

ESSAYS ON CONTEMPORARY PATRONAGE, PUBLIC ADMINISTRATION, AND REFORM

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Overview of Manuscripts

In total, the thesis comprises three manuscripts that have been produced by the author alone. The papers have received comments and feedback from my supervisor, Dr. John Bartle. The last paper in the thesis has also been reviewed by Dr. Daniel Berger and Dr. Marius Radean. An outdated version of the first paper has been reviewed by Dr. Marius Radean. I confirm that the work is entirely mine together with all errors and omissions.

Paper One: *Did your Predecessors Decentralise Power? A Cross-sectional Study of Power Division at Independence and Contemporary Merit in Public Administration*

In paper one I look at the roots of patronage in contemporary public administrations by investigating the degree of decentralisation and power-sharing at the time of a country's independence.

Paper Two: *Bureaucrats as Regulators of Statistical Information; the Importance of Merit*

I turn into the implications of patronage by investigating the effect of non-meritocratic employment in civil service on the level of statistical reporting to prominent international databases.

Paper Three: *Politicisation in Public Administration During Economic Downturn; Evidence from Crisis-Ridden Greece*

I conduct elite interviews to explore the role of the debt crisis in transforming the characteristics of patronage employment and promotion in the Greek public administration.

Paper Abstracts

Paper One

Contrary to earlier expectations, patronage has not declined in spite of economic and social development. Previous studies have discussed mechanisms through which patronage survives and falls. However, little attention has been paid to the importance of decentralisation of power. Through a cross-sectional analysis, I show that the extent of power devolution when states are granted with independence is strongly and significantly associated with perceptions of meritocracy in public administration of given countries in modern times. I discuss that this is possible due to the inherent properties of decentralisation to accommodate heterogeneity over preferences, resolve friction, veto bad policy, and enhance information and scrutiny.

Paper Two

Statistical information has been an important aspect of government transparency, in recent years. The release of credible quantitative information can be the target of political pressure, as incumbents face incentives to misreport or conceal. If transparency matters for political outcomes, the release of information can boost or harm the incumbent in power, when citizens, political allies, and challengers evaluate it. Data production is the responsibility of organised statistical agencies that belong

to the public administration. I argue that the extent of meritocracy in recruitment of public administrators can insulate from pressures to conceal statistical information. Bureaucrats selected upon merit can be thought as candidates that are better and more suitable for the job. In addition, when rules determine who is selected, appointed individuals are less willing to reciprocate favours as are free from patrons. I find evidence supportive of this arguments in a cross-section of countries. I stress, however, that the result should not be viewed causally as further research to establish exogeneity, is required.

Paper Three

What is the impact of fiscal consolidation and austerity politics on the politicisation of public administration? I draw evidence from elite interviews in Greece to address the direction of the changed patterns of patronage strategies since the beginning of the debt crisis in 2010. The use of patronage employment has been reduced overall, but other forms of political intervention have become more salient. In particular, key departments and top administrative positions are prone to open politicisation, while renewable fixed-term bottom level contracts are being targeted for partisan employment. Evidence sets patronage in its contemporary context. The electoral reward mechanism is secondary compared to its use as a mode of governance. Fiscal austerity makes the electoral use of patronage less worthwhile, due to the reduction of available positions and hiring restrictions. Meanwhile it contributes to an increase in the need for effective policy implementation.

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Introduction

In recent years the study of patronage has attracted growing interest. The academic literature has returned to the investigation of a very old phenomenon. Patronage, is viewed as exchange politics, where a position in public sector is exchanged for a set of favours that a political patron may value. Prominent contributions include those by Kitschelt and Wilkinson (2007), Kopecký, Mair, and Spirova (2012), and Piattoni (2001), and the Quality of Government Institute at Gothenburg University. Publications that focus on Presidential appointments in the U.S, such as Hollibaugh, Horton, and Lewis (2014) and Lewis (2008) have revived the debate over the resistance of patronage to economic and social development which runs contrary to scholarly expectations. Patronage can be thought as a substitute for public goods. It is a dyadic exchange between a political patron and a subordinate in a classical principal-agent model. Usually covert, though not necessarily, patronage differs from related concepts, such as clientelism and corruption. The differences concern the goods and services exchanged, the aim, and the recipients (Piattoni, 2001; Kopecký, Mair, and Spirova, 2012:8). Those supplying patronage, owners of entrusted power, seek the support of the individuals who are favoured. Traditional scholarly attention focused on the expected electoral reward, only. Recipients who are granted a public sector position and the respective wage, feel the need to demonstrate their gratitude by remaining loyal to the political patron, whether it is a party or politician. Their vote would be voluntarily captured. More recently, there have been arguments that a more important aspect of patronage concerns the ability of the patron to control policy implementation via the

