United or Divided We Stand? Perspectives on the EU’s Challenges

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Decision-making in times of austerity: could the Troika help overcome Greece’s reform challenges?

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Abstract

Why is Greece besieged by a challenging capacity to reform even after the arrival of the Troika into the very core of governmental decision-making? Despite Troika pressure, Greece is not reforming due to the presence of informal procedures in decision-making that have become institutionalized in practice. Using a blend of Historical and Discursive Institutionalism (HI and DI) to examine the impact of formal and informal institutions on decision-making, this paper takes stock of reform on health policy and e-prescription. It argues that Greek decision-makers attempt to break path dependent practices of syncopated reform and stakeholder reaction by the bailout agreement requirement for e-prescription in particular. Accepting a Historical Institutionalist view of actor-driven and process-driven developments on the policy outcome, the paper explores the fundamental position of Discursive Institutionalism on the role of ideas as drivers of change or inaction. Based on evidence from 10 elite interviews, findings demonstrate that in the case of Troika negotiations, the greater the distance between formally negotiated and embedded informal ways of national policy-making, the lower the likelihood is for national actors to initiate the points of reform.

Keywords: conditionality, institutionalism, debt crisis, Greece

I Introduction

Greece triggered the Eurozone financial crisis, having entered the crisis in the worst position with regard to its economy and structural reform record (Zahariadis 2012). Tsoukalis (2013) outlines how this small country, responsible for only 2% of the Eurozone’s total output, acted as a catalyst in transforming the American financial crisis into a European sovereign debt crisis (Tsoukalis 2013: 128). Greece represents the first
country to lose the confidence of the market and resort to European rescue packages with financial and technical assistance from the Troika (body representing European Commission, European Central Bank and International Monetary Fund). This assistance came with strict conditions for drastic fiscal and administrative reforms, as Greece’s challenging capacity to reform is not new, but rather path dependent (Featherstone 2015).

On the back of the Greek request for assistance in early 2010, the European Union and International Monetary Fund (IMF) created the Troika as an ad hoc arrangement (Enderlein & Haas 2015). Within months European leaders realized the crisis was not simply related to one country, but could spread to other Eurozone countries. Therefore they recognized a formal crisis mechanism would be necessary (Lequesne 2016:47). The timing is significant given that the institutions had few tools to manage a systemic crisis and were operating under new circumstances. Thus the Troika found itself designing templates and setting precedent on the move (Salines et al. 2012).

In the conditions, the Troika targeted health care for cost rationalization because the period of 2004-2009 saw public pharmaceutical expenditure increase in Greece by 73.3%, from 3 billion to 5.2 billion Euros (Goranitis et al. 2014:283). Consequently, at the onset of the crisis, the health sector was cited as “a major factor” in the country’s intense scrutiny from the Troika. (Economou et al. 2014:10). A particular health policy recommendation, electronic prescriptions (e-prescription), offers a range of benefits with only limited disruption; thus it is a potential win-win (Hahn & Lovett 2014).

Isolating the ‘Troika effect’

The paper’s central research question is: how has the Troika impacted core executive decision-making in Greece on e-prescription? It is part of a broader PhD project that compares core executive decision-making in Greece and Ireland before and after the Troika on e-prescription. The paper focuses specifically on Greece and seeks to identify the “Troika-effect” on national executive decision-making by process tracing e-prescription, leveraging evidence from elite interviews. This policy was chosen as it is considered non-contentious by interview participants, and therefore enables deeper
investigation into how Greek executive decision-making works in practice with the Troika. The case study is divided into three policy-making stages to explore decision-making processes.

For Greek governments besieged by a challenging capacity to reform, would this exceptional form of European plus international influence be sufficient to overcome resistance to reform? The answer lies in how Greek leaders used the Troika. If a country leverages the Troika as an external agent or outsourced consultancy to help with reforms, it could maintain ownership. If, however, a country uses the Troika as an external decision-maker that obliges reforms over national objections, by definition, it relinquishes ownership. The decision is in the hands of the national core executive. In this way, the Troika may influence some aspects of core executive decision-making, but expressly by design – not by design of the Troika, but the national government. Where Greece has not reformed sufficiently, it is due to the presence of informal procedures in decision-making that have become institutionalized in practice: by design. As much as these have been designed in, they can be designed out of decision-making so that important reforms can be developed and approved, as e-prescription demonstrates.

The paper’s structure follows the logic of the above argument focusing on issues of influence. Sections one and two review the relevant literature on national health policy-making in Europe, decision-making, issues of leverage and conditionality. In contrast to much of the literature on the crisis (Ladi 2014; Saurugger 2014; Featherstone 2015), this paper engages an institutional framework rather than Europeanization to examine evidence from 10 elite interviews. This is because the IMF’s involvement pushes the scope far beyond Europe. The framework features Historical Institutionalism (HI) to consider national legacy of process- and actor-driven developments such as how “conditionality” drives later measures, and Discursive Institutionalism (DI) to consider the role of ideas like the “use of the Troika” in steering change. The paper next considers the strengths and weaknesses they bring to the analysis of the case study. It then considers challenges arising from this framework and clarifies variables used in the analysis and outlines expectations for the case study. The argument creates expectations that after the Troika’s arrival, the decision to reform resides with the national core executive in how it uses the Troika.
The third section process traces the sequence of decision-making on e-prescription in an attempt to trace the “Troika effect.” It does this by considering three successive periods of e-prescription developments including pre-debt crisis and crisis periods, and leverages qualitative data including elite interviews. It offers an account of developments emphasizing challenges and achievements on e-prescription when Greek decision-makers assumed various roles from a more passive stance waiting for short-term political costs to decrease (Featherstone 2015) to a norm entrepreneurial role driving reform. It rejects a legalistic (Black 1997) or linear approach that considers the problem solved once legislation is passed (Lyberaki 2010:3) and widens decision-making to include iterative steps often considered part of implementation (Thomas & Grindle 1990:1166). The decision-making model selected follows number 3 outlined by Langley et al (Langley et al. 1995), which takes into account domestic and external pressures as well as unpredictable events. Using this wider definition of decision-making, adoption is important, but only one of many steps of decision-making that involve informal procedures of iteration even after a policy’s definitive adoption. After the government’s final adoption of e-prescription, there were several extra steps of decision-making that involved informal iterative procedures. Such steps belie a legalistic approach and represent a key example of embedded informal procedures potentially thwarting reforms. These are consistent with one the most complete accounts of Greek non-implementation justifications (Sotiropoulos 2012).

