



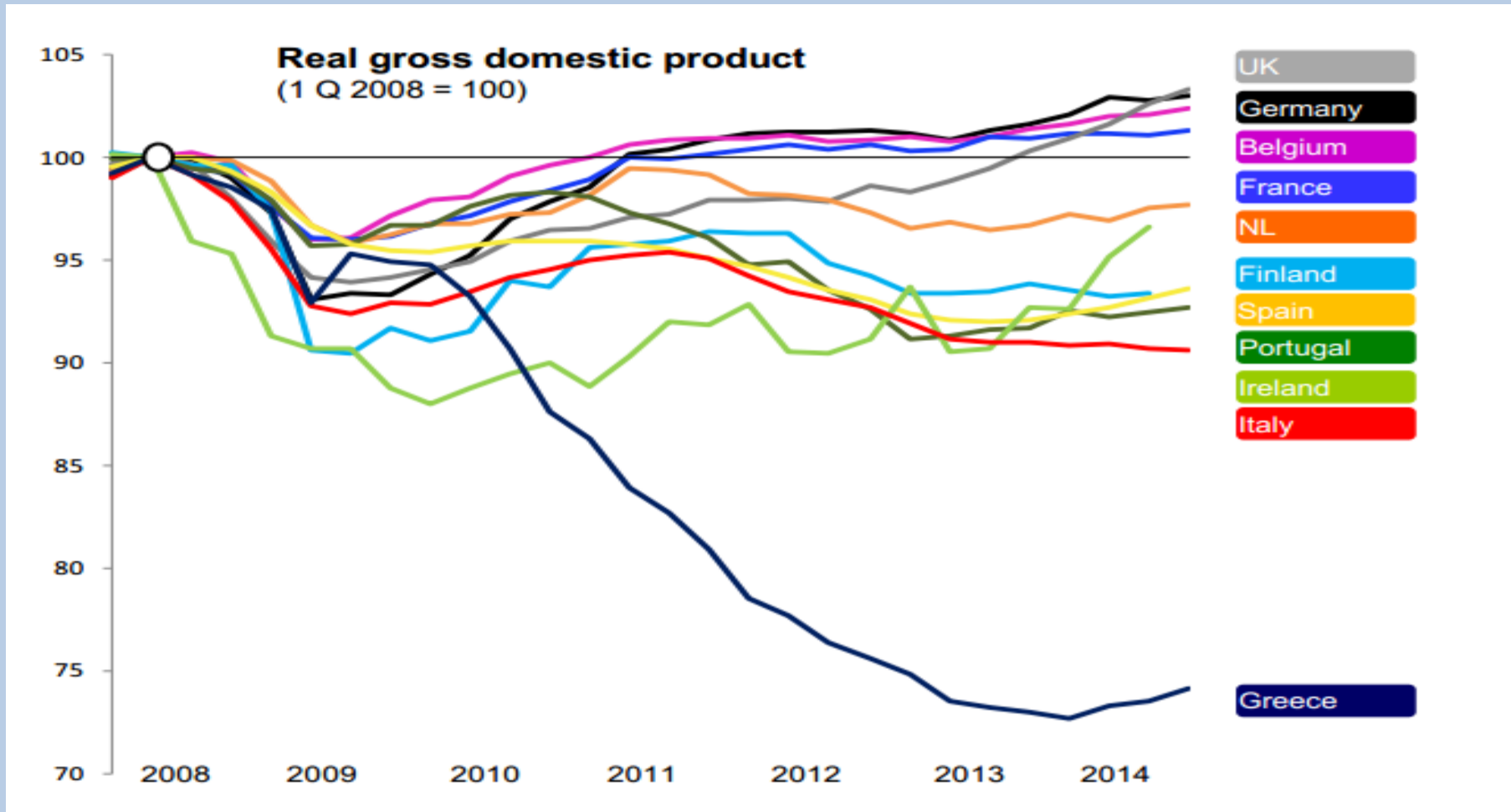
Unfinished business? The crisis, its “cure” and the perspectives of the Greek administration in context

