



Better Regulation in Europe

# GREECE





# **Better Regulation in Europe: Greece 2012**

This work is published on the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the OECD or of the governments of its member countries or those of the European Union.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

**Please cite this publication as:**

OECD (2012), *Better Regulation in Europe: Greece 2012*, OECD Publishing.

<http://dx.doi.org/10.1787/9789264179288-en>

ISBN 978-92-64-17927-1 (print)

ISBN 978-92-64-17928-8 (PDF)

Series: Better Regulation in Europe

ISSN 2079-035X (print)

ISSN 2079-0368 (online)

**Photo credits:** Cover © Ronald Hudson/Fotolia.com.

Corrigenda to OECD publications may be found on line at: [www.oecd.org/publishing/corrigenda](http://www.oecd.org/publishing/corrigenda).

© OECD 2012

---

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgement of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).

---

## *Foreword*

The OECD Review of Better Regulation in Greece is one of a series of country reports launched by the OECD in partnership with the European Commission. The objective is to assess regulatory management capacities in the 15 original member states of the European Union (EU), including trends in their development, and to identify gaps in relation to good practice as defined by the OECD and the EU in their guidelines and policies for Better Regulation.

Greece is part of the third group of countries to be reviewed – the other four are Austria, Ireland, Italy and Luxembourg. The first group of Denmark, the Netherlands, Portugal and the United Kingdom was released in May 2009 and the second group of Belgium, Finland, France, Germany, Spain and Sweden in mid-2010.

The project is also an opportunity to discuss the follow-up to the OECD multidisciplinary review, (*OECD Review of Regulatory Reform: Regulatory Reform in Greece, 2001*) and to assess progress and find out what has happened in respect of the recommendations made at the time.

The completed EU 15 reviews have also formed the basis for a synthesis report, (*Regulatory Policy and Governance, Supporting Economic Growth and Serving the Public Interest, 2011*), which takes into account the experiences of other OECD countries. This report puts the results of the reviews in a broader international perspective, and assesses prospects for the next ten years of regulatory reform.



## *Table of contents*

|   |    |
|---|----|
| <b>Abbreviations and acronyms</b> .....   | 9  |
| <b>Country profile – Greece</b> .....   | 11 |
| <b>Executive summary</b> .....  | 13 |
| <b>Introduction: Conduct of the review</b> .....  | 27 |
| <b>Chapter 1. Strategy and policies for Better Regulation</b> .....                     | 31 |
| Assessment and recommendations .....  | 32 |
| Background .....  | 35 |
| Economic context and drivers of Better Regulation .....                                 | 35 |
| Developments in Greece’s Better Regulation agenda .....                                 | 38 |
| Main Better Regulation policy and guiding principles .....                              | 39 |
| Communication on the Better Regulation agenda .....                                     | 41 |
| Strategic evaluation of Better Regulation strategy and policies .....                   | 42 |
| E-Government in support of Better Regulation .....                                      | 42 |
| <b>Chapter 2. Institutional capacities for Better Regulation</b> .....                  | 45 |
| Assessment and recommendations .....  | 46 |
| Background .....  | 48 |
| Greece’s public governance context .....  | 48 |
| Institutional framework for Greece’s policy, law making and law-execution process ..... | 51 |
| Developments in Better Regulation institutions .....                                    | 54 |
| Key institutional players for Better Regulation policy .....                            | 54 |
| Resources and training .....  | 59 |
| <b>Chapter 3. Transparency through consultation and communication</b> .....             | 61 |
| Assessment and recommendations .....  | 62 |
| Background .....  | 63 |
| Consultation on regulation .....  | 63 |
| Public communication on regulations .....   | 65 |
| <b>Chapter 4. The development of new regulations</b> .....                              | 67 |
| Assessment and recommendations .....  | 68 |
| Background .....  | 70 |
| General context .....   | 70 |
| Procedures for making new regulations .....   | 72 |
| <i>Ex ante</i> impact assessment of new regulations .....                               | 76 |
| Alternatives to regulation .....  | 79 |

|  |     |
|--|-----|
| <b>Chapter 5. The management and rationalisation of existing regulations</b> .....             | 81  |
| Assessment and recommendations .....   | 82  |
| Background .....   | 84  |
| Simplification of regulations .....  | 84  |
| Administrative burden reduction for businesses.....  | 85  |
| Administrative burden reduction for citizens .....   | 90  |
| Administrative burden reduction for the administration.....                                    | 90  |
| <b>Chapter 6. Compliance, enforcement, appeals</b> .....                                       | 93  |
| Assessment and recommendations .....   | 94  |
| Background .....   | 94  |
| Compliance and enforcement .....   | 94  |
| Appeals .....  | 95  |
| <b>Chapter 7. The interface between member states and the European Union</b> .....             | 99  |
| Assessment and recommendations .....   | 100 |
| Background .....   | 100 |
| General context.....   | 100 |
| Negotiating EU regulations .....   | 102 |
| Transposing EU regulations .....   | 103 |
| Interface with Better Regulation policies at EU level .....                                    | 104 |
| <b>Chapter 8. The interface between sub-national and national levels of government</b> .....   | 107 |
| Assessment and recommendations .....   | 108 |
| Background .....   | 108 |
| Structure, responsibilities and funding of local governments.....                              | 108 |
| Better Regulation policies deployed at local level.....  | 111 |
| Co-ordination mechanisms .....   | 111 |
| <b>Bibliography</b> .....  | 113 |
| <b>Annex A. Division of main regulatory powers across levels of government in Greece</b> ..... | 115 |
| <b>Annex B. Text of the Draft Bill on Better Regulation</b> .....                              | 117 |

## Tables

|  |    |
|--|----|
| Table 1.1. Milestones in the development of Better Regulation policies in Greece .....   | 38 |
| Table 2.1. Milestones in the development of Better Regulation institutions in Greece .....   | 54 |
| Table 2.2. Institutional structures for Better Regulation in Greece .....  | 55 |
| Table 2.3. Key functions and roles of the proposed Centre of Government co-ordination structure. ....  | 56 |
| Table 2.4. Key responsibilities proposed by the Law on Better Regulation for the Office<br>for the Support of Better Regulation and the Regulatory Initiative Offices..... | 57 |
| Table 4.1. Volume of regulations produced in Greece: 1995-2005 .....   | 71 |
| Table 4.2. Volume of regulation by the central administration:<br>Comparison for period 1975-2005 to 2006-10.....  | 71 |
| Table 5.1. Summary of the partial assessment of administrative burdens in 8 policy areas .....   | 88 |



---

**Figures**

|   |     |
|---|-----|
| 4.1. Number of regulations by type issued 1995-2005.....                            | 72  |
| 4.2. The law-making process in Greece .....   | 73  |
| 7.1. Breakdown of type of laws enacted in Greece .....                              | 101 |
| 7.2. Internal Market Scoreboards: Greece performance, November 1997 – May 2011..... | 104 |



## *Abbreviations and acronyms*

|                           |   |
|---------------------------|---|
| <b>ASEP (Gr)</b>          | The Independent recruitment agency – the Supreme Council for the Selection of Personnel ( <i>Ανώτατο Συμβούλιο Επιλογής Προσωπικού</i> )  |
| <b>Austerity Measures</b> | See MOU and MTFS  |
| <b>BR</b>                 | Better Regulation   |
| <b>BRO/OSBR</b>           | Better Regulation Office/Office for the Support of Better Regulation (the BRO will be renamed the OSBR with the enactment of the new Law on BR)   |
| <b>GSG</b>                | General Secretariat to the Government   |
| <b>KEAD</b>               | Central Committee for Simplification of Procedures  |
| <b>KEK (KEKHN)</b>        | Central Codification Committee: this will be renamed as the Central Codification and e-Regulation Committee (KEKHN) with the enactment of the Law on BR)  |
| <b>KENE</b>               | Central Law Making Committee (no longer in operation)   |
| <b>KEPs (Gr)</b>          | Citizen Service Centres/one-stop shops ( <i>Κέντρα Εξυπηρέτησης Πολιτών</i> )   |
| <b>MAREG</b>              | Ministry of Administrative Reform and e-Governance  |
| <b>MIPAD</b>              | The former Ministry of Interior, Decentralisation and e-Government (as of June 2011, the functions of MIPAD have been split between the Ministry of Interior, and the newly created MAREG)  |
| <b>MOU</b>                | Memorandum of Understanding – between the Greek government and the “Troika” which sets specific actions and reforms to be completed within specified timeframes as a condition for the quarterly disbursement of financial assistance   |
| <b>MTFS</b>               | Medium Term Fiscal Strategy 2011-15: Adopted by the Greek Parliament end June 2011, this outlines the measures for the period to 2014 totaling EUR 28.3 billion which are forecasted to reduce the general government deficit from 7.5% of GDP (in 2011) to 1% of GDP (by 2015). Contains the key austerity measures as outlined in the MOU |
| <b>NSRF</b>               | National Strategic Reference Framework 2007-2013: the reference document for the programming of EU funds at national level for the period 2007-2013   |
| <b>OP</b>                 | Operational Programme for Public Administration Reform 2007-2013: one of a number of sectoral OPs agreed with Greece for the NSRF programming period 2007-2013  |
| <b>RIOs</b>               | Regulatory Initiative Offices   |
| <b>RRC</b>                | Regulatory Recasting Committee  |
| <b>Troika</b>             | In a Greek context and for the purposes of this report, the Troika is the term used to designate the European Commission (EC), International Monetary Fund (IMF) and European Central Bank (ECB)  |



## *Country profile – Greece*

| <b>The land</b>  |                                       |            |
|--|---------------------------------------|------------|
| Total Area (1 000 km <sup>2</sup> ):   | 132                                   |            |
| Agricultural (1 000 km <sup>2</sup> 2003):                                     | 39.8                                  |            |
| Major regions/cities<br>(thousand inhabitants, 2008):                          | Greater Athens (including<br>Piraeus) | 3 895      |
|  | Greater Thessaloniki                  | 1 084      |
| <b>The people</b>  |                                       |            |
| Population (thousands, 2008):  | 11 193                                |            |
| Number of inhabitants per km <sup>2</sup> (2008):                              | 85                                    |            |
| Net increase (2006/07):  | 0.4                                   |            |
| Total labour force (thousands, 2007):  | 4 917                                 |            |
| Unemployment rate<br>(% of civilian labour force, 2009):                       | 9.5                                   |            |
| <b>The economy</b>   |                                       |            |
| Gross domestic product in USD billion (2008):                                  | 334.7                                 |            |
| Per capita (PPP in USD):   | 27 945                                |            |
| Exports of goods and services (% of GNI):                                      | 23.1                                  |            |
| Imports of goods and services (% of GNI):                                      | 31.9                                  |            |
| Monetary unit:   | Euro                                  |            |
| <b>The government</b>  |                                       |            |
| System of executive power:   | Parliamentary                         |            |
| Type of legislature:   | Unicameral                            |            |
| Date of last general election:   | October 2009                          |            |
| Date of next general election:   | 2012                                  |            |
| State structure:   | Unitary                               |            |
| Date of entry into the EU:   | 1981                                  |            |
| Composition of the main chamber<br>(Number of seats):<br>(As of December 2011) | Pan-Hellenic Socialist Movement       | 153        |
|  | New Democracy                         | 83         |
|  | Communist Party of Greece             | 21         |
|  | Popular Orthodox Rally                | 16         |
|  | Coalition of the Radical Left         | 9          |
|  | Independent                           | 18         |
|  | <b>Total</b>                          | <b>300</b> |

*Note:* 2007 unless otherwise stated.

*Sources:* OECD (2009), *Economic Survey of Greece*; OECD in Figures 2009, OECD (2009), *Employment Outlook 2009*, and OECD (2011), *Government at a Glance 2011*.



## *Executive summary*

### **Economic context and drivers of Better Regulation**

A myriad of factors – economic, social, cultural and political – have led to the current economic crisis in Greece. As such, a range of responses – in terms of new policies, new ways of delivering or implementing them, new ways of thinking and new ways of working – must be employed if Greece is to successfully revitalise its economy and chart a sustainable path to restore market confidence and economic growth. The primary focus to date has been in addressing the most immediate economic issues so as to target deficit levels and to meet conditional requirements set out by the troika in order to secure bail-out funds. Addressing spending and expenditure issues alone will not in and of itself provide a solution for Greece. The challenge now for Greece lies in ensuring that both implementation of these issues as well as complementary reform areas are advanced and appropriately implemented without delay.

The heavily legalistic approach followed to date in Greece whereby all changes are legislated for, but are not always appropriately implemented, enforced, or monitored needs to be addressed. Greece has been targeting the Better Regulation agenda as a key reform area for much of the past decade. The inclusion of Better Regulation as a strand of the then Lisbon Strategy at EU level helped to keep Better Regulation on the agenda in Greece. To achieve the necessary targets and reforms both the political and administrative levels need to work together: central ministries, public sector agencies and local government all have roles to play in implementing the necessary and substantial fiscal reforms while also advancing significant reforms of the public administration itself.

Embedding strong structures at central level – particularly within the Centre of Government – to lead, enforce, monitor and oversee a progress is central to ensuring that the needed reforms stay on track and are implemented consistently across the administration. They will also be essential in ensuring that progress made is sustained over time by future administrations and that the historical propensity to “undo” previous reforms does not continue.

Actively embracing and advancing work on a comprehensive and coherent Better Regulation programme could be a key lever to enable Greece to advance and embed much needed broader governance reforms across the administration. Improving the regulatory environment for business is a precondition for Greece to successfully stimulate economic activity, create jobs and raise productivity. This is dependent on the government’s ability to manage the stock and flow of regulations, improve regulatory frameworks and effectively implement reforms to improve regulatory quality. The related tools, systems and structures that Greece needs to develop and/or embed across the public service in order to improve the regulatory framework provides the bedrock for all other reforms. It will also underpin the success or otherwise of Greece’s ability to react effectively to the global economic crisis, to improve competitiveness, ensure sustainable

growth and meet the ambitious targets set out in the austerity programme. Regulatory reform would spur private investment, streamline the procedures to open and operate a business, promote SMEs, and reduce administrative burdens.

Advancing the Better Regulation principles as part of the policy and legislation development process could also help to improve cross-ministry co-operation, strategic planning, resource assessment and allocation (through improved cost-benefit analysis). More effective and consistent *a priori* consideration of evidence as part of a consistent policy and regulatory impact assessment will better help identify the necessary factors to aid policy implementation and allow for more targeted allocation of available resources. Given the pressures on resources and the need to do more with even less, this is a significant challenge.

The challenge for Greece moving forward is to ensure that Better Regulation and an improved regulatory environment are not seen as separate elements of broader reform and change efforts. They are intrinsically linked to improving competitiveness and stimulating sustainable economic growth. Reforms on Better Regulation should equally be exploited so as to maximise their potential to lever broader public service reforms. An overall strategy that links the different initiatives needs to be developed. An improved regulatory environment and the reforms due to be introduced by the current Law on Better Regulation, combined with the reforms envisaged through the draft White Paper on Governance, should act as a lever to advance other much needed public sector reforms.

### **The public governance framework for Better Regulation**

Public administration reform and public trust are mutually dependent. Both are needed to help support government legitimacy. Poor implementation of reforms combined with the fiscal crisis has brought to the fore Greece's acute underlying problem of mistrust in its public institutions. Mistrust is aggravated by a generalised sense of weak law implementation, oversight and enforcement that undermines confidence in the rule of law. Tackling the roots of the crisis as well as the symptoms, is essential: public sector reforms are therefore central to Greece's ability to ensure fiscal stability, restore confidence and sustain growth going forward. The OECD's 2009 Economic Survey of Greece noted that:

The high fiscal deficit and recently rising public debt point to the urgency of improving the financial situation and efficiency of the public sector.... The need for reform is enhanced further by the looming pressures on public finances in the coming decades – the expected drop in the inflow of structural funds from the EU and the fiscal burden from demographic ageing. Efficiency of public services, especially in health and education, is below the OECD average. Renewed efforts at reforms in the public sector are thus needed to bring government finances on a sound basis, and enhance the efficiency of public services. A well-functioning public sector would also play a central role for modernising the economy and maintaining a high trend growth rate.

Implementation of needed reforms remains however a challenge. The 2011 Economic Survey further noted that Greece



... should take a firm and unified stance behind the reform programme to enhance credibility. It should establish clear responsibilities in ministries for monitoring reform implementation more closely on the basis of objective indicators....

Greece needs to work harder to convince of its capacity to implement reforms...It is also essential to communicate more widely that the reforms are in the interest of Greece.

Greece has to ensure that a more joined-up or whole-of-government approach is given across the ministries and levels of government, to advancing the reform agenda. A more co-ordinated and coherent approach is essential if it is to effectively improve competitiveness and restore market confidence. Increased collaboration across all relevant actors – at ministry, agency and sub-national level – in any given policy area is needed. Greece is under pressure to show results and also to demonstrate that gains made are sustainable in the medium- to long-term. The current lack of real communication and co-operation within and across government to turn promises into action will continue to hamper efforts to restore confidence, trust and competitiveness and must therefore be addressed as a matter of urgency.

Greece faces a number of challenges across its central administration structures. This report does not, nor cannot, examine these in depth. More detailed analysis and recommendations are set out in a separate OECD Report, *Greece: Review of the Central Administration* (OECD, 2011).

## Developments in Better Regulation and main findings of this review

### *Strategy and policies for Better Regulation*

Greece is now moving towards providing a legislative basis for Better Regulation. A Law on Better Regulation was recently enacted by Parliament.<sup>1</sup> Ministries will, for the first time, be legally obliged to ensure that the principles of Better Regulation are applied to all legislative developments. The requirement to conduct a Regulatory Impact Assessment (RIA) on all regulatory proposals will be placed on a statutory basis. The law also makes provisions as regards the supporting structures at a central and line ministry level to better help embed Better Regulation.

The Law on Better Regulation is a positive and welcome step. Its focus is on the process to be followed when regulations are in draft format. It does not however cover all aspects of a well-functioning policy and law-making cycle, notably as regards monitoring and evaluating laws once enacted and implemented. It is also silent on the importance of intra-ministerial consultation, despite the “Strategic State” programme recognising that cross-ministerial co-ordination and cohesion generally need to be addressed. Increased efforts need to be made in tandem with this law, to ensure that a consistent, evidence-based, quality approach to policy formulation and policy development is also pursued by all ministries.

The RIA process provides an excellent toolkit which both policy development and regulatory staff should follow from the time a policy proposal is conceived through to its implementation and subsequent evaluation. There is a danger that efforts to improve regulatory quality will not commence at a sufficiently early stage and before certain key assumptions and decisions are taken as regards how to proceed on implementing, amending or revising policy proposals. Greater efforts are also needed to consult effectively with the Finance Ministry regarding the cost of proposed policy and regulatory changes.

Greece needs to apply lessons learnt as to why previous reform efforts have stagnated or failed to be fully embedded. It should move quickly to establish and support the structural and institutional changes in the General Secretariat to the Government (GSG) (the Better Regulation Office, BRO, to be renamed the Office for Support of Better Regulation, OSBR), and in line ministries through the Regulatory Initiative Offices (RIOs). Political support for these structures and a commitment to adhere to the principles of Better Regulation is imperative. Efforts should be expanded across the system to ensure that all fora where regulatory proposals are discussed including at Cabinet, are aware of and are following the principles of Better Regulation. This will help to embed a more evidence-based approach as regards policy and regulatory development and change traditional ways of working.

The government has made efforts to improve communication generally with stakeholders as regards policy developments, notably through the establishment and increasing use by ministries, of the government portal *www.opengov.gr*. A consultation process did precede the development of the Law on Better Regulation and on the draft White Paper on Governance. These are welcome steps. There are at present no formalised mechanisms for central dissemination of information on the Better Regulation agenda. Article 15 (h) of the Law on Better Regulation however, will require the Office for the Support of Better Regulation to submit annual reports on the progress of Better Regulation to the Prime Minister which will be communicated to the Parliamentary Committee of Institutions and Transparency.

The Law on Better Regulation contains a number of measures aimed at improving *ex post* evaluation of regulation. At present however, this is limited to *ex post* reviews of regulations between 3-5 years after their enactment. There is no provision at present to review and evaluate the main Better Regulation strategy, its effectiveness and how the impact that Better Regulation policy generally has had on competitiveness, growth or the ease with which citizens do business with government.

The lack of joined-up back office systems is inhibiting progress in sharing information across all levels of government and in delivering more efficient and effective services for business and citizens. There is a limit to how effective one-stop shops for citizens and business can be in the absence of joined-up back-office systems. The administration is under pressure to increase efficiency and reduce administrative burdens for business in order to improve competitiveness. Urgent action is needed to streamline and codify different systems and policy areas. E-Government also needs to be seen as intrinsically linked to the achievement of an improved regulatory environment: at present there is a clear demarcation within the administration between these two policy areas. Greece is not unique in this regard, but in light of its needs and fiscal constraints, greater efforts should be made within the administration to combine efforts.

The need to reduce public expenditure and necessary fiscal constraints could however have negative impacts on Greece's ability to advance work in e-Government. Streamlining ICT and back-office systems will require expenditure in the short to medium term: long-term cost savings will not be achieved without an initial cost outlay. Improved e-Government systems can also facilitate greater provision of data and information to those involved in policy and regulatory formulation as well as those enforcing and monitoring implementation. Controlled expenditure in this area could contribute to more extensive cost-savings moving forward as well as helping to lever behavioural change both within and outside of the public administration.

### *Institutional capacities for Better Regulation*

The apparent inability of successive Greek governments to implement regulatory measures following their enactment is intrinsically linked to weaknesses in the functioning of the public administration. Specific challenges continue to exist within the central administration: fragmented responsibilities; silo-based approaches to policy/regulatory development; ineffective or non-existent co-ordination; and poor access to, and quality of, data and information. These challenges have been further compounded by poor and ineffective control, oversight and direction setting on Better Regulation (BR) by the Centre of Government and the political leadership.

Notwithstanding the extensive reforms that have been expounded through the austerity measures, there have been limited successes in changing traditional ways of working and the silo-based approach to policy development and policy delivery in Greece. Individual ministries tend to focus on advancing with work on their own priority issues without explicit reference or cross-governmental co-operation to see how these fit into broader overarching priorities, or how they can best support or advance broader priorities. This absence of horizontal co-operation or a “joined-up” or “whole-of-government” approach to policy/regulatory development and implementation creates particular difficulties.

Fragmentation of responsibilities regarding BR continues to be an issue. Responsibility for various elements of BR rest with the Ministry of Administrative Reform and E-Government (MAREG), the General Secretariat to the Government (through the Better Regulation Office, BRO), the Ministry of Finance or with individual ministries themselves. By establishing the BRO within the General Secretariat to the Government (GSG), it was hoped that this would raise the profile of BR and improve implementation of various reform efforts. The BRO however has been significantly under-resourced and lacks any real powers to compel other ministries to implement the principles of BR. As a result, much of the work in advancing BR has continued to rest with MAREG. There have been improvements in the number of RIA produced, but neither MAREG nor the BRO have the resources or powers to check the quality or consistency of the substantive content of these RIA.

Although a Law on Better Regulation has been enacted, there is as yet no strategic basis for a whole-of-government policy on BR in the Greek administration. There is no visible “White Paper”, or Action Plan or strategic programme for BR implementation to outline when and why efforts or reforms will be undertaken. The Law on BR proposes a number of changes as regards institutional structures. It provides for the majority of responsibility regarding BR to be transferred to the BRO and be recast as the Office for Support of Better Regulation (OSBR), though the law is silent on how the OSBR will be staffed and resourced. Fragmentation of responsibility however remains: the OSBR will not have any role or responsibility regarding simplification or administrative burden reduction efforts.

Developing an overarching administrative unit such as the BRO/OSBR and an action plan on BR will not on its own be sufficient to guarantee implementation or success. High level political support and leadership is essential. BR needs a political champion who will provide a voice at Cabinet meetings, who can follow up with other ministers or regulatory bodies on BR issues and who will support the administrative structures (the BRO/OSBR and the RIOs) in fulfilling their mandates.

The level of communication, co-operation and collaboration both within and across the current public service administration is weak: ministries do not regularly collaborate or co-operate on policy development; the central administration has poor co-ordination mechanisms with sub-national levels of the administration in relation to service delivery; and at a central level, there is fragmentation and variations in service delivery between actors at regional and prefectural level. Historically and traditionally, an autonomous approach to policy/regulatory development and service delivery is serving to reinforce fragmentation. There is little evidence of a joined-up approach to policy/regulatory development or implementation, with an apparent lack of awareness of serving the needs of citizens or business. The current culture reinforces an overly bureaucratic approach rather than a citizen-centric one. Actions must be taken now to develop a more holistic or “whole-of-government” perspective across the public service, and to develop a public service ethos that aims to provide a quality service to citizens and business. The system has the capability to change – “new” offices such as the office of the Ombudsman, or the local one-stop shops (KEPs) etc., where “new” staff have been brought in under progressive and forward thinking leadership, have demonstrated that change is possible.

Embedding consistent approaches to policy making across the administration could be of benefit. For instance, RIA continues to be seen as a stand-alone element of policy making, rather than an intrinsic element of an entire policy cycle/policy-making process.

### ***Transparency through consultation and communication***

Transparent and consistent processes for making and implementing regulation are fundamental to confidence in the rulemaking process and to opportunities of stakeholders to participate in decisions important to them. The rulemaking process is less structured in Greece than in many OECD countries. Greece does not have a specific law or regulation setting out rulemaking practices, apart from the general provisions in the Constitution. Relevant practices arise from various sources, and important elements of rulemaking procedures are left to informal administrative traditions and the discretion of ministries.

The development of the online consultation website – *www.opengov.gr* – where draft laws are made available for comments, is a positive step. The challenge, however, will be to ensure that moving forward, appropriate mechanisms are established to ensure that comments received through this website are taken into account by those involved in drafting the laws and that they are reflected in the development of the related RIA.

Consultation however is still seen as something that happens once a draft law or draft proposal has been significantly advanced by the line ministry, rather than an ongoing process that happens throughout the policy development cycle. Earlier and more active consultation processes would help in improving the quality of regulatory proposals and could help address challenges as regards implementation and compliance.

The regulatory culture and traditional ways of working within the Greek public service poses additional difficulties in Greece. Long-established methods and ways of working require public servants in Greece to adopt a number of changes to work practices, particularly given the additional focus that RIA and regulatory policy places on communication and consultation. Horizontal working, collaboration and inter-ministry communication are weak in Greece.

### *The development of new regulations*

There has been a downward trend in the production of new regulations in Greece, though the volume produced annually is significant. The new Law on BR proposes to limit each ministry to 3 new regulations per year. Should this be successfully implemented, it could contribute towards clarifying and simplifying the statute book, but efforts in this area must be actively monitored by the Centre of Government. The Better Regulation Office must have oversight of the production of new legislation as well as the separate simplification efforts (codification, recasting and administrative burden reduction). Such an approach could better enable Greece to strategically target problematic or economically sensitive areas for focused attention.

Structures in Greece to ensure compliance with the requirement to produce a RIA are weak. The BRO has responsibility for overseeing compliance with the requirement to complete and submit an RIA with regulatory proposals, but they have no powers to refuse to accept a regulatory proposal that is not accompanied by an RIA, or to refuse to accept draft proposals that are accompanied by sub-standard, or poorly developed RIA. The production of RIA within ministries needs to be actively monitored and linked to efforts to simplify the regulatory stock and reduce administrative burdens. The current fragmentation in the system is inhibiting progress. The proposed new structures to be introduced through the draft BR law will further cement this fragmentation and must be addressed as a matter of urgency. The proposal to develop RIOs within ministries with dedicated resources focused on improving the quality of RIA is welcome. It is essential that these are also appropriately resourced.

Secondary regulations in Greece present a particular challenge: once a law is adopted it is usually given practical effect through secondary regulations. There can be significant delays before the development and enactment of these secondary or implementing regulations.

Prior to the adoption of the new Law on Better Regulation, there was no legal requirement in Greece to produce a RIA – the obligation to do so stems solely from a Prime Minister’s circular from 2006.<sup>2</sup> That circular sought to embed impact assessment as a standard feature of quality law making. While RIAs are increasingly prepared and submitted with draft laws – in part due to a parliamentary decision to require an impact assessment before a bill could be considered – there is little data available on the quality and completeness of these RIAs. Limited resources in the Better Regulation Office (BRO) means that any review of a RIA before a law goes to the Cabinet, is largely focused on technical, rather than substantive issues.

For Greece, as with many OECD countries, RIA continues to be seen as an additional element in the development of regulations, rather than an intrinsic element of the broader policy development process. Greece has the opportunity in tackling the current economic climate to use BR and the use of RIA in particular, as a lever by which to implement far reaching changes that will result in better quality, effective regulations. Effective use of policy-making tools like RIA as part of the entire policy development cycle will help to produce a more efficient regulatory system, creating a suitable environment for competitiveness and sustained economic growth.

Greece faces challenges in relation to developing appropriate performance data, and in ensuring that proportionate and effective systems are in place to gather, analyse and interpret such data. It is unclear that appropriate data and information are currently available in Greece to conduct the necessary *a priori*/*a posteriori* comparisons so that the

true impact of regulations can be assessed. Greater assistance needs to be provided to staff to raise their awareness of the need for such performance and evaluative data, and also to ensure that the collection of such data does not in and of itself, create any additional unnecessary burdens for stakeholders.

### *The management and rationalisation of existing regulations*

Evidence from the interviews conducted in Greece illustrated awareness of the need for action to address the existing stock of legislation. The standard practice to date in Greece has been to leave regulations on the statute books: the repeal of old laws or acts which are no longer necessary is not common practice. Effectively addressing the existing statute book would help to avoid overlaps, duplication and conflicts between existing laws. Reducing and simplifying the current statute book would also make it easier for the government and the administration to accurately assess what new areas need to be addressed from a regulatory perspective, as well as ensuring no “new” conflicts or duplications are introduced.

The new BR law will cement the existence of the existing KEK or Codification Committee as well as expanding its functions. With the enactment of the BR law, this will be known as the Central Codification and e-Regulation Committee (KEKHN). The KEKHN will, with the relevant ministries, identify, or suggest, areas to be codified and will set standards and guidance for codifying texts. The new BR law will also establish a Regulatory Recasting Committee with responsibility for the recasting of legislation not suitable or identified for codification. There is also provision to establish special committees within ministries to address simplification and codification issues.

These committees however, while setting standards, guidance and reporting to government on progress with the codification and recasting processes, will be heavily dependent on work conducted within the ministries. The RIOs to be established within ministries will themselves identify the laws and regulations within the ministry in need of simplification, codification or update and will conduct initial work before forwarding materials to the KEKHN or Recasting Committee for further elaboration. Successes to date in codifying or recasting regulations have had mixed results, in part due to challenges regarding resources – staff capacity and skills. This is an area that will need to be addressed.

It is also unclear what level of co-ordination will take place between the KEKHN, the Regulatory Recasting Committee and the OSBR, which at present is not due to have any role in simplification. Central support from the OSBR would help to ensure coherence in selecting regulations to be addressed and would ensure that a simplification programme is considered in tandem with other efforts to improve the regulatory environment. Awareness needs to be raised of the value of simplification: the OSBR is best placed to undertake this. It would also ensure that broader training, guidance and support that it offers to RIOs takes account of the simplification programme. Given the economic burden that regulation is known to have on business, a coherent and strategic programme of simplification could pay dividends in helping to improve the economic environment for business.