Section four gauges the Troika’s impact on core executive decision-making on the policy and summarizes empirical findings. The overall conclusion is that when a national core executive uses a powerful external agent as simply a “consultant” in its decision-making and maintains policy ownership, it can drive change even where previously difficult.

II Theoretical framework and argument

As the paper considers how an external institution, the Troika, can affect national decision-making institutions, it uses the lens of New Institutionalism. Specifically the paper’s theoretical framework considers the value of using Historical Institutionalism (HI) and Discursive Institutionalism (DI) together to examine how previous discourses, instruments or procedural legacies might continue despite - or be abandoned because of - the radical shock of Troika influence. These strands of Institutionalism provide the
definition, scope, context, and method, all of which appear appropriate to this real-world case. The combination of HI and DI highlight certain variables to consider in the scope of national decision-making under the pressure of external institutions in the context of a crisis. These are origin of institution, path dependent characteristics, critical junctures, norm entrepreneurs, and discourse, which cover both formal and informal institutions.

Following HI and DI concepts, the case illuminates how decision-making systems actually work by drilling down into these formal and informal institutions. The paper considers instruments (for transparency), procedures (who decides on or can influence e-prescription), norms and traditions (ministerial standard operating procedures) and the use of narratives (for domestic audiences encompassing popular demands).

Historical Institutionalists (HI) see institutions as conditioning the behavior of members, thereby potentially leading to continued practice based on tradition. HI advocates consider that a country, organization, process or policy is likely to lock itself into a particular path once it has started, by defending the status quo and following decision-making patterns that it used to arrive at it (Peters et al. 2005:1276). An example of this is when a government attempts welfare reform in a way that key interest groups force backtracking by industrial action. The fact that these interested parties managed to roll back reforms in such a public way gives pause to any future minister or government wishing to propose even modest measures (interviews 2, 3, 4, 6, 8). Schmidt and Thatcher (2014) argue that path dependence can also take place with ideological prescriptions such as neo-liberalism. Neo-liberal discourse can also become entrenched because when political actors accept it, they are not only committing themselves to action, but also constraining the ideas, discourse, and action of their successors. Schmidt and Radaelli (2004: 184) argue that “discourse encompasses not only the representation of ideas but also the interactive processes by which those ideas are conveyed.” As such, discourse has a distinct purpose in the process of policy construction and political communication by focusing not only “‘what is said’ but also ‘who said what to whom, where and why’” (Schmidt & Radaelli 2004:184). DI enables the consideration of how important ideas have been used as an instrument of change in e-prescription from a norm entrepreneur to the rest of the Government.
There is a growing body of literature on how national health policy-making in Europe is evolving along path dependent lines, even in light of austerity measures (Greer et al. 2016; Vollaard & Martinsen 2016). The development of national health policy in Europe, once fragmented and indirect, has been driven by single market concerns and now austerity surveillance of national budgets. Another body of literature has discussed the shortcomings of Greek decision-making on health and its national health system (Ballas & Tsoukas 2004; Mossialos et al. 2005a; Nikolentzos & Mays 2008; Altanis et al. 2008; Economou 2012; Goranitis et al. 2014). Another important body of literature puts the above policy-making literature into a wider context using Historical Institutionism to shed light on: the role of national actors and institutions on reforms (Oliver & Mossialos 2005; Nikolentzos 2005; Davaki & Mossialos 2005), the path dependent nature of procedures and instruments (Tinios & Lyberaki 2012; Featherstone & Papadimitriou 2015) and procedural/administrative legacies (Spanou 1996; Spanou & Sotiropoulos 2011; Sotiropoulos 2012; Featherstone 2015; Featherstone & Papadimitriou 2015; Spanou 2015), which have largely continued despite pressures from Europe to modernize. Since the Troika arrived in 2010, some academics (Ladi 2014; Exadaktylos & Zahariadis 2014) have demonstrated the Troika’s influence still has not managed to push the Greek institutional system to reform radically. To understand the magnitude of the challenge, the case study starts with the strength of path dependence of earlier processes, instruments, institutions and discourses, or perhaps more appropriately rival discourses on the state of Greece’s national health system.