George Katrougalos

Minister alt. of Interior and Administrative Reform

Professor of Public Law

The effects of the crisis and its “cure” on Greece and other EU countries

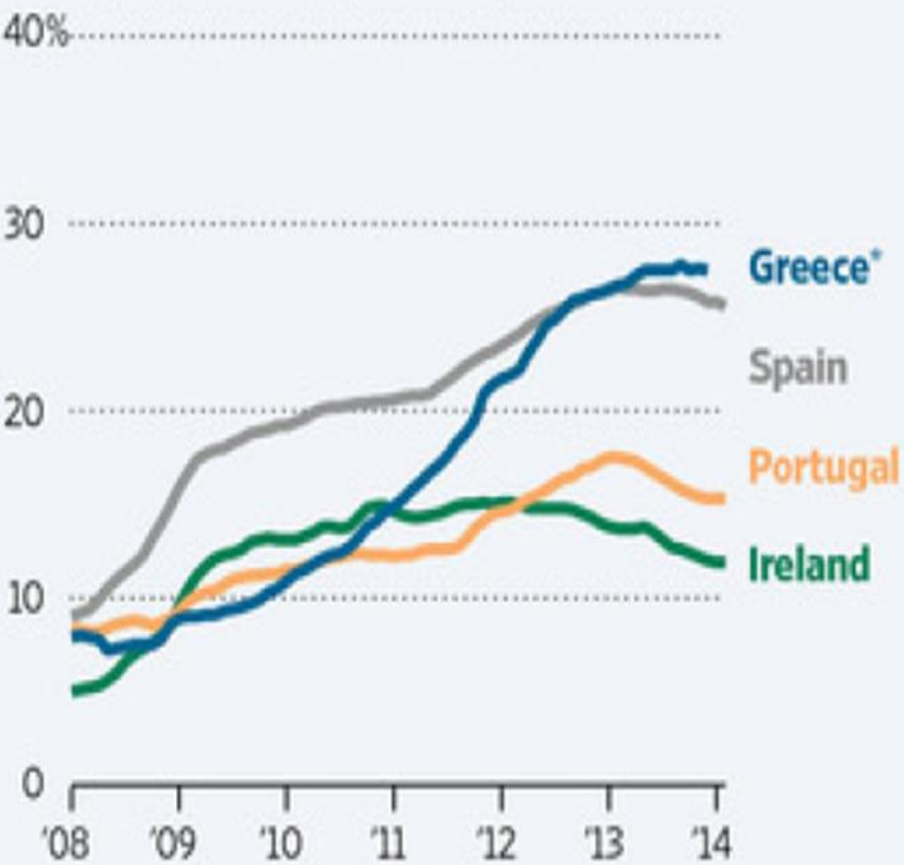


Source: Bloomberg, <http://www.bloombergtview.com/articles/2014-12-03/ritholtzs-reads-charts-habits-and-bias>

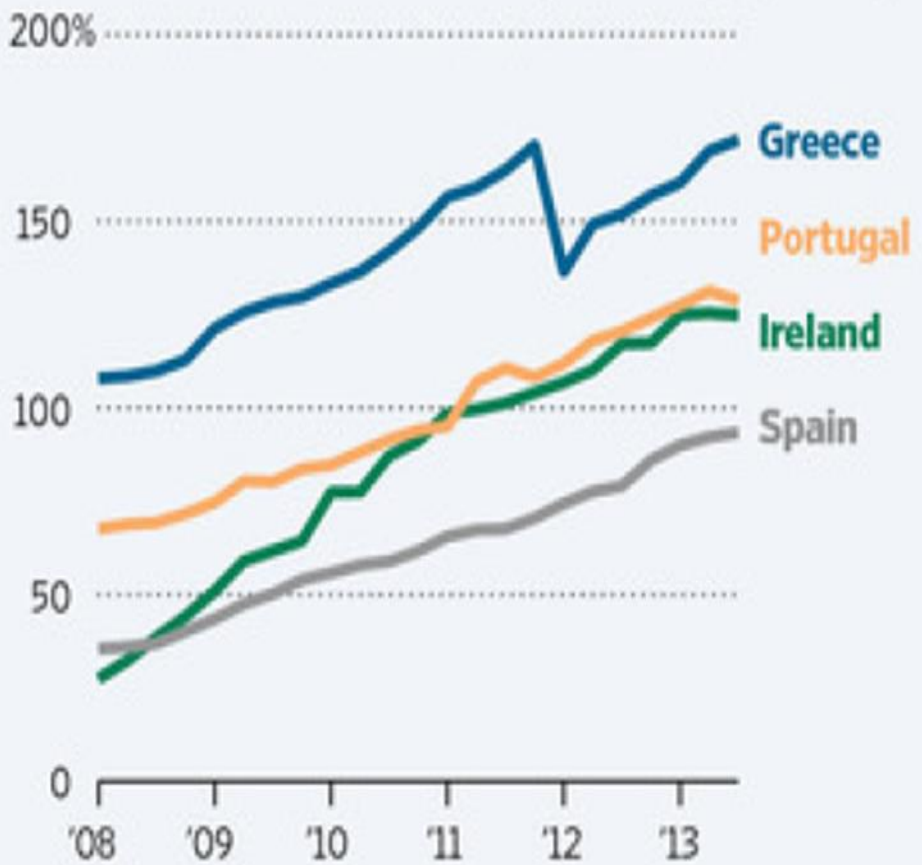
Unfinished Business

The euro zone faces double-digit unemployment and high debt in bailed-out countries.