Separate structures have responsibility in Greece for advancing work on reducing administrative burdens. MAREG and the Ministry of Finance to date have joint responsibility, with much of the recent work being carried out by the Centre for European Constitutional Law – Themistokles and Dimitris Tsatsos Foundation (CECL). The OSBR will not have any responsibility in this area: as with simplification, the obligation for

ensuring that minimum administrative burdens fall on business, citizens and the administration falls on the regulator. The BR law is largely silent on how administrative burdens will be monitored and evaluated moving forward. Greece faces particular challenges in that it needs to impose certain obligations and burdens to ensure compliance with laws, commensurate with reducing such burdens. Given the significant challenges facing business in Greece and its EU commitment to reduce administrative burdens by 25% (net) by 2013, this is a concern.

The administrative burden reduction efforts are not expressly linked with simplification or with economic development to create a more coherent, policy approach to encouraging or facilitating economic growth. Much of the focus to date has been on reducing information obligations so as to minimise the number of interactions citizens or business will have with the administration, while ensuring all relevant offices receive pertinent information. The economic climate combined with the challenges in Greece of addressing non-compliance with legislation needs to be given careful consideration. A complete “quality legislation” effort is needed where the ability to measure, consider and evaluate necessary as opposed to costly and ineffective administrative burdens happens as part of the policy and regulatory development process. In this regard, the OSBR needs to have a role in promoting and driving efforts across ministries to measure and evaluate all burdens (not just Information Obligations). The OSBR should also support greater use by ministries of quantitative analytical tools such as Cost-Benefit Analysis and Risk Analysis when assessing impacts and costs/burdens. Political support for such a strategy is essential. A wide-scale communication strategy on Better Regulation highlighting the linkage between the development of quality legislation and economic growth would be of benefit.

### ***Compliance, enforcement, appeals***

Compliance, or rather non-compliance with legislative provisions, is a key challenge for Greece. In many instances, responsibility for ensuring compliance has fallen to inspectorate staff who are de-concentrated and based at the sub-national level. There are multiple underlying reasons for the level of non-compliance. Other reform measures required as part of the austerity programme seek to address some of these. Increased and structured dialogue between the central and sub-national levels, combined with increased monitoring and evaluation that follow the principles of Better Regulation could supplement these efforts and aid in improving compliance.

### ***The interface between member states and the European Union***

The establishment of an Office for International and European Affairs with a mandate to focus on improving transposition of EU directives has already borne fruit. Greece successfully met the European Commission’s transposition deficit target for the first time in the second half of 2010 and has continued to maintain this target. The success of the Office is due in no small part to the level of political support it has been given: the government identified correct and timely transposition of EU law as a top national priority. Sustaining the successes achieved in the transposition area will require ongoing political support.

A focus on timely transposition must be matched by increased efforts to deal with incorrect application of EU laws. Greece currently has the second highest number of open infringement proceedings at EU level. This is an area that the Office is mandated to focus on. Greater use by ministries of evidence-based approaches and the use of impact assessment during the negotiation and transposition phases could help to reduce the number of future infringement cases for incorrect application of EU law.

Other EU member states have benefited from establishing cross ministerial working groups to better co-ordinate domestic management of national policy approaches on EU law. Greater awareness across ministries of developments elsewhere which they may have a policy interest in will help to ensure coherence and improve the quality of the transposition process. This may also help to address challenges as regards infringements for delayed or incorrect transposition.

### ***The interface between sub-national and national levels of government***

The current priority for Greece is to embed improvements in policy formulation and the resulting regulatory proposals at national level. The sub-national level however will continue to play a role in regulating and in applying laws at local level. The application of the Law on Better Regulation should be extended to include sub-national levels of government at an early stage. Greater communication between the central and sub-national levels of government, particularly as regards the implementation of laws should be improved. Greater awareness of how laws and regulations are being applied locally and an evaluation regarding their implementation will better inform future amendments and reviews.

## **Key recommendations**

| <b><i>Strategy and policies for Better Regulation</i></b> |  |
|---|--|
| 1.1   | Greece should develop and articulate an overarching strategy document that links BR reform to the other public administration reforms, changes and austerity measures to better illustrate how these will work together to improve competitiveness, economic growth and other important policy goals. This will better help to embed the rationale for change and elicit support from stakeholders. The proposed White Paper on Governance may offer opportunities in this regard. |
| 1.2   | An evidence-based approach and the principles of Better Regulation should be applied at the earliest point in the life-cycle of policy development, rather than being solely applied once a decision has been made on how to regulate. Greece should increase efforts to ensure that all stages in the policy cycle are subject to the provisions of the Law on Better Regulation.   |
| 1.3   | The structural and institutional changes proposed by the Law on Better Regulation should be established as a matter of urgency. The rules and guidelines on how items are submitted to the Cabinet for discussion should be amended to reflect the principles of Better Regulation to reinforce the importance of improving regulatory quality and the evidence underlying proposals.  |



|     |   |
|-----|---|
| 1.4 | An annual report gathering the different strands of BR policy should be developed and published by the GSG. In addition to sending this to Parliament, this should be widely disseminated to stakeholders – business representative groups, NGO's etc. The Office for the Support of Better Regulation should develop a BR communication strategy. Initially this could be linked to a communication strategy on improving competitiveness: on a longer term basis this could be linked to broader policy and public sector reform. Ministries should also be encouraged to publish annual reports on their work that include reference to how they have contributed to advancing Better Regulation. Their reports should contain information on the number of consultation processes and RIA they have completed during the past year. |
| 1.5 | Planning should start now on how the Better Regulation policies and programmes will be evaluated and reviewed in the coming years. Performance indicators should be developed that will better allow measurement of the impact of the new Law on Better Regulation and the broader strategy generally, on competitiveness, economic growth and administrative burden reduction. The Office for the Support of Better Regulation should take a lead role in co-ordinating efforts on such evaluations.   |
| 1.6 | Greece should carry out a review of those systems that most urgently need to be streamlined and addressed in order to meet business needs. This review should be jointly advanced by the e-Government and Better Regulation sides of the administration. Formalised arrangements should be put in place to ensure ongoing co-operation and dialogue between the Office for the Support of Better Regulation and the MAREG. Business process reviews should be undertaken in key policy areas which actively look at how extant ICT systems are working and assess where greater synergies can be developed.   |

| <b><i>Institutional capacities for Better Regulation</i></b> |   |
|--|---|
| 2.1  | Assign one central “owner” of the BR agenda (e.g. the OSBR). Develop a clear programme and action plan of reforms to be undertaken across the BR arena. This should incorporate efforts on simplification, administrative burden reduction, training, support, consultation and transparency as well as impact assessment and better policy/regulatory making tools.  |
| 2.2  | Provide appropriate staffing for the BRO (OSBR). Consider a transfer of staff already familiar with BR from MAREG to the BRO. Consider also the possibility of allowing for secondments or rotation of staff from line ministries to the BRO for a 1-2 year basis. This would help both to supplement resources within the BRO and provide for greater transfer of knowledge and awareness of BR across the administration. |
| 2.3  | Assign responsibility for BR reform to a Minister, with power to report to government and Parliament on the progress in implementing BR reforms. This Minister should report regularly to Cabinet on BR and should act as the political face of the OSBR.   |

|     |   |
|-----|---|
| 2.4 | Consider rebranding RIA as impact assessment (IA) and “selling it” within ministries/regulatory agencies etc., as a policy development tool that covers the entire policy cycle. The principles and model would not change (e.g. the European Commission’s IA model is broadly speaking an RIA model), but an IA model has the potential to resonate with those staff involved in actively developing the policy proposals, rather than just the legislative drafting staff involved once the key policy development thinking has occurred. |
|-----|---|

| <i>Transparency through consultation and communication</i> |   |
|--|---|
| 3.1  | Expand on the consultation provisions set out in the Law on Better Regulation to ensure that consultation with key stakeholder groups takes place early in the policy development process. This will help improve the quality of resulting regulations by better identifying implementation and compliance challenges at an early stage.                                  |
| 3.2  | In its forthcoming White Paper on Governance, Greece should seek to formalise arrangements for cross-ministerial co-operation and dialogue on policy development. The GSG and Prime Minister’s Office should take a lead role in both promoting dialogue across ministries as well as in facilitating discussion and cross-ministry discussions on priority policy areas. |

| <i>The development of new regulations</i> |   |
|---|---|
| 4.1                                       | Greece should take steps as a matter of urgency to equip the BRO (and its replacement structure, the OSBR) with sufficient resources and powers to enable it to actively monitor regulatory production (both primary and secondary) across the ministries. The BRO should ensure coherence between the production of new regulations and the simplification efforts aimed at addressing the existing stock of legislation. It should also have the power (and political support) necessary to enable it to return legislative proposals to ministries that have incomplete or poor quality impact assessments. Ensure that the RIOs to be established within ministries are also appropriately resourced. |
| 4.2                                       | Consider options whereby ministries would submit outlines of the secondary regulations (implementation measures) that will be introduced with the draft laws and related impact assessments. The impact assessments should include specific references to the implementation process. Consider also the imposition of specified deadlines by which the implementation measures should be introduced following enactment of the primary law. The RIO within ministries should monitor implementation of secondary regulations, with the BRO having an oversight role, reporting to the government where significant delays are occurring.  |

|     |  |
|-----|--|
| 4.3 | As part of a broader communication strategy on BR and its relevance to sustainable economic growth, consider a targeted campaign of all ministry officials involved in policy development, to better embed the principles of Better Regulation and tools to improve quality policy making (impact assessment, consultation, cost-benefit analysis etc.).   |
| 4.4 | Examine options to better disseminate to staff involved in policy and regulatory development access to usable statistical information to better inform their quantitative assessment and evaluation of regulatory proposals. Provide increased assistance and training in the development and use of performance indicators. Efforts in this area should be linked to the simplification programme so as to ensure that good quality existing performance data can be better utilised and/or shared. Ensure that the development and collection of performance data does not create any additional unnecessary burdens for stakeholders. |

### *The management and rationalisation of existing regulations*

|     |   |
|-----|---|
| 5.1 | Ensure that the OSBR has a role in advancing simplification. It should be actively involved in developing and setting out a strategic programme for simplification that addresses those areas of regulation causing most difficulty to business and economic growth. This will help ensure coherence across government in targeting and sequencing actions to maximise benefits for business.   |
| 5.2 | The success of a simplification programme is dependent on the ability of RIOs to advance work within their own ministry. The OSBR, KEKHN and Regulatory Recasting Committee should work together to provide comprehensive guidance and support to RIOs staff. Ministries should ensure that RIOs are appropriately staffed to advance work on simplifying the existing stock of legislation.  |
| 5.3 | Broaden the scope of the current administrative burden reduction programme beyond as assessment of information obligations. Develop guidelines for ministries on balancing the need for certain burdens or obligations to ensure compliance, with risk assessments for non-compliance. Provide training and support for ministries/RIOs on the use of quantitative analytical tools such as Cost-Benefit Analysis and Risk Analysis. Through the OSBR, develop a communication programme to publicise the importance of quality legislation, simplification and administrative burden reduction and their linkage to economic growth. |

| <i>Compliance, enforcement, appeals</i> |   |
|---|---|
| 6.1                                     | Review the experiences of other EU member states in strengthening linkages between the sub-national and central levels of the administration, particularly as regards monitoring and oversight of how laws are being implemented and compliance rates. Data as regards implementation and increased monitoring of how laws are being complied with will help. Performance indicators, targets and timeframes for compliance should be developed in tandem with the policy and regulatory development process. |

| <i>The interface between member states and the European Union</i> |  |
|---|--|
| 7.1   | To assist in efforts to reduce the number of open infringement proceedings at EU level and to sustain successes achieved in reducing the transposition deficit, Greece should extend the scope of the Law on Better Regulation to require application at an early stage of RIA during the negotiation and transposition process. This will help ensure both timely and correct transposition of EU law.                    |
| 7.2   | Establish a standing cross-ministerial working group at senior administrative level focused on the management and strategic co-ordination of EU legislation. This will help ensure greater coherence as regards negotiation and the application of Better Regulation principles at an early stage in the transposition process. Greece should examine how other member states have approached this (e.g. Ireland, Finland) |

| <i>The interface between national and sub-national levels of government</i> |   |
|---|---|
| 8.1   | Care should be taken to ensure that efforts centrally to improve regulatory processes are reflected at the municipal and prefectural levels/regional levels. The scope of the Law on Better Regulation should be extended to include the sub-national level. Review co-ordination and consultation mechanisms between central and sub-national levels with a view to encouraging greater dialogue between these levels as regards policy/regulatory development and implementation. |

## Notes

1. The Law on Better Regulation, “Regulatory Governance: Principles, Procedures and Tools of Better Law Making” was adopted on 21 February 2012.
2. Prime Minister’s Circular (Y190/2006), Regulatory Policy and the Assessment of Quality and Effectiveness of Legislation and Regulation.

## *Introduction: Conduct of the review*

### Peer review and country contributions

The current review of Greece reflects contributions from the Greek government and discussions at meetings held in Athens in December 2010 and May 2011 by the OECD Secretariat with Greek officials and external stakeholders. Major initiatives and developments since this mission are referenced in the report, but have not been evaluated.

The OECD team consisted of:

- Caroline Varley, Project Leader for the EU 15 reviews, Regulatory Policy Division, Public Governance and Territorial Development Directorate, OECD;
- Nick Malyshev, Head of the Regulatory Policy Division, Public Governance and Territorial Development Directorate, OECD, and
- Reza Lahidji, Economist, Regulatory Policy Division, Public Governance and Territorial Development Directorate, OECD.

### Structure of the report

The report is structured into eight chapters. The project baseline is set out at the start of each chapter. This is followed by an assessment and recommendations, and background material.

- **Strategy and policies for Better Regulation.** This chapter first considers the drivers of Better Regulation policies and seeks to provide a “helicopter view” of Better Regulation strategy and policies. It then considers overall communication to stakeholders on strategy and policies, as a means of encouraging their ongoing support. It reviews the mechanisms in place for the evaluation of strategy and policies aimed at testing their effectiveness. Finally, it (briefly) considers the role of e-Government in support of Better Regulation.
- **Institutional capacities for Better Regulation.** This chapter seeks to map and understand the different and often interlocking roles of the entities involved in regulatory management and the promotion and implementation of Better Regulation policies, against the background of the country’s public governance framework. It also examines training and capacity building within government.
- **Transparency through consultation and communication.** This chapter examines how the country secures transparency in the regulatory environment, both through public consultation in the process of rulemaking and public communication on regulatory requirements.

- **The development of new regulations.** This chapter considers the processes, which may be interwoven, for the development of new regulations: procedures for the development of new regulations (forward planning, administrative procedures, and legal quality); the *ex ante* impact assessment of new regulations; and the consideration of alternatives to regulation.
- **The management and rationalisation of existing regulations.** This chapter looks at regulatory policies focused on the management of the “stock” of regulations. These policies include initiatives to simplify the existing stock of regulations, and initiatives to reduce burdens which administrative requirements impose on businesses, citizens and the administration itself.
- **Compliance, enforcement, appeals.** This chapter considers the processes for ensuring compliance and enforcement of regulations, as well as administrative and judicial review procedures available to citizens and businesses for raising issues related to the rules that bind them.
- **The interface between the national level and the EU.** This chapter considers the processes that are in place to manage the negotiation of EU regulations, and their transposition into national regulations. It also briefly considers the interface of national Better Regulation policies with Better Regulation policies implemented at EU level.
- **The interface between sub-national and national levels of government.** This chapter considers the rulemaking and rule-enforcement activities of local/sub federal levels of government, and their interplay with the national/federal level. It reviews the allocation of regulatory responsibilities at the different levels of government, the capacities of the local/sub federal levels to produce quality regulation, and co-ordination mechanisms between the different levels.

## Methodology

The starting point for the reviews is a “project baseline” which draws on the initiatives for Better Regulation promoted by both the OECD and the European Commission over the last few years:

- The OECD’s 2005 Guiding Principles for Regulatory Quality and Performance set out core principles of effective regulatory management which have been tested and debated in the OECD membership.
- The OECD’s multidisciplinary reviews over the last few years of regulatory reform in 11 of the 15 countries to be reviewed in this project included a comprehensive analysis of regulatory management in those countries, and recommendations.
- The OECD/SIGMA regulatory management reviews in the 12 “new” EU member states carried out between 2005 and 2007.

- The 2005 renewed Lisbon Strategy adopted by the European Council which emphasises actions for growth and jobs, enhanced productivity and competitiveness, including measures to improve the regulatory environment for businesses. The Lisbon Agenda includes national reform programmes to be carried out by member states.
- The European Commission’s 2006 Better Regulation Strategy, and associated guidelines, which puts special emphasis on businesses and especially small to medium-sized enterprises, drawing attention to the need for a reduction in administrative burdens.
- The European Commission’s follow up Action Programme for reducing administrative burdens, endorsed by the European Council in March 2007.
- The European Commission’s development of its own strategy and tools for Better Regulation, notably the establishment of an impact assessment process applied to the development of its own regulations.
- The OECD’s recent studies of specific aspects of regulatory management, notably on cutting red tape and e-Government, including country reviews on these issues.

The report, which was drafted by the OECD Secretariat with the assistance of an external consultant Ms. Audrey Jessiman, was the subject of comments and contributions from the peer reviewers as well as from colleagues within the OECD Secretariat. It was fact checked by Greece.

The report is also based on material provided by Greece in response to a questionnaire, including relevant documents, as well as relevant recent reports and reviews carried out by the OECD and other international organisations on linked issues such as e-Government and public governance.

### **Regulation: What the term means for this project**

The term “regulation” in this project is generally used to cover any instrument by which governments set requirements on citizens and enterprises. It therefore includes all laws (primary and secondary), formal and informal orders, subordinate rules, administrative formalities and rules issued by non-governmental or self-regulatory bodies to whom governments have delegated regulatory powers. The term is not to be confused with EU regulations. These are one of three types of EC binding legal instrument under the Treaties (the other two being directives and decisions).





## Chapter 1

### Strategy and policies for Better Regulation

*Regulatory policy may be defined broadly as an explicit, dynamic, and consistent “whole-of-government” policy to pursue high quality regulation. Experience across the OECD suggests that an effective regulatory policy should be adopted at the highest political levels, contain explicit and measurable regulatory quality standards, and provide for continued regulatory management capacity.*

*Governments are accountable for the often significant resources as well as political capital invested in regulatory management systems. There is a growing interest in the systematic evaluation of regulatory management performance – “measuring the gap” between regulatory policies as set out in principle and their efficiency and effectiveness in practice. The systematic application of ex post evaluation and measurement techniques can provide part of the answer and help to strengthen the framework.*

*E-Government is an important support tool for Better Regulation. It permeates virtually all aspects of regulatory policy from consultation and communication to stakeholders, to the effective development of strategies addressing administrative burdens, and not least as a means of disseminating Better Regulation policies, best practices, and guidance across government, including local levels. Whilst a full evaluation of this aspect is beyond the scope of this exercise and would be inappropriate, the report makes a few comments that may prove helpful for a more in-depth analysis.*

## Assessment and recommendations

### *Development of Better Regulation strategy and policies*

Greece has been targeting the Better Regulation agenda as a key reform area for much of the past decade. The inclusion of Better Regulation as a strand of the then Lisbon Strategy at EU level helped to keep Better Regulation on the agenda in Greece. The absence of strong political backing on a legislative basis and weak structures centrally, resulted in significant variability across the administration both in terms of implementation and effectiveness of the use of Better Regulation tools such as RIA.

Greece is now moving towards providing a legislative basis for Better Regulation. A Law on Better Regulation was recently passed by Parliament. Following enactment, ministries will, for the first time, be legally obliged to ensure that the principles of Better Regulation are applied to all legislative developments. The requirement to conduct a Regulatory Impact Assessment (RIA) on all regulatory proposals will be placed on a statutory basis. The law also makes welcome provisions as regards the supporting structures at a central and line ministry level to better help embed Better Regulation.

The challenge for Greece moving forward is to ensure that Better Regulation and an improved regulatory environment are not seen as separate elements of broader reform and change efforts. They are intrinsically linked to improving competitiveness and stimulating sustainable economic growth. Reforms on Better Regulation should equally be exploited so as to maximise their potential to lever broader public service reforms. An overall strategy that links the different initiatives needs to be developed. An improved regulatory environment and the reforms due to be introduced by the current Law on Better Regulation, combined with the reforms envisaged through the draft White Paper on Governance, could act as a lever to advance other much needed public sector reforms.

---

**Recommendation 1.1: Greece should develop and articulate an overarching strategy document that links BR reform to the other public administration reforms, changes and austerity measures to better illustrate how these will work together to improve competitiveness, economic growth and other important policy goals. This will better help to embed the rationale for change and elicit support from stakeholders. The proposed White Paper on Governance may offer opportunities in this regard.**

---

The Law on Better Regulation is a positive and welcome step. Its focus is on the process to be followed when regulations are in draft format. It does not however cover all aspects of a well-functioning policy and law-making cycle, notably as regards monitoring and evaluating laws once enacted and implemented. It is also silent on the importance of intra-ministerial consultation, despite the “Strategic State” programme recognising that cross-ministerial co-ordination and cohesion generally need to be addressed. Increased efforts need to be made in tandem with this law, to ensure that a consistent, evidence-based, quality approach to policy formulation and policy development is also pursued by all ministries.

The RIA process provides an excellent tool-kit which both policy development and regulatory staff should follow from the time a policy proposal is conceived through to its implementation and subsequent evaluation. There is a danger that efforts to improve regulatory quality will not commence at a sufficiently early stage and before certain key assumptions and decisions are taken as regards how to proceed on implementing, amending or revising policy proposals. Greater efforts are also needed to consult effectively with the Finance Ministry regarding the cost of proposed policy and regulatory changes.

---

**Recommendation 1.2: An evidence-based approach and the principles of Better Regulation should be applied at the earliest point in the life-cycle of policy development, rather than being solely applied once a decision has been made on how to regulate. Greece should increase efforts to ensure that all stages in the policy cycle are subject to the provisions of the Law on Better Regulation.**

---

Greece needs to apply lessons learnt as to why previous reform efforts have stagnated or failed to be fully embedded. It should move quickly to establish and support the structural and institutional changes in the General Secretariat to the Government (GSG) (the Better Regulation Office, BRO, to be renamed the Office for Support of Better Regulation, OSBR), and in line ministries through the Regulatory Initiative Offices (RIOs). Political support for these structures and a commitment to adhere to the principles of Better Regulation is imperative. Efforts should be expanded across the system to ensure that all fora where regulatory proposals are discussed including at Cabinet, are aware of and are following the principles of Better Regulation. This will help to embed a more evidence-based approach as regards policy and regulatory development and change traditional ways of working.

---

**Recommendation 1.3: The structural and institutional changes proposed by the Law on Better Regulation should be established as a matter of urgency. The rules and guidelines on how items are submitted to the Cabinet for discussion should be amended to reflect the principles of Better Regulation to reinforce the importance of improving regulatory quality and the evidence underlying proposals.**

---

### ***Communication on Better Regulation strategy and policies***

The government has made efforts to improve communication generally with stakeholders as regards policy developments, notably through the establishment and increasing use by ministries, of the government portal *www.opengov.gr*. A consultation process did precede the development of the Law on Better Regulation and on the draft White Paper on Governance. These are welcome steps. There are at present no formalised mechanisms for central dissemination of information on the Better Regulation agenda. Article 15 (h) of the Law on Better Regulation however, will require the Office for the Support of Better Regulation to submit annual reports on the progress of Better Regulation to the Prime Minister which will be communicated to the Parliamentary Committee of Institutions and Transparency.

---

**Recommendation 1.4: An annual report gathering the different strands of BR policy should be developed and published by the GSG. In addition to sending this to Parliament, this should be widely disseminated to stakeholders – business representative groups, NGO’s etc. The Office for the Support of Better Regulation should develop a BR communication strategy. Initially this could be linked to a communication strategy on improving competitiveness: on a longer term basis this could be linked to broader policy and public sector reform. Ministries should also be encouraged to publish annual reports on their work that include reference to how they have contributed to advancing Better Regulation. Their reports should contain information on the number of consultation processes and RIA they have completed during the past year.**

---

### ***Ex post evaluation of Better Regulation strategy and policies***

The Law on Better Regulation contains a number of measures aimed at improving *ex post* evaluation of Better Regulation. At present however, this is limited to *ex post* reviews of regulations between 3-5 years after their enactment. There is no provision at present to review and evaluate the main Better Regulation strategy, its effectiveness and how the impact that Better Regulation policy generally has had on competitiveness, growth or the ease with which citizens do business with government.

---

**Recommendation 1.5: Planning should start now on how the Better Regulation policies and programmes will be evaluated and reviewed in the coming years. Performance indicators should be developed that will better allow measurement of the impact of the new Law on Better Regulation and the broader strategy generally, on competitiveness, economic growth and administrative burden reduction. The Office for the Support of Better Regulation should take a lead role in co-ordinating efforts on such evaluations.**

---

### ***E-Government in support of Better Regulation***

The lack of joined-up back office systems is inhibiting progress in sharing information across all levels of government and in delivering more efficient and effective services for business and citizens. There is a limit to how effective one-stop shops for citizens and business can be in the absence of joined-up back-office systems. The administration is under pressure to increase efficiency and reduce administrative burdens for business in order to improve competitiveness. Urgent action is needed to streamline and codify different systems and policy areas. E-Government also needs to be seen as intrinsically linked to the achievement of an improved regulatory environment: at present there is a clear demarcation within the administration between these two policy areas. Greece is not unique in this regard, but in light of its needs and fiscal constraints, greater efforts should be made within the administration to combine efforts.

The need to reduce public expenditure and necessary fiscal constraints could however have negative impacts on Greece’s ability to advance work in e-Government. Streamlining ICT and back-office systems will require expenditure in the short to medium term: long-term cost savings will not be achieved without an initial cost outlay. Improved e-Government systems can also facilitate greater provision of data and

information to those involved in policy and regulatory formulation as well as those enforcing and monitoring implementation. Controlled expenditure in this area could contribute to more extensive cost-savings moving forward as well as helping to lever behavioural change both within and outside of the public administration.

---

**Recommendation 1.6: Greece should carry out a review of those systems that most urgently need to be streamlined and addressed in order to meet business needs. This review should be jointly advanced by the e-Government and Better Regulation sides of the administration. Formalised arrangements should be put in place to ensure ongoing co-operation and dialogue between the Office for the Support of Better Regulation and the MAREG. Business process reviews should be undertaken in key policy areas which actively look at how extant ICT systems are working and assess where greater synergies can be developed.**

---

## Background

### *Economic context and drivers of Better Regulation*

#### *General economic context*

Following years of fiscal profligacy and weak structural reform, Greece has, since May 2010 been embarked on an ambitious adjustment programme. This aims to restore sustainable public finances, competitiveness and create the foundations for healthy and solid growth. The economic adjustment plan being implemented with the technical and financial support of the IMF, the European Union and the ECB (the Troika) aims at tackling the roots rather than the symptoms of the crisis. The three key aims of the adjustment programme are to: bring public finances back on a sustainable track; stabilise the financial sector; and implement structural reforms to strengthen competitiveness and economic growth. The Medium Term Fiscal Strategy (MTFS), adopted by the Greek Parliament at the end of June 2011, outlines further measures for the period 2011-15, which are forecasted to reduce the general government deficit from 7.5% of GDP in 2011, to 1% of GDP by 2015.

Many of the reforms and measures set out in these documents have been designed with a view to strengthening the supply side of the economy by improving internal competition and external competitiveness. Deep-rooted fiscal reforms have been launched to strengthen the management of the public finances and to revamp the pension system. A new wave of structural reforms is currently being implemented in areas such as the labour market, competition policy, the exercise of professions, administrative simplification, investment and export promotion and restructuring of state-owned enterprises.

The outcome of the adjustment programme and the MTFS depends on a host of economic and political factors which, in the context of this report, are impossible to list or assess in full. What is clear and accepted is that success is dependent on Greece's capacity to swiftly reform and modernise its public governance practices. The effectiveness of structural reforms will also heavily depend on the quality and the implementation of the resulting legislation. As such, improving the policy and regulatory environment is of particular importance.

### *External drivers for regulatory reform*

Prior to the economic crisis, regulatory reform emerged in Greece as part of a larger set of reforms to domestic policies and institutions carried out mainly in response to external pressures. Over the last two decades regulatory reform has been advanced largely in line with requirements resulting from EU membership and efforts advanced by the EU through most recently, the Lisbon Strategy and now Europe 2020. In 2001, the OECD conducted an in-depth review of Regulatory Reform in Greece, and made a series of policy recommendations in order to improve the regulatory framework and further advance regulatory reform. Progress in advancing and sustaining change has however been slow.

The economic crisis has placed significant additional focus on the need to advance regulatory reform. Austerity measures aimed at raising taxes and cutting exchequer costs cannot on their own restore growth. Regulatory reforms have a vital role to play in helping boost investment and FDI, not least in cutting red tape and barriers to competition.

### *Internal drivers: improving the policy process*

The challenge and importance of increasing efforts to improve the quality and effectiveness of regulation has been recognised. The Operational Programme (OP) for Public Administration Reform 2007-2013, gives priority to strengthening the mechanisms for strategic planning, enforcement and control of public policies. The OP seeks to address the means by which the Centre of Government, in co-operation with line ministries and key agencies, co-ordinates, formulates and implements new policies, regulations and systemic reform programmes. To date, public dialogue has largely been focused on addressing the economic crisis and the related austerity measures. Slowly, the importance of improving the quality of regulation as a key contributor to more effective policy development and improved competitiveness seems to be rising on the agenda. In part, this is linked to the dissemination of the OECD's recent report on the central administration.<sup>1</sup>

Objective 1.1 in the OP sets out to:

- a) Improve the strategic function of ministries through the clarification of executive and operational competencies, elimination of overlaps that are generated due to co-competences and avoidance of breaking competences in multiple administration levels.
- b) Reinforce and to create reliable follow-up mechanisms with regard to the implementation of policies through goal setting and the establishment of performance indicators, together with the adoption of suitable methods and practical policy tools.
- c) Improve the control function through the development of suitable institutional and administrative framework, the reorganisation of control mechanism structures and their support by the suitable ICT systems.

A number of targeted actions towards achieving this objective were identified, including the reinforcement of planning processes and improved co-ordination and evaluation of public policies to avoid overlaps. Greece also proposes to introduce monitoring systems in the supervision and control agencies and services of public administration, as well as the elaboration of tools – such as Regulatory Impact Analysis – with a greater focus on results.