In addition to considering path dependent structures, Pierson also recommends the use of longer temporal horizons to account more effectively for important slow-evolving transformations (Pierson 2004). Slowly changing informal practices are often not accounted for in snapshots in time yet may form key explanatory factors. That history matters is central to the argument; thus the paper considers how institutions such as national health systems were set at their origin and how they evolve at critical junctures. The paper examines a three year period of reforms on e-prescription, but is enriched by Historical Institutionalist examinations of Greece that link today’s informal traditions of decision-making and administration to historical periods that created a Greek variant of the Napoleonic tradition (Spanou 2008; Spanou & Sotiropoulos 2011). In this way, the paper adopts a Piersonian notion of the need to account for longer temporal horizons.
Intertwined with path dependence is the concept of critical juncture as a signal for change. Critical junctures such as the debt crisis are a principal reason the paper uses Historical Institutionalism. They can occur to policies, institutions, discourses and even processes. According to Hacker (2002) these critical junctures are “rare moments of dramatic change that send countries or policies down distinctive tracks” and include exogenous shocks such as major economic crises (Hacker 2002: 58-9). Pierson claims that most policy and administrative reforms take place at critical junctures (Pierson 2000b; Pierson 2004). The case study answers questions such as: what was the path trajectory that doctors’ prescriptions were on prior to the critical juncture, and for e-prescription, was the crisis or the Troika’s arrival the precise critical juncture?

HI has an important weakness in how it accounts for change. It does account for incremental, evolutionary change, and Streeck & Thelen (2005) describe this mechanism of change when new arrangements are simply added to older ones thus preserving the core objectives (Streeck & Thelen 2005). Layering has been demonstrated in the literature on the Greek public sector (Lyberaki & Tinios 2014; Zahariadis & Exadaktylos 2014). Yet by itself it cannot adequately predict greater change, as in what happens at critical junctures (Davaki & Mossialos 2005: 144-5) or change after critical junctures such as the crisis, which is described in the empirical section.

For this reason, HI is combined with DI to see whether this addresses the abovementioned weakness. Schmidt (2008; 2010) contends that norm entrepreneurs follow a logic of communications that can inject more dynamic change into institutions by employing discourse. Regardless of the origin of these discourses, these individuals become adept actors capable of manipulating institutions even from within. Even the firmest of rules appear malleable in the hands of individuals skillful at discourse. DI’s norm entrepreneurs (Capoccia & Kelemen 2007 refer to these individuals as “strategic actors”) build visions and work to “condition people to see the world in the way” they do (Schmidt 2008: 316). Using the DI toolbox, the case study considers how important ideas and discourse were used as an instrument of change in e-prescription, particularly the executive’s use of the Troika as a narrative.
A second essential component of DI is the acknowledgement that without the power of discourse used by the norm entrepreneur, the institutions involved in decision-making will not be receptive to reform. Such receptivity has been explicitly recognized to be an issue in Greece (Sotiropoulos 2012: 5). The paper draws from this essential DI building block that ideas alone do not make change (Lieberman 2002); and institutional policy-making systems often require considerable efforts by norm entrepreneurs to effect change. DI concepts such as norm entrepreneurs who expend resources to drive change are consistent with HI concepts, maintained by Capoccia & Keleman (2007:351), Pierson (1996), and Béland & Hacker (2004:47).

Historical Institutionalism is combined with DI to consider limits and opportunities felt by decision-makers and the way they construct narratives to drive change. DI focuses on the flexibility and potential of norm entrepreneurs’ narratives in framing decisions and HI focuses on analyzing a broad norm-oriented, socio-political context. It is hoped that combining key HI and DI elements can explain important aspects of decision-making on e-prescription, namely: without the crisis opening the door to e-prescription as a solution to fix overprescribing, the policy never would have progressed (interview 6); and the leveraging of ‘crisis as an opportunity’ narrative by specific decision-makers to enhance their strength.

Sequence of events and argument

The paper attempts to explain how the Troika impacted Greek core executive decision-making on e-prescription. To do this, more precision is helpful, namely, which parts of the core executive does the Troika influence? The sequence of steps leading to the final decision on e-prescription within the Greek government is the focus because it is at that point when executive decision-makers have the authority to commit to a specific course of action making it official and authoritative. The scope does not include later steps such as debate and agreement at the Parliament or various stages of implementation, as these could only be evaluated much later. The main question of interest here is the Troika’s level of influence on the core executive.

To evaluate the Troika’s influence, it is crucial to begin with an understanding of how core executive decision-making operated in Greece prior to the Troika arrival. Lijphart
(1999) observes that Greece’s formal core executive features a particularly strong executive in its autonomy of power. Formal executive autonomy signals that when an executive wants a particular policy, little can be done to stop it. The Greek executive’s *de jure* strength and autonomy is most comprehensibly covered by Featherstone and Papadimitriou (2015), who then demonstrate the enormous paradox that the formal and informal structures supporting the executive actually undermine its power in practice.

To further dissect the possible Troika influence, it is first necessary to determine the aspects of decision-making that are considered. Given the complexity of the process, core executive decision-making is considered a compound variable. The model of compound variables used is outlined in Exadaktylos (2010), breaking the process into four contributing components: actors/institutions, procedures, discourses/ideas and instruments, all interacting inside of an institutional system that involves domestic and external pressures. This is consistent with the Hassenteufel model\(^1\) (cited in Clavier & de Leeuw 2013) that argues to understand health policy developments, scholars need to consider the broader picture through these same four dimensions. Thus change could be seen in any of these components. Significantly, the definition of institution adopted is described by Hall & Taylor (1996: 938) in combination with Pierson (2000), to include formal and informal institutions, procedures, norms, ideas, policies, orientations and conventions that have become routine. This allows the consideration of both formal and informal institutions including not just rules but informal discretionary understanding, even discourse about those rules. The extension from the formal into the informal working of institutions is central to the argument, as it allows the exploration of the “use of the Troika.”