Unemployment rates, monthly



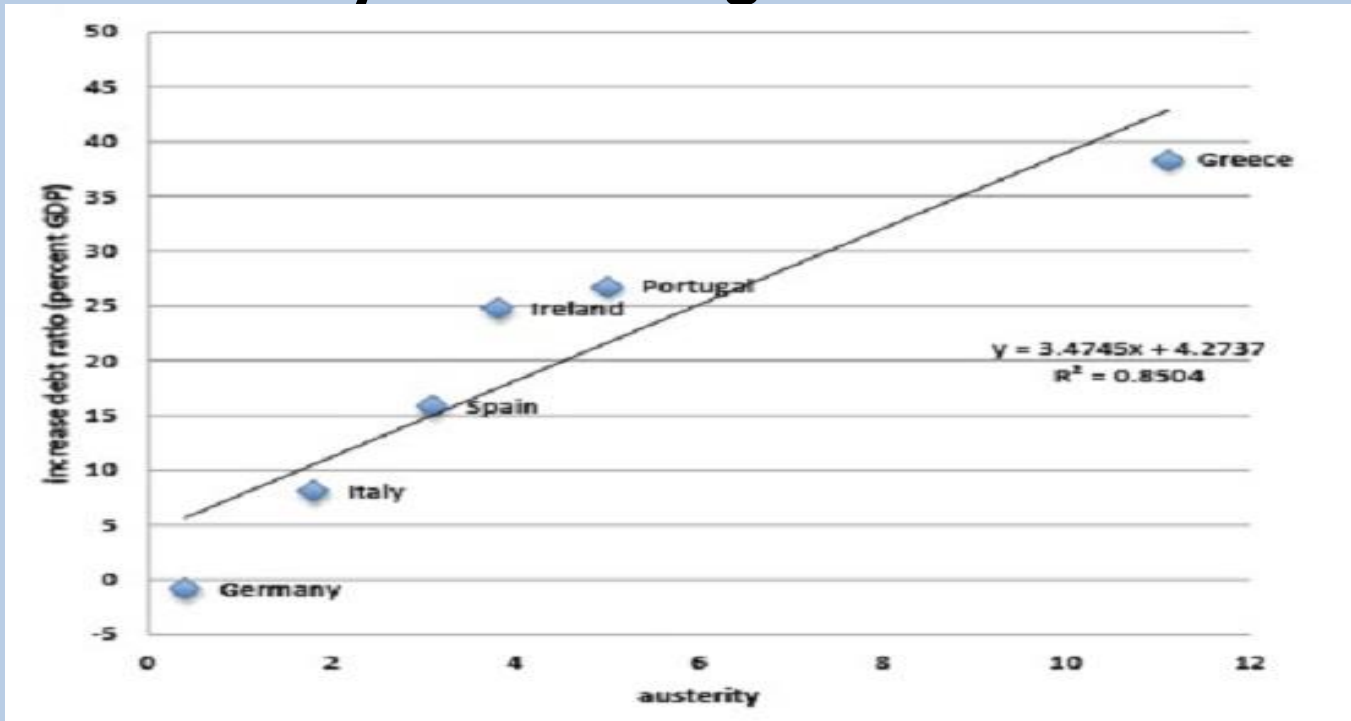
General government debt as a pct. of GDP, quarterly



