of in-service professions (European Commission, 2012a: 41).

Since there is an incentive from the previous programme to privatize the energy sector, the second programme adds that before privatizing the electric and gas companies, the companies should be unbundled, meaning divided into smaller shares, as selling it in a bundle might only be attractive in a short term solution as the new law regarding the two eclectic and gas companies should be divided, to lessen future complications (European Commission, 2012a: 42). Still the programme adds that there should be more privatization in the transport sector (European Commission, 2012a: 42).

Regarding all the judicial reforms, the programme explains that a newly introduced agency will oversee them and develop a performance and accountability framework as of March 2012 to ensure their proper implementation (European Commission, 2012a: 43).

As Greece's credit standing can be improved, the programme directs to the creation of a mechanism that will offer better tracing and monitoring of official loans and standing funds for debt saving (European Commission, 2012a: 44-45).

Lastly, in the programme, it is explained that the technical assistance provided by the EU Commission, IMF and EU member states should be further strengthened by making sure Greece's institutions are following the agreed-upon policies (European Commission, 2012a: 48-49). With this, the EU Commission will get more significant processes on the ground in Greece (European Commission, 2012a: 48-49). The goal is to further bolster the capacity of technical assistance with continuous, timely monitoring so that the programme is fully implemented (European Commission, 2012a: 48-49).