The development of the OP preceded the current economic crisis: as such, priorities have shifted although the need for reform of the public governance system is more pronounced than ever. The austerity programme and MOU conditions relating to public administration reform (including BR) has to a certain extent incorporated the measures set out in the OP. While it has been expedient to do so, there are concerns that deeper structural reforms which will be necessary to ensure long-term success may end up being crowded out. The need for these reforms however has not abated and conversely, the economic crisis creates a greater need for these to be implemented sooner rather than later. While mindful of the economic circumstances that will delimit the extent of reforms which can be introduced, Greece should maintain focus on advancing those reform measures which will have a more long-term impact, particularly those aimed at sustaining reforms (e.g. culture change). In the BR area, these would result in more effective and efficient policy and regulatory development with greater consideration in advance of budgetary and implementation challenges. Effectively and coherently implementing BR reforms could lever more efficient work practices and result in a more effective and productive public administration.

Greece’s ability to successfully implement and sustain reforms and the measures set out in the MOU and OP, is dependent on the capacity and strength of leadership within the public administration, especially at the Centre of Government. A particular challenge to date has been weaknesses at the Centre and the lack of a single hub, office or unit to act as a Government Office. In recognition of the need to significantly address weaknesses in the administration, Greece has developed a related but distinct programme, “*Reorganisation of the State: Towards a Strategic State*”. The vision of this programme is to elaborate and give effect to a new governance model for the central public administration. This builds on work developed at the sub-national level through the “Kallikratis” programme.

The “Strategic State” programme aims to: strengthen the strategic and supervision role of the state, particularly through the creation of a strong Centre of Government; reduce operational costs; improve efficiency and productivity; improve multi-level co-ordination; and promote greater transparency and accountability.

#### *Internal drivers: strengthening business competitiveness*

Greece has a very high share of SMEs (99%), particularly micro enterprises (96%), as compared with most other OECD countries. The SME sector overall employs more than 85%, well above the EU average (66.9%)<sup>2</sup> and of these, micro enterprises account for 57.6% as compared with 29.8% for the EU27. More than one in every two Greeks working in the non-financial sector is employed by a micro enterprise. Large enterprises account for only 14% of all jobs in Greece, as compared with an EU average of 33%, although they create more than 28% of total value added. Greek SMEs proportionally seem to be more active than EU peers in trade: 42% of all SMEs indicate activity in this sector as compared with an EU average of 31%.

Greece is currently ranked 100 out of 183 countries in the 2012 Ease of Doing Business ranking.<sup>3</sup> A well-functioning, effective and efficient regulatory environment for business will be central to Greece's ability to increase competitiveness. Businesses face significant challenges in staying abreast of legislative changes: in the current economic climate they cannot afford to spend significant resources (time or money) in tracking legislative changes, or in undertaking significant or particularly burdensome procedures to comply with legislative or regulatory requirements. Greece needs to ensure that regulations and future regulatory changes are not placing disproportionate or unnecessary burdens on such businesses.

### *Developments in Greece's Better Regulation agenda*

**Table 1.1. Milestones in the development of Better Regulation policies in Greece**

|      |   |
|------|---|
| 1986 | Granted more independence to the local level.   |
| 1990 | Introduced liberalisation and competition policy.   |
| 1991 | Strengthened independence and transparency in the civil service.  |
| 1994 | Requirement of competitive public sector recruitment.<br>Decentralisation of government competencies.<br>Harmonisation of Greek policy making with EU processes.  |
| 1996 | Management independence enhanced by a change in the legal framework of public enterprises.<br>Development of Citizens Charters for public services.   |
| 1998 | Decentralisation of 139 competencies from central Government to 13 regions.<br>Creation of the Greek Ombudsman to receive complaints about public services and make the necessary investigations.   |
| 2002 | Draft law on regulatory reform prepared by a committee chaired by the Vice President of the Council of State, (not enacted).  |
| 2003 | General Plan for Civil Protection, "Xenokrates".  |
| 2004 | Draft law on the quality of regulations, not enacted.   |
| 2005 | Second draft law on regulatory reform, discussed twice and accepted by a governmental committee, but not enacted.   |
| 2006 | Prime Minister's <i>Circular on Better Regulation</i> , introducing the requirement of a regulatory impact assessment for all new laws.   |
| 2007 | Adoption of the objective to reduce administrative burdens by 25% by 2013.<br>Establishment of the Better Regulation Committee to implement the provisions of the 2006 Circular and evaluate impact assessments.  |
| 2009 | All regulatory bills are uploaded to the web-site <i>www.opengov.gr</i> for consultation<br>Establishment of a Regulatory Committee to implement the provisions of the 2006 Circular and evaluate impact assessments.   |
| 2010 | Transposition of the EU Services Directive into national law ( <i>Law 3848/2010</i> ).<br>Simplification of administrative procedures to start up a business (operational measures are still needed for <i>Law 3853/2010</i> to be fully functional).<br>Modification of the Parliament's statute requiring each draft law to have a RIA and a consultation report.<br>Bill on codification and e-rulemaking approved by the Council of Ministers, submitted to public consultation, but not yet enacted.<br>Mandatory online publication of all government, local government and public administration bodies decisions, including commitment of funds and financial decisions (" <i>Diavegia</i> ", <i>Law 3861/2010</i> ). |
| 2011 | Public Consultation on draft Law " <i>For the Improvement of Regulatory Governance</i> ".   |
| 2012 | Law on Better Regulation, " <i>Regulatory Governance: Principles, Procedures and Tools of Better Law Making</i> " was approved by the Parliament on 21 February 2012.   |

Source: OECD (2011), *OECD Public Governance Reviews. Greece: Review of the Central Administration*, Paris.



Over the past decade, Greece has made a number of attempts to introduce and implement a comprehensive regulatory policy. A landmark development was the adoption in July 2006 (after previous attempts in 2004 and 2005) of a Prime Minister’s Circular, “Regulatory Policy and the Assessment of Quality and Effectiveness of Legislation and Regulation” (Circular Y190/2006), which sets the current policy. The circular particularly emphasises Regulatory Impact Analysis, simplification (via tools such as codification), and administrative burden reduction efforts, as well as the effective transposition of EU law.

This Circular introduced for the first time the concept of Better Regulation and particularly, Regulatory Impact Analysis, into the mainstream of the Greek public service. Compliance with the Prime Minister’s Circular has however been variable. Circulars in Greece are “soft” instruments, stating policy intentions and recommendations: there is no legal requirement for staff to abide by the Circular.

### ***Main Better Regulation policy and guiding principles***

Greek regulatory policy as set out in the Prime Minister’s Circular of 2006 is broad and ambitious in its scope. It seeks to be compatible with the OECD principles for regulatory quality, and with the EU Inter-Institutional Agreement on Better Law Making. The main objective is to improve the quality of law making through RIA and other regulatory tools.

As part of the programme “*Reorganisation of the State: Towards a Strategic State*,”<sup>4</sup> a White Paper on governance has been drafted and is currently being evaluated by the Minister for Administrative Reform and e-Governance following a public consultation process.<sup>5</sup> The intention is that this will serve as the central policy document outlining the principles, priorities, rules, objectives and the strategic actions that the government will take to give effect to a new governance model. Better regulation has been identified as one of the key thematic areas that will be addressed in the White Paper. It is envisaged that a related law on the strategic state will be developed using the White Paper as a reference document.

In accordance with the Memorandum of Understanding (MOU) with the Troika, a Law on Better Regulation was prepared and submitted to Parliament in December 2011 and was approved on 21 February 2012. The law introduces a number of improvements in regulatory policy (Box 1.1). Further detail regarding this is contained in Chapter 2.

The law is a significant positive step although it does not cover all aspects of a well-functioning policy and law-making cycle: whilst the principles of Better Regulation and the use of impact assessment are enhanced, the law is relatively silent on the importance of an evidence-based approach from an early stage in the development of quality policy proposals and legislation. The law may serve to reinforce a distinction between policy and regulatory development, rather than to reinforce the connection needed between the two processes. There is a danger that a lack of emphasis on the policy development process and the absence of statutory requirement to follow an evidence-based approach prior to the formulation.

**Box 1.1. The Law on Better Regulation: “Regulatory Governance: Principles, Procedures and Tools of Better Law Making”**

- It states the principles of Better Regulation including: necessity; proportionality; the avoidance of controversial legislation; effectiveness and efficiency of the regulation; transparency; accessibility and the avoidance of controversial regulations.
- It mandates the regulator to comply with these principles by providing:
  - a description of the problem that the regulation aims at addressing;
  - an assessment of the adequacy of existing regulations in dealing with it;
  - an assessment of the negative effects that the absence of a regulation would have; and
  - a brief analysis of alternative options for achieving the desired objectives.
- In addition to *ex ante* RIA for every bill, addition or amendment to existing regulations, it requires an *ex post* impact assessment of the regulation's cost, benefit and impacts. This must take place after three years and no later than five years after implementation.
- It defines steps and deadlines of public consultation procedures for new legislation. Two phases of consultation, which can happen in parallel, must be completed, lasting two and three weeks respectively.
- It includes a section on the transposition of Community law and calls for compliance with the principles of Better Regulation, timely transposition and the avoidance of gold plating in that process.
- It reinforces the institutional framework for BR through the formal establishment of a central unit for BR – the Office for the Support of Better Regulation – based in the GSG in charge of overseeing, supporting and co-ordinating the operation of BR units in all ministries. These units within ministries – Regulatory Initiative Offices – prepare both *ex ante* and *ex post* RIAs, and submit these to the Central Unit; the Central Unit evaluates the quality of draft laws; its conclusions are made public. Regulatory Initiative Offices will be established under the BR Law and will report directly to the respective minister.
- Establishes a Regulatory Recasting Committee and a Central Codification and e-Regulation Committee (KEKHN) within the GSG. These will be tasked with advancing work to simplify and improve the existing stock of legislation.
- Finally, it enhances the legal status of BR policy, which to date still relies on the 2006 Prime Minister’s Circular.

The inclusion of consultation as a stand-alone article within the law is welcome, but it is silent on the need for intra-government consultation, despite the “Strategic State” programme recognising that cross-ministerial co-ordination and cohesion generally needs to be addressed. The opportunity should also be taken to mandate – either through the law or through subsequent rules of procedure – a requirement for the regulator to consult with the Finance Ministry regarding the cost of proposed policy/regulatory changes and related alternatives. Also, consultation is still seen as something that can be addressed following publication of a proposal for comment, rather than a process that should be undertaken during the deliberative and developmental stages so as to feed into the draft proposal. Efforts should be intensified to embed consultation and dialogue both across ministries and with stakeholders, as part of the policy and regulatory development cycle. This could also be of assistance in helping to improve implementation.

The commitment to undertake *ex post* impact assessments is welcome. Further assistance and guidance is likely to be required however to enable the newly established Regulatory Initiative Offices within ministries, support line units in developing appropriate performance indicators and evaluation criteria. A risk at this stage for Greece is that of ill-defined responsibilities and diluted authority, which would significantly reduce the capacity of units dealing with Better Regulation within ministries, to deliver the warranted changes in policy design and implementation. It would also leave very little room for structural improvements in governmental policy making.

### ***Communication on the Better Regulation agenda***

Although a consultation process preceded the development of the Law on Better Regulation, to date, there has not been any detailed or specific communication strategy targeting either the internal administration (public servants), or the broader business and public society, on the broad Better Regulation agenda. Some efforts have been made to promote regulatory reform policy internally. In June 2009, the then government co-organised a working seminar with the OECD, where the OECD presented and discussed findings from a series of Working Papers, including on Better Regulation, with representatives from the administrative and political system.

The Troika, as part of its MOU, has helped to facilitate a level of internal dialogue across ministries and raise awareness regarding the importance of Better Regulation, largely due to the development of the Law on BR. The General Secretariat to the government co-ordinated and oversaw all development of this draft, including taking on board inputs by the different ministries. For Greece, this was important as it ensured that no one ministry had “ownership” of the bill, thereby allowing a common and agreed approach to be developed.

Among the business community, particularly within the representative organisations, there is awareness of the overarching policy regarding Better Regulation, but limited information regarding how it is being managed, reviewed, advanced and progressed. It is unclear what level of knowledge exists among the smaller business community, particularly among SMEs.

### ***Strategic evaluation of Better Regulation strategy and policies***

The Greek Ombudsman submits to the Parliament an annual report on the implementation of legislation in the fields of its competence. It also presents proposals for regulatory amendments, based on the conclusions of cases that it handled.

During parliamentary scrutiny, members of the Parliament submit questions to the government on issues relating to enforcement of legislative and regulatory provisions and receive formal replies. In 2004, the Parliament adopted Law 3230/2004, which established principles of Total Quality Management (TQM) and introduced Management by Objectives: this included indicators for measuring the effectiveness and efficiency of public sector services. Ministers are required each year to submit their forecasting for the next years goals to the Ministry for the Interior, Decentralisation and e-Governance. In practice, such forecasting appears to focus on bureaucratic requirements and inputs rather than on outcomes and the achievement of goals. A Project for the Implementation of the Standard Cost Model and for developing a platform methodology for estimating administrative costs is underway in specific fields.

The Law on Better Regulation will provide the foundation for the government to implement a new policy and administrative changes at the Centre of Government to improve law-making procedures and also to ensure broader adaptation of the Better Regulation agenda by the political and administrative system.

### ***E-Government in support of Better Regulation***

ICT systems in operation within the government do not currently facilitate the easy sharing of information across levels of government: it is possible for staff working on different business start-up or licensing issues within a prefecture not to have access to the same database of information regarding businesses operating in their area.

A number of initiatives aimed at improving business environment by the use of ICT have been launched. Key initiatives include: the development of an electronic business register (the General Commercial Registry, GEMI) in which start-ups of every commercial enterprise will be recorded; the governmental gate ERMIS, which is planned to provide a whole range of services, including selected services for electronic transactions with business and the provision of information on business start-ups. ERMIS is foreseen as the common platform for the on-line provision of integrated e-Government services to businesses.

Concerning the use of ICT from the public administration, only few authorities have the necessary infrastructure and provide e-Government services (Tax authorities, Social Security Institute and the Customers Services Centres). A number of entities involved in the procedures for starting a business or providing licences (court of first instance, lawyers' funds) do not have any ICT infrastructure and continue to operate with paper forms and even in some services (*e.g.* urban planning services)<sup>6</sup> there is reluctance to use the existing electronic systems, established with government funding.

A particular obstacle in the simplification of the procedures for starting a new business was the delay in putting in operation the General Commercial Registry Network (GEMI NET), to connect the 59 Chambers of Commerce. In an assessment conducted in 2009, the OECD estimated that for GEMI to become operational,<sup>7</sup> a large array of preparatory activities had to take place.<sup>8</sup> In addition, at that time, the supervising council in the Central Union of Chambers had not been established, the training of the employees

in the Chambers had been limited and the software had not been tested. There was no electronic connection with the other entities involved in the procedure (court of first instance, funds, and tax authorities).

Although GEMI NET was initiated in 2003, the necessary bill regulating its operation was not passed until 2005. It was expected to be functional by 2007 but only really became fully operational in 2010-11. It is expected to operate as the backbone for the provision of one-stop shop services for starting a new business. The 59 Chambers of Commerce of Greece will be connected online, co-ordinated by a central unit – established in the Central Union of the Chambers of Commerce<sup>9</sup> and with the different authorities involved (tax authorities, court of first instance, social security funds), allowing the automatic update of the registry and the transfer of the necessary documents to the tax authorities.

Business portals can be divided into groups according to the complexity of service deliveries. Some government portals allow Internet-based regulatory transactions, extending the logic of an electronic information provision into a one-stop shop or “clearinghouse” for licence or registration issues. The degree of sophistication of these portals, however, varies; four stages can be identified regarding the degree of online government services from providing only information about establishing a business to full electronic case handling equivalent to an electronic one-stop shop.

The portals are based upon the presentation of existing information and requirements in a cost-effective manner through the application of technology. As such, they provide substantial savings in information search costs for businesses in relation to a wide range of interactions with government. Besides, they also contribute to the general transparency and accountability of government by making access to governmental services easier.

Business portals are developed by single ministries and public bodies providing information and basic services on business start-ups under the responsibility of the actual public body. As a result of weak co-ordination, there has been a tendency for institutions to develop their own electronic information systems.

The Prime Minister’s Office has established a horizontal e-Governance working group, led by Professor Karounos. The aim is to develop e-Gov solutions and to prioritise on advancing work on the 25 e-Gov priorities in the Government Programme. A number of these (e-Prescription, civil servants census, the Diavgeia project etc.) have been listed for fast-tracking by the group. Law 3861/2010 legally requires that all decisions by government, local government and public administration bodies are published online. Furthermore, decisions are not deemed to be applicable until they are published online. Decisions are published both on the relevant public entities’ own website and on the central Government Printing Office site (<http://et.diavgeia.gov.gr>). The law also granted free public access to all issues of the Government Gazette ([www.et.gr](http://www.et.gr)).

In May 2011, the first Greek Law for e-Government (Law 3979/20011) came into force establishing a general context for the transition and modernisation of the public administration. This law is considered a milestone for the e-modernisation of the Greek public administration.

A Cabinet reshuffle in June 2011 created the new Ministry of Administrative Reform and E-Government (MAREG), moving these functions from the former Ministry of Interior, Decentralisation and E-Government. In addition, a new position of deputy minister for e-Government was created, to undertake all efforts and programmes relating to the establishment of ICT within the administration. Significant focus is being given by MAREG to a “roadmap” for e-Government policy, which is expected to run horizontally so as to address the multi-level challenges that exist in the administration. However, this roadmap has not itself been developed through horizontal consultation or organised dialogue with the key players, but rather has been internally developed on foot of approaches by the new deputy minister. Given the challenges that can exist in getting cross-ministerial agreement, this may be the best approach to take in commencing work on this necessary agenda. Opportunities should be taken at a future point in time to review and re-evaluate the content of this roadmap to ensure that it stays relevant and focused on actual needs across the administration.

## Notes

1. OECD (2011), *Greece: Review of the Central Administration, OECD Public Governance Reviews*, OECD Publishing, Paris.
2. SBA Factsheet – Greece – 2010/2011, European Commission. ([http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/pdf/2010\\_2011/greece\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/pdf/2010_2011/greece_en.pdf)).
3. The World Bank and the International Finance Corporation (2012), *Doing Business 2012: Doing business in a more transparent world*.
4. The programme “Reorganisation of the State: Towards a Strategic State”, was officially launched on 27 October 2010 (decision 1007/27.10.2010). The project was initially marketed as the follow-on to the Kallikratis programme. The concept was that having reformed local and regional/sub-national levels of the administration, that the central administration would follow.
5. The public consultation process on the White Paper took place in January 2012.
6. [www.kead.gr/OikodomikesAdeies.pdf](http://www.kead.gr/OikodomikesAdeies.pdf).
7. According to a day seminar organised by the Union of employees in Chambers of Commerce of Greece in 30/5/2008.
8. Currently each Chamber has its own registry based on different software and approaches. The name check conducted so far is at the prefecture level. It is thus possible that companies with the same or very similar names will be found once a single unified registry is created. The decrees addressing such issues have not been issued yet.
9. Kentriki Enosi Epimilitiriwn Ellados ([www.uhc.gr](http://www.uhc.gr)).

## Chapter 2

### Institutional capacities for Better Regulation

*Regulatory management needs to find its place in a country's institutional architecture and have support from all the relevant institutions. The institutional framework within which Better Regulation must exert influence extends well beyond the executive centre of government, although this is the main starting point. The legislature and the judiciary, regulatory agencies and the sub-national levels of government, as well as international structures (notably, for this project, the EU), also play critical roles in the development, implementation and enforcement of policies and regulations. The OECD previous country reviews highlight the fact that the institutional context for implanting effective regulatory management is complex and often highly fragmented.*

*Continuous training and capacity building within government, supported by adequate financial resources, contributes to the effective application of Better Regulation. Beyond the technical need for training in certain processes such as impact assessment or plain drafting, training communicates the message to administrators that this is an important issue, recognised as such by the administrative and political hierarchy.*

## Assessment and recommendations

The apparent inability of successive Greek governments to implement regulatory measures following their enacted is intrinsically linked to weaknesses in the functioning of the public administration. Specific challenges continue to exist within the central administration: fragmented responsibilities; silo-based approaches to policy/regulatory development; ineffective or non-existent co-ordination; and poor access to, and quality of, data and information. These challenges have been further compounded by poor and ineffective control, oversight and direction setting on BR by the Centre of Government and the political leadership.

Notwithstanding the extensive reforms that have been expounded through the austerity measures, there have been limited successes in changing traditional ways of working and the silo-based approach to policy development and policy delivery in Greece. Individual ministries tend to focus on advancing with work on their own priority issues without explicit reference or cross-governmental co-operation to see how these fit into broader overarching priorities, or how they can best support or advance broader priorities. This absence of horizontal co-operation or a “joined-up” or “whole-of-government” approach to policy/regulatory development and implementation creates particular difficulties.

Fragmentation of responsibilities regarding Better Regulation (BR) continues to be an issue. Responsibility for various elements of BR rests with the Ministry of Administrative Reform and E-Government (MAREG), the General Secretariat to the Government (through the Better Regulation Office, BRO), the Ministry of Finance or with individual ministries themselves. By establishing the BRO within the General Secretariat to the Government (GSG), it was hoped that this would raise the profile of BR and improve implementation of various reform efforts. The BRO however has been significantly under-resourced and lacks any real powers to compel other ministries to implement the principles of BR. As a result, much of the work in advancing BR has continued to rest with MAREG. There have been improvements in the number of RIAs produced, but neither MAREG nor the BRO have the resources or powers to check the quality or consistency of the substantive content of these RIAs.

While the new Law on Better Regulation provides the statutory basis for the development of BR in Greece, there is yet no visible “White Paper”, or Action Plan or strategic programme for BR implementation to outline when and why efforts or reforms will be undertaken. The Law on BR,<sup>1</sup> *Regulatory Governance: Principles, Procedures and Tools of Better Law Making*, proposes a number of changes as regards institutional structures. It provides for the majority of responsibility regarding BR to be transferred to the BRO: following enactment of the law this will be known as the Office for Support of Better Regulation (OSBR), though it is silent on how the OSBR will be staffed and resourced. Fragmentation of responsibility however remains: the OSBR will not have any role or responsibility regarding simplification or administrative burden reduction efforts.



---

**Recommendation 2.1.: Assign one central “owner” of the BR agenda (e.g. the OSBR). Develop a clear programme and action plan of reforms to be undertaken across the BR arena. This should incorporate efforts on simplification, administrative burden reduction, training, support, consultation and transparency as well as impact assessment and better policy/regulatory making tools.**

---



---

**Recommendation 2.2.: Provide appropriate staffing for the BRO (OSBR). Consider a transfer of staff already familiar with BR from MAREG to the BRO. Consider also the possibility of allowing for secondments or rotation of staff from line ministries to the BRO for a 1-2 year basis. This would help both to supplement resources within the BRO and provide for greater transfer of knowledge and awareness of BR across the administration.**

---

Developing an overarching administrative unit such as the BRO/OSBR and an action plan on BR will not on its own be sufficient to guarantee implementation or success. High level political support and leadership is essential. BR needs a political champion who will provide a voice at Cabinet meetings, who can follow up with other ministers or regulatory bodies on BR issues and who will support the administrative structures (the BRO/OSBR and the RIOs) in fulfilling their mandates.

---

**Recommendation 2.3.: Assign responsibility for BR reform to a minister, with power to report to government and Parliament on the progress in implementing BR reforms. This minister should report regularly to Cabinet on BR and should act as the political face of the OSBR.**

---

The level of communication, co-operation and collaboration both within and across the current public service administration is weak: ministries do not regularly collaborate or co-operate on policy development; the central administration has poor co-ordination mechanisms with sub-national levels of the administration in relation to service delivery; and at a central level, there is fragmentation and variations in service delivery between actors at regional and prefectural level. Historically and traditionally, an autonomous approach to policy/regulatory development and service delivery is serving to reinforce fragmentation. There is little evidence of a joined-up approach to policy/regulatory development or implementation, with an apparent lack of awareness of serving the needs of citizens or business. The current culture reinforces an overly bureaucratic approach rather than a citizen-centric one. Actions must be taken now to develop a more holistic or “whole-of-government” perspective across the public service, and to develop a public service ethos that aims to provide a quality service to citizens and business. The system has the capability to change – “new” offices such as the office of the Ombudsman, or the local one-stop shops (KEPs) etc., where “new” staff have been brought in under progressive and forward thinking leadership, and have demonstrated that change is possible.

Embedding consistent approaches to policy making across the administration could be of benefit. RIA continues to be seen as a stand-alone element of policy making, rather than an intrinsic element of an entire policy cycle/policy-making process.

**Recommendation 2.4: Consider rebranding RIA as impact assessment (IA) and “selling it” within ministries/regulatory agencies etc., as a policy development tool that covers the entire policy cycle. The principles and model would not change (e.g. the European Commission’s IA model is broadly speaking an RIA model), but an IA model has the potential to resonate with those staff involved in actively developing the policy proposals, rather than just the legislative drafting staff involved once the key policy development thinking has occurred.**

---

## Background

### *Greece’s public governance context*

The Greek public sector is structured into two main components: “general government” and “public enterprises and organisations”:

- General government comprises central government, local government, and social security entities.
- Central government is further split between the central administration (ministries’ central and decentralised services), legal entities of private law, and legal entities of public law.
- The central administration is made up of the President, ministries, independent authorities, and decentralised authorities.
- Ministries are split between central services and decentralised (or localised) services.

Even before the extent of the current economic and fiscal crisis became apparent, there was awareness in Greece of the need to advance significant public administration reform. While a number of highly ambitious reform programmes were announced, many of these failed to be implemented. Low or insufficient political support for the reform agenda, combined with systemic structural and procedural problems across the administration led to maintaining the status quo. Past reform efforts also did not include a focus on the central governance mechanisms and structures necessary to advance, support, monitor and champion them.

The inability to make significant headway in addressing the underlying problems in the administration that needed to be reformed, in large part is related to the lack of appropriate structures and inappropriate or insufficient procedures in the central administration – and in particular at the centre of government level. To successfully advance a public sector change and reform programme, strong leadership is needed from the centre of government: it needs to be able to lead, steer, supervise and monitor progress. The 2011 OECD Public Governance Review of the central administration in Greece<sup>2</sup> has further detail regarding this issue.

Change and reforms in the administration are now focused on identifying areas where greater efficiencies and savings can be made and are largely driven by the Medium-term fiscal strategy 2011-2014 (MTFS), also known as the austerity measures. Within the public sector, to a large extent the focus has been on reducing expenditure through reductions in salaries, allowances and pensions. These have also been accompanied by significant reductions in staff numbers and embargoes/restrictions on further recruitment.

The MTFS and austerity measures to a large extent are now shaping and guiding the sequencing of reforms envisaged by the Operational Programme for Public Administration Reform 2007-2013 (OP). The OP was developed and underway before the economic crisis became apparent. Much of the reforms set out in the OP have been incorporated into the MTFS. A challenge for Greece lies in ensuring that all the needed and necessary public sector reforms are implemented given the fiscal context of severely depleted exchequer funds. The commitment to substantially reduce numbers in the public service also creates challenges. The Better Regulation Office (BRO) within the General Secretariat to the Government (GSG) has yet to be appropriately staffed: it is unclear how this will be addressed following its recasting as the Office for Support of Better Regulation. It is also unclear how the Regulatory Initiative Offices (RIOs) to be established in ministries, can be sufficiently and appropriately resourced given the pressures on staff numbers.

Challenges also exist regarding consistency of approaches and the development of sustainable co-ordination structures. Notwithstanding the overarching proposals that have been expounded through the austerity measures and the MTFS, the autonomous nature of ministerial responsibilities and a mix of historical, cultural and traditional ways of working has reinforced a silo-based approach to policy development and policy delivery in Greece. Individual ministries tend to focus on advancing with work on their own priority issues without explicit reference to cross-governmental co-operation to see how these fit into broader overarching priorities, or how they can best support or advance broader priorities. This absence of horizontal co-operation or a “joined-up” or “whole-of-government” approach to policy development and implementation creates particular difficulties:

- Contradictory efforts can take place across government which may not be identified until policy issues come to Cabinet for final decision, or after implementation;
- Opportunities are missed to exploit potential synergies and introduce complementary or supportive reforms together;
- The absence of clarity on who has “lead” responsibility in policy areas where multiple ministries are involved means that certain actions can fall between stools, or that opportunities for more coherent approaches to tackling policy challenges are missed; and
- Information or data from other ministries or levels of government, which could strengthen the evidentiary material used to make final decisions regarding action areas, is not being shared and utilised.

The use of regular committee-type meetings at administrative/senior official level is limited. While some divisions within ministries have developed good communication and co-operation arrangements with related agencies and divisions in other ministries in advancing policy issues, and consulting on proposed policy or formulating regulations, inter-ministerial communication and co-operation tends largely to be *ad hoc* and unstructured. For sensitive policy issues, or for issues that are high on the government list of priority areas, the Secretary General to the Government can initiate and support inter-ministerial co-operation and co-ordination in cases where four or more ministries are involved. In general, however, it is up to each individual ministry at the relevant policy-making/policy-development area to ensure that it is effectively co-ordinating with other relevant ministries or agencies. The challenge for Greece is that in the absence of such co-operation, a truly coherent response to policy development or its implementation, or to advancing the substantial reform programme needed in Greece, will be much more difficult to achieve.

### *Developments in the Greek public governance context*

Several important measures have been taken in order to deal with problems in the central administration and to improve efficiency in the public service. The most notable of these include:

- The establishment of one-stop shops for citizens, Citizens Service Centres which are known as KEPs (see Chapter 5). With some 1 077 offices across the country, including in remote areas, the KEPs have facilitated a significant level of service localisation;
- The establishment of an independent authority – the High Council for the Selection of Personnel (ASEP) – to oversee recruitment and selection processes to ensure transparency and impartiality;
- The opening up of the recruitment and selection process for Secretary General positions following the 2009 general election;
- The creation of *www.opengov.gr*, a web portal to further improve transparency and accountability. The web portal has three main functions: to allow for online notice and application for mid- and high-level recruitment of public administration officials; the publication of draft legislation and policy initiatives for comment prior to submission to Parliament; and an additional site, *www.labs.opengov.gr* which aims to bring together ideas and proposals from citizens, the public and private sectors as a way to tackle modern public administration challenges.
- The establishment of a Greek Ombudsman; and
- Reform and rationalisation of regional and local administrations (through the so-called, *Kallikratis* reform).

## ***Institutional framework for Greece’s policy, law making and law-execution process***

Greece is a parliamentary republic. The current constitution was drawn up and adopted by the Fifth Revisionary Parliament of the Hellenes and entered into force in 1975, after the fall of the military junta of 1967-1974.<sup>3</sup>

### **Box 2.1. Institutional framework for the Greek policy, law making and law execution process**

#### **The executive**

The head of state is the President of the Republic, who is elected by the Parliament for a five-year term. In 1986 the presidential powers granted in the constitution of 1975 were abolished. The position of the Prime Minister, Greece’s head of government, belongs to the current leader of the political party that can obtain a vote of confidence by the Parliament. The President of the Republic formally appoints the Prime Minister and, on his/her recommendation, appoints and dismisses the other members of the Council of Ministers. The government is composed of ministers and secretaries general. The number and composition of the government varies over time, depending on the decisions of the Prime Minister with the formal approval of the President.