Location of the possible aspects of change leads to a consideration of the role of the Troika in theory. The Troika was originally set up – in lieu of any existing crisis institution – as an ad hoc arrangement, from a “Heads of Euro Area State and Government” Statement in 25 March 2010 (Gros 2015:1). The Statement called for a mechanism to provide rescue funds coupled with “strong conditionality” (Euro Heads of State and Government 2010:1). The Statement asserts that Eurozone member states “reaffirm” willingness to take “determined and coordinated action, if needed, to safeguard financial stability in the euro area,” and that the objective of the pooled mechanism is to “set

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\(^1\) Hassenteufel 2008
incentives to return to market financing as soon as possible” (Euro Heads of State and Government 2010:1). In other words, the Troika arrangement was conceived as a temporary measure to help countries requesting assistance; yet the focus was always clearly on ensuring the survival of the Euro. The Troika’s mandate is “formulating and monitoring the implementation of policy changes that are the price for bailout loans to the crisis-ridden governments,” that required the assistance of the IMF on top of European institutions (Greer 2014: 52). In this sense, the Troika represents a supranational institution deliberately moving from the sidelines into the core executive of a member state. The intention is to impact strategic policies of government (Tinios & Lyberaki 2012: 14).

In so doing, the Troika used an informal process until formal arrangements were agreed (May 2013), which are described in a document submitted to the European Parliament (Commission 2013). Once a member state requested financial assistance, the Eurozone Member States and European Commissioners mandated a representative to work with the ECB and where appropriate the IMF, to prepare a draft programme which then forms part of the Memorandum of Understanding (Best 2016: 96). The representatives of these three main institutions – the Commission, the ECB and the IMF – formed the Troika, which converted the draft programme into a Memorandum of Understanding (MOU) through negotiations with the national finance minister. The MOU was then agreed with the core executive plus the national central bank. At this stage, the Commissioners, Council (Eurozone ministers voting), ECB and IMF from the lender side and parliament and governor of the national bank from the national side approved the agreement (Commission 2013:3). After agreement, Troika representatives with relevant expertise visited the country to audit progress regularly. Progress was measured not only on fiscal targets, but on structural reforms aimed at “improving competition to drive economic recovery;” and Troika members sign off on progress before each loan instalment disbursement (Koukiadaki & Kretsos 2012: 282).

According to the literature, the Troika is supposed to set the agenda for what is within scope of the negotiation; assess the country-in-need’s financing and reform situation; develop and drive conditionality arrangements; suggest and assess policy options; and monitor compliance (Bauer & Becker 2014). In practice, the level of negotiating power

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2 For Greece, this was 23 April 2010.
of each country in question differs and contextualizes the perception of its margin of maneuver, and respective role played by each side in negotiations (Simitis 2012; Stournaras 2014).

In at least initially accepting the objectives of the Troika and the MOU, the next question to consider is: how should national core executives interact with the Troika? This is particularly significant given the Troika’s informal status. The study concurs with Hodson who considers the Troika’s role “controversial” particularly as it has become “central to the EU’s crisis-management framework” (Hodson 2015:188). Yet, according to Hodson (2015), it is very much the national core executive which is supposed to drive negotiations on the specific conditions (Hodson 2015:188).

In practice, the core executive at this point is faced with the question: will it follow all recommendations coming from the Troika? The Commission claims “the concerned Member State, confronted with the lack of market access, in effect recognizes that there is a range of adjustment needs” and thus feels compelled to follow the lines of the “strict conditionality” (Commission 2013: 1-2). Yet there may have been a discord between the expectations of the Commission representing the creditors, and the beneficiary governments, which may have perceived more room for maneuver. If the national executive does not want the country to default on loans, given the conditionality, overall it is expected to follow the general lines of the recommendations. If it wishes to diverge from these, it is expected to develop national alternatives (Breuer 2014:37m) and demonstrate how these lead to the same objectives under the same timeline.

Given the above conditionality, the case study examines if the core executive has changed its decision-making with Troika’s arrival. This is examined through changes to any of the four contributing components: actors/institutions, procedures, discourses/ideas and instruments. The unpacking of decision-making into four interacting components is considered through the sequence of a decision-making process. The decision-making process followed in the case study is the “Organizational Decision Making as Iterative Sequence” model (3) outlined by Langley et al (Langley et al. 1995). It was chosen because it takes into account pressures decision-makers face from domestic and external pressures including new decision participants like the Troika or conflicting/ambiguous goals as within the Cabinet. The model begins with a problem
to be addressed and allows for unpredictable or iterative events or new decision participants to intervene, forcing decision-makers to expend effort to keep control of the agenda and policy programme.

In considering the above components, the case study determines if the involvement of the Troika in decision-making changes the ownership of the decision. Ownership is defined as “a willing assumption of responsibility for an agreed program of policies, by a borrowing country [with] responsibility to formulate and carry out these policies, based on an understanding that the program is achievable and is in the country's own interest” (Kosack et al. 2004: 20).