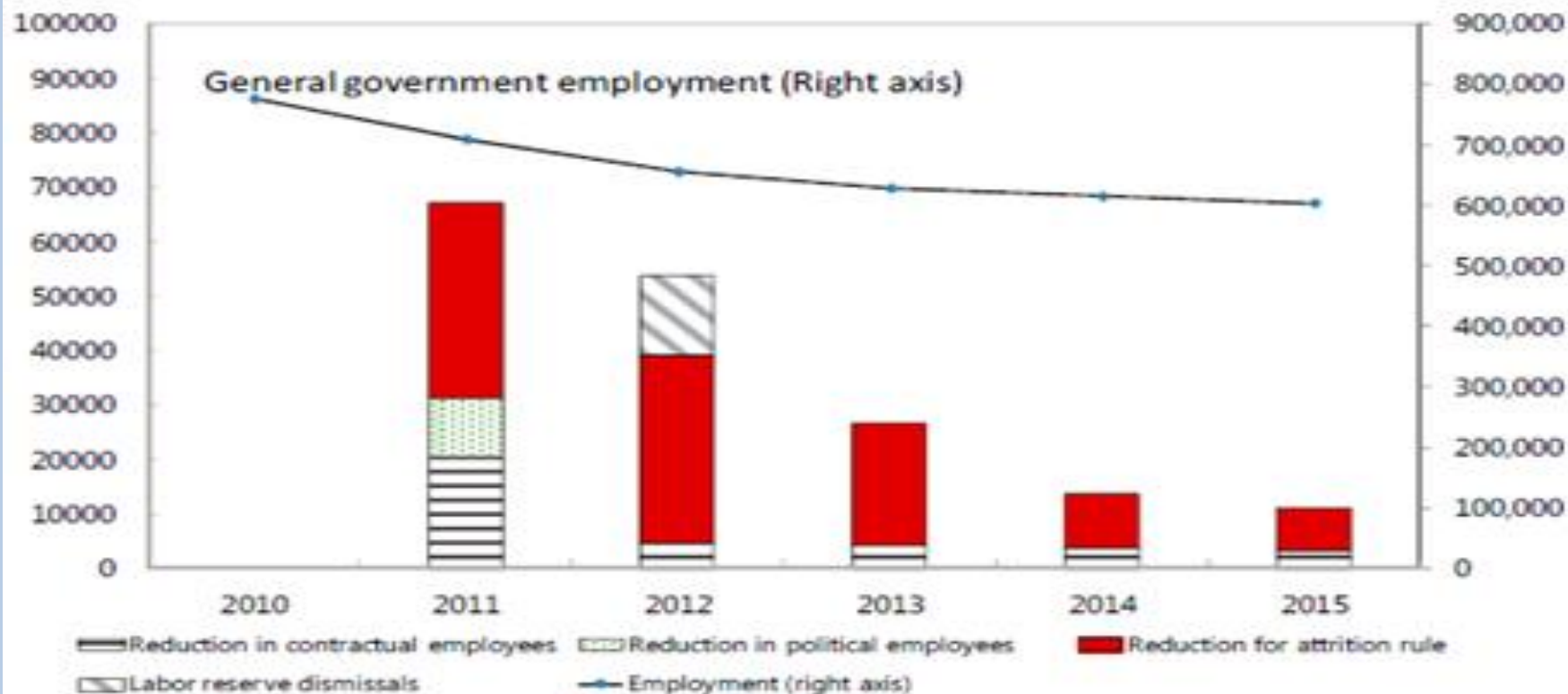
Source: Richard Portes, Monetary Union and Financial Stability, Inaugural Lecture, EUI, Tommaso Padoa-Schioppa Professorship, 19 November 2014

Impact of Austerity on Sovereign Debt and Growth

Source: Paul De Grauwe, Yuemei Ji, "Panic-driven austerity in the Eurozone and its implications" (<http://www.voxeu.org/article/panic-driven-austerity-eurozone-and-itsimplications>).



Greece. General Government Employment, 2010-15



Sources: Authorities and Staff estimates

Graph: IMF Provisions (2011)

Source: IMF, Fifth Review Under the Stand-By Arrangement with Greece, IMF Country Report No. 11/351, December 2011, p. 16

Actual Reduction of Personnel today (2015)

2010 942.625

2015 620.166

The real problems and the (counter)reform of the Memoranda

The pathology

- The problem is not the size of the public sector but its irrational structure and the uneven allocation of personnel, due to clientelistic policies.
- A public sector at the service of a corrupt political system, based on the entanglement of oligarchs, traditional political parties and the media.

A “cure” more lethal than the disease

- Clientelistic policies left untouched
- A reform on paper: job descriptions, evaluation and assessment of personnel never actually implemented
- Ideological persistence on neoliberal fallacies led to depletion of human resources and knowhow
- Demonization of public servants resulted to general demoralization and apathy

Our priorities

- Democratization of the public service: openness to society, dismantlement of clientelistic policies.
- Improvement of efficiency: new systems of mobility, selection of managers, evaluation of personnel, redefinition of structures and posts.
- Fight against bureaucracy and red tape, through E-governance and extension of users' rights as citizens' rights.
- The administration as a tool for entrepreneurship and growth.

Summarizing

- The vital precondition for the reform of the administration: dismantlement of clientelistic policies and change of mentality.
- Establishment of trust within the public sector and with the citizens through improvement of the efficiency of the administration: E-Governance, thorough reorganization of administrative structures, implementation of a rational, holistic mobility scheme.

The real issue: ending the austerity

We are all Greeks

(...)

The world is weary of the past,
Oh, might it die or rest at last.

P.B. Selley, Hellas, 100-1