The composition and functioning of the Council of Ministers are specified by law. There is no established procedure or rules governing the holding of Cabinet meetings: it is for the Prime Minister to decide the frequency of such meetings. During the timeframe of the “New Democracy” governments (2004-09), full meetings of the Cabinet took place only a few times per year. The full Cabinet under the PASOK government since October 2009 meets approximately once a week. Smaller meetings of some Cabinet ministers may also take place with varying frequency – the timing and composition of these is determined by the Prime Minister. All regulations to be proposed by the relevant minister are introduced, discussed and agreed upon by the Cabinet before the drafting procedure begins. In that sense, it is the minister that bears responsibility on the specific issues regulated (i.e. specific clauses) but the Cabinet bears collective responsibility on the rationale and the concept of the policy approach.

#### **The legislature**

The main legislative function is assigned to Parliament, which must exercise its powers within the limits of the constitution, and those set by international conventions ratified by Greece. Legislative powers are exercised by a 300-member elective unicameral Parliament. Statutes passed by Parliament are promulgated by the President of the Republic. Parliamentary elections are held every four years, but the President of the Republic is obliged to dissolve Parliament earlier on the proposal of the Cabinet, if dealing with a national issue of exceptional importance. The President also has to dissolve Parliament if a motion of no confidence is passed against the government.

#### **The judiciary**

The Greek legal system belongs to the Continental European civil law tradition and has been especially influenced by German and French law.

The judiciary is independent of the executive and the legislature and comprises three Supreme Courts: the Court of Cassation, the Council of State and the Court of Auditors. The judiciary is also composed of civil courts, which judge civil and penal cases, and administrative courts, which judge disputes between citizens and the Greek administrative authorities.

### Civil service

Civil servants are divided into the following categories according to their legal status: a) regular civil servants, who are governed by norms of public law, are tenured, and their ranks evolve in accordance with the career system, b) civil servants with a term of office, whose status, during their term, is assimilated to that of the preceding category, c) civil servants on a private law contract of a fixed period, intended to deal with either unforeseen and urgent or transitory needs, d) non-tenured civil servants, who enjoy the personal trust of those who appoint them and can be dismissed at any time without special guarantees and compensation (the political bureau of the Prime Minister and ministers are staffed by non-tenured civil servants), e) civil servants on a private law contract in organic posts (experts, ancillary or technical staff).

The selection of “regular” civil servants takes place by competitive examinations or by virtue of quantitatively assessed qualifications (experience, academic qualifications, social criteria, etc). The selection and recruitment process is entrusted to an independent administrative authority, the Supreme Staff Selection Council.

As of August 2010 the public sector employed 768 009 civil servants. Civil servants are recruited at the starting rank provided for the relevant position and are promoted to the other ranks in the hierarchy, if they have completed the required time of service and if they have the formal qualifications required. Apart from seniority, academic qualifications and performance appraisal are important criteria for career advancement. The posts of the personnel are classified in the following categories: Special Posts, University Studies, Technical Studies, Secondary Education and Compulsory Education. The hierarchy of the civil service is as follows: At the top there is the Secretary General, who is the liaison between the civil service and the government. Next come directors general, followed by directors and heads of units. From directors general downwards, the political nature of the civil service officials is limited.

Traditionally, Secretaries General had been appointed by the relevant or appropriate Minister. Following the 2009 general election (October 2009), the incoming political administration revised this system. Since that time, Secretaries General vacancies are announced in *www.opengov.gr* and everyone with the relevant/required qualifications or minimum requirements for the job may freely apply. Notwithstanding this effort to broaden and improve the quality of the appointment process, there was little clarity or transparency regarding the selection criteria – a board or group of government officials went through submitted CV’s, but it wasn’t clear which criteria successful applicants were judged against, or what role the Cabinet/ministers/political administration had in making the final decisions. Those subsequently appointed as Secretary Generals are still considered to be persons politically affiliated to the governmental party.

### *Policy co-ordination across central government*

The General Secretariat to the Government (GSG) is headed by the Secretary General to the Government under the direct authority of the Prime Minister. The GSG’s key responsibility is to support the work of the Prime Minister, and of the government at large, through inter-ministerial co-ordination on policy development. It provides secretarial support to the Cabinet, other collegial governmental bodies and inter-ministerial committees by co-ordinating the implementation of their decisions. The GSG initiates and supports inter-ministerial co-operation and co-ordination in cases where four or more ministries are involved, for sensitive policy issues, or for issues that are high on the government’s list of priority areas. In general however, it is up to each individual ministry at the relevant policy making/policy development area, to ensure that it is effectively co-ordinating with other relevant ministries or agencies.

On a weekly basis, the GSG collects information from each ministry on the current status of key policy areas and related regulations, including the status of each EU Directive or legislative proposal under their area of competency. It also compiles information on overdue directives, due dates for transposing directives, and any infringement cases pending. This information is collated into a dossier on each ministry, and is used to brief the Prime Minister and Secretary General to the Government. This information is also used to brief the Prime Minister ahead of “spot-visits” to ministerial offices, which the PM undertakes periodically throughout the year. These “spot-visits” are additional to structured bilateral meetings with ministers which take place approximately twice a year.

The GSG checks secondary regulations (law, decree, or decision for publication in the National Gazette), to ensure that they refer to the correct or appropriate primary law, and to verify that the Minister has the necessary authority under primary law. Presidential Decrees are read before going to the President for signature (in addition to being checked for accuracy/constitutionality by the *Conseil d'État*). The GSG also plays a role in monitoring the enactment or implementation of important laws: for example, it monitors whether the relevant secondary legislation or enabling regulation has been made to give effect to the law. It is proposed that the GSG will perform this function for all laws. The GSG also check compatibility of legislation with Government objectives and the Government programme of work.

Despite the GSG, current Greek capacities for effective policy co-ordination are weak. With some exceptions, communication and co-operation across ministries is limited and poor. A core public governance challenge for Greece is that the absence of such co-operation undermines an effective and coherent approach to policy development and its implementation.

While the need for clarity requires that, as in other OECD countries, responsibility for a policy issue be assigned to one ministry, the complex and inter-related needs and responsibilities of different ministries in achieving a policy objective require a level of co-operation and collaboration across ministries, as well as with external stakeholder groups and other public sector agencies. Some (usually smaller) OECD countries rely on a predisposition to collaborate, while many others have developed more formalised structures to secure co-operation. The Greek model tends towards the *ad hoc* and unstructured, even within a policy area that may cut across a number of divisions, or ministries.

There are few standing committees of officials or ministers to track policy areas. The “full” Council of Ministers may only meet 4/5 times a year. On a weekly basis, the Prime Minister meets with a group of 5/6 “core” ministers, with other ministers attending as needed.<sup>4</sup> This might not matter if the underlying government culture were supportive of informal consensus building and collaboration. The absence of formal requirements or structures further undermines the will to collaborate.

Regulatory co-ordination is closely linked with the underlying mechanisms for policy communication and decision making. In Greece, as in some other EU countries, policy making and rulemaking usually go hand in hand.

An “Economic Office” is located within the Prime Minister’s Office. The Presidential Decree 65/2005 states that this office is “competent to follow up the implementation of the governmental policy in what concerns the economic and development sectors”. Under previous governments however, this Economic Office largely was responsible for co-ordinating work on the Lisbon Agenda. Since 2009, the importance and role of this Economic Office have diminished.

### ***Developments in Better Regulation institutions***

Institutions aimed specifically at promoting Better Regulation policies and tools have emerged relatively recently, alongside the policies and programmes.

**Table 2.1. Milestones in the development of Better Regulation institutions in Greece**

|            |   |
|------------|---|
| 1998       | Establishment of the Ombudsman. Its mission is to investigate citizens' complaints of the public service.   |
| 1999       | Establishment of the Electricity Regulatory Authority.  |
| 2003       | Establishment of the Greek Presidency's <i>ad hoc</i> group of experts.   |
| 2007       | Establishment of the Better regulation Committee, to implement the regulatory policy set out in the 2006 Prime Ministers Circular, and to evaluate impact assessments.  |
| After 2006 | Each Ministry and region are supposed to establish a special Regulatory Quality Assessment Unit (RQAU).   |
| 2009       | Establishment of the Regulatory Control Unit in GSG and Co-ordination Units in each Ministry to: implement the Better Regulation system; effectively integrate EU law; promote administrative burden reduction; support performance-based budgeting.<br>Establishment of the Office of Co-ordination and Institutional Issues with competencies on: a) adoption of community law b) monitoring of the daily legislative work in the Parliament.<br>Establishment of the <a href="http://www.opengov.gr">www.opengov.gr</a> consultation site. |
| 2012       | Law “Regulatory Governance: Principles, Procedures and Tools of Better Law Making” tabled in the Parliament (21 February 2012).   |

### ***Key institutional players for Better Regulation policy***

#### *The executive Centre of Government*

There is currently no single leader at ministerial level on Better Regulation within the Greek administration – three key players undertake this work, namely:

- The Prime Minister’s Office through the Better Regulation Office (BRO) in the General Secretariat to the Government (GSG);
- The Ministry of Administrative Reform and E-Governance (MAREG). This was formerly a function of the Ministry of Interior, Decentralisation and e-Government; and
- The Ministry of Finance.

In addition, a number of committee structures under the aegis of the GSG (but separate to the BRO) focus on specific elements of BR, such as codification (see Table 2.2).

As previously indicated, a key role for the GSG is to co-ordinate important policy developments across ministries. Since policy and regulatory development are intertwined, this means that the GSG should play an important role in Better Regulation oversight. The GSG also includes the Office of Legislative Work, which is responsible for technical



and procedural checks on draft regulations (see Chapter 4). The Ministry of Administrative Reform and E-Governance (MAREG) has responsibility for promoting government-wide progress on regulatory reform, and overall responsibility for implementation of the simplification policy. The Ministry of Finance plays a role in relation to notifications of transposition arrangements for the EU *acquis*. The MAREG and the Ministry of Finance have joint responsibility for the administrative burden reduction programme.

Other relevant players for Better Regulation in the executive are the Ministry of Justice, which is responsible for the enforcement of regulation, the Ministry of Finance, which is responsible for reviewing the budgetary impacts of regulatory proposals, and the Ministry of Foreign Affairs, which is responsible for transborder issues (compliance with international treaties).

A number of structures have been established with specific focus on different elements of law making and BR, as set out in Table 2.2. The Law on BR amends some of these structures.

**Table 2.2. Institutional structures for Better Regulation in Greece**

|                                |  |
|--------------------------------|--|
| BRO (OSBR)                     | Better Regulation Office in the General Secretariat to the Government (GSG). This is to be renamed the Office in Support of Better Regulation with the adoption of the Law on BR               |
| RIOs                           | Regulatory Initiative Offices – based in each Ministry   |
| KENE                           | Central Law Drafting Committee (attached to the Prime Minister's Office): carries out legal control  |
| KEK (to be renamed KEKHN)      | Central Codification Committee – to be recast as the Central Codification and e-Regulation Committee with the adoption of the Law on BR and based in the GSG                                   |
| Regulatory Recasting Committee | To be established following adoption of the Draft Law on BR. This will be based in the GSG   |
| KEAD                           | Central Committee for Simplification Procedures (Established under the aegis of the General Secretariat of Public Administration and e-Government by Law 3242/2004, this now no longer exists) |

### *Proposed developments at Centre of Government level*

In recognition that the Centre of Government needs to be able to co-ordinate BR and the broader policy-making process more efficiently, the GSG has proposed a number of institutional and structural changes. It proposes to establish a central co-ordinating unit within the GSG, with antennae units located in each ministry. The key tasks to be assigned to this Centre of Government (CoG) unit will include:

- The elaboration of public policies so that priorities are clearly set: this should avoid overlaps and eliminate duplication of resources;
- The development of guidelines and horizontal measures to assist line ministries to better streamline their policies; and
- The communication of broad governmental strategy and of the results achieved.

This CoG unit will focus in particular on 6 key function areas: Strategic Planning; Human Resource Management; Digital Co-ordination and Knowledge Management; Better Regulation; Budgeting; and Communication. The BR elements will be advanced through the OSBR within this CoG, and by the Regulatory Initiative Offices within broader co-ordination units in line ministries.

**Table 2.3. Key functions and roles of the proposed Centre of Government co-ordination structure**

| Function area                                  | Description of role/responsibility  |
|--|---|
| Strategic Planning                             | Connect the existing goal setting and performance measurement systems to ministries' outputs and policy outcomes. Reinforce forward programming and planning mechanisms for taking forward policies within ministries. Improve policy co-ordination in each ministry. Draws capacity building projects for the line ministries to better be able to assess and manage risks. In addition, it helps improve administrative management, to develop better performance measures and co-ordinating mechanisms, and to reduce any unnecessary burdens on the public.   |
| Human Resource Management                      | Develop a coherent and comprehensive HR strategy and prioritise the HR actions to implement it; Promote mobility and create a unified system of job classifications; Extend the system of secondments to the general government, publicise job openings and organise open competitions for every post. Enhance training by establishing strong and continuous management training covering the range of issues for HR. Promote HR networking through dialogue among the civil servants. Reform the appraisal and promotion systems.   |
| Digital Co-ordination and Knowledge Management | Provide ICT Standards and codify regulations regarding e-Governance. Co-ordinate and audit the Strategy of Information management and knowledge Improvement of Public Administration (Knowledge measurement, Knowledge dissipation and Improvement). Assist various government departments in the use of IT in order to increase efficiency and improve electronic access to government services. Spatial planning management and data overview.  |
| Better Regulation                              | Asserts a centralised review of draft regulations. Supervises, supports and co-ordinates the operation of the Better Regulation Units of the ministries and exerts in particular the following competencies:<br>Co-ordinate and offer guidelines and specific tools and assess the quality of: regulations to be enacted, consulted upon, transposed, recast or codified; the simplification projects run by the ministries, and be specifically responsible for the central management of the administrative reduction projects.<br>Streamlining the regulations proposed by the ministries so as to add value to the declared governmental aims and plan as well as to avoid contradictory actions and duplication of resources. Be the central clearing house across government for proposed legislation by line ministries. |
| Budgeting                                      | Oversee the preparation of the budget and supervise its administration in the line ministries. Assist in formulating the government's spending plans, evaluating the effectiveness of ministerial programmes, policies, and procedures, assessing competing funding demands among ministries, and setting funding priorities. Ensure that ministries actions, projects, and proposed regulations are consistent with the budget and with governmental policies. Draw up overall regional and economic development plans.  |
| Communication                                  | Draw up the communication strategy for the governmental policies as a whole. Streamline the different policy communication plans. Ensure the appropriate dissemination of information to the public and stakeholders on the results achieved by the implementation of public policies. Exert a strategy for immediate communication action during the crisis.   |

### *Co-ordination across central government on Better Regulation*

A Better Regulation Committee was established in 2007 by a Circular of the Prime Minister's Office (Y 214/2007). The main task of this Committee is the implementation of regulatory policy as set out in the 2006 Prime Minister's Circular, and the evaluation of impact assessment reports. Members of the Committee are from the Prime Minister's Office, the Ministry of Economy and Finance, the Ministry of Interior, the Ministry of Development, the Central Committee of Law making of the Parliament, and the General

Secretariat to the Government. The General Secretariat to the Government acts as the Secretariat and main co-ordinator for this Committee. The Ministry of Foreign Affairs (which has an oversight role for the management of EU directives) is not part of the Better Regulation Committee.

In recognition of the challenges compromising its ability to effectively use the regulatory tools and processes it has put in place, Greece did make efforts to strengthen its structures at both central and line ministry level. As indicated earlier, a Better Regulation Office was established within the GSG: it was envisaged that this would strengthen the role of the Centre of Government in driving the BR agenda. In an effort to raise the political profile, a Minister for Co-ordination within the Office of the Prime Minister was also appointed. However, the reality has been quite different: the BRO did not receive significant staffing (one staff member was assigned) and as such, the functions of the BRO do not and cannot correspond to its envisaged role. Changes and challenges and political level have resulted in the withdrawal of ministerial support.

The Law on BR addresses these challenges by setting out on a statutory basis the roles and functions of the BRO (to be renamed the Office for Support of Better Regulation (see also Box 1.1, Chapter 1). By putting this office on a statutory basis, resources will have to be assigned, though it is not clear as yet how this will be done. The law also makes provision for the establishment of Regulatory Initiative Offices (RIOs) within each ministry. Table 2.4 sets out the key responsibilities of the OSBR and the RIOs.

**Table 2.4. Key responsibilities proposed by the Law on Better Regulation for the Office for the Support of Better Regulation and the Regulatory Initiative Offices**

| Office for the Support of Better Regulation (OSBR)  | Regulatory Initiative Offices (RIOs)  |
|---|---|
| Draft the Regulatory Impact Assessment (RIA) concerning regulations issued upon proposal of the Cabinet or the Prime Minister.  | Provide expertise in the principles of Better Regulation to the relevant responsible services within the ministry which take on the draft or the simplification of regulations. |
| Collaborate with the RIOs over the completeness of RIA, by providing guidelines, by formulating specific suggestions and by making <i>ex post</i> corrective interventions.   | Draft the RIA in co-operation with the relevant responsible services, while noting the relevant laws or regulations.  |
| Call for the opinion of the Competition Commission in the drafting of guidelines for ministries on how to deliver RIAs and to analyse the effects of regulations concerning the operation of free competition.  | Ensure social dialogue and consultation take place with interested stakeholders and social partners, in co-operation with the OSBR.   |
| Co-operate with the RIOs and competent departments of ministries for drawing RIA for legislation established by the European Union (EU) institutions; for RIA regarding draft international treaties, agreements or other internationally binding documents, in order to formulate the national positions that should be supported. | Indicate the laws and regulations of the ministry in need of simplification, codification and update.   |
| Organise and co-ordinate in co-operation with RIOs, programmes and measures for the simplification of existing regulations.   | Draft in co-operation with the competent department, the <i>ex post</i> RIA.  |
| Submit Annual Reports on the progress of BR to the PM and to the Parliamentary Committee of Institutions and Transparency.  | Participate in the law making committees of the ministry and maintain an electronic file of the final proposals of these committees.  |

### *Regulatory agencies and Better Regulation*

Economic structural reforms promoted as part of EU membership have required the establishment of new, or the remodeling of existing, sectoral regulators for the oversight of liberalised sectors. Their establishment has often lagged the liberalisation process.<sup>5</sup> The most notable economic regulators, established as part of the response to EU liberalisation initiatives, are the:

- Greek National Council for Radio and Television established in 1989;
- Supreme Council for Civil Personnel Selection (ASEP) established in 1994;
- Capital Markets Commission established in 1996;
- Hellenic Data Protection Authority, established in 1997;
- National Telecommunications and Postal Services Commission established in 1998;
- Greek Ombudsman established in 1998;
- Energy Regulatory Authority established in 1999;
- Hellenic Ombudsman for Banking Investment Services (HOBIS), established in 2005; and the
- Hellenic Statistical Authority established in 2010.

Greece does not have a co-ordinated institutional framework for sectoral regulators. They tend to be established *ad hoc*, often due to an international obligation or commitment. Their role is often circumscribed, with key powers remaining with the parent ministry. Resource constraints also limit their scope.<sup>6</sup>

The relationship with competition law and the Competition Commission is often problematic. There are a number of sectors, including transport, telecommunications, broadcasting, petroleum and electricity that enjoy explicit exclusion or exemption from competition laws. This has the potential to undermine competition and confuses the market about the role of the sectoral regulator and the Competition Commission.

The establishment of the Capital Market Commission is one notable success story. It has been accepted as a highly successful step in building long-term confidence in a key economic sector.<sup>7</sup> Importantly, the independence of this Commission is based not only on a clear statute with well-defined functions but also on an adequate resource base independent from the government budget and a flexible staffing policy that allows the Commission to attract and keep competent staff. In this case, the Commission has been partially exempted from the most rigid recruiting rules centrally overviewed by the independent recruitment agency (ASEP) (in charge of recruiting staff to public service) and it is free to pay staff according to market prices rather than the official government salary scale.<sup>8</sup>

### ***Resources and training***

There are a limited number of training opportunities for staff once they enter the Greek administration. For instance, there is a course on Better Regulation at the National School of Public Administration and several rolling seminars on administrative burdens reduction. There are also limited secondment or mobility opportunities across ministries, meaning that skills acquired in one area cannot be readily transferred to other areas in accordance with needs.

Staff who have completed training through the National School of Public Administration prior to appointment to the Greek administration have received modular training in Better Regulation and the use of RIA. While some 3-5 students per year undertake further research and practical developmental work on RIA, the training on RIA through the National School of Public Administration is largely theoretical and involves no “real-life” case studies of legislation in preparation. The roll-out of the regulatory policy in 2006 was not accompanied by any additional significant or specific training efforts for other pre-existing staff involved in policy or regulatory formulation. Guidance material that has been provided appears to be limited. Greece has developed an on-line RIA tool to assist staff in completing their RIAs which does give some guidance on what kind of information is required to be examined and included for each of the steps in the RIA.<sup>9</sup>

### **Notes**

1. The Law on Better Regulation, “Regulatory Governance: Principles, Procedures and Tools of Better Law Making” is Law No. 4048, which was published in the Official Journal of the Government, Volume A, No. 34 on 23th of February 2012. The Law was submitted for processing to the Hellenic Parliament on the 1st of December 2011 and was voted on 21st of February 2012.
2. OECD (2011), *Greece: Review of the Central Administration*, OECD Public Governance Reviews, OECD Publishing.
3. The Constitution has been revised twice since its adoption in 1975, in 1986 and in 2001. The revision of 2001 changed a large number of provisions; it explicitly guaranteed the rule of law and the principle of proportionality.
4. Information correct as of December 2011.
5. The European Commission has issued a number of infringement procedures in regards to financial services and delays in implementing EU Directives that would enhance regulatory supervisory powers.
6. For example, the Energy Regulatory Authority does not set tariffs for transmission or user charges, nor does it assess applications and grant authorisations for generation of supply licences. Its role is limited to providing advice to the Ministry of Development that ultimately makes such decisions.

7. IMF Staff Report on Greece for the 1999 Article IV Consultation Supplementary Information, pp. 200-201 and the Economist Intelligence Unit (1999-2000), Country Profile Greece, pp. 32-34.
8. See Law 2651/1998 and Law 2744/1999.
9. An online forum *www.administrativereform.gr* was developed after a workshop on Better Regulation held in July 2009 (co-organised with the OECD). The forum has over 150 regular users/members. The site is used for online discussion and dissemination of updated information on relevant issues.

## *Chapter 3*

### **Transparency through consultation and communication**

*Transparency is one of the central pillars of effective regulation, supporting accountability, sustaining confidence in the legal environment, making regulations more secure and accessible, less influenced by special interests, and therefore more open to competition, trade and investment. It involves a range of actions including standardised procedures for making and changing regulations, consultation with stakeholders, effective communication and publication of regulations and plain language drafting, codification, controls on administrative discretion, and effective appeals processes. It can involve a mix of formal and informal processes. Techniques such as common commencement dates (CCDs) can make it easier for business to digest regulatory requirements. The contribution of e-Government to improve transparency, consultation and communication is of growing importance.*

*This chapter focuses on two main elements of transparency: public consultation and communication on regulations.*

## Assessment and recommendations

Transparent and consistent processes for making and implementing regulation are fundamental to confidence in the rulemaking process and to opportunities of stakeholders to participate in decisions important to them. The rulemaking process is less structured in Greece than in many OECD countries. Greece does not have a specific law or regulation setting out rulemaking practices, apart from the general provisions in the Constitution. Relevant practices arise from various sources, and important elements of rulemaking procedures are left to informal administrative traditions and the discretion of ministries.

The development of the online consultation website, *www.opengov.gr*, where draft laws are made available for comments, is a positive step. The inclusion of an Article on consultation in the Law on Better Regulation is also welcome. The challenge, however, will be to ensure that moving forward, appropriate mechanisms are established to ensure that comments received through this website are taken into account by those involved in drafting the laws and that they are reflected in the development of the related RIA.

Consultation however is still seen as something that happens once a draft law or draft proposal has been significantly advanced by the line ministry, rather than an ongoing process that happens throughout the policy development cycle. Earlier and more active consultation processes would help in improving the quality of regulatory proposals and could help address challenges as regards implementation and compliance.

---

**Recommendation 3.1: Expand on the consultation provisions set out in the Law on Better Regulation to ensure that consultation with key stakeholder groups takes place early in the policy development process. This will help improve the quality of resulting regulations by better identifying implementation and compliance challenges at an early stage.**

---

The regulatory culture and traditional ways of working within the Greek public service poses additional difficulties in Greece. Long-established methods and ways of working require public servants in Greece to adopt a number of changes to work practices, particularly given the additional focus that RIA and regulatory policy places on communication and consultation. Horizontal working, collaboration and inter-ministry communication are weak in Greece.

---

**Recommendation 3.2: In its forthcoming White Paper on Governance, Greece should seek to formalise arrangements for cross-ministerial co-operation and dialogue on policy development. The GSG and Prime Minister's Office should take a lead role in both promoting dialogue across ministries as well as in facilitating discussion and cross-ministry discussions on priority policy areas.**

---



## Background

Classical Greece created the original benchmark for vigorous public debate and discussion on policy issues. Rulemaking today continues to generate considerable public interest. However, except for a few limited mechanisms, public consultation has not been fully formalised. Mechanisms for consultation have been left largely to the discretion of individual ministers or senior officials. There is no embedded culture within the public administration to internally communicate or consult regularly through inter-ministerial committees or other networks, and there is limited evidence of broader systematic communication and consultation efforts with stakeholder groups.

A growing number of reforms are promoting more transparent, open, and consultative procedures for making regulations. At the same time, long-standing practices continue to hinder openness and participation by the public in Greek regulatory development. On the whole, compared to other OECD countries, Greece is lagging behind in improving regulatory transparency.

Transparent and consistent processes for making and implementing regulation are fundamental to confidence in the rulemaking process and to opportunities of stakeholders to participate in decisions important to them. The rulemaking process is less structured in Greece than in many OECD countries. Greece does not have a specific law or regulation setting out rulemaking practices, apart from the general provisions in the Constitution. Relevant practices arise from various sources, and important elements of rulemaking procedures are left to informal administrative traditions and the discretion of ministries.

The development of the online consultation website, *www.opengov.gr*, where draft laws are made available for comments, is a positive step. The challenge, however, will be to ensure that moving forward, appropriate mechanisms are established to ensure that comments received through this website are taken into account by those involved in drafting the laws and that they feed into the regulatory development process/are reflected in the development of the related RIA.

### *Consultation on regulation*

Greek ministries have traditionally formed an informal working group where interested groups are invited either to join as members or to express their opinion in the development of new regulations. In addition, many ministries have standing formal committees, e.g. the National Council for Agricultural Policy and the National Council for Education to act as autonomous advisory bodies. These committees provide space for consultation, discussion and advice on different policy proposals and strategy, including regulatory initiatives, in order to promote the widest consensus possible on issues relating to relevant policies. In this regard, the Greek Economic and Social Council (OKE) has been especially important as a consultative body in the development of policy proposals in Greece.<sup>1</sup>

A new initiative for more open government has been promoted by the Prime Minister's Office since October 2009. This aims to increase the level of citizens' participation in the policy and decision-making process. This innovative initiative involves the on-line publication on the central government website (*www.opengov.gr*) of the following:

### Box 3.1. The Greek Economic and Social Council

Based on the model of the Economic and Social Committee of the European Union, the OKE is a tripartite division of *i*) employers and entrepreneurs, *ii*) private and public sector employees, and *iii*) other relevant stakeholders (e.g. farmers, self-employed, local government and consumers.) The OKE's objective is promoting social dialogue and formulating (if possible) mutually acceptable positions on issues of concern to society as a whole or to specific social groups. The OKE issues opinions either on its own initiative or after receiving draft bills from the competent minister or from members of Parliament. Opinions are drawn up by *ad hoc* working committees in which the following usually take part: six members of the Plenary Assembly (two from each group), three experts (one nominated by each group) and one ESC scientific advisor who is responsible for the scientific co-ordination of the committee. The working committees are chaired by the Vice President or, if there is no Vice President in the specific committee, by its oldest member. In the case of opinions relating to extremely serious matters, the working committee's composition may be expanded to include more OKE members, experts and scientific advisors. Working committees have the right to request from the competent ministry and from every competent public service information and data that will be useful for carrying out their tasks. The committees (which usually complete their tasks in 3-4 sessions) submit their conclusions to the Executive Committee, which formulates the Draft Opinion submitted to the Plenary Session. The Plenary Session discusses the proposal of the Executive Committee and finalises the opinion. The views of the minority are cited in the decision, provided that they are supported by 1/3 of the members present and, in any case, at least 10 members.

The OKE opinion is communicated to the competent minister (or to the proposing members of Parliament), who may refer the case back in order for additional data to be taken into account. In addition, the ESC opinion is communicated to the members of Parliament of all the political parties, so that it can be taken into consideration during the relevant parliamentary debate.

In the case of opinions relating to matters of more general interest and lasting importance, the OKE organises events to stimulate public dialogue over the issues it has dealt with in its opinions. ([www.oke-esc.eu/index\\_en.html](http://www.oke-esc.eu/index_en.html))

- Calls of interest for public service senior positions: individuals can apply for senior public sector positions (i.e. general – special secretaries, public entities board members, political advisors positions).
- Draft regulations (laws, presidential decrees, ministerial decisions etc.) of all ministries for open consultation: a minimum 10-days consultation is prescribed where everyone (citizens, social partners, etc.) can submit comments and objections. All submitted comments are gathered and assessed by the competent authorities.

Consultation by different ministries through the [www.opengov.gr](http://www.opengov.gr) website is variable. Some ministries will offer lengthy periods for comment while others will post draft regulations or draft white papers for comment for the minimum of 15 days. Documents for consultation tend to be advanced – i.e. draft regulations rather than policy proposals. It is possible to view comments received on a draft proposal, but the ministry is not obliged to indicate whether or how they have taken on board suggestions.

A sister website, [www.labs.opengov.gr](http://www.labs.opengov.gr), provides a forum for the on-line submission of innovative ideas for issues such as reducing bureaucracy and red-tape, public services redesign, key policy challenges such as climate change and the environment. To some

extent the *www.Labs.opengov.gr* site is a first experimental attempt for bottom up generation of policy ideas. It is an open innovations web laboratory that brings together experts from the wider domestic technology community, public bodies that manage information technology projects for the public sector and interested citizens.

Article 6 of the Law on Better Regulation contains provisions relating to consultation. It will place on a statutory basis the requirement that consultation on draft bills must take place through the *www.opengov.gr* website in two phases. These may take place in parallel and must last at least two and at least three weeks respectively. Ministers have the power however to omit the first phase in the case of draft laws. Consultation can also be interrupted, abbreviated or prolonged where the Minister so directs once the underlying rationale is justified and mentioned in a public consultation report accompanying the regulation. The law will now require the ministry to justify whether or not a comment has been incorporated into a final draft. This report will also be submitted to Parliament and copied via email to those who participated in the consultation process.

Consultation during the policy development process is not covered by the Law on Better Regulation. To date this has been variable and largely dependent on the ministry, subject matter and key stakeholder groups. The importance and benefits of consultation with key stakeholder groups throughout the policy development cycle is not well embedded or consistently applied across the administration.