Simple decision-making sequence

The below flowchart outlines steps of how a country and the Troika interact at the initial, macro level of negotiations. It helps illustrate where the Troika could influence the process, narrative and justification, and whether these directly or indirectly impact the actors or institutions involved both at overall level and at the level of a particular policy.
Through the above sequence, it can be understood that the Troika could influence at least some aspects of core executive decision-making through impacting the narrative, justification and policy choices. This is because the Troika indirectly conditions the scope of maneuver and strategy of actors and institutions involved. It creates a set of conditions under which decision-makers operate – meaning the degree of freedom that the core executive has in terms of deciding the best course of action, based on existing process/practices and policy traditions. Thus the Troika does not necessarily influence the actors themselves directly. This is because national actors have the right to disagree with and oppose the new operating environment of decision-making, either as a government or even a minority voice within a government (i.e. Katseli as quoted in Tinios & Lyberaki 2012). The case study presented below demonstrates how a decision-making sequence needs to include unpredictable events, addition of new decision participants, extra feedback loops and other iterative procedures to reflect real world conditions such as those facing Greek decision-makers on e-prescription.

III  Research design and methods

The paper investigates the institution of core executive decision-making in the country before and during the early stages of the crisis to determine if it has changed with the Troika’s arrival on e-prescription. Bringing together the New Institutionalist framework, the paper leverages comparative methods that have been tested and led to successful
outcomes. The paper’s novelty is the material gathered by elite interviews and the use of DI to complement HI. For this reason, the methodology is straightforward, using de jure documents for how decisions are (supposed to be) made. Additionally, a range of sources provide the de facto context: literature, press statements and articles, and elite interviews.

**Process Tracing and Elite Interviews**

Research reveals that much of the executive decision-making process on e-prescription is lacking in written documentation. The paper therefore features elite interviews to gain eye-witness perspectives of the national decision-making process over three e-prescription periods, and draws on process tracing to analyze the empirical material. As a method, it is often used by Discursive and Historical Institutionalists amongst others to trace a case study over time to examine the most important factors at play (Schmidt 2008). It enables the examination of decision-making not as a series of independent events but as a chain of inter-connected events, linked in a meaningful way (Pierson 2004). Using process tracing, the case study highlights the specific contribution of the Troika by going up from the domestic level to the Troika to see where the major change comes from empirically.

In this sense, findings should demonstrate how Greek decision-makers used the Troika and were affected by it, through considering potential critical junctures such as ideational change when a new Government started with different views on how to restructure health policy, a Prime Ministerial-led meeting to raise e-prescription to the top of the government agenda, and Troika intervention. It considers the influences behind changes to the process of decision-making, choices on particular instruments and discourse. It should additionally reveal if Greek decision-makers played policy entrepreneur mixing appropriate discourses to motivate change through the complex political-institutional system.

Bennett and Elman write that process tracing demands “due attention to the potential motivated and informational biases of each source” including interviewees (Bennett & Elman 2007: 183). Reliance on elite interviews carries certain methodological challenges, and the author has tried to retain a critical eye to the motivations of those interviewed and has corroborated information with other sources.
The aim is to “obtain information about well-defined and specific events and processes,” thus, the “most appropriate sampling procedures are those that identify the key political actors that have had most involvement with the processes” (Tansey 2007: 2). Elites chosen for interviews were therefore drawn from the decision-makers most relevant to e-prescription including former Prime Ministers, Ministers, advisers, Ministry officials and Troika representatives. Three of the ten selected interviews furnish essential information on earlier reform efforts, the origin of e-prescription efforts and resistance to them; two for eye-witness testimony on the importance of e-prescription; and five gave insider perspectives on negotiations within the respective sides.

**Expectations**

Using e-prescription decision-making in Greece provides an ideal laboratory for studying the Troika’s true influence on executive decision-making in the crisis. The paper concentrates on a national health policy because the Troika focused on the significant opportunities for cost rationalization in health care (Goranitis et al. 2014). This particular health policy, e-prescription, was selected for study as a policy considered non-contentious by interview participants, thereby allowing deep examination. E-prescription, offers prospective cost saving, a decrease in prescription errors, improved efficiency and little workflow disruption; thus is considered a potential win-win (Hahn & Lovett 2014). While the issue on the surface appears uncontroversial, under closer inspection, it is synergistically linked to wider, important issues of ethical and political interest (Consoli 2006:533).

The outcomes are then compared and assessed for whether the determining factor is the way in which the executive used the Troika to proceed with the reforms. Keeping in mind the four compound variables of decision-making: actors/institutions, procedures, instruments and discourses/ideas, change could be seen in any of these components in the case study, or not at all. The policy process can produce: i) inertia, retrenchment or an unclear finding; ii) weak or incremental change; or iii) strong change (a variation of the Héritier 2001 framework, as used in Exadaktylos 2010). Variation on any of these components illustrates the Troika’s impact.
The paper expects that when a country uses an external agent as ‘consultant’ in its policy-making, it maintains control and ownership of the fundamentals of policy reform. When a country offloads decision-making to an external agent, it effectively withdraws control and ownership of those fundamentals, vastly complicating reform efforts. The paper therefore investigates the following expectations:

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<td>1</td>
<td>when a national core executive uses a powerful external agent as a ‘consultant’ in its decision-making process, it accepts change and maintains policy ownership</td>
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<td>2</td>
<td>when a core executive ‘offloads’ decision-making onto a powerful external agent, it withdraws control over its decision-making process (by definition restricting its decision-making power), thus also limiting its decision ownership</td>
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<td>3</td>
<td>the greater the distance between the formal measures to be taken from informal practices (i.e. policy-making including ‘offloading’), the lower the feasibility of the national actors to initiate the points of agreement</td>
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To explore these, the paper outlines how core executive decision-making worked on health policy before the Troika arrived. Subsequently, a sequence of questions and sub-questions are asked on the Troika’s influence including the intended role of the Troika, expectations on national interaction with the Troika, and how the Troika’s involvement impacts national ownership. If the core executive is able to use the Troika as an external agent rather than an external decision-maker obliging reforms, it maintains ownership. If it relinquishes ownership by using the Troika as an external decision-maker, this increases the power of traditional informal processes of decision-making that have become embedded.