appointed individuals (Kopecký, Mair, and Spirova, 2012; Kopecký, Meyer-Sahling, et al., 2016). In this way, patronage becomes a mode of governance and a crucial feature of modern bureaucracies. Ministers and political parties need to monitor and control policy implementation by placing individuals who are loyal to them in key positions. Indeed, evidence suggests that this can be true in a broad sample of economically developed and advanced electoral democracies.

The practice of patronage selection can have severe implications for the quality of public administration. Most importantly, administrations characterised by merit, where the best candidate is selected for the job, irrespective of political affiliation tend to be associated with higher levels of economic growth (Evans and Rauch, 1999; Rauch and Evans, 2000) and less corruption (Charron, Dahlström, Fazekas, et al., 2017; Dahlström, Lapuente, and Teorell, 2012; Meyer-Sahling and Mikkelsen, 2016). Furthermore, those policy sectors that are prone to political appointments are perceived to be less important to the President. In parallel, agencies where political appointees are selected tend to be less positively regarded by the public (Hollibaugh, 2016). Federal programs that are organised, led, and executed by partisan appointees perform worse than those led by career bureaucrats who may be appointed by merit (Gallo and Lewis, 2012; Lewis, 2008). In a similar vein, Walle (2007:p.52) draws a distinction between legal patronage and practises that subvert the rule of law, which are termed ‘prebendalism’. Patronage is corrosive because it harms public perception about the impartiality and equality of the system (Rothstein and Teorell, 2008). Furthermore, the politicisation of recruitment can lead to phenomena of sabotage,

shirking, and non-consistent performance. When political turnover occurs and a government is ousted, its partisan appointees may decide to sabotage the newly elected incumbent (Brehm and Gates, 1999; Callen et al., 2016). Patronage can lead to serious state discontinuity (Prasopoulou, 2011). This is a practice that can result to the loss of institutional memory and past-decision making processes, thus impacting the efficiency of civil service.

In paper one, below, I revisit the theories regarding the origins and persistence of patronage and evaluate whether power sharing at early stages of a country's formation can be a good predictor of meritocracy in recent years. Departing from the theories of decentralisation and effective political devolution of power, I discuss the ways that countries can insulate themselves from patronage practices. It is known that power devolution within states can offer considerable advantages to the management of a country's resources. Better serving of citizens' needs is attributed to the informational advantages of local governments through the revelation and homogeneity of local preferences (Tiebout, 1956). In addition, governments that are closer to the citizens are easier to be held accountable. Information regarding malpractice and mismanagement flows quicker and the cost of civic engagement is smaller compared to unitary states (Weingast, 1995). However, the establishment of a multi-tier government, with powerful veto players can impair civil service reform and make it difficult to shift to programmatic politics (Tsebelis, 2002). This puzzle motivates the paper. Are unitary or decentralised states producing better quality of government, characterised by meritocratic employment?

A second aspect of this question, involves the element of time. Is time crucial in the relationship between devolution of responsibilities and meritocratic employment? Important studies in the field of patronage have demonstrated the importance of path-dependence when determining contemporary quality and independence of the civil service. The seminal work by Shefter (1993) shows how the transition to democratic politics can promote civil service reform and the establishment of rules that ensure merit in recruitment only if the public administration is already insulated against partisan selection. Grzymala-Busse (2003) and O'Dwyer (2006) discuss ways through which political competition and electoral antagonisms can prove crucial for professionalising the civil service in newly emerged democracies. I contribute to this literature by illustrating how the timing of decentralisation at early stages can be a good predictor for a less politicised bureaucracy at modern times. In contrast, decentralisation at later periods does not have any effect on the quality of modern public administrations.