### ***Public communication on regulations***

Greece has a longstanding and traditional process of written notice of new legislative initiatives. Once passed by Parliament (in the case of legislation) or signed by the President after approval by the Council of Ministers (in the case of Presidential Decrees), new regulations are published in the Government Gazette. This material is also available electronically through the National Printing House.<sup>2</sup> In addition, the “Permanent Code of Legislation,” which consists of an update of Greek laws in 40 sections and 105 volumes, is published in the magazine “*Pandektis*”.

To supplement (and potentially replace) its traditional systems, Greece has made recent and significant progress in the use of ICT to increase the public’s access to information on regulation. A new legislation (Law 3861/2010) has been enacted that makes online publication of all government decisions compulsory. This includes decisions of local government and public administration bodies, as well as commitments of funds and financial decisions of the government sector. The programme is called “*Diavgeia*” and is being advanced by MAREG.

One of the most advanced points of this programme is that according to the Law 3861/2010, decisions will not be applicable unless they are first published on the Internet. Decisions are on line published both centrally on the Government Printing Office site (<http://et.diavgeia.gov.gr>) and on public entities’ sites. This law also grants free the access to all Government Gazette issues ([www.et.gr](http://www.et.gr)) and obligatory the publication of information (i.e. organisation charts, competences) on public entities portals. In all, this programme aims at the maximum publicity regarding government policy and administrative actions and wide access to the relevant information through new technologies implementation; thus embedding transparency, responsibility, legality and accountability in the execution of public power and administrative actions and securing citizens’ constitutional rights about access on information and participation in information society.

Another recent initiative is the “*Raptarxis*” project which includes the creation of a web portal: [www.e-themis.gov.gr](http://www.e-themis.gov.gr). The E-Themis portal, which was introduced in November 2008, is aimed at providing online access to the complete Greek legislative code (laws, decrees and regulatory decisions as published in the Government Gazette) since the establishment of the Greek state. This service is offered free of charge, while the content of the portal is regularly updated. Within the portal, the legislation is clearly structured around a total of 40 thematic areas and fields of interest, which are particularly tailored to meet the needs of different categories of users, including citizens, enterprises and the legal profession. It incorporates a keyword-based search facility, allowing users to easily locate the desired legal information.

The one-stop shops (KEPs) and the National Governmental Portal, “*Ermis*” ([www.ermis.gov.gr](http://www.ermis.gov.gr)), provide information both on services and on the content of regulations for citizens and business.

## Notes

1. The OKE was established in 1994 (Law 2232/1994) and in May 2001 became a constitutionally recognised institution of the Greek state. Article 82, Paragraph 3 of the Constitution provides that “The law determines the issues related to the formation, operation and competencies of the Economic and Social Council, whose mission is to conduct the social dialogue on the country’s general policy and in particular on economic and social policy guidelines, as well as to formulate opinions on government bills or MPs’ law proposals referred to it.”
2. For more information, see [www.parliament.gr](http://www.parliament.gr) and [www.et.gr](http://www.et.gr) (in Greek).

## Chapter 4

### The development of new regulations

*Predictable and systematic procedures for making regulations improve the transparency of the regulatory system and the quality of decisions. These include forward planning (the periodic listing of forthcoming regulations), administrative procedures for the management of rulemaking, and procedures to secure the legal quality of new regulations (including training and guidance for legal drafting, plain language drafting, and oversight by expert bodies).*

*Ex ante impact assessment of new regulations is one of the most important regulatory tools available to governments. Effective consultation needs to be an integral part of impact assessment.*

*The use of a wide range of mechanisms, not just traditional “command and control” regulation, for meeting policy goals helps to ensure that the most efficient and effective approaches are used. The range of alternative approaches is broad, from voluntary agreements, standardisation, conformity assessment, to self-regulation in sectors such as corporate governance, financial markets and professional services such as accounting.*

*An issue that is attracting increasing attention for the development of new regulations is risk management. Regulation is a fundamental tool for managing the risks present in society and the economy, and can help to reduce the incidence of hazardous events and their severity.*

## Assessment and recommendations

There has been a downward trend in the production of new regulations in Greece, though the volume produced annually is significant. The new Law on BR proposes to limit each ministry to three new regulations per year. Should this be successfully implemented, it could contribute towards clarifying and simplifying the statute book, but efforts in this area must be actively monitored by the Centre of Government. The Better Regulation Office must have oversight of the production of new legislation as well as the separate simplification efforts (codification, recasting and administrative burden reduction). Such an approach could better enable Greece to strategically target problematic or economically sensitive areas for focused attention.

Structures in Greece to ensure compliance with the requirement to produce a RIA are weak. The BRO has responsibility for overseeing compliance with the requirement to complete and submit an RIA with regulatory proposals, but they have no powers to refuse to accept a regulatory proposal that is not accompanied by an RIA, or to refuse to accept draft proposals that are accompanied by sub-standard, or poorly developed RIA. The production of RIA within ministries needs to be actively monitored and linked to efforts to simplify the regulatory stock and reduce administrative burdens. The current fragmentation in the system is inhibiting progress. The proposed new structures to be introduced through the draft BR law will further cement this fragmentation and must be addressed as a matter of urgency. The proposal to develop RIOs within ministries with dedicated resources focused on improving the quality of RIA is welcome. It is essential that these are also appropriately resourced.

---

**Recommendation 4.1: Greece should take steps as a matter of urgency to equip the BRO (and its replacement structure, the OSBR) with sufficient resources and powers to enable it to actively monitor regulatory production (both primary and secondary) across the ministries. The BRO should ensure coherence between the production of new regulations and the simplification efforts aimed at addressing the existing stock of legislation. It should also have the power (and political support) necessary to enable it to return legislative proposals to ministries that have incomplete or poor quality impact assessments. Ensure that the RIOs to be established within ministries are also appropriately resourced.**

---

Secondary regulations in Greece present a particular challenge: once a law is adopted it is usually given practical effect through secondary regulations. There can be significant delays before the development and enactment of these secondary or implementing regulations.

---

**Recommendation 4.2: Consider options whereby ministries would submit outlines of the secondary regulations (implementation measures) that will be introduced with the draft laws and related impact assessments. The impact assessments should include specific references to the implementation process. Consider also the imposition of specified deadlines by which the implementation measures should be introduced following enactment of the primary law. The RIOs within ministries should monitor implementation of secondary regulations, with the BRO having an oversight role, reporting to the government where significant delays are occurring.**

---

There is no legal requirement in Greece to produce RIA – the obligation to do so stems solely from a Prime Minister’s Circular from 2006.<sup>1</sup> That Circular sought to embed impact assessment as a standard feature of quality law making. While RIA are increasingly prepared and submitted with draft laws – in part due to a parliamentary decision to require an impact assessment before a bill could be considered – there is little data available on the quality and completeness of these RIA. Limited resources in the Better Regulation Office (BRO) means that any review of RIA before a law goes to the Cabinet, is largely focused on technical, rather than substantive issues.

For Greece, as with other EU and OECD countries, RIA continues to be seen as an additional element in the development of regulations, rather than an intrinsic element of the broader policy development process. Greece has the opportunity in tackling the current economic climate to use BR and the use of RIA in particular, as a lever by which to implement far reaching changes that will result in better quality, effective regulations. Effective use of policy-making tools like RIA as part of the entire policy development cycle will help to produce a more efficient regulatory system, creating a suitable environment for competitiveness and sustained economic growth.

---

**Recommendation 4.3: As part of a broader communication strategy on BR and its relevance to sustainable economic growth, consider a targeted campaign of all ministry officials involved in policy development, to better embed the principles of Better Regulation and tools to improve quality policy making (impact assessment, consultation, cost-benefit analysis etc.).**

---

Greece faces challenges in relation to developing appropriate performance data, and in ensuring that proportionate and effective systems are in place to gather, analyse and interpret such data. It is unclear that appropriate data and information are currently available in Greece to conduct the necessary *a-priori/a-posteriori* comparisons so that the true impact of regulations can be assessed. Greater assistance needs to be provided to staff to raise their awareness of the need for such performance and evaluative data, and also to ensure that the collection of such data does not in and of itself, create any additional unnecessary burdens for stakeholders.

---

**Recommendation 4.4: Examine options to better disseminate to staff involved in policy and regulatory development access to usable statistical information to better inform their quantitative assessment and evaluation of regulatory proposals. Provide increased assistance and training in the development and use of performance indicators. Efforts in this area should be linked to the simplification programme so as to ensure that good quality existing performance data can be better utilised and/or shared. Ensure that the development and collection of performance data does not create any additional unnecessary burdens for stakeholders.**

---

## Background

### *General context*

#### *The structure of regulations in Greece*

As in other OECD countries, there is a hierarchy of regulations starting with the Constitution. Subordinate regulations must be authorised by a higher-level law or regulation. There are five categories of government regulation in Greece.

#### **Box 4.1. The structure of regulations in Greece**

*Primary laws:* Draft laws and legislative proposals, adopted by Parliament, are sent to the President for promulgation and published in the *Government Gazette*.

- *Presidential Decrees:* These are issued on an initiative of a Minister of the Government. The draft has to be checked by the Council of State (*Symboulia tis Epikrateias*). It is also published in the *Government Gazette*.
- *Ministerial Decisions:* Ministers of the Government may also issue Ministerial Decrees (*Ypourgika Diatagmata*), under the requirement of subsequent ratification by the Parliament.
- *Regional Decisions & Prefectural Decisions:* These are subordinate regulations but are designated as “decisions”. In 1999, the impact of the Kapodistrias Reforms for local government took effect. This devolved greater autonomy to prefectures and regions, including the power to make subordinate regulation.

In addition to these regulatory mechanisms, members of the Cabinet, including the Prime Minister, may also state policy intentions and recommendations through circulars. These are a form of soft law rather than a binding legal requirement. There are two types of circulars: *Explanatory* and *Statutory/Regulatory* circulars. It should be noted that these general circulars differ from circulars that the Prime Minister signs. Prime Minister circulars are rarer and can be used to implement a political change or policy direction rather than bring in a law, e.g. the Prime Minister’s Circular on Better Regulation (2006).<sup>1</sup>

- *Explanatory Circulars:* Issued by the immediate superior within the State service or legal entity (e.g. ministers, prefects, secretaries general, governors). These largely explain the provisions of certain legislative or regulatory acts and guidance on how to implement them;
- *Statutory/Regulatory Circulars:* These determine the duties of subordinate officers.

1. Prime Minister’s Circular (Y190/2006), Regulatory Policy and the Assessment of Quality and Effectiveness of Legislation and Regulation.



### *Trends in the production of new regulations*

Greece is a heavily regulated society – its approach and culture is to regulate, not just at the Centre of Government but also at the prefectural and regional level (Table 4.1 and Figure 4.1). More recently, the volume of laws and regulations at a central level has shown a level of stabilisation. Significantly, there has over recent years been a marked reduction in the average number of secondary regulations issued in respect of primary laws. Data supplied by the Greek administration indicates an average reduction from 68 to 11 subordinate or secondary regulations per primary law. It is not clear whether this is due directly to improvements in the quality of drafting due to improved *ex ante* assessment, or whether high levels of subordinate regulations continue to be made at the sub-national level which may not be reflected in the available data.

**Table 4.1. Volume of regulations produced in Greece: 1995-2005**

| Year | Law | Presidential Decree | Ministerial Decision | Regional Decision | Prefectural Decision | Total per annum |
|------|-----|---------------------|----------------------|-------------------|----------------------|-----------------|
| 1995 | 92  | 456                 | 5 020                | -                 | -                    | 5 568           |
| 1999 | 107 | 323                 | 6 000                | 818*              | 3 271*               | 10 519          |
| 2000 | 96  | 346                 | 6 194                | 1 254             | 1 819                | 9 709           |
| 2001 | 103 | 409                 | 6 706                | 3 148             | 637                  | 11 003          |
| 2002 | 111 | 390                 | 6 879                | 2 946             | 646                  | 10 972          |
| 2003 | 125 | 353                 | 6 959                | 4 498             | 565                  | 12 500          |
| 2004 | 85  | 268                 | 7 121                | 3 843             | 653                  | 11 970          |
| 2005 | 126 | 264                 | 7 324                | 4 152             | 596                  | 12 462          |

\*. In 1999, the impact of the Kapodistrias Reforms for local government took effect. This devolved greater autonomy to prefectures and regions, including scope for making subordinate regulation. The figures for the year 1999 reflect a stock of pre-existing decisions that had not been counted prior to that date. Figures from 2000 onward however, reflect newly enacted decisions.

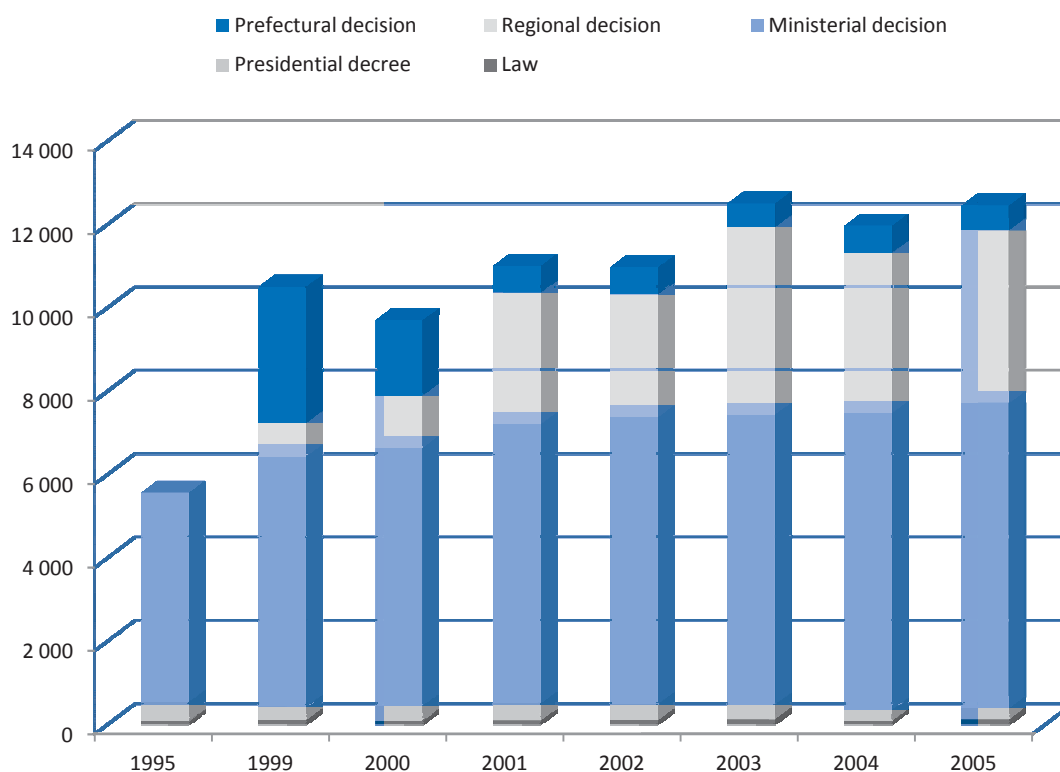
Source: Ministry of Administrative Reform and E-Governance.

**Table 4.2. Volume of regulation by the central administration:  
Comparison for period 1975-2005 to 2006-10**

|   | 1975-2005 | 2006-10 |
|---|-----------|---------|
| Average number of primary laws per year                 | 111       | 96      |
| Average number of articles per law                      | 20        | 13      |
| Average number of secondary regulations per primary law | 68        | 11      |

Source: Karakatsoulis, P. (2012), “Better Regulation in Greece” in *Verso la Smart Regulation in Europa*, edited by Frederico Basilica and Fiorenza Barazzoni, Maggioli Editore, published by Maggioli S.p.A.

Figure 4.1. Number of regulations by type issued 1995-2005



Source: Ministry of Administrative Reform and E-Governance.

### *Procedures for making new regulations*

#### *The law-making process*

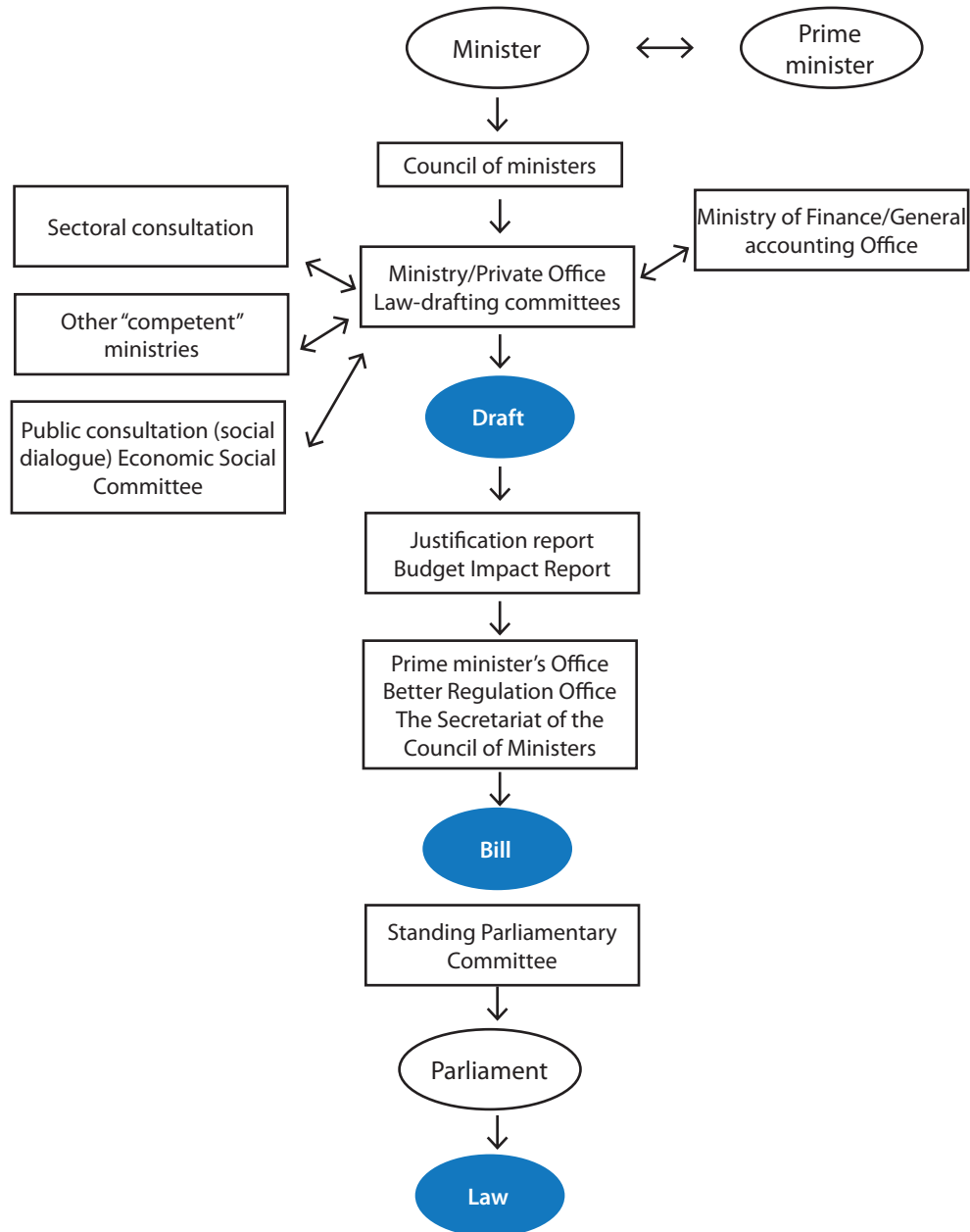
All new primary legislation must be initiated by the Prime Minister and/or the competent minister. The Parliament can introduce law proposals. Figure 4.2 outlines the main law-making process.

Most regulatory development and quality control activities are internal to ministries. Draft laws are prepared either by the competent services (the line ministry, or an entity which is given delegated responsibility for this such as a sectoral regulator), by special law-drafting committees or by *ad hoc* working groups.

Intra-governmental consultation is undertaken with other ministries and the Ministry of Finance, which controls Bills for budgetary impacts, although the extent, timing and quality of such cross-ministerial consultation is variable. Article 74 of the Constitution requires that no legislative proposal can be introduced to Parliament unless it is accompanied by a reasoned opinion and a budgetary report from the General Accounting Office.<sup>2</sup> Reasoned opinions are general in nature and state only policy intentions rather than facts and qualitative and quantitative objectives. Inter-ministerial communication on Bills tends to be limited to “competent” ministries, as defined by law. A ministry not specifically defined by law as “competent” may discover a Bill only when it is discussed by the Council of Ministers. This limits the scope for ministries to have meaningful input

into the development of laws and aggravates the fragmentation of policy. The absence of a strong Centre of Government Office (see Chapter 2) further leads to challenges regarding coherence of policy development.

**Figure 4.2. The law-making process in Greece**



Source: Hellenic Ministry of the Interior.

The Establishment Law of the Economic and Social Council (Law 2232/1994) requires that ministers consult with the Economic and Social Council on Bills that are of economic or social nature. At the discretion of the minister, consultation with other affected outside parties can be organised. In some cases, all or important sections of a Bill are published in newspapers or relevant professional journals. The development of the new web portal, *www.opengov.gr*, has assisted in making available draft bills for public consultation. The portal is a welcome development and ministries do appear to be using the portal. However, the timing as to when materials are made available for public comment is variable and it is unclear how comments made through the portal are taken into account in the final draft presented to the Council of Ministers. Some ministries give 6-9 weeks for comment, while others limit timeframes to 10 working days. The absence of clear guidelines may be inhibiting progress in this area.

Once these procedures and consultations have been completed, the draft law is sent to the Better Regulation Office<sup>3</sup> based in the General Secretariat to the Government. The main duties of this Office are to:

- Monitor the work of ministries in the preparation of legislation and provide guidance and support for ministries through circulars, training courses and events;
- Examine all impact assessment reports from ministries for primary laws and implementing regulations and make recommendations to the Secretary General to the Government as regards their content and any conclusions reached; and
- Co-ordinate co-operation between ministries and departments involved with Better Regulation.

When these checks are completed, the draft is sent to the Secretariat of the Council of Ministers which puts it on the agenda for approval, prior to it being tabled before Parliament for debate and passage. In reality, the resources available at present to the Better Regulation Office are limited: it does not currently have the capacity to fully assess all impact assessments for quality prior to their submission to the Council of Ministers. It does not at present have the powers to return impact assessments that it believes require further work or to stop them from being submitted to the Council of Ministers pending such revision.

The Law on Better Regulation proposes to extend and strengthen the powers of the Better Regulation Office (to be renamed the Office for the Support of Better Regulation, OSBR, with the enactment of the law). The revised OSBR will support and co-ordinate the operation of the Regulatory Initiative Offices (RIOs) of the line ministries and in particular will include:

- Drafting regulatory impact assessments (RIA) for regulations of the Cabinet or Prime Minister;
- Collaboration with the RIOs, competent departments of ministries and independent authorities over the completeness of RIA by providing guidelines, formulating specific suggestions and making *ex post* corrective interventions;
- Co-operation with the RIOs and competent departments in ministries for drawing RIA for EU legislation in order to formulate national policy positions;
- Organisation and co-ordination, in co-operation with RIOs, of programmes and measures for the simplification of existing regulations;

- Development and submission to the Prime Minister of Annual Reports on the progress of BR.

The law contains no specifics regarding how the revised OSBR within the GSG will be staffed and resourced in order to enable it to fulfill these tasks. As indicated in Chapter 2, the majority of work and resources dedicated to Better Regulation have to date, been situated with the MAREG: the Better Regulation Office is largely understaffed. It is as yet unclear if the staffing and resources from MAREG will be reassigned to the GSG. If these staff are not reassigned, then it is likely that “new” staff allocated to the GSG will require significant time to acquire the necessary skills and competencies in order to successfully meet the requirements of the OSBR. A strong OSBR will be essential if it is to provide the necessary support and legislation to the RIOs in meeting their regulatory requirements.

In the case of amendments to existing laws, the process is quicker and less structured. An amendment can be brought to Parliament by at least 3 MPs without first going through the Council of State. A short version of an impact assessment is required together with a note on fiscal implications if there are budgetary impacts, but no external institution is required to review the content of amendments or their consistency with other laws. “Social dialogue” is seldom undertaken. Presidential decrees and ministerial decisions are also not subject to the processes with the same rigor required of primary laws, although the Council of State does review the content of presidential decrees. For ministerial decisions, the responsible ministry prepares and publishes the measure. Inter-ministerial and public consultation is left to the discretion of the ministry and is often less than what occurs for primary legislation.

#### *Administrative procedures*

While the Constitution establishes the general process for making legislation, procedures are not specified in law but rather rely currently on a Prime Minister’s Circular (Y866/21-11-1996) and various other administrative instructions.

#### *Legal quality*

The Central Law Making Committee (KENE) attached to the Prime Minister’s Office carries out legal quality control. The Council of State is also responsible for controlling the legality and quality of drafts and also provides advice on substantive and administrative issues. In many ways, it plays a similar role to the Central Law Making Committee. In carrying out its functions, some observers indicate that its high technical standards have won a reputation as a tough guardian of legality. Indeed, in a form of strategic “institution-shopping”, some ministers have opted to prepare a legislative amendment or ministerial decision to avoid the rigorous scrutiny of the Council of State. While the assessment and scrutiny conducted by the Council of State is detailed, it is unclear what emphasis is placed on the importance of consultation, of consideration of alternatives to regulation, and on whether possible impacts and benefits have been appropriately quantified.

#### *The role of the Parliament*

All laws are enacted by plenary session. Draft regulations sent to the Parliament are first considered by one of the standing parliamentary committees and may be voted on by the committee. At least one week must elapse between the submission of a Bill or legislative proposal and its debate in the standing parliamentary committee. In such cases,

the full plenary session meets subsequently to debate and vote on the relevant bill in one session. Full sessions of Parliament have exclusive competence for certain Bills, including those relating to the protection of individual rights and on electoral law. It also votes on the budget and the financial statement of the state and of the Parliament.

It is mandatory that an explanatory report, an impact assessment and a statement on the public consultation that has taken place prior to submission, are attached to draft laws. A report by the General Accounting Officer must also be attached where a draft law has implications for the exchequer.

### ***Ex ante impact assessment of new regulations***

#### *Policy on impact assessment*

Regulatory Impact Assessment (RIA) was introduced by the Prime Minister's Circular of July 2006. The Circular was distributed to all ministers, deputy ministers, to the Secretary General to the Government, the Secretaries General of each Ministry, and the Secretaries General of the Regions. This was the first comprehensive introduction of RIA in Greece.

The Prime Minister's Circular, which is not legally binding, proposed:

- A mandatory full RIA for all new primary legislative proposals – both from line ministries and from the Regions. There is no “threshold test” to distinguish between more or less important proposals. There is no requirement to apply RIA to subordinate regulations, including presidential decrees and ministerial decisions.
- The adoption of standard methodologies.
- New structures for co-ordination, with the GSG at the centre.

While impact assessment is a mandatory requirement, the quality to date has been variable. In addition, the co-ordination structures envisaged within the GSG were never fully realised, with the majority of resources and co-ordination remaining centred in the MAREG (see Chapter 2). It is now intended to give greater effect to impact assessment through a draft Bill on Better Regulation (see Annex B). This draft is currently being considered by Parliament.<sup>4</sup> According to the draft Bill, the following will apply as regards RIA.

- Every Bill, addition or amendment, as well as any regulation of major economic or social importance will be accompanied by a RIA which will contain documentation of compliance with the specified principles of Better Regulation. The RIA will be submitted with the draft law to the Office for Support of Better Regulation (OSBR) in the GSG.
- The OSBR will assess the quality of the impact assessment and make comments and remarks on it. These will be conveyed to the RIOs in the relevant ministry.
- In the case of a Bill, an addition or an amendment, the RIA, together with the comments and remarks of the OSBR, will be submitted to the Parliament along with the draft law. These will also be made available online.

### *Institutional framework*

The Better Regulation Office (BRO) within the GSG is responsible overall for overseeing compliance with the requirement to submit a RIA together with a regulatory proposal, but currently it has no powers to refuse to accept a regulatory proposal that is not accompanied by an RIA, or to refuse to accept a proposal accompanied by a sub-standard, or poorly developed RIA. The Prime Minister’s Circular did not assign any powers whereby draft proposals could be rejected for non-compliance. It did not set out clearly what non-compliance entailed.

The Circular did not outline the training and broader support mechanisms and frameworks that should be established in order to assist line ministries and regions in meeting the new arrangements. The GSG has limited competences and resources to assist ministries in the preparation of a RIA. To date, training and guidance has largely been provided by the MAREG or through the National College of Public Administration (NCPA). The NCPA provides extensive training for future staff on policy analysis and development, which includes a detailed module on the need for co-ordination and co-operation, and the use of evidence-based policy-making tools, such as regulatory impact analysis.

Greece has also established a Better Regulation Committee at official level to oversee the implementation of RIA. Its members are the Secretaries General of the ministries of Public Administration, Finance, Development, the president of KENE (the Central Law Making Committee), the Director of the Prime Minister’s Economic Office, and the Secretary General to the Government. They review the submitted RIAs from the line ministries, evaluate the implementation of RIAs and approve the RIA template and the guidance documentation issued. The secretariat to the Committee is provided by the General Secretariat to the Government (GSG).

Each ministry and region is expected to establish a Regulatory Initiative Office (RIO), or alternatively where an existing unit in the ministry or region had responsibility for regulatory co-ordination or control, it can be recast as a RIO. The Circular also envisaged that a liaison person (for contacts with the central co-ordination unit in GSG) would be appointed within each unit and specific action plans and *ex ante* Regulatory Impact Assessment Reports would be drafted and submitted to the GSG.

Few RIOs have been established so far, and there is limited evidence for the existence of internal support units with responsibility of regulatory co-ordination within ministries.

### *Methodology and process*

Greece faces challenges in relation to developing appropriate performance data in support of RIA, and in ensuring that proportionate and effective systems are in place to gather, analyse and interpret such data. It is unclear that appropriate data and information are currently available to conduct the necessary *ex ante* or *ex post* evaluations, so that the true impact of regulations can be assessed. Greater assistance also needs to be provided to raise staff awareness of the need for such data, and to ensure that the collection of such data does not, of itself, create additional burdens.

### *Public consultation and communication*

There is as yet no formal requirement for public consultation by ministries in the process of developing a RIA. For example there is no requirement for ministries to consult with the Economic and Social Council. Efforts have been increasing to improve consultation and all proposed regulations are currently being consulted through a web portal, *www.opengov.gr*. The portal largely offers an opportunity for stakeholders to comment on proposals that have already advanced to a draft regulatory stage, as opposed to earlier consultation on draft policy proposals. The timeframes allowed for submissions to be made also varies from between 10 days to 2 months.

There is a requirement for a consultation note to accompany that draft bill at the Parliament though as yet, there is no publish a response to submissions made or indicate how these have been taken into account in deliberations regarding the draft proposals.

There is no formal requirement to publish the final RIA. The number of RIAs produced to date is limited (approx. 50) and these are not readily publicly accessible. This is very small compared with the volume of regulations enacted. There is a facility for the Hellenic Parliament's website to publish RIA and other relevant or accompanying bill documents. Ministries are not required to publish RIA on their own ministry websites. The draft Bill on BR does not contain any proposals on this.