Relevant decision-making hurdles in the literature (Bardach 1977; Bardach 2010:43) include: long delays; the ambivalence to legal or procedural precedent; public administrators’ discretion in interpreting legislation; scandal from abuse that undermines political support, such as stakeholders nominally supporting legislation until the government attempts to implement it, then holding extended strikes. The case study below demonstrates if any of these occurred on e-prescription.
IV Empirics: breaking entrenched practices

Emboldened by the opportunity of the crisis, Greek decision-makers attempt to break institutionalized practices of stakeholder reaction hindering reform by strategically using the Troika on e-prescription. This section reveals the way they managed this, and why. The process is divided into three successive stages, two of which occurred before the Troika arrived and one after to isolate differences and identify the “Troika effect.”

Tracing the roots of Greece’s e-prescription back to the origin of its particular path (Pierson 2000a:264), points to attempts to change doctors’ prescribing behavior through national legislation and e-health initiatives. Beginning with legislation, controlling public pharmaceutical expenditure was attempted by many governments, yet never fully implemented (Davaki & Mossialos 2005; Liaropoulos et al. 2012:54). In 1996, the Health Minister mobilized Prime Minister Simitis’ active (Fairclough 2000) ‘reform through managerial’ discourse (interview 1), to pass legislation featuring a mix of measures (a positive list, pricing controls) which delivered expenditure controls. Yet within two years, pharmaceutical expenditures began to rise again (Contiades et al. 2007:120). Under the same leadership discourse, another major attempt was made in 2000-2, when the then-Minister attempted to introduce electronic controls to the National Health System (NHS) including e-prescriptions. These were abandoned when the Minister resigned (interview 2, 3); yet by then, he had managed to get other measures adopted including professional management structures, prospective reimbursement and centralized procurement. These were abandoned in 2004 with a change of government (Economou 2010; xvi). The incoming Conservative Government returned the management structures (to political appointees) and adopted an expenditure control system (reimbursement on recovery price); yet other laws aiming to contain costs, and introduce a computerized accounting system were “totally neglected” (Economou 2012:51).

E-health initiatives (EU Structural funding in 1994-1999 and 2000-2006) featured actions “limited to the planning level” (Souliotis et al. 2013:312), which were mainly used to introduce computers into hospitals (interviews 2, 4). During the 2004-2009 Government, the Ministry launched e-prescription projects designed to strengthen technical aspects and build acceptance of concept. Yet, they were not scaled up to national level, nor developed into national e-prescription plans (Doupi 2007). In short, prior to 2009, the
adoption of electronic systems like e-prescription was “exceptionally slow” (Souliotis et al. 2013:312).

As a result, hitherto 2009, physicians mainly prescribed pharmaceuticals and diagnostic tests with handwritten paper prescriptions (Souliotis et al. 2013:312), which were largely untraceable and un-analyzable. This was consistent with operational procedures of the broader NHS, widely recognized as inefficient (Mossialos et al. 2005), fragmented in both decision-making (interviews 2, 4, 5, 6, 8) and in delivery (Altanis et al. 2008), extensively informal and socially regressive (Souliotis et al. 2015; Economou et al. 2015). The resulting prescribing trends are clear. Between 2000 and 2009, the country’s health budget deficit\(^3\) reached 50 billion Euros, a sizeable portion of which was public pharmaceutical expenditure (Kaitelidou et al. 2016).

According to academics and insiders, the process of health decision-making and implementation reflected the strength and tactics of interest groups, which disincentivized members from acting in the common good (Davaki & Mossialos 2005). When structured dialogues were held, as in the package of health reforms under Simitis, stakeholders voiced little concern. Yet when the Minister acted to apply the legislation, coordinated resistance was applied at many levels\(^4\). This resulted in many Government Ministers and trade unions of civil servants and hospital doctors pressuring the Prime Minister to withdraw his support (Davaki & Mossialos 2005:163). The long term consequence is most subsequent ministers were dissuaded from attempting genuine reforms (interviews 2, 3, 4, 6, 8). Nevertheless e-prescription was not designed to address all weaknesses of the NHS, called ‘Esy’ in Greek (pronounced like the word ‘you’). It aimed to combat fraudulent prescribing (Yfantopoulos 2013) and encourage transparency throughout the system, without which reliable data could not be produced to inform future policy (Liaropoulos et al. 1998:580).

Table 1: Summary of e-prescription first period: September 2008 - October 2009 (pilot projects)

<table>
<thead>
<tr>
<th>Component</th>
<th>Summarizing activity in relation to e-prescription</th>
<th>Strength and</th>
</tr>
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\(^3\) When a health budget runs a deficit to cover expenses.

\(^4\) Professional managers placed at regional health departments were challenged by trade unionists, doctors and health care workers joined protests and strikes, and private television news broadcasts filmed cockroaches and cats in operating rooms that appeared before cameras (interviews 2, 3).
A strong critical juncture for e-prescription came in October 2009 with a change of Government embracing a pro-active vision on how to restructure health policy and tackle health care fraud. In an early cabinet meeting, Prime Minister Papandreou signaled his government’s dedication to e-government initiatives including e-prescription (interview 6, 8), describing its promise to “bring transparency and to challenge” hitherto bad governance (Papandreou 2015:245). The premier played norm entrepreneur-in-chief, articulating the Government’s ideational strategy on e-prescription. From that first discussion, Ministers considered the policy a given and none voiced any resistance (interview 6, 8).