### *Evaluation of progress*

Greece does not have a tradition of conducting integrated assessments of regulations, and the requirement for RIA is quite recent. Ensuring that all important issues and impacts have been considered and that all potential stakeholders have been appropriately consulted presents a significant challenge for the prevailing administrative and political culture. Efforts made so far to address this challenge and to embed the use of RIA appear to have been variable and limited.

Where RIAs have been completed (numbers are low – approximately 50 since 2006), the quality of responses from ministries has varied. To date, there is no evidence of any action being undertaken by the regions to comply with the Prime Minister's Circular.

A number of factors may explain this:

- The level of oversight and powers available to the centre to require effective use of RIA.
- The scope of RIA in terms of regulations covered and lack of a threshold test to focus attention on the most important RIAs.
- The lack of a link to the Article 74 Constitutional requirement to produce a written explanation of a Bill (no direct link is made with the pre-existing requirement for a written reasoned opinion to be attached to a draft law before it can be tabled before Parliament).
- The need for change in traditional ways of working, and for additional support to assist staff, through training and guidance.



### *Ex post* evaluation

The Prime Minister's Circular requires that one year after a law is introduced it should be reviewed to ensure that it is performing effectively. There is no evidence to date that such any such reviews have been carried out, or if they have, by whom and what the findings of those reviews have been. The MAREG has technical oversight of this, but has no powers to require ministries to conduct such a review. Tools like sunseting or mandatory periodic reviews are absent from the Greek legal tradition.

The draft Bill on BR proposes that three years after enactment of a law and no later than five years after enactment, an *ex post* Impact Assessment should be conducted based on the data derived from its implementation. This *ex post* Impact Assessment should include an evaluation of the actual costs and the impact, benefits and outcomes of the regulation's implementation. The *ex post* Impact Assessment will be conducted by the Regulatory Initiative Office (RIO) of the competent Ministry, which can thereafter propose amendments to the law if deemed necessary.

The RIO within each Ministry will also be required to submit to the OSBR on an annual basis, a full record of the regulations that will go through an *ex post* Impact Assessment within the next year, and an outline timetable for their assessments.

### *Alternatives to regulation*

A core administrative capacity for good regulation is the ability to choose the most efficient and effective policy tool, whether regulatory or non-regulatory, while respecting the principles of transparency and accountability. The range of policy tools and their uses is expanding in OECD countries as experimentation occurs, learning is diffused, and understanding of the markets increases. At the same time, administrators often face risks in using relatively untried tools, bureaucracies are highly conservative, and there are typically strong disincentives for public servants to be innovative. Reform authorities must take a lead role that is supportive of innovation and policy learning, if alternatives to traditional regulation are to make serious headway into the policy system.

The 2001 review of Greece showed that the use of command and control regulations is heavily predominant, and there are few examples of the use of innovative policy instruments. The main exception is the use of economic instruments in the area of environmental protection. A tradition of using legalistic and administrative procedures as the main regulatory instrument hinders the consideration of alternatives, as does the lack of a specific policy and awareness of alternative mechanisms.

## Notes

1. Prime Minister's Circular (Y190/2006), Regulatory Policy and the Assessment of Quality and Effectiveness of Legislation and Regulation.
2. Article 74 of the Greek Constitution states that "Every Bill must be accompanied by an explanatory report; before it is introduced to the Plenum or to a Section of Parliament, it may be referred, for legislative elaboration, to the service defined in Article 65 Paragraph 5 as soon as this service is established, as specified by the Standing Orders."
3. The Better Regulation Office will be renamed as the Office for Support of Better Regulation following enactment of the new Law on Better Regulation.
4. Correct as of end December 2011.

## Chapter 5

### The management and rationalisation of existing regulations

*The large stock of regulations and administrative formalities accumulated over time needs regular review and updating to remove obsolete or inefficient material. Approaches vary from consolidation, codification, recasting, repeal, ad hoc reviews of the regulations covering specific sectors, and sunseting mechanisms for the automatic review or cancellation of regulations past a certain date.*

*Burden measurement has been improved with the application by a growing number of countries of variants on the standard cost model (SCM) analysis to information obligations imposed by laws, which also helps to sustain political momentum for regulatory reform by quantifying the burden.*

*A number of governments have started to consider the issue of administrative burdens inside government, with the aim of improving the quality and efficiency of internal regulation in order to reduce costs and free up resources for improved public service delivery. Regulation inside government refers to the regulations imposed by the state on its own administrators and public service providers (for example, government agencies or local government service providers).*

*The effective deployment of e-Government is of increasing importance as a tool for reducing the costs and burdens of regulation on businesses and citizens, as well as inside government.*

## Assessment and recommendations

Evidence from the interviews conducted in Greece illustrated awareness of the need for action to address the existing stock of legislation. The standard practice to date in Greece has been to leave regulations on the statute books: the repeal of old laws or acts which are no longer necessary is not common practice. Effectively addressing the existing statute book would help to avoid overlaps, duplication and conflicts between existing laws. Reducing and simplifying the current statute book would also make it easier for the government and the administration to accurately assess what new areas need to be addressed from a regulatory perspective, as well as ensuring no “new” conflicts or duplications are introduced.

The new BR law will cement the existence of the existing KEK or Codification Committee as well as expanding its functions: following enactment of the BR law, this will be known as the Central Codification and e-Regulation Committee (KEKHN). The KEKHN will, with the relevant ministries, identify, or suggest, areas to be codified and will set standards and guidance for codifying texts. The new BR law will also establish a Regulatory Recasting Committee with responsibility for the recasting of legislation not suitable or identified for codification. There is also provision to establish special committees within ministries to address simplification and codification issues.

These committees however, while setting standards, guidance and reporting to government on progress with the codification and recasting processes, will be heavily dependent on work conducted within the ministries. The RIOs to be established within ministries will themselves identify the laws and regulations within the ministry in need of simplification, codification or update and will conduct initial work before forwarding materials to the KEKHN or Recasting Committee for further elaboration. Successes to date in codifying or recasting regulations have had mixed results, in part due to challenges regarding resources – staff capacity and skills. This is an area that will need to be addressed.

It is also unclear what level of co-ordination will take place between the KEKHN, the Regulatory Recasting Committee and the OSBR, which at present is not due to have any role in simplification. Central support from the OSBR would help to ensure coherence in selecting regulations to be addressed and would ensure that a simplification programme is considered in tandem with other efforts to improve the regulatory environment. Awareness needs to be raised of the value of simplification: the OSBR is best placed to undertake this. It would also ensure that broader training, guidance and support that it offers to RIOs takes account of the simplification programme. Given the economic burden that regulation is known to have on business, a coherent and strategic programme of simplification could pay dividends in helping to improve the economic environment for business.

---

**Recommendation 5.1: Ensure that the OSBR has a role in advancing simplification. It should be actively involved in developing and setting out a strategic programme for simplification that addresses those areas of regulation causing most difficulty to business and economic growth. This will help ensure coherence across government in targeting and sequencing actions to maximise benefits for business.**

---

---

**Recommendation 5.2: The success of a simplification programme is dependent on the ability of RIOs to advance work within their own ministry. The OSBR, KEKHN and Regulatory Recasting Committee should work together to provide comprehensive guidance and support to RIO staff. Ministries should ensure that RIOs are appropriately staffed to advance work on simplifying the existing stock of legislation.**

---

Separate structures have responsibility in Greece for advancing work on reducing administrative burdens. MAREG and the Ministry of Finance to date have joint responsibility, with much of the recent work being carried out by the Centre for European Constitutional Law – Themistokles and Dimitris Tsatsos Foundation (CECL). The OSBR will not have any responsibility in this area: as with simplification, the obligation for ensuring that minimum administrative burdens fall on business, citizens and the administration falls on the regulator. The draft BR law is largely silent on how administrative burdens will be monitored and evaluated moving forward. Greece faces particular challenges in that it needs to impose certain obligations and burdens to ensure compliance with laws, commensurate with reducing such burdens. Given the significant challenges facing business in Greece and its EU commitment to reduce administrative burdens by 25% (net) by 2013, this is a concern.

The administrative burden reduction efforts are not expressly linked with simplification or with economic development to create a more coherent, policy approach to encouraging or facilitating economic growth. Much of the focus to date has been on reducing information obligations so as to minimise the number of interactions citizens or business will have with the administration, while ensuring all relevant offices receive pertinent information. The economic climate combined with the challenges in Greece of addressing non-compliance with legislation needs to be given careful consideration. A complete “quality legislation” effort is needed where the ability to measure, consider and evaluate necessary as opposed to costly and ineffective administrative burdens happens as part of the policy and regulatory development process. In this regard, the OSBR needs to have a role in promoting and driving efforts across ministries to measure and evaluate all burdens (not just Information Obligations). The OSBR should also support greater use by ministries of quantitative analytical tools such as Cost-Benefit Analysis and Risk Analysis when assessing impacts and costs/burdens. Political support for such a strategy is essential. A wide-scale communication strategy on Better Regulation highlighting the linkage between the development of quality legislation and economic growth would be of benefit.

---

**Recommendation 5.3: Broaden the scope of the current administrative burden reduction programme beyond as assessment of information obligations. Develop guidelines for ministries on balancing the need for certain burdens or obligations to ensure compliance, with risk assessments for non-compliance. Provide training and support for ministries/RIOs on the use of quantitative analytical tools such as Cost-Benefit Analysis and Risk Analysis. Through the OSBR, develop a communication programme to publicise the importance of quality legislation, simplification and administrative burden reduction and their linkage to economic growth.**

---

## Background

### *Simplification of regulations*

Codification has been the main instrument used by Greece to date for reviewing the legislative system. Individual ministries are mainly responsible for this process, which is overseen by the Central Codification Committee (KEK), under the responsibility of the General Secretariat to the Government. The KEK, established in 2003, is largely a technical committee, and monitors the codification process across ministries. It can, however, undertake to codify certain laws itself. In this case, it jointly chooses areas with the competent ministry. On an annual basis, the chair of KEK writes to ministers, asking them to provide information on work in progress within their ministry, and those laws that they think should be advanced as priority for codification. Public sector entities are obliged to provide KEK with any information and data that is required. KEK has no powers to check or verify information received and as such, is reliant on accurate reporting from line ministries. The President of the KEK reports twice yearly to the Secretary General to the Government on progress with codification.

A number of old laws remain on the statute books, and there is a recognised need for significant work on these, which it is estimated will take two to four years. Other more concise groups of laws can be codified within a year. The focus in codification is on achieving legal clarity of the existing legal stock. The process is not used beyond this, such as to adapt laws to modern circumstances. Laws in seven areas have been codified since 2004, including laws relating to Drugs, Health and Safety and Public Maritime Law. This still only represents a small proportion of the legal stock.

#### **Box 5.1. The Central Codification Committee (KEK)**

KEK is a 13 member committee: all its members are lawyers or members of the judiciary (Judges, Lawyers, or University Law Professors) who participate in the Committee in addition to their professional activity. The KEK meets once a week but has no permanent membership: they have explored and made use of working groups to assist in advancing work. There is a dedicated secretariat. The preliminary role of the KEK in relation to codification is to identify and collect all laws in a specific sectoral area. These are then classified, indicating those laws which are no longer valid, and then codified (either directly by KEK or via the relevant ministry). Discussions take place with the line ministries and within the Committee on whether laws are still valid and whether existing provisions are in harmony with EU laws and can therefore remain on the statute book. The KEK has no competence to take direct action where it finds there is a need to modify a law so that it is in harmony with EU/international obligations. In such instances, the ministry has lead responsibility for this.

The Law on Better Regulation proposes to recast the KEK as a “Central Codification and e-Regulation Committee”, (KEKHN). Under the proposals set out in the law, the KEKHN will consist of 7 members (as opposed to the current 13), including its chairman, who will each be appointed for a three year term which may be renewable. Members will be appointed by the Secretary General to the Government.

There are two types of codification: administrative codification and a parliamentary enacted consolidation code. Administrative codification brings together, in one text, all regulations on a specific issue. While useful to the administration, this document has no legal validity: the courts must resort to the original regulation rather than the codified one. For a parliamentary enacted code, all regulations on a specific issue are collected and redrafted into one text. The meaning and scope of the original regulations cannot be changed, although minor changes to simplify language and make the text more accessible are permitted. The full text of the code is enacted as a whole through the Parliament<sup>1</sup> (deputies do not discuss each article as it is the case for draft bills). Parliamentary enacted consolidation codes are accepted by the courts.

Actions taken to reduce the complexity of the existing stock of legislation through simplification and codification have had mixed results. In part this is due to challenges regarding staff capacity and skills. It is also related to the need to embed new and revised ways of working, and changing cultural attitudes regarding the benefits and opportunities offered by Better Regulation efforts, and by enhanced co-operation and collaboration processes. The revised format and structure of the KEK as outline in the Law on BR, aims to address some of these concerns. The proposed KEKHN will, with MAREG, have a role with regard to the formulation and introduction of standards of the information infrastructure to support the process of classification, codification and electronic regulation. It will also provide annual reports to the Prime Minister and Secretary General to the Government assessing progress on codification projects undertaken and the status of relevant ICT infrastructure. This report will be made available publicly through the internet. As yet, the extent to which such a committee can influence and make concrete recommendations regarding ICT infrastructure that will be coherent with e-Gov developments elsewhere in the Greek administration, is unclear.

### ***Administrative burden reduction for businesses***

#### *General context and action so far*

Administrative burdens on the business community have been acknowledged for some time. The Federation of Greek Industries (SEB) estimated in 2006 that paperwork burdens increase production costs by more than 5%. The National Confederation of Greek Trade (ESEE) estimated that an SME spends at least 30 hours per month or an average of 12.5% of work time complying with “non-productive” regulations and procedures.<sup>2</sup> The European Commission has estimated<sup>3</sup> that administrative burdens as a proportion of GDP is about 6.8% for Greece: together with Hungary, this was the highest percentage among the 27 EU countries. It further estimated that a 25% reduction in administrative burdens by 2025 could raise GDP levels in Greece by 2.4%.

Government efforts to reduce bureaucracy and administrative burdens for business (and citizens) have primarily revolved around the creation of one-stop shops (KEPs) and a single agency focused on attracting foreign investors. This agency, the Investment Agency (ELKE), acts as a one-stop shop for foreign investors. It has been instrumental in helping to reduce the processing times for investment assistance. It also created a database of licence and permit requirements to inform potential investors about government obligations.<sup>4</sup> A new law (Law 3853/2010) in 2010 introduced a new model for starting a business. Reductions have been made in the number of documents and steps required to start a business: measures introduced so far have been estimated to reduce the administrative cost of start-ups by 70%.

However, there is still a long way to go. ELKE, along with other initiatives, is struggling to produce tangible results for companies. ELKE only provides information and advice: it does not have the authority to issue licences. It has also largely been designed to work on generating investment for larger projects and companies: as such, it is out of the reach of national SMEs.<sup>5</sup> This has created a bias in favour of foreign or larger firms and discriminates against smaller scale domestic investment. Crucially, given the importance of the SME sector in Greece (see Chapter 1), key services and tools that ELKE has developed, such as the licences database or its advocacy services with different ministries are not accessible to SMEs.

As indicated in Chapter 1, businesses face significant challenges in Greece: currently Greece ranks 100 out of 183 countries in the 2012 Ease of Doing Business ranking.<sup>6</sup> Much of the administrative burden or unnecessary regulatory cost that impacts on businesses arises from having to track each modification of the regulatory framework; implementing the necessary changes; sending multiple copies of the same information to different ministries, and/or different levels of government. In the current economic climate, businesses are even less able to spend significant resources (time or money) in tracking legislative changes, or in undertaking significant or particularly burdensome procedures to comply with legislative or regulatory requirements. While making existing processes and procedures available online may help, on its own this is not sufficient to truly address and simplify the administrative burden for business. True simplification must involve a complete review of all the procedures required to see what can be streamlined, removed or amended, whether information needs to be supplied by the business or citizens, and where information can be securely obtained from, or shared between, differing governmental sources (such as other ministries or other sections within a ministry).

#### *Current policy on administrative burden reduction for businesses*

In line with other EU member states and under the thematic priority “*institutional environment*” in the National Strategic Reference Framework 2007-2013 (NSRF), the Greek government set the goal of reducing administrative burdens by 25% by 2013. Since that time and as part of the conditions agreed between the Troika and the Greek Government, a more explicit and demanding goal of a 20% reduction by the end of September 2011 has been set, using 2008 as a baseline. The current policy, even though it embodies specific measurable goals, does not however focus on the reduction of administrative burdens *per se*. Rather, it adopts rhetoric about simplification that will cut red tape and bureaucracy to boost the economy. The administrative burdens reduction policy has not expressly been linked with simplification or economic development to create a more coherent policy approach. Consequently there is limited awareness on the benefits that could be achieved from a “real” reduction of administrative burdens both from the market and public sector employees.

#### *Institutional framework, guidance and support*

The Ministry of Administrative Reform and e-Government (MAREG) and the Ministry for Finance have joint responsibility for advancing work on the reduction of administrative burdens. The Ministry of Finance has lead responsibility as regards EU level initiatives (e.g. the EU Action Programme), while MAREG has responsibility for national policy and national reduction targets. The new/revised structures through the Regulatory Recasting Committee and the Central Codification and e-Regulation Committee (KEKHN) have no stated role as regards reducing or overseeing progress on administrative burden reduction.



The new OSBR as envisaged in the Law on BR does not appear to have any role as regards monitoring and support of administrative burden reduction efforts. While administrative burdens are defined in the law, there is no specific article on administrative burden reduction. The obligation for compliance with the principles of Better Regulation, including taking “*all measures needed to ensure the achievement of the objectives imposing the minimum administrative burdens on business, citizens and the administration*” falls on the regulator (Article 4, Law on BR, *Regulatory Governance: Principles, Procedures and Tools of Better Law Making*).

The absence of a specific article or clarity on how administrative burdens will be monitored and evaluated moving forward is a concern, particularly as the reduction target Greece has set is a net target: new burdens must be included in the count. Greece should move to provide greater clarity on the role that the new OSBR will play in conjunction with the RIOs, MAREG and the Ministry of Finance in monitoring and ensuring adherence to the net reduction target. This is of increasing importance given that a High Level Working Group under the aegis of the previous ministry for economy and finance, the Central Committee for Simplification of Procedures (KEAD) no longer exists.

The Law on BR envisages that ministries will be limited in the number of laws that they can bring to Parliament in a given year (3 per year, which may be increased in exceptional circumstances). Transposing legislation (EU Directives) or regulation relating to international treaties or conventions is not included in the 3 bills limit. The OSBR, with MAREG and the Ministry of Finance will need to work closely with the ministry RIOs to ensure that guidance issued to ministries takes account of the changing circumstances and works with ministries to ensure that administrative burdens are appropriately assessed not only with regard to those Bills that come to Parliament, but also with regard to supporting secondary regulation, changes or revisions to administrative procedures and implementation processes and procedures.

### *Methodology and process*

In 2009, a programme to measure administrative burdens in eight policy areas was carried out: this work has been completed and reported on.<sup>7</sup> The sectors measured were: company law, labour relations, cohesion policy, agricultural subsidies, VAT, public procurement, transport and fisheries. A summary of the results is set out in Table 5.1.

In conducting the pilot study, the then Ministry of the Interior established a measurement team that consisted of 25 people drawn from various ministries, public bodies and social actors. These were assigned the role of measurement in the different policy sectors. The measurement team was supported and co-ordinated by a team comprising three employees from the Ministry of the Interior, one from the Ministry of Economy and Finance, and one from the General Secretariat of the National Statistical Service of Greece. The members of this co-ordination team were part of the measurement team, but also acted as a liaison between the measurement team and external consultants.

Greece will follow a modified version of the Standard Cost Model (SCM), in order to take into account Greek circumstances as well as public consultation on the issue. A SCM Group has been established within MAREG. A project for the design and elaboration of the national methodology, funded by the OP, is in progress. It is envisaged that this will also provide the relevant tools (manuals, databases etc.). As yet, there appear to be no specific requirements on ministries regarding administrative burden reduction, other than ensuring that they take account of administrative burdens when conducting an impact assessment. The Law on BR gives no indication on the likely role that RIOs will have

regarding ministry efforts to address administrative burdens and the reduction target. Training on the proposed methodology was delivered to approximately 300 officials from across the various ministries during 2011.

**Table 5.1. Summary of the partial assessment of administrative burdens in 8 policy areas**

| Policy area            | Regulations examined  | Information Obligations (IOs) measured | Consultations undertaken | Total ABs (EUR) | ABs -EU regulations (%) | ABs – national regulations (%) |
|------------------------|---|--|--------------------------|-----------------|-------------------------|--------------------------------|
| Company Law            | 11 laws, 9 Presidential Decrees (PD), 2 Ministerial Decisions | 37                                     | 25                       | 32 759 616      | 9                       | 91                             |
| Labour Relations       | 4 laws, 15PDs.  | 24                                     | 10                       | 402 746 858.91  | 38.8                    | 61.2                           |
| Agricultural Subsidies | 32 MDs, 1 circular  | 5                                      | 75                       | 158 100 068.27  | 50.4                    | 49.6                           |
| Cohesion Policy        | 7 regulations, 1 law, 1 circular                              | 3                                      | 9                        | 10 037 932      | 98.7                    | 1.3                            |
| VAT                    | 3laws, 1PD  | 31                                     | 8                        | 1 065 229 596   | 8                       | 92                             |
| Public Procurement     | 1 law, 2PDs   | 2                                      | 14                       | 214 539 654.4   | 0                       | 100                            |
| Fisheries              | 3 laws  | 3                                      | 6                        | 637 507         | 0                       | 100                            |
| Transport              | 2 Directives, 2PDs., 2 MDs.                                   | 3                                      | 12                       | 5 036 046.89    | 62                      | 38                             |
| TOTAL                  | 98 regulations  | 88                                     | 159                      | 1 888 450 410   |                         |                                |

Source: Ministry of Administrative Reform and e-Government.

### *Public consultation and communication*

A number of awareness-raising events took place between 2008 and 2009. These involved all ministries, other public bodies, social partners, the European Commission and other international institutions such as the OECD and the World Bank. Two public consultations were held in April and July of 2008. Since then, and through the pilot projects, MAREG has created a network of individuals that support the application of SCM, including: employees, social partners, academics, students of the National School of Public Administration. The Baseline Measurement projects will further add to this network. A website, [www.administrativeburdens.gr](http://www.administrativeburdens.gr) has been created. This offers access both to the SCM database as well as other relevant information, such as training manuals. The National School of Public Administration has also held a number of seminars in larger cities (outside of Athens) since September 2009: this enables executives from different public bodies to be trained in administrative burden reduction policy and the SCM methodology.

Greece has been a member of the SCM Network since November 2008. Greece is also participating in a Bench-learning exercise of the EC-DG for Information Society and Media, where Greece is being compared with Slovenia and Belgium. That exercise is focusing on the measurement and reduction of administrative burdens for business start-ups.

What is not clear is the extent to which training and communication efforts are making the link between administrative burden reduction and improvements in GDP.

### *Achievements so far*

In 2008, a pilot programme took place as a baseline measurement for the burdens relating to business start-ups (of Limited Liability Companies (Ltd)) in Greece. This estimated the administrative burden at close to EUR 4.5 million for 2007. A simplification proposal was drafted based on the measurement, using the Citizen Service Centres (KEPs) as one stop shops and ICT structures, thus reducing the required administrative steps from 15 to 2, reduced the administrative burden by 70%.

Projects for full baseline measurement have been initiated through the OP in four policy areas, using the national SCM methodology and 2008 as baseline year. These policy areas are:

- Company Law
- Public Procurement
- Agricultural Policy
- Food Safety

MAREG envisages that other policy sectors will be included in the baseline measurement and simplification proposals, through OP. The further policy sectors for baseline measurement include: environment, taxation (including VAT), labour relations, transport and communication, industry and licensing. Enactment of the following regulations has also been of relevance in addressing burden reduction:

- Law 3844/2010: “Transposition of Directive 2006/123/EC regarding services in the internal market to the Greek legal system”: This is relevant particularly as regards the simplification of procedures and the establishment of single points of contact (not only electronic but also physical ones);
- Law 3850/2010: “Codification of Legislation for Health and Safety of workers”: The former legal framework was comprised of 118 regulatory texts – this has now been codified to one law;
- Law 3852/2010: “New Architecture of Local Government and Decentralised Administration-Project Kallikratis”: The restructuring of local government will greatly simplify procedures through new e-Gov channels (e-citizens centres, digital cards for citizens etc.) and will lower transaction costs through the merger of municipalities and the empowerment of newly established autonomous regions;
- Law 3853/2010: “Simplification of procedures for business start-ups”: A new procedure to enable business start-ups in one day is being implemented. This will use notaries as one stop shops for limited liability companies and share companies/public limited companies, and the Chambers of Commerce and Citizens’ Centres (KEPs) for unlimited companies and other legal forms. The success of this project is dependent on implementation of an information system, the General Commercial Registry.

### ***Administrative burden reduction for citizens***

The Citizens' Service Centres (KEPs) have been very successful in delivering one-stop shop services to citizens on a 24/7 basis through either call-centres or the web-portal, [www.kep.gov.gr](http://www.kep.gov.gr). The operation of KEPs is twofold as they are managed at a local level, but standardised procedure and IT platforms as well as operational supervision are centrally managed (by MAREG). Currently, 1077 KEP offices cover the whole country. One third of these are located in remote (mountainous) or island areas. Some 1 045 administrative procedures from a wide range of policies and activities are certified to be carried out through the KEPs.

New initiatives are underway for the provision of integrated e-services and e-transactions to citizens and businesses, through the KEPs and the National Governmental Portal "ERMIS" ([www.ermis.gov.gr](http://www.ermis.gov.gr)). "ERMIS" is fully operational. It is designed to provide information but also to facilitate electronic transactions between citizens (or businesses) and the Greek Public Administration, in a secure and integrated way. The Local Government reform "*Kallikratis*" is also anticipated to simplify the administrative context for service delivery to citizens.

### ***Administrative burden reduction for the administration***

A MAREG project to develop a methodology for measuring the level of Regulation Inside Government (RIG) took place in 2009 through the OP: the Civil Servants Confederation (ADEDY) also participated in this project. It explored methodological and institutional issues such as personas and categories of civil servants (i.e. back office/front office functions), costs, number of phases or steps involved in a process, compliance checks, burden origin, administrative procedures modelling etc. It also involved inside consultation with selected civil servants and experts regarding inside government administrative burden measurement methodological approach and context.

Four projects for baseline measurement in four policy sectors have provision for calculation of administrative burdens that are transferred inside the administration.

## Notes

1. Article 76, Paragraph 6 of the Constitution indicates that “Judicial or administrative codes drafted by special committees established under special statutes may be voted through in the Plenum of the Parliament by a special statute ratifying the code as a whole”.
2. National Confederation of Greek Trade (ESEE) (1999), “The increase of the functional cost of a commercial enterprise because of the necessary bureaucracy procedures”, Athens.
3. European Commission (2007b), *Summary of the Impact Assessment. Commission Staff Working Document, SEC(2007) 85*, Accompanying Document to the Communication to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, on the Action Programme for Reducing Administrative Burdens in the European Union, European Commission.
4. Interestingly, ELKE has the authority to advocate a change of regulations to ministries but as yet this power has seldom been used and when used the result has been disappointing.
5. ELKE reviews and provide assistance for projects valued over 3 billion drachmas (USD 10 million) or 1.5 billion drachmas (USD 5 million) if there is foreign participation.
6. World Bank & International Finance Corporation, (2011), *Doing Business 2012: Doing Business in a more transparent world*, World Bank & the International Finance Corporation
7. “Partial Measurement of Administrative Costs in 8 Policy Areas with the EU Net Administrative Cost Model” Hellenic Republic Ministry of the Interior – General Secretariat of Public Administration and e-Government, Special Service for Strategic Planning, Co-Ordination and Programmes’ Implementation Unit A.



## Chapter 6

### Compliance, enforcement, appeals

*Effective implementation, compliance and enforcement are essential for actually meeting regulatory objectives. An ex ante assessment of compliance and enforcement prospects is increasingly a part of the regulatory process in OECD countries. Within the EU's institutional context these processes include the correct transposition of EU rules into national legislation.*

*The issue of proportionality in enforcement is attracting growing attention. The aim is to ensure that resources for enforcement are proportionately higher for those activities, actions or entities where the risks of regulatory failure are more damaging to society and the economy.*

*Rule makers must apply and enforce regulations systematically and fairly, and regulated citizens and businesses need access to administrative and judicial review procedures for raising issues related to the rules that bind them, as well as timely decisions on their appeals.*

*Review by the judiciary of administrative decisions can also be an important instrument of quality control. For example, scrutiny by the judiciary may capture whether subordinate rules are consistent with the primary laws, and may help to assess whether rules are proportional to their objective.*

## Assessment and recommendations

Compliance, or rather non-compliance with legislative provisions, is a key challenge for Greece. In many instances, responsibility for ensuring compliance has fallen to inspectorate staff who are de-concentrated and based at the sub-national level. There are multiple underlying reasons for the level of non-compliance. Other reform measures required as part of the austerity programme seek to address some of these. Increased and structured dialogue between the central and sub-national levels, combined with increased monitoring and evaluation that follow the principles of Better Regulation could supplement these efforts and aid in improving compliance.

---

**Recommendation 6.1: Review the experiences of other EU member states in strengthening linkages between the sub-national and central levels of the administration, particularly as regards monitoring and oversight of how laws are being implemented and compliance rates. Data as regards implementation and increased monitoring of how laws are being complied with will help. Performance indicators, targets and timeframes for compliance should be developed in tandem with the policy and regulatory development process.**

---

## Background

### *Compliance and enforcement*

#### *Responsibilities for enforcement*

Data is not collected regarding compliance rates with legislation. The economic crisis has illustrated most recently the extent to which non-compliance with legislation (e.g. taxation) occurs in Greece. The central administration is responsible for policy on enforcement and service delivery, activities which are generally devolved to local government levels. Staff at prefecture level play a significant role in relation to enforcement. Inspectorate staff, attached to line ministries, are largely based within prefectures and have responsibility for example, for pre-licensing examinations of factories, ensuring required criteria and quality controls are being complied with, and in monitoring compliance with legislative requirements.

#### *Issues*

Weaknesses in enforcement appear to be due in part to budgetary constraints and in part to co-ordination difficulties among different parts of the administration which undermine compliance. Difficulties can also be related to the political process. For instance, owners of a building without an official building permit sometimes use personal contacts to get connected to public infrastructures (telephone, water, electricity, etc.). After a certain time, the owner organises a support group in the neighbourhood to lobby a local politician to legalise the building. Such behaviours, if they succeed, provide a strong demonstration that compliance is unnecessary and that laws can be navigated around rather than complied with.