As the crisis deepened, e-prescription’s imperative mounted, and progress checks were folded into regular meetings of Ministers including bilateral meetings of the Labor Minister and the Health Minister as well as other meetings with the Finance Minister, often with participation of the Prime Minister’s Office (interview 6, 8). When crisis events became unstable, a decision to accelerate deployment was taken, simultaneously with an ideational turn. Subsequently e-prescription was promoted as “technologically simple” and “unavoidable” (Vassilakopoulou & Marmaras 2013:8).
This adjustment explains why there was less resistance expressed than other e-governance or cost-cutting measures. There was still resistance, but the narrative became technical, about an indisputably-needed system.

Table 2: Summary of e-prescription second period October 2009 - May 2010 (policy planning)

<table>
<thead>
<tr>
<th>Component</th>
<th>Summarizing activity in relation to e-prescription</th>
<th>Strength and Position on e-prescription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors and institutions</td>
<td>Prime Minister presents e-prescription at early Cabinet meeting, securing ministerial support and launching best-practice drive. Wider involvement began across public and civil society actors and institutions.</td>
<td>Strong change, positive</td>
</tr>
<tr>
<td>Process</td>
<td>Policy initiative coordinated by Ministers, involving civil society (primarily policy and technical), with occasional participation of Prime Minister's Office. Various instruments follow different processes (political, policy technical) under regular coordination. From December 2009, policy wrapped together with other crisis instruments to ensure speedy development.</td>
<td>Strongly managed, positive</td>
</tr>
<tr>
<td>Instruments</td>
<td>Policy features overall strategy and component parts such as: best-in-class technical solutions requiring international tender, testing and coordination and multi-step implementation (extensions to other functions). From December 2009, wrapped together with other immediate-delivery crisis instruments, until decision to streamline first stage of implementation. Renewed focus on core system for earlier delivery.</td>
<td>Strong, positive</td>
</tr>
<tr>
<td>Discourse</td>
<td>Pro-actively integrated into new governance strategy at highest level, describing its promise to “bring transparency and to challenge a governance system that had been captured by powerful interests” (Papandreou 2015:245). From December 2009, swept up in crisis developments, became promoted as “unavoidable” and “indisputable” (Vassilakopoulou &amp; Marmaras 2013:8).</td>
<td>Strong change, positive</td>
</tr>
</tbody>
</table>

The strongest critical juncture occurred with the inclusion of e-prescription into the Memorandum of Understanding (MOU) of 2 May 2010. In MOU negotiations, Greek decision-makers agreed to insert all measures, including those already undertaken or planned by the Government such as e-prescription to define check points and commit to time schedules for achievement (interview 4, 5, 6, 7). The shock of the critical juncture occurred with regular reviews. Troika officials visited Greece 26 July-4 August for the first health review with Ministers, Secretary Generals and relevant stakeholders.

5 Interviewees (2, 3, 4, 5, 6, 8) indicated the main groups were doctors, pharmacists and authorities of various levels.
Progress was scrutinized on all related measures, including e-prescription details. The visits connoted a new institution was auditing the progress of top national decision-makers. No national decision-maker or institution was sidelined during “visits”, nor were any instruments or processes recommended by the Troika on e-prescription (IMF 2010:47). Nonetheless, the pressure of inspection set a new path of austerity philosophy and pace for e-prescription. By this juncture, disquiet amongst Cabinet Ministers started suggesting discursive contestation surrounding the reform: was e-prescription and other reforms the right thing to do versus those who felt reforms were imposed (interview 6).

Operational meetings continued apace, and were undisturbed when the Labor Minister was transferred to Health and Social Solidarity one month later. Whilst this consolidation could have affected health policy, it did not affect e-prescription, as the entire team working on its development was transferred to the Health Ministry. A few weeks later, the Government approved the first phase of e-prescription legislation. A few days hence, the Greek Parliament approved the legislation on 4 November (3892/2010).

Table 3: summary, e-prescription third period May-November 2010 (policy finalization-adoptions)

<table>
<thead>
<tr>
<th>Component</th>
<th>Summarizing activity in relation to e-prescription</th>
<th>Strength and Position on e-prescription</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actors and institutions</strong></td>
<td>Troika enters, “visits” ministers, officials, stakeholders (July 26-August 4 and again in November), renewing pressure. Trials launched and extended to all major social security funds. New e-prescription institution announced (IDIKA).</td>
<td>Strong change, positive</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>National leaders place e-prescription in MOU; Troika’s “visits” accelerate e-prescription progress (into next stage). Finance Minister’s office coordinates progress of final projects leading to adoption of first stage e-prescription October by Cabinet. Adopted by Parliament November. Administrative decrees adopted without delay; top Ministerial officials personally delivered them to secure urgent publishing in Government’s Official Journal, streamlining normal procedures.</td>
<td>Strongest change (most strongly managed), positive</td>
</tr>
<tr>
<td><strong>Instruments</strong></td>
<td>Final projects secured in major social security funds. Troika presses for uniform system, and urges e-prescription advances, to already implement later-planned measures such as promoting generic use</td>
<td>Strong, positive</td>
</tr>
<tr>
<td><strong>Discourse</strong></td>
<td>Reflecting deep crisis, Health Minister uses discourse quantifying 840 million euros to be saved by implementing technical measures including e-prescription that changes &quot;long embedded attitudes&quot; (Loverdos 2010). Government drops language suggesting “innovation” for &quot;simple” technical.</td>
<td>strong, positive</td>
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Evidence illustrated the imperative Greek decision-makers felt to break entrenched practices by placing the requirement for e-prescription into the MOU. They did this by consciously using the Troika’s pressure to accelerate developments. They also shifted their discourse from good governance into an indisputably-needed technical solution.

V Analysis: gauging the Troika’s impact

Evidence illustrated above that during the first e-prescription period, institutions took advantage of European initiatives to embark on local and regional projects but failed to gather momentum. Projects did not secure high-level support to be converted into national policy. While this period slightly pre-dates the Troika, it is instrumental in showing the pace and level of e-prescription activity while the warning signals about the country’s economy were beginning to sound.

The second e-prescription period began with the premier heralding it as part of e-government initiatives to bring Greece into a new era of transparency and good governance. This ensured support from Government Ministers. Yet e-prescription subsequently got swept up in the Greek crisis events. The growing pace and intensity of cross-Ministerial meetings on top of Ministry meetings demonstrated that Greece’s deepening crisis was pressuring faster progress.

The third stage began with Greek decision-makers placing e-prescription into the MOU to drive forward and track developments more vigorously. The Troika did not alter instruments or the justifications used to promote e-prescription, nor did it sideline national decision-makers. The only Troika pressure national decision-makers felt was the crisis-related timing, and crucially, they used this pressure to accelerate the pace and streamline the policy to its core. The overall conclusion therefore is that when a national core executive uses a powerful external agent as a “consultant” in its decision-making and maintains policy ownership, it can drive change even where such reforms proved previously difficult.

Following developments on e-prescription provides another conclusion on the philosophy of austerity. Perhaps the strongest reflection of the new path of austerity
philosophy\textsuperscript{6} and pace began with the IMF’s Second Review (IMF 2010b). It follows the November 2010 audit and it included more detailed requirements than the First Review. By the Third Review of February 2011, the requirements grew into very detailed measures (Simitis 2012:84). These required the system to include: compulsory e-prescriptions by active substance, pharmaceutical costing and other generics measures (IMF 2011:98). Pushing forward later measures became part of the Troika’s plan in a path dependent spirit.

Future research should consider whether this path dependent lock-in of austerity philosophy continued beyond the first months of the Troika’s presence. Additionally, it would be interesting to consider whether this lock-in feature led to a change in the national norm entrepreneurs, or led Greek decision-makers to consider representatives of the Troika assuming the role of norm entrepreneurs or decision-makers.

One limitation of the paper is that it did not include later stages of e-prescription leading to the next stage of legislation (2012) that added abovementioned key components for greater effectiveness. Future research should investigate if the same high level of core executive drive and speed continued. Without that level of commitment and resources assigned to it to ensure implementation is sustained, e-prescription might fall foul of reform fatigue.

\section*{VI Conclusions}

Greece has a well-known intractable politico-institutional system. Where Greece has not reformed sufficiently, it is due to the presence of informal procedures in decision-making that have become institutionalized in practice, whether this is protests to oppose reforms or claiming that including personal data (i.e. birthdate) in the e-prescription system is against the constitution. Indisputably, the crisis raised people’s fears of losing livelihood and quality of life, as changes were announced and implemented expeditiously.

\textsuperscript{6} Austerity philosophy is of course not new. According to one academic: “The EU from 1986 insisted on austerity programs in the run up to the Maastricht Treaty of 1991” (Carpenter 2003:263).
Nevertheless reform did materialize on e-prescription. While initially it appeared difficult to disentangle the “Troika effect” on e-prescription, as separate from other influences, Greek decision-makers’ insertion of it into the MOU solved the riddle. By the third e-prescription period, Troika pressure was leveraged to streamline work, promote the system as technical, and accelerate delivery. National core executives leveraged a powerful external agent, the Troika, for how it could help achieve reforms already envisaged but had previously proven difficult. With e-prescription, decision-makers used the Troika and delivered cuts in pharmaceutical prices. The system enabled transparent tracking of prescription purchases, and cut subsidies by 50 percent, saving €2.5 billion in government expenditures (Gardels 2015).

The decision on how to reform and maintain ownership definitively rests in the hands of the national core executive. While a competing discourse inside the Cabinet was beginning to show, e-prescription managed to keep its legacy as a policy that Greece designed and owned. As a result, the Troika may have influenced some aspects of core executive decision-making – namely the speed of the process – but this was expressly by design: not by the Troika but by the Greek Government.

**Interviews**
Conducted in Greece or by phone

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<tr>
<td>1</td>
<td>Former Prime Minister</td>
<td>January 2016</td>
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<tr>
<td>2</td>
<td>Former Health Minister</td>
<td>April 2016</td>
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<tr>
<td>3</td>
<td>Adviser to former Health Minister</td>
<td>March 2016</td>
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<tr>
<td>4</td>
<td>Adviser to former Health Ministers</td>
<td>April 2016</td>
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<td>5</td>
<td>Adviser to former Health Ministers</td>
<td>February 2014</td>
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<tr>
<td>6</td>
<td>Adviser to former Health Minister</td>
<td>April 2016</td>
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<tr>
<td>7</td>
<td>Adviser to former Finance Ministers</td>
<td>April 2015</td>
</tr>
<tr>
<td>8</td>
<td>Former high-ranking official of the Health Ministry</td>
<td>April 2016</td>
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<tr>
<td>9</td>
<td>High ranking official within Troika</td>
<td>June 2015</td>
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<tr>
<td>10</td>
<td>Commission Official</td>
<td>November 2015</td>
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