The devolution of responsibility to prefectures is welcome: it can assist in breaking down barriers and aiding transparency and accessibility for citizens with government from service delivery, thereby allowing ministries to focus more on strategic issues. But there are challenges regarding effective governance of inspectorate staff and in getting information from them on how regulations are understood, interpreted, and actually complied with. There are no systems for the easy transfer of information between staff in prefectures and their parent ministries, or between different inspectorate staff within the same prefecture. There is insufficient dialogue between policy and operational staff, which would otherwise enable valuable information on the performance of regulations to be fed into policy reviews and evaluations. Such information could greatly assist central ministries in revising regulations that are not working, and also take better account of service delivery issues in developing new regulations (or new solutions to policy challenges).

A scarcity of funds to enforce regulations compounds the problem, as does a lack of consideration, at the development stage of a regulation, of the ability of citizens and entrepreneurs to comply. An increasingly complex legislative system seems to focus more on the creation of new laws than on the performance of existing laws. A study on the implementation of EU directives on water quality illustrates these challenges. The study concluded that “taking a broader perspective, the compliance and implementation problems tend to discredit rules and regulations, to encourage *de facto* situations and to undermine the development of a civic culture or respect for law and order” (Spanou, 1996).

Anecdotal evidence related to the large informal sector suggests a serious challenge to regulatory compliance in Greece. Recent initiatives such as the Code of Administrative Procedure and the Civil Service Code are welcome steps, and will need to be strictly enforced.

### ***Appeals***

Administrative justice is provided by administrative courts and by the Council of State as one of the Supreme Courts.<sup>1</sup> The Council of State (*Symvoulion tis Epikrateias*) is the Supreme Administrative Court of Greece. The Council of State, the Supreme Civil and Criminal Court (*Areios Pagos*) and the Court of Audit (*Elegktiko Synedrio*), which has jurisdiction on the audit of the expenditures of the State, local government agencies and other legal entities, are the highest courts in the nation.

The Greek Constitution establishes two jurisdictions, the administrative and the civil/criminal, which are organised in three instances: the courts of first instance (lower courts), the courts of appeals (higher, appellate courts) and the Supreme Courts. The Council of State is at the top of the hierarchy of ordinary administrative courts (administrative courts of first instance and administrative courts of appeal). The Council of State and the ordinary administrative courts decide on all matters of administrative law disputes: money claims; the function of the civil service; social security claims; public works’ and supplies’ competitions; compensation claims against the State; and challenges to the legality of administrative acts in general. The judgments of the Council of State provide the highest authority on legal precedent for the lower administrative courts and set the standards for the interpretation of the Constitution and the laws and for the advancement of legal theory and practice. Like all judicial decisions, the judgments of the Council of State provide the authority of “*res judicata*” and are subject to compulsory enforcement against the Public Sector, local government agencies and public law legal persons.

## Composition

The Council of State is composed of the President, ten Vice-Presidents, fifty-three counsellors, fifty-six associate counsellors and fifty assistant judges who are involved in the exercise of judicial duties. The President and Vice-Presidents of the Court are chosen by the Cabinet, while counsellors and associate judges are promoted to the respective rank by decision of the supreme judicial council on the Council of State and on administrative justice. The President, Vice-Presidents, counsellors and associate judges of the Court are placed in their posts by presidential decree. Assistant judges are appointed by presidential decree following successful participation in the entrance and final examinations of the National School of Judges and Judicial Functionaries, where Law-School graduates receive special judicial training.

All judges enjoy functional and personal independence. In the discharge of their duties, judges are subject only to the Constitution and the laws; in no case whatsoever are they obliged to comply with provisions enacted in violation of the Constitution. The courts are bound not to apply a statute whose content is contrary to the Constitution. Judges are inspected by judges of a superior rank, as specified by law.

## Jurisdiction

Petitions for judicial review (annulment) of enforceable acts of the administrative authorities for excess of power are heard in principle by the Council of State which decides in first and last instance. Certain categories of judicial review (annulment) cases fall under the jurisdiction of administrative courts, following a special provision, for reasons pertaining to their nature and their importance. The ordinary administrative courts have the original competence to decide cases by exercising full jurisdiction, while the Council of State has the competence to hear petitions for reversal of final judgments reached by the appellate or first – and last – instance administrative courts in such cases. In certain categories of cases the Council of State has also the competence to decide cases by exercising full jurisdiction, either by virtue of an express constitutional provision (as in cases of licensing or in cases of downgrading of civil servants) or by virtue of a law issued upon constitutional authorisation. The elaboration of all decrees of regulatory nature falls under the jurisdiction of the Council of State which has the competence to give an opinion concerning the legality thereof.

According to the Constitution, the sittings of all courts are public, except when the court decides that publicity would be detrimental or that special reasons call for the protection of the private or family life of the litigants. A law specifies the legal consequences ensuing and the sanctions imposed (if any). Publication of the dissenting opinion is compulsory.

Since November 2008 the Council of State has its own Regulation which was issued upon delegated authority and was published in the Government's Gazette.

The system is accepted as fair. However, as in some other OECD countries, the administration of justice in Greece is slow and expensive, with a substantial backlog of pending cases. For instance, the Ombudsman has estimated that on average an administrative appeal needs 3 to 5 years to reach the Council of State and costs around 2 000 dollars in lawyer's fees and other costs.<sup>2</sup>

The creation of the Ombudsman and a programme launched by the Ministry of Justice and the MAREG to computerise the judiciary system should quicken administrative justice. The Ombudsman, whose mission is to investigate citizens' complaints against Public Sector Services, has the power to identify major problematic areas and to recommend specific legal and procedural reforms addressed to the competent ministries, prefecture or local authorities. The latter is achieved mainly through a comprehensive annual report, submitted to the President of Parliament, the Prime Minister and the Minister of the Interior.

## Notes

1. This is provided for by the Code of Administrative Procedure and in Law 2690/1999 which sets rules of administrative action and the conditions for the communication and carrying out those actions.
2. Ombudsman, personal interview.



## Chapter 7

### The interface between member states and the European Union

*An increasing proportion of national regulations originate at EU level. Whilst EU regulations have direct application in member states and do not have to be transposed into national regulations, EU directives need to be transposed, raising the issue of how to ensure that the regulations implementing EU legislation are fully coherent with the underlying policy objectives, do not create new barriers to the smooth functioning of the EU Single Market and avoid “gold plating” and the placing of unnecessary burdens on business and citizens. Transposition also needs to be timely, to minimise the risk of uncertainty as regards the state of the law, especially for business.*

*The national (and sub-national) perspective on how the production of regulations is managed in Brussels itself is important. The view from “below” on the effectiveness of these policies may be a valuable input to improving them further.*

## Assessment and recommendations

The establishment of an Office for International and European Affairs with a mandate to focus on improving transposition of EU directives has already borne fruit. Greece successfully met the European Commission's transposition deficit target for the first time in the second half of 2010 and has continued to maintain this target. The success of the Office is due in no small part to the level of political support it has been given: the Government identified correct and timely transposition of EU law as a top national priority. Sustaining the successes achieved in the transposition area will require ongoing political support.

A focus on timely transposition must be matched by increased efforts to deal with incorrect application of EU laws. Greece currently has the second highest number of open infringement proceedings at EU level. This is an area that the Office is mandated to focus on. Greater use by ministries of evidence-based approaches and the use of impact assessment during the negotiation and transposition phases could help to reduce the number of future infringement cases for incorrect application of EU law.

---

**Recommendation 7.1: To assist in efforts to reduce the number of open infringement proceedings at EU level and to sustain successes achieved in reducing the transposition deficit, Greece should extend the scope of the Law on Better Regulation to require application at an early stage of RIA during the negotiation and transposition process. This will help ensure both timely and correct transposition of EU law.**

---

Other EU member states have benefited from establishing cross ministerial working groups to better co-ordinate strengthen domestic management of national policy approaches on EU law. Greater awareness across ministries of developments elsewhere which they may have a policy interest in, will help to ensure coherence.

---

**Recommendation 7.2: Establish a standing cross-ministerial working group at senior administrative level focused on the management and strategic co-ordination of EU legislation. This will help ensure greater coherence as regards negotiation and the application of Better Regulation principles at an early stage in the transposition process. Greece should examine how other member states have approached this (e.g. Ireland, Finland).**

---

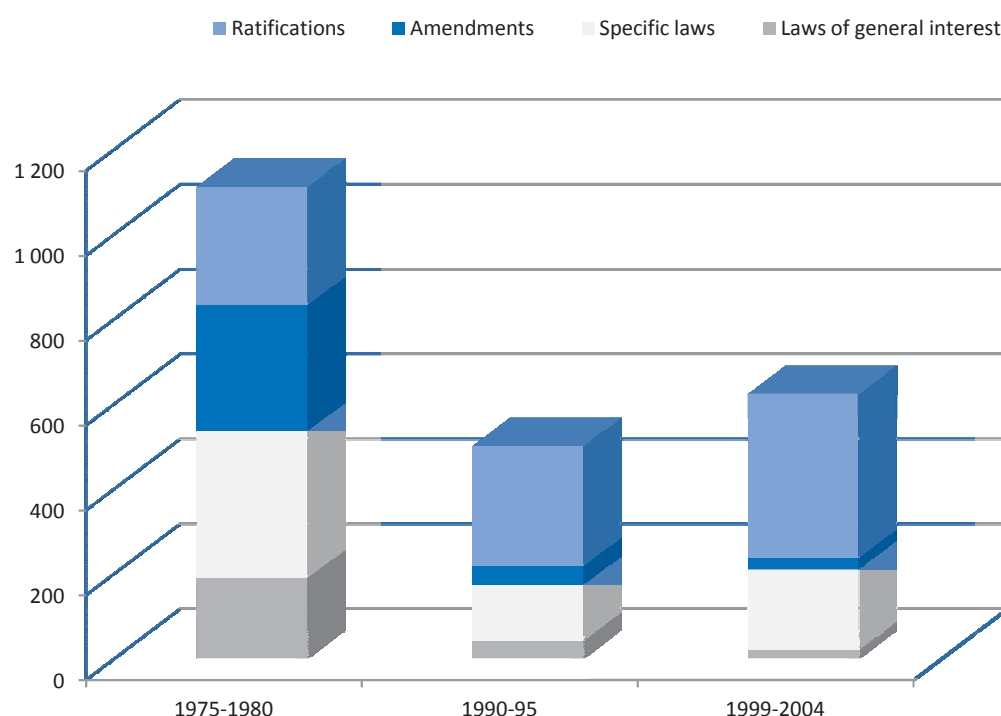
## Background

### *General context*

A significant proportion of the regulations enacted on an annual basis in Greece relate to its membership of the EU (see Figure 7.1). The percentage of subordinate regulations and regulations relating to ratification or transposition of EU or international laws increased significantly in the period 1999-2004, compared with the period 1975-80, prior to Greece's accession to the EU in 1981.

The need to implement EU directives had a positive influence on the market orientation of Greece's regulatory system. In many cases, this effort has brought impetus and commitment for reform within Greece. Transposition of EU law has allowed Greece to implement laws that would otherwise have been extremely difficult, such as in liberalisation of telecommunications, and electricity. However, implementing the *acquis communautaire* has been difficult in terms of the content and speed of transpositions, and Greece has often appeared reluctant to take advantage of the opportunities offered by the European Single Market. In some areas, Greece has sought derogations that delayed important reforms and the benefits for Greek consumers and workers that they would have brought.

**Figure 7.1. Breakdown of type of laws enacted in Greece**



Source: Hellenic Ministry of the Interior 2008.

An Office for International and European Affairs was established in March 2010,<sup>1</sup> becoming fully operational in July 2010. This Office is based in the General Secretariat and works under the auspice of the Prime Minister: it enjoys significant political support. It has responsibility for:

- Monitoring and co-ordination of EU and international issues;
- Provision of legal and technical assistance to line ministries and other Greek authorities in regarding transposition of EU law;

- Surveillance and follow-up of EU infringement proceedings: the Office has a primary role regarding the handling of non-transposition and late transposition infringements. Incorrect or “bad” transposition infringements are handled by the Ministry of Foreign Affairs; and
- Developing initiatives to better and more timely implementation of EU law.

### *Negotiating EU regulations*

#### *Institutional framework and processes*

For the preparation and negotiation of new directives, the responsibility is delegated to competent ministries. In principle, the line ministries are responsible for organising public consultation on draft directives and co-ordinating with the Greek delegation in Brussels. In practice, as with national legislation, public or external stakeholder consultation has been limited.

The ministries are supervised when necessary by the Ministry of Foreign Affairs and/or the Ministry of Finance. These two ministries have alternated as the centre of European policy co-ordination, while their relations have sometimes been tense (Spanou, 1998, p. 475). The Ministry for Foreign Affairs may initiate meetings between ministries, where they have identified issues regarding the assignment of leadership responsibility for EU directives to one ministry, or where there are challenges in co-ordinating the transposition of EU Directives. The EU DG within the Ministry of Finance prepares the dossiers for the Greek participation to the ECOFIN, Internal Market and Competitiveness Councils. It also runs the SOLVIT application. It usually has no interference to the regulatory process at EU level, although it is among its competences to “co-ordinate all interested parties in order to conclude to specific thesis in certain areas such as the Lisbon strategy.”<sup>2</sup> Such meetings with line ministries occur on an *ad hoc*/needs basis.

Greece does not have any standing or formal inter-ministerial committee focused on the management or strategic oversight of EU legislation.

#### *The role of the Parliament*

The Parliament has a European Affairs Committee. Established in 1990, it is chaired by a vice president of the Parliament and has 30 MPs as members. As soon as draft EU regulations are received and circulated by the Commission, the Government sends the drafts to the president of the Parliament, along with any accompanying documents (e.g. the Commission’s own Impact Assessment). The president of the Parliament assigns the case to the relevant parliamentary committee and/or to the European Affairs Committee. The Committees, following discussion, agree on a position which is then communicated to both the Minister responsible and to the Parliament. MEPs can be invited to participate to the meetings of the European Affairs Parliamentary Committee. The European Affairs Parliamentary Committee also represents the Hellenic Parliament to the Conference of Community and European Affairs Committees of Parliaments of the European Union (COSAC).

#### *Ex ante impact assessment (negotiation stage)*

Greece does not apply RIA in the preparation and negotiation of new directives.



## *Transposing EU regulations*

### *Institutional framework and processes*

These are essentially the same as for the negotiation of directives (see above).

### *Legal provisions and the role of the Parliament*

Since Greece's accession to the EU, the Parliament has delegated to the government the task of transposing EU Directives (Law 1338/83). This law provides discretion to enact EU obligations using a fast track procedure through amendments of Bills, Presidential Decrees or Ministerial Decisions. In practice, the choice of instrument to transpose an EU directive depends on long-standing tradition or the discretion of the ministry's legal services.<sup>3</sup> Very often, ministries use Presidential Decrees or Ministerial Decisions, as they speed up the adoption process.

### *Ex ante impact assessment (transposition stage)*

Greece does not apply RIA in the transposition of directives. Article 13 of the Law on Better Regulation (see Chapter 1) will require following enactment, that during transposition of EU law, the ministries adhere to the principles of Better Regulation, ensure timely transposition and avoid gold plating of the regulation as it is transposed.

### *Monitoring transposition*

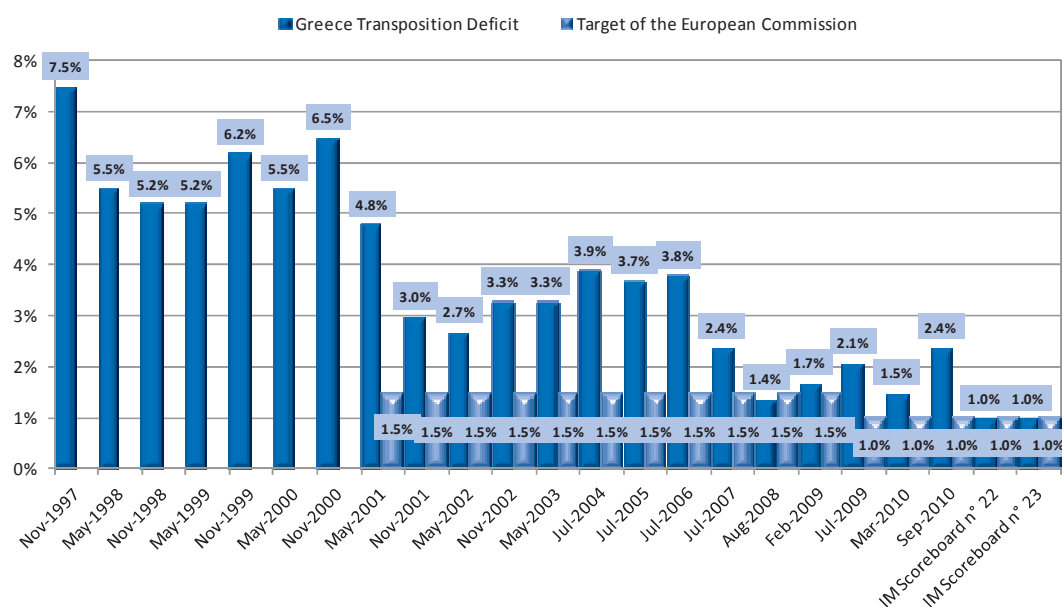
A significant number of Internal Market Directives issue each year from the EU, aimed at improving the competitiveness of the EU, which must be transposed by each Member State. Greece faces challenges in ensuring that Directives are transposed correctly and on time: it had been one of the poorest performers regarding transposition. The significant efforts and work by the Office for International and European Affairs however have proved highly successful. Since November 2010, Greece has achieved and sustained the European Commission's 1% transposition deficit – the first time it has achieved this target and a significant improvement on its previous score of 2.4% which was the highest among the 27 EU member states.<sup>4</sup>

The Office for International and European Affairs, operational since July 2010, monitors progress in transposition on a daily basis and offers assistance to line ministries to facilitate the completion of the necessary work (logistical/technical support and legal advice). Twice a month, the Office circulates tables listing all non-transposed EU Directives to the competent national authorities/ministries. Quality control and consistency across the government is provided via Law 1338/83, which requires the Ministry of Finance to sign off on all EU measures. The Ministry of Foreign Affairs tends to become involved in transposing EU regulations only where there is a dispute between line ministries on who has responsibility for a Directive. The Ministry also has a co-ordinating role in the case of infringement procedures.

Between July 2010 and December 2011, 204 EU Directives have been transposed into Greek law, while 88 infringement proceedings (due to non-transposition or late transposition) were successfully closed. The Office communicates all new Directives to the competent national authorities/ministries the day these are published in the Official Journal of the European Union. Thereafter it monitors progress with transposition on a daily basis and offers assistance (technical support and legal advice) to line ministries to aid in timely transposition. Figure 7.2 depicts the progress Greece has achieved in improving implementation of EU law since 1997.

The Office is also in charge of surveying and following up on all infringement cases linked to non-transposition, or incorrect transposition, of EU Directives. This is an area where Greece needs additional focus. It is currently one of the worst performers as regards the number of open infringement proceedings by EU member states, second only to Belgium.<sup>5</sup> While the number of cases is dropping, it is significantly higher than the EU average (81 pending cases as of September 2011 versus an EU average of 37). An increased focus on the principles of Better Regulation when transposing EU law, combined with greater use of an evidence-based approach and use of impact assessment could help Greece to address this issue.

**Figure 7.2. Internal Market Scoreboards: Greece performance, November 1997 – May 2011**



Source: Greek Office for International and European Affairs, extracted from Internal Market Scoreboard reports, also available at: [http://ec.europa.eu/internal\\_market/top\\_layer/docs/workshops/presentation\\_8-2\\_en.pdf](http://ec.europa.eu/internal_market/top_layer/docs/workshops/presentation_8-2_en.pdf).

### *Interface with Better Regulation policies at EU level*

Jointly with the EU, the Greek government established an advisory group of international experts whose role is to provide a strategic overview of ongoing initiatives from the OP, including BR.

The National School of Public Administration has signed a bilateral agreement with the European Institute of Public Administration (EIPA – Maastricht) in the framework of which groups of civil servants have been trained on BR issues during week-long seminars.

Greece is a member of the SCM network.

Greek officials have also been highly active at the broader international level in the area of BR. Senior officials from the Ministry of the Interior regularly participate and make presentations at the OECD's Regulatory Policy Committee meetings. In the framework of its membership to the Black Sea Economic Co-operation (BSEC), Greece has pushed forward the BR agenda through the organisation of workshops and seminars.

Greece hosted a 17 member delegation of high level officials (including deputy ministers) from different Russian oblasts to exchange good practices on simplification. The Russian interest was mainly focused on simplification efforts in Greece and in particular, the one-stop shops (KEPs). A Greek Delegation was as result invited to Moscow and Rostov-on-Don in Central Russia to further share the KEP practice.

Greek experts also teach a course on BR at the Cypriot Academy of Public Administration.

## Notes

1. Established by Presidential Decree 18/2010, March 16th 2010
2. The Lisbon strategy has now been superseded by Europe 2020.
3. Issues relating to taxation, fundamental rights and external relations can only be introduced via legislation.
4. European Commission Internal Market Scoreboard No. 22, p. 27; and European Commission Internal Market Scoreboard No. 23.
5. European Commission Internal Market Scoreboard No. 23, p. 21.



## Chapter 8

### The interface between sub-national and national levels of government

*Multilevel regulatory governance is another core element of effective regulatory management. It is relevant to all countries that are seeking to improve their regulatory management, whether they are federations, unitary states or somewhere in between.*

*In many countries local governments are entrusted with a large number of complex tasks, covering important parts of the welfare system and public services. Licensing can be a key activity at this level. These issues have a direct impact on the welfare of businesses and citizens.*

*Local governments within the boundaries of a state need increasing flexibility to meet economic, social and environmental goals in their particular geographical and cultural setting. At the same time, they may be taking on a growing responsibility for the implementation of EC regulations. All of this requires a pro-active consideration of:*

- *The allocation/sharing of regulatory responsibilities at the different levels of government;*
- *The capacities of these different levels to produce quality regulation;*
- *The co-ordination mechanisms between the different levels, and across the same levels.*

## Assessment and recommendations

The current priority for Greece is to embed improvements in policy formulation and the resulting regulatory proposals at national level. The sub-national level however will continue to play a role in regulating and in applying laws at local level. The application of the Law on Better Regulation should be extended to include sub-national levels of government at an early stage. Greater communication between the central and sub-national levels of government, particularly as regards the implementation of laws should be improved. Greater awareness of how laws and regulations are being applied locally and an evaluation regarding their implementation will better inform future amendments and reviews.

---

**Recommendation 8.1: Care should be taken to ensure that efforts centrally to improve regulatory processes are reflected at the municipal and prefectural levels/regional levels. The scope of the Law on Better Regulation should be extended to include the sub-national level. Review co-ordination and consultation mechanisms between central and sub-national levels with a view to encouraging greater dialogue between these levels as regards policy/regulatory development and implementation.**

---

## Background

### *Structure, responsibilities and funding of local governments*

#### *Structure of local governments*

Greece has a three-tier system:

- 13 deconcentrated regions governed by a council and Secretary General appointed by the government for four years.
- A decentralised “second level” of 54 prefectures (*nomos*) with each region containing two to five prefectures.
- A decentralised “first level” of 1 033 municipalities and communes.

The presidents of the first and second levels have been elected since 1998.<sup>1</sup>

#### *Responsibilities and powers of local governments*

#### Major reforms

Until the early 1990s, Greece had a highly centralised structure relying on deconcentrated government offices at the prefecture level (*nomos*). A major reform was undertaken in the late 1990s to modernise and restructure local governments. A 1997 law (Law 2539/1997) required that all government responsibilities that do not have a national character should be devolved. The implementation of this programme, known as *Ioannis Kapodistrias*, significantly altered the responsibilities of the central government in terms of rulemaking. Through the transfer of personnel, the programme also impacted on the delivery of services and accountability of the various levels of administration. In parallel, this same law reformed the electoral process. The prefect (*nomarch*), previously

appointed by the central government, is now elected together with a prefectural council. The aim of these reforms was to change the governance of Greece toward a more responsive and needs-oriented administration.

The Greek government is in the process of reorganizing local and decentralised administration introduced by the *Kallikratis* Law (Law 3852/2010).<sup>2</sup> This reform intends to generate sizeable productivity gains and savings, strengthen the role of local authorities and enhance the citizen's participation. In particular, the *Kallikratis* reform aims to:

- Create a modern local government through the reduction and consolidation of municipalities the rationalisation of procedures. The law introduces the drastic reduction of the 1034 Municipalities and Communities to 325 Municipalities, the establishment of 13 Elective Regions which will replace the 76 second grade entities of local government, the creation of 7 General State Directorates which will replace the 13 State Regions and the reduction of legal entities and municipal enterprises (from 6 000 to up to 1 500).
- Generate considerable savings (about EUR 1.5 billion during 2011-13) due to the: limitation of operational costs; the use of economies of scale; the new system of financial supervision; and the reduction of elected and appointed officials. The number of the municipal elected officials will be reduced to 7 710 from 16 510. It is also anticipated that there will be better allocation and use of human resources.
- Improve service delivery to citizens and enterprises at local level through the competences clarification between levels of governments, the enhancement – transfer of competences at local level (i.e. building permission and professions licensing are transferred to municipalities), as well as through the implementation of new technologies and the creation of one-stop shops and e-KEPs (municipal KEPs, administrative municipal correspondent).
- Enhance transparency and accountability regarding local authorities' financial and administrative operation through: introduction of control mechanisms both in expenses and revenue; increased citizens' representation and consultation processes; and the compulsory publication of all state and self-government decisions on the internet ([www.et.diavgeia.gov.gr](http://www.et.diavgeia.gov.gr)).

### Development Directorates

Development Directorates had been set up in prefectures, replacing the former Directorates of Industry, without much change in capacity to execute the different activities. In most cases, the required personnel were not been put in place. Investors' Reception Centres (KYE), which existed in all prefectural authorities<sup>3</sup> during the period 2000-06 with funding from the Structural Funds and under law 3325/2005 they were expected to be integrated in the Development Directorates of the prefecture and have a key role in: informing investors of the necessary processes; monitoring the progress of the applications; and helping in addressing any problems. Funding for those Centres is coming from the EU Structural Funds. However, a 2008 report of the Greek Industry Federation<sup>4</sup> suggested that in most cases besides the provision of some common information services, the Centres were not performing their expected role. The interviews corroborate this suggestion. *Kallikratis* provides for the transfer of competency for the development directorates from the prefectures to the Elective Regions.

### Urban planning services

According to *Kallikratis*, competency for urban planning services (*Poleodomia*) is allocated at the level of the municipalities. A problematic element of their operation is the complicated, unclear and, in many cases, conflicting legal framework concerning land uses. At the same time, reports<sup>5</sup> suggest that the Planning Services are understaffed, unorganised, bureaucratic and one of the most corrupted public services. The 2009 report of the Body of Inspectors-Auditors of Public Administration found a high level of violation of the applicable laws by public servants, primarily concerning the licensing procedures. In 25% of the inspections conducted in 2008, there was violation of the rules concerning licensing; the average being 15%. Municipal and prefectural authorities – and primarily the urban planning services – are the public administration services with the highest level of violations recorded.

### Role of the Council of the State

The Council of State is responsible for the judicial control of the legality of the regions' decisions and regulatory powers. All acts of municipal and communal councils are submitted to the Secretary General of the Region and, in case there is a doubt over their legality, are sent within 15 days to a special *Control Committee*. However, this control focuses only on the legality of the measure, not its necessity or impact. No consultation is required for the preparation of these by-laws, although the Regional Council may organise a public meeting. On the other hand, many communes have occasionally used “notice and comment” systems. Disputes between communes and *nomos* are settled by the Regional Council and the Secretary General of the region. In the case of disagreement, an appeal can be lodged with the administrative judicial system.<sup>6</sup>

In terms of *ex post* controls, administrative tribunals, followed by appeals to the Council of State, control the acts and decisions of local governments. However, it may take some time before the devolution of powers and electoral reforms are met by corresponding changes in the relationships between appointed administrators and elected officials. For instance, the Ombudsman has cited an example of a newly elected mayor who was reluctant to accept a Council of State resolution on one of his decisions, citing as justification the self-regulating powers of the new communes.

### Regulation and licensing

Regulations can be made at regional or prefectural level. Prefectural – and less so municipal – authorities and services have a very important role in the licensing of establishment and operation and, to a lesser extent, start-up procedures for business.

Laws 3325/2005 and 3463/2006 transferred important responsibilities to local authorities. While these authorities do not have powers to regulate and to set procedures, they are the main bodies for the implementation of legislation and have the closest contact with business. The local authorities have overall responsibility for the administration of local matters and the promotion of social, financial, cultural and spiritual interests of their citizens.<sup>7</sup> Second level local authorities have responsibility for administrative matters at the prefecture level and for any functions conferred to them by law or Presidential Decree.



### ***Better Regulation policies deployed at local level***

The *Kallikratis* local government reform is anticipated to simplify the administrative context for service delivery to citizens, especially through the implementation of new technologies and municipal e-KEPs, and the appointment of administrative municipal correspondents.

### ***Co-ordination mechanisms***

#### *Co-ordination between central and local governments*

Two representative bodies are in charge of co-ordination and consultation between the national government and lower-levels of government: the Central Union of Municipalities and Communes (KEDKE) and the Central Union of Prefects. Mayors and prefects directly elect the members of these bodies, which are equipped with small secretariats in Athens. These bodies are the main channels for discussion of central government draft proposals or any other issues.

## **Notes**

1. For the purpose of the discussion, the distinction between deconcentration and decentralisation refers to the level of autonomy of the executive/legislative power (i.e. the former is appointed by the central government, the latter is directly elected).
2. Law 3852/2010: “New Architecture of Local Government and Decentralized Administration-Project Kallikratis”
3. [www.info3kps.gr/links\\_kye.asp](http://www.info3kps.gr/links_kye.asp).
4. [www.sev.org.gr/Uploads/Positions/NRP\\_2008\\_2010\\_SEV\\_Position\\_180608f.pdf](http://www.sev.org.gr/Uploads/Positions/NRP_2008_2010_SEV_Position_180608f.pdf).
5. [http://portal.tee.gr/portal/page/portal/teetkm/drasthriothtes/ekdhlyseis/ekdhlwseis\\_2004-2006/neo%20thesmiko%20plaisio/tab5776994/1.pdf](http://portal.tee.gr/portal/page/portal/teetkm/drasthriothtes/ekdhlyseis/ekdhlwseis_2004-2006/neo%20thesmiko%20plaisio/tab5776994/1.pdf); and Central Committee for the Simplification of Procedures, “Simplification of the procedures for issuing building permits”, [www.kead.gr/OikodomikesAdeies.pdf](http://www.kead.gr/OikodomikesAdeies.pdf).
6. GoG, response to OECD regulatory reform questionnaire.
7. Article 24 of the Municipal and Communal Code.



## *Bibliography*

- Economist Intelligence Unit (1999-2000), Country Profile Greece, pp. 32-34.
- European Commission (2011), *SBA Factsheet: Greece 2010/2011*, European Commission.
- European Commission Internal Market Scoreboard No. 22, p. 27; and European Commission Internal Market Scoreboard No. 23.
- European Commission (2007a), *Action Programme for Reducing Administrative Burdens in the European Union COM(2007) 23 final*, Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, European Commission.
- European Commission (2007b), *Summary of the Impact Assessment. Commission Staff Working Document, SEC(2007) 85*, Accompanying Document to the Communication to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, on the Action Programme for Reducing Administrative Burdens in the European Union, European Commission.
- Hellenic Parliament (2008), *The Constitution of Greece (As revised by the Parliamentary Resolution of 27 May 2008 of the VIIIth Revisionary Parliament)*, Hellenic Parliament's Publications Department.
- Hellenic Republic Ministry of the Interior (2009), "Partial Measurement of Administrative Costs in 8 Policy Areas with the EU Net Administrative Cost Model", General Secretariat of Public Administration and e-Government, Special Service for Strategic Planning, Co-ordination and Programmes' Implementation Unit A, March.
- IMF Staff Report on Greece for the 1999 Article IV Consultation Supplementary Information pp. 200-201.
- Karakatsoulis, P. (2012), "Better Regulation in Greece" in *Verso la Smart Regulation in Europa*, edited by Frederico Basilica and Fiorenza Barazzoni, Maggioli Editore, published by Maggioli S.p.A.
- National Confederation of Greek Trade (ESEE) (1999), *The increase of the functional cost of a commercial enterprise because of the necessary bureaucracy procedures*, Athens.
- OECD (2009), "Strategic planning: Supporting coherent policy making and effective regulation (documentation centres)", *OECD Working Paper H1a*, unpublished, final version, April.
- OECD (2009a), "Improving regulation", *OECD Working Paper H3*, unpublished, final version, April.

- OECD (2009b), “Leading and enabling user-focused e-government”, *OECD Working Paper H7*, unpublished.
- OECD (2011), *Greece: Review of the Central Administration*, OECD Public Governance Reviews, OECD Publishing, Paris.
- OECD (2011b), *Government at a Glance 2011*, OECD Publishing, Paris.
- Spanou, Calliope (1996), “On the Regulatory Capacity of the Hellenic State: a Tentative Approach Based on a Case Study” in *International Review of Administrative Science*, Vol. 62.
- Spanou, Calliope (1998), “European Integration in Administrative Terms: a Framework for Analysis and the Greek Case” in *Journal of European Public Policy* 5:3, September.
- World Bank (2011), *Doing Business 2012. Doing Business in a more transparent world*, World Bank and the International Finance Corporation.

## *Annex A*

### **Division of main regulatory powers across levels of government in Greece**

| <b>Policy area</b>                 | <b>State</b> | <b>Prefectures</b> | <b>2<sup>nd</sup> level local authorities</b> | <b>1<sup>st</sup> level local authorities</b> |
|------------------------------------|--------------|--------------------|---|---|
| Security, police                   | *            | *                  |   | *(1)  |
| Justice                            | *            | *                  |   |   |
| Fire fighting                      | *            | *                  | *   | *   |
| Civil protection                   | *            | *                  | *   | *   |
| Pre-school education               | *            | *                  | *(2)  | *(3)  |
| Primary and secondary education    | *            | *                  | *(2)  | *(4)  |
| Vocational and technical education | *            | *                  | *(2)  | *(4)  |
| Higher education                   | *            | *                  |   |   |
| Adult education                    | *            | *                  | *   | *   |
| Hospitals                          | *            | *                  |   |   |
| Individual health departments      | *            | *                  | *   | *   |
| Family and Youth Services          | *            | *                  | *   | *   |
| Rest homes                         | *            | *                  | *   | *   |
| Social insurance                   | *            | *                  | *   |   |
| Housing                            | *            | *                  |   |   |
| Town planning                      | *            | *                  | *   | *   |
| Water treatment                    | *            | *                  |   | *   |
| Household sewage and waste         |              |                    |   | *   |
| Cemeteries                         |              |                    |   | *   |
| Slaughter houses                   |              |                    |   | *   |
| Environmental protection           | *            | *                  | *   | *   |
| Theatres, concerts                 | *            | *                  | *   | *   |
| Museums, art galleries, libraries  | *            | *                  | *   | *   |
| Parks, open spaces                 | *            | *                  | *   | *   |
| Sport and leisure                  | *            | *                  |   | *   |
| Religious worship                  | *            | *                  |   |   |
| Highways                           | *            | *                  | *   | *   |
| Urban road transport               | *            | *                  | *   | *   |
| Urban transport, railways          | *            | *                  | *(5)  |   |
| Ports                              | *            | *                  | *(6)  | *(6)  |
| Airports                           | *            | *                  |   |   |
| Gas                                | *            | *                  |   | *   |
| Water (irrigation)                 |              |                    | *   | *   |
| Farming, Fishing                   | *            | *                  | *   | *   |
| Electricity                        | *            | *                  |   | *   |
| Commerce                           | *            | *                  | *   | *   |
| Tourism                            | *            | *                  | *   | *   |
| Forestry                           | *            | *                  |   |   |
| Licences for other services        |              |                    | *(7)  | *(8)  |

- (1) Municipal police.
- (2) Construction of schools – auxiliary staff.
- (3) Nurseries and kindergartens.
- (4) Repair and maintenance of schools.
- (6) By Presidential Degree the management of the ports can be transferred to prefectural or local Port – funds.
- (7) License for enterprise function.
- (8) License for creation & function of certain enterprises.

*Source:* Information provided by Greece, March 2000.

## *Annex B*

### **Text of the Draft Bill on Better Regulation (as tabled before Parliament December 2011)**

#### **Article 1**

##### **Definitions**

The objective of this law is the improvement of the regulatory governance. The regulatory governance is improved by complying with the principles and using the tools of Better Regulation.

For the purposes of this law:

- *Regulation* means any bill, addition or amendment, as well as every legal text that includes a general and impersonal rule of law and every act or decision of major importance.
- *Better Regulation* means the public policy and the formation of principles and tools towards the improvement of the quality of regulations themselves, and the rulemaking process.
- *Regulatory Governance* means the process of co-ordinating the actions of Better Regulation, in which regulatory planning, compliance with the Better Regulation principles during the drafting, adoption and implementation of regulations and adoption of policy measures for their promotion are included.
- A *Regulatory Impact Assessment* is the report, in which the impact of the regulation is expressed in terms of cost, benefits and risks, especially in the economy, the society and the environment.
- *Administrative burden* is the cost that is caused for businesses, the voluntary sector, the public administration and the citizens complying with their legal obligation to maintain data and provide information concerning their activities or their production either to public authorities or third bodies. These elements and information are being collected as a mandatory activity carried out in order to comply with the regulatory requirements.
- *Regulatory Recasting* is the newly regulation of issues that have been already regulated by legislation.

- *Better Regulation Office* (BR Office) is the responsible office for Better Regulation at the General Secretariat to the Government.
- *Regulatory Initiative office* is the established office in each Ministry, according to Article 14 of the present law, and is responsible for the competences that are specified in Article 15, Paragraph 3.

## **Article 2**

### **Better Regulation principles**

1. The quality of the regulations is ensured by respecting the Better Regulation principles, such as:
  - a) Necessity.
  - b) Proportionality (suitability, fair and objective means to reach the goal, and adoption of the less onerous option).
  - c) The simplicity and clarity of the regulations' content.
  - d) The avoidance of controversial regulations.
  - e) The effectiveness and efficiency of the regulation taking into account its economic impact.
  - f) Transparency.
  - g) Subsidiarity and accountability through the identification of the bodies responsible for the implementation of the regulations.
  - h) Legal certainty.
  - i) The accessibility to the regulations.
  - j) The possibility of submitting proposals relevant to the regulations, during the stage of its drafting as well as the stage of the evaluation of its implementation (openness).
2. The Better Regulation principles apply:
  - a) during the drafting, and the evaluation of laws and regulatory acts,
  - b) during the simplification, through the amendment or repeal of law provisions, the recasting and the codification, as well as the transposition of EU law.

## **Article 3**

### **Better Regulation procedures**

- 1a) The ministers at the beginning of the tactic session of the Parliament in the context of the legislative programme of the Ministry are obliged to inform the Better Regulation Office on the number of bills they intend to introduce for a vote in Parliament. This number cannot exceed three per year.



- b) It is allowed to overcome the above number, if it is adequately justified by prevailing conditions, subject to the approval of the Ministerial Council. From the above limit of three bills per year exempt the bills that reconcile directives of EU to the national law, the bills that validate acts of legislative content and international treaties or conventions, as well as the bills that are characterised by the Government as extremely urgent or they have an urgent nature, and they are discussed and voted according to the Articles 109 and 110 of the Parliamentary Law.
- 2a) The scope of every bill is regulated in a full way. Authorizing provisions are only adopted:
- i. in case the authorizing provision is particular and defined according to the Paragraph 2 of Article 43 of the Constitution, and
  - ii. in case the scope of the authorisation cannot be accomplished by the existed ones.
- All the authorizing provisions are included in a separate article entitled “Authorisations” at the end of the bill, before transitional provisions and repeals.
- b) Since the bill provides for issuing presidential decrees or other normative acts within a deadline and the Better Regulation Office judges it as necessary, the bill is not being introduced to the Cabinet for discussion if not accompanied by drafts of these documents as well as by a timetable for its implementation.
3. The provisions regulating issues arising from the change in legislation and the transition from previous legislation (Transitional Provisions) are in a separate article. The transitional provisions may not be placed in the same article with the provisions of the bill of a permanent nature.
- 4a) In case of legislative changes where they are replaced, amended, added or inserted articles, paragraphs, words or eliminated current provisions, it is referred the entire article or chapter, as finally formulated. It is also not allowed as a vague reference to other provisions, which must be explicit and specific, and b) the exceptions to standing or recent provisions without sufficient reason.
- b) In case of an overall regulation of an issue, all relevant provisions are worded/recorded and the provisions that are repealed are explicitly referred to a separate article at the end of the bill.
5. The entry into force of the bill must still be included in a separate article. If for some provisions defined in relation to other provisions different time of entry into force, this must be clearly defined and numbered in a separate section; with details of the relevant provision and timing [or the exact time] of entry into force.

## **Article 4**

### **Obligations of the regulator for the compliance with the principles of Better Regulation**

The regulator attends to:

- a) The localisation and definition of the problem imposing the regulation and the assessment of current regulations relating to the problem.
- b) The determination and documentation of the negative effects a non-regulation solution would cause.
- c) The determination of alternative options and a comparative documentation of their ability to achieve desired objectives.
- d) The optimal relationship between the cost-benefit and risks of the preferred alternative and the minimal occurrence of side effects, especially in the economy, the society, the administration and the environment.
- e) The clarity of the meanings of the regulation and especially the formulation of clear, measurable, specific and time-bound targets to be achieved by the regulation. More specifically, the provision of all relative data like statistical, economic, environmental and related geospatial that document the proposed regulation.
- f) The grammatical and syntactical correctness of the provisions and the respect of the relevant law-making rules.
- g) To take all measures needed to ensure the achievement of the objectives imposing the minimum administrative burdens on businesses, citizens and the administration.
- h) Organizing and monitoring the social or any other kind of consultation deemed to be necessary, as well as the stakeholders' participation in planning, implementation and evaluation of the regulation.
- i) To clearly determine the administrative bodies responsible for the implementation of regulation.

## **Article 5**

### **The Better regulation toolkit**

The Better Regulation toolkit includes the consultation, the impact assessment, the bills justification report, the simplification, the codification, the regulatory recasting, and the *ex post* assessment of the regulations' implementation.

## **Article 6**

### **Consultation**

1. Consultation is achieved through the publication of the proposed regulation in any appropriate means, so that the citizens, the social bodies and anyone concerned are timely informed and able to participate in it. The Minister who has the regulatory initiative is responsible for launching the consultation procedure.
2. The Consultation on the bills takes also place through the [opengov.gr](http://opengov.gr) site and it is completed in two phases, which may take place in parallel:

- a) The first phase lasts at least two (2) weeks. The purpose of this consultation is to inform and offer the possibility to comment on the purpose and the intended effect of the proposed regulation, the options, the cost, the benefits and the risks arising from it.
  - b) The second phase lasts at least three (3) weeks. During the second phase of the consultation, a draft law is uploaded on the site and thus everyone is able to comment on each article given.
  - c) In case that there is a draft law, the first phase of the consultation can be omitted under the initiative of the competent Minister who has the regulatory initiative; in this case the second phase is extended for a week.
3. The consultation can be interrupted, abbreviated or prolonged, under the initiative of the competent Minister, for reasons that are appropriately justified and are mentioned in the public consultation report accompanying the regulation.
  4. The Regulatory Initiative Office of the competent Ministry is responsible for the consultation report. The comments and proposals of all the participants are presented (clustered) in groups and their transposition (or not) to the final draft is justified. The consultation report accompanies the regulation during its submission in the Parliament; it is uploaded on the site that the consultation was conducted, and sent via e-mail to the participants.

## **Article 7**

### **Regulatory Impact Assessment**

- a) Every bill, addition or amendment, as well as any regulation of major economic or social importance is accompanied by a Regulatory Impact Assessment which contains among others the documentation of the compliance with the Better Regulation Principles specified in Article 2 and the instances (a) to (d) of the Article 4. The Regulatory Impact Assessment is submitted with the draft law to the Better Regulation Office specified in the Article 14.
- b) The Better Regulation Office co-operates with the Regulatory Initiative Offices of the competent Ministry specified in Article 14 towards the amelioration of the quality of the impact assessment and makes its remarks on it.
- c) In the case of a bill, an addition or an amendment, the Regulation Impact Assessment and the Better Regulation Office remarks on it are submitted to the Parliament along with the draft law and uploaded to the relevant site.

## **Article 8**

### **Bill Justification Report**

Every bill, addition or amendment is accompanied by a justification report during its submission to the Parliament. This report justifies analytically the aims of the regulation and documents the compliance with the Better Regulation Principles specified in Article 2.

## Article 9

### Assessment of the implementation

1. Three years after the activation of the law, and no more than five years later, an *ex post* Impact Assessment is conducted based on the data derived from its implementation. This Impact Assessment includes the evaluation of the cost and the impact of the regulation's implementation, as well as of the benefits and its positive results.
2. The *ex post* Impact Assessment is conducted by the Regulatory Initiative Office of the competent Ministry, which proposes amendments to the Law if necessary, in collaboration with the competent units that provide the necessary data referring to the results of the regulation implementation.
3. The *ex post* Impact Assessment, the proposal of a new regulation including the amended provisions as well as the Impact Assessment of the new provisions are submitted to the Better Regulation Office, according to Article 7, Paragraph 2 of the present law.

Every Ministry's Regulatory Initiative Office submits to the Better Regulation Office each year in the end of November a full record of the regulations that will go through an *ex post* Impact Assessment within the next year, and the timetable of their assessment.

## Article 10

### Simplification

1. During the conduction of every bill, addition or amendment, as well as any regulation of major economic or social importance, it is given the simplification of the procedures, aiming *inter alia*, to the enhancement of competitiveness. The Simplification is achieved especially by regulations referring to:
  - a) The decrease in the number of competent authorities for a given issue and the grouping of similar tasks.
  - b) The reduction or abolishment of required documents, their replacement with a statutory declaration or their *ex-officio* research when these documents have already been submitted to another entity
  - c) The unification of forms and applications, the abbreviation of the time needed for the completion of the transaction and the determination of binding deadlines.
2. The issue of (required) documents for any purpose and unlimited validity duration, the reduction of checkpoints, the clustering of permissions and approvals, the silent consent to requests when the deadline for approval has elapsed, the one-stop shop service delivery, the administrative burden reduction and the provision of communication via e-mail are also considered as means of simplification.
3. During the simplification procedure the Regulatory Initiative Unit of the competent Ministry is responsible for the compliance with the Better Regulation principles and procedures specified in Articles 2 and 3.

**Article 11**

4. Regulatory Recasting: The Regulatory Recasting aims to the reduction of the regulatory inflation, the update and the clean-up of the existing regulation, in a way that the remaining regulation is correct, functional, more comprehensible and accessible.
5. Recasting includes occasionally the simplification, the clean-up and the integration in a unified text of the laws, the regulatory decrees and the decisions. It also includes the repeal of the above laws, regulatory decrees and decisions, following their integration.

**Article 12****Codification**

1. During the codification occurs occasionally recast of provisions; abolishment of provisions that have been explicitly or silently repealed, as well as of transitional provisions that have no scope, restatement of the regulatory texts in a language easy to understand; amendment of provisions defining the competencies of administrative and other bodies to the existing organisational form of the central and de-centralised public services, the local administrations and the public entities (legislative codification).
2. Codification can take the form of the concentration in the coding text of all law or regulatory provisions in force, without them being integrated into a single consolidated text and their repeal (administrative codification).

**Article 13****Transposition of EU law**

1. During the transposition of the EU law in the Greek legal system, the regulator attends to:
  - a) The compliance with the Better Regulation principles specified in Article 2 and the compliance with the law making rules specified in Article 4.
  - b) The avoidance of ambiguities or legislative technique deficiencies as well as the avoidance of gold plating of the regulation that is transposed.
  - c) The timely transposition.
2. During the transposition of EU law, the Regulatory Initiative Offices of the Ministries attend to the implementation of the Better Regulation Principles, especially during the redaction of the Regulation Impact Assessment.

## Article 14

### Better Regulation structures

1. The Better Regulation organisational units are the Better Regulation Office as it is named hereafter the Office for the Support of Better Regulation, which has been established and exists in the General Secretariat to the Government, and the Regulatory Initiative Offices of the Ministries, which are established by this law and report directly to the Minister.

## Article 15

### Operation of the Better Regulation Office and the Regulatory Initiative Offices

1. The Better Regulation Office of the General Secretariat to the Government and the Regulatory Initiative Offices of the Ministries co-operate in order to control the quality of regulations.
2. The Better Regulation Office supports and co-ordinates the operation of Regulatory Initiative Offices of the Ministries and exerts in particular the following competencies:
  - a) Draws the Regulatory Impact Assessment (RIA) concerning regulations issued upon proposal of the Cabinet or the Prime Minister.
  - b) Collaborates with the Regulatory Initiatives Offices of the Ministries, competent departments of the Ministries and Independent Authorities over the completeness of RIA, by providing in advance guidelines, by formulating specific suggestions and making *ex post* corrective interventions.
  - c) The Better Regulation Office calls for the opinion of the Competition Commission in the drafting of guidelines for Ministries on how to deliver RIAs and analyse the effects of regulations concerning the operation of free competition.
  - d) Co-operates with the Regulatory Initiative Offices of the Ministries and competent departments of Ministries for drawing RIA for legislation established by the European Union (EU) institutions, in order to formulate the national positions that should be supported.
  - e) Co-operates with the Regulatory Initiative Offices of the Ministries and competent departments of Ministries for drawing RIA, which are included in under development international treaties or agreements or other internationally binding documents, and contributes to the posts that should be supported.
  - f) Organises and co-ordinates, in co-operation with Regulatory Initiative Offices of Ministries, programs and measures for the simplification of existing regulations.
  - g) Exerts the competencies specified in paragraphs 2 and 3 of Article 7.
  - h) Submits to the Prime Minister Annual Reports on the progress of Better Regulation, which are communicated to the Parliamentary Committee of Institutions and Transparency.

3. The Regulatory Initiative Offices of Ministries participate in the drafting of laws and regulations, draw the law drafts that the Minister assign to them and in co-operation with the competent responsible services, ensure their good quality. They exert in particular the following responsibilities:
  - a) Provide expertise in the principles of Better Regulation to the relevant responsible services, which take on the draft or the simplification of regulations.
  - b) Draw the RIA in co-operation with the relevant responsible services while noting the relevant laws or regulations.
  - c) Ensure the conduct of social dialogue and consultation with interested groups and social partners, in co-operation with the Better Regulation Office.
  - d) Indicate the laws and regulations of the Ministry concerned, in need of simplification, codification and update.
  - e) Collect, sort and forward to the Central Codification and e-Regulation Committee (KEKHN) specified in Article 18 regulations that need codification or forward to the Regulatory Recasting Committee specified in Article 17 regulations of legal issues that need recasting.
  - f) Draft in co-operation with the competent departments the *ex post* IA.
  - g) Participate in the law making committees of the Ministry and maintain an electronic file of the final proposals of these committees.

## **Article 16**

### **Law making Committees**

In the law making committees of the Ministries when they are established upon the Minister's decision participate an official of the Regulatory Initiative Office and prestigious scientists with expertise and experience equivalent to the object of regulation, particularly economists and sociologists.

## **Article 17**

### **Better Regulation Committees**

At the General Secretariat to the Government are established the Regulatory Recasting Committee and the Central Codification and e-Regulation Committee.

The General Secretary to the Government submits annually to the Prime Minister a report for Better Regulation Committees tasks.

## **Article 18**

### **Regulatory Recasting Committee**

1. The Regulatory Recasting Committee consists of seven (7) members, including its chairman, for a three years' service, which can be renewed. The Chairman and the Committee members are appointed by decision of the Prime Minister and may be active or non-active judges, legal advisers and Assistant State Councils, members of the teaching and scientific personnel of the Universities with relevant expertise and well established legal experts.
2. The Regulatory Recasting Committee has the following competences:

- a) The definition of criteria which will be used for the selection of the recasting of legislation, instead of a simple codification of the provisions in force.
  - b) The submission of proposals to the Prime Minister, via the General Secretary of Government and the competent Minister suggesting the concrete legal fields in which the recasting of legislation is judged as essential, along with the implementation's forecasted timetable.
  - c) The drafting and submission to the Prime Minister and the General Secretary to the Government, within the first 15 days of each calendar year, of a report which is uploaded in the internet according to the provisions of Law 3861/2010 (Official Gazette A' 112) and includes an assessment on the state of play of the existing legislation in relation to the issue of regulatory inflation, the recast proposals submitted, as well as proposals for further recasting of existing legislation. With the responsibility of the Secretary General of the Government, the report is sent to the other members of the Government, the Chairman of the Parliament and the Chairmen of the Supreme Courts.
3. Under its powers, the Regulatory Recasting Committee seeks the co-operation and the expression of opinions from the legal professionals, scientific and professional bodies and any other experts and can, in order to assist its tasks, start a public internet consultation on suggestions and questions concerning the fields of law to be re-cast. To carry out its tasks the Committee takes into account in particular:
- i. the international experience and any relevant regulatory practices in EU states
  - ii. the annual and special reports by independent authorities, which are communicated to the Committee by responsibility of the aforesaid authorities, and
  - iii. any relevant recommendations of the competent bodies of the Unions of judicial and prosecutorial officials and lawyers and notary public associations of the country and legal departments of the country's universities.
4. The Committee also attends to the proper use of the suggestions of citizens concerning the identification and removal of specific ambiguities and defects of the existing legal framework.

## **Article 19**

### **Central Codification and e-Regulation Committee (KEKHN)**

1. The KEKHN consists of seven (7) members including its chairman, for a three years' service, which may be renewed. The chairman and members of KEKHN may be appointed by a decision of the Secretary General of the Government, active or non-active judges, legal advisers and Assistant State Councils, members of the teaching and scientific personnel of the Universities with relevant expertise as well as legal and ICT experts.
2. KEKHN has the following competencies:



- i. The definition of the legislative techniques for drafting codes in a manual and, in particular, the division and classification of the regulations under codification, the numbering of the articles, paragraphs and passages, the manner of referring to provisions to be codified or re-cast, the way to display titles in individual articles and chapters of the codes and their overall linguistic editing.
  - ii. In co-operation with the Minister of Administrative Reform and eGov, the formulation and introduction to the competent Ministers of standards of the information infrastructure supporting the process of classification, codification and electronic regulation.
  - iii. The proposal to the Secretary General of the Government and to the competent Minister suggesting the legal fields to be codified as well as the specific regulatory changes necessary for improving the law making and codification procedures, taking into account the criteria and proposals for regulatory recasting that may have been issued by the Regulatory Recasting Committee and the time needed for their implementation.
  - iv. The updating of the Regulatory Recasting Committee on matters within its competence, which may be identified during the codification and may particularly relate to overlapping, inconsistent or outdated provisions.
  - v. The supervision, evaluation and approval of the project of codification which is carried out by the codification committees of Ministries as well as by natural persons or legal entities in accordance to Article 20, Paragraph 1 and the submission of the final drafts to the Secretary General of the Government and the competent Minister.
  - vi. The evaluation of the individual project of codification undertaken by special committees formed prior to entry into force of this law and the submission of a proposal to the competent minister in accordance with Article 20, Paragraph 2, Passage 3.
  - vii. The drafting and submission to the Prime Minister and the Secretary General of the Government, within the first 15 days of every calendar year, of a report uploaded on the internet, in accordance with the provisions of Law 3861/2010 (Official Gazette A 112). This report includes an assessment of the progress of the codification projects undertaken, the status of the relevant ICT infrastructure, as well as further proposals for codification of existing regulations and the further expanding or improvement of the ICT infrastructure. With the responsibility of the Secretary General of the Government KEKHN's report is sent to the other members of the Government, the Chairman of the Parliament and the Chairmen of the supreme courts.
3. Under its powers, the KEKHN seeks the co-operation and the formulation of views from the legal world, scientific and professional bodies and any other experts. The KEKHN may also, in order to assist its work, start a public internet consultation on plans and proposals for codification of existing legislation and redesign of the ICT infrastructure. It may as well call public officials, civil servants and experts to hearings.

4. The two committees, Central Codification and e-Regulation Committee (KEKHN) and Regulatory Recasting Committee, specified in Article 17, use the secretariat support of the General Secretariat to the Government.

## **Article 20**

### **The codification procedure**

1. The Secretary General of the Government can recommend to the competent Minister to implement a codification project in accordance with current European and national legislation. The draft codes that are drawn up following the above procedure, are submitted to KEKHN for elaboration. Then KEKHN submits the draft Code to the Secretary General of the Government and the competent Minister.
2. The codes are ratified in accordance to the procedure of Article 76, paragraphs 6 and 7 of the Constitution, except for the part which may repeal or modify existing legal provisions about which the usual parliamentary procedure should be followed. The codification of purely regulatory provisions is carried out by a presidential decree issued upon proposal of the competent Ministers.

## **Article 21**

### **Codification tasks by special committees**

1. Since the entry into force of this law new codification committees may be set up in the Ministries only in exceptional cases, and after a justified decision of the Secretary General of the Government, upon proposal of the competent Minister and the opinion of the KEKHN.
2. Within one (1) month after the entry into force of this law a file shall be sent to KEKHN, under the responsibility of the competent Minister, which shows the progress of work of any special codification committees that were established within the Ministries or any contractors that have been assigned for codifying individual areas of legislation. The file includes a specific timetable for the planned completion of the project. Upon KEKHN's proposal, the competent Minister decides on the continuation of the ongoing codification either by the special committee and/or the contractors or the KEKHN in accordance to the provisions of the present law.
3. The provisions of this article do not apply to the codification committees of the Ministry of Justice, Transparency and Human Rights.

## **Article 22**

### **Authorisation provisions**

1. The issues that refer to organisation, staffing and operation of Better Regulation Office, will be regulated by a Presidential Decree issued upon a proposal of the Prime Minister, within a period of six (6) months from the publication of this law. Moreover, by this decree will be established all scientific personnel posts necessary for the performance of Better Regulation Office and will also be specified any specialties and required qualifications of the aforementioned personnel.

2. By similar decree any organisational units performing the same or similar tasks may be merged on the above Office or may be transferred to it related responsibilities of other organisational units.
3. The issues relating to organisation, staffing and operation of the Regulatory Initiative Offices in each Ministry, will be regulated with a Presidential Decree issued upon a proposal of the Minister of Administrative Reform and E-government, within a period of eight (8) months from the publication of this law. Moreover, by this decree will be established all scientific personnel posts necessary for the performance of the Regulatory Initiative Offices in each Ministry.
4. By similar decree may be merged in the above Offices any organisational units performing the same or similar tasks or may be transferred to it relevant to its work responsibilities of other organisational units.
5. By a Presidential Decree, proposed by the Minister of Administrative Reform and E-government, an inter-ministerial sector of Better Regulation is established. The Presidential Decree defines the number of personnel posts of the sector, the required qualifications, the criteria and the procedure on the basis of which the employees are included in this sector. All those who serve in the Regulatory Initiative Offices are transferred to the Better Regulation sector, only if they fulfil the criteria and apply for their transfer, in accordance with the procedures of Article 71 of Law 3528/2007. The Minister of Administrative Reform and E-government is in charge of the management of the inter-ministerial sector of Better Regulation.
6. The above Presidential Decrees are also issued by the Minister of Finance, in case that expenses in the State Budget are caused.

## **Article 23**

### **Transitional provisions**

1. Until the Regulatory Initiative Offices begin to operate, the competent departments and units in the Ministries owe to comply with the Better Regulation principles during the design and drafting of regulations.
2. The staffing of the Better Regulation Office and the Regulatory Initiative Offices will have finished within the next four (4) months after the issuance of the decrees referred here within Paragraphs 1 and 2 of Article 22.
3. The implementation of the provisions of the present law is evaluated every three years and the results of the evaluation inform any future amendment.
4. Within an exclusive period of nine (9) months after the entry into force of this law, the provisions that should be repealed are detected and documented, by the responsibility of the competent Ministries.

5. The operation of the Central Codification Committee (KEK) which was established by the law 3133/2003 (National Gazette A'85) continues until the date specified by decision of the Secretary General of the Government. This date cannot be set beyond three months after the formation of KEKHN. From that date the law 3133/2003 is repealed. Any codification tasks performed by KEK that have not been completed by that date, are undertaken by KEKHN.

## **Article 24**

### **Entry into force**

1. This law enters into force by its publication to the National Gazette. Exceptionally, the provisions of Article 3, Paragraphs 1 and 2 enter into force the 1<sup>st</sup> October 2012.

## **ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT**

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

## Better Regulation in Europe

# GREECE

The importance of effective regulation has never been so clear as it is today, in the wake of the worst economic downturn since the Great Depression. But how exactly can Better Regulation policy improve countries' economic and social welfare prospects, underpin sustained growth and strengthen their resilience? What, in fact, is effective regulation? What should be the shape and direction of Better Regulation policy over the next decade? To respond to these questions, the OECD has launched, in partnership with the European Commission, a major project examining Better Regulation developments in 15 European countries, including Greece.

Each report maps and analyses the core issues which together make up effective regulatory management, laying down a framework of what should be driving regulatory policy and reform in the future. Issues examined include:

- Strategy and policies for improving regulatory management.
- Institutional capacities for effective regulation and the broader policy-making context.
- Transparency and processes for effective public consultation and communication.
- Processes for the development of new regulations, including impact assessment, and for the management of the regulatory stock, including administrative burdens.
- Compliance rates, enforcement policy and appeal processes.
- The multi-level dimension: interface between different levels of government and between national processes and those of the EU.

The participating countries are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Please cite this publication as:

OECD (2012), *Better Regulation in Europe: Greece 2012*, OECD Publishing.

<http://dx.doi.org/10.1787/9789264179288-en>

This work is published on the *OECD iLibrary*, which gathers all OECD books, periodicals and statistical databases. Visit [www.oecd-ilibrary.org](http://www.oecd-ilibrary.org), and do not hesitate to contact us for more information.

With the financial assistance  
of the European Union



OECD publishing

[www.oecd.org/publishing](http://www.oecd.org/publishing)

ISBN 978-92-64-17927-1  
42 2012 15 1 P



9 789264 179271