These findings contribute to the understanding of patronage as a path-dependent phenomenon, where the timing of a given political - constitutional decision, i.e. power decentralisation, can alter the direction of civil service, leading to public administrations of higher quality many years later. In the pursuit to understand the causes of patronage and the continuation of its practice the findings set the boundaries on what is feasible and what is not. Reforms may be impaired by historical trajectories that countries have experienced.

In paper two, I shift my attention to the effects of patronage. Most students of

patronage, perceive this phenomenon of exchange, as malpractice. It is treated negative by default and it violates a given, hypothesised, ideal state of purity. Assuming that the state of purity involves the non-meritocratic selection of individuals, where candidates of worse qualifications and experience are chosen over others with better profiles, the question remains. What evidence is there to confidently allow scholars and policymakers to treat patronage as a phenomenon with negative consequences? In such pursuit I am inspired by the seminal works of Evans and Rauch (1999) and Rauch and Evans (2000) who show the negative effect of non-meritocratic employment in the public sector on the economic growth, in a set of newly industrialised countries. I modernise my exploration by shifting my attention to the issue of digital, statistical reporting of government activity.

Information is a crucial tool for running a government. It is also fundamental for formulating credible opposition to the incumbent and for scrutinising the incumbent's performance. In addition, information is a necessity for rational planning and investment. Both civic society and the private sector face dire incentives to demand trustworthy statistical information. Yet, what about the government? Do they share such incentive or would they be better off withholding, partially sharing, or even fabricating data (Williams, 2009)?

I develop the hypothesis that countries with higher levels of patronage will face worse national statistical reporting. Countries where candidates are free of political constraints and vested interests can refuse to withhold information when commanded to do so. In addition, the appointment of better candidates, who have the skills and

abilities, leads to the reporting of better statistical information. This provides a novel contribution to the understanding of the implications of patronage on governance output.

In paper three, I shift my focus to reform. The literature on the civil service reforms suggests that there are several causes for reform (Schuster, 2016). Yet, there is not a conclusive driving force. I take advantage of a recent economic crisis in a country that has a strong history of extensive patronage. Using the evidence gathered from interviews conducted with ministers, public administrators, and trade unionists in Greece during the time of the ongoing economic crisis, I assess whether negative budget shocks, fiscal contractions and austerity, can initiate a push for civil service reform.

This reveals the multi-dimensional nature of patronage. Hierarchical layers, depending on importance to the principal tend to be affected differently. Lower positions, experience flexible and non-permanent contracts for favourable selection. Middle positions tend to be gravely affected by the personnel deficit and new forms of patronage through promotion are observed. Most importantly, patronage is reshaped in top positions. Selection continues to be politicised. However, the pool of favoured candidates is completely different from what used to be before the beginning of the crisis. This paper contributes to the understanding of reform opportunities that may arise from an unexpected economic shock, in this case a debt crisis that is followed by a dramatic fiscal austerity. Overall, the work presented in the following chapters addresses questions regarding the origins of patronage and its persistence,

the implications of the digital transparency of governments, and sparks a debate regarding the possible civil service reform opportunities due to unexpected budget shocks.

Definition of Concepts

This thesis concentrates on a number of neighbouring concepts. I study ways through which public administrations are affected by the use of patronage practices. I also offer an insight on opportunities for civil service reform, as evidenced by the Greek economic crisis. In this field ‘bureaucracy’ is often used as a term synonymous and interchangeable to that of public administration Peters, 2001. Bureaucracies with their horizontal and vertical structures are responsible for implementing the enacted policies of the state, regulating the private sector, and providing public goods and services. The personnel that comprise the bureaucratic structures are often called civil servants, bureaucrats, or public administrators. They are responsible for coordinating with elected authorities in order to optimise the quality of the delivery of the aforementioned services and responsibilities.

Following the work of Max Weber, public administrations in their ‘ideal’ form are assumed to be a) meritocratic b) impartial c) closed. These three features are crucial for ensuring the independence of the civil service from the incumbent. Meritocracy refers to the practice where the candidate with the best qualifications is selected for a public position. Objective filtering of criteria and formal examinations are

often used to assess the quality of every candidate (Sundell, 2014). Impartiality focuses on the equal treatment of each citizen-client irrespective of political or other beliefs and external characteristics such as religion, ethnicity, or race (Rothstein and Teorell, 2008). Finally, closedness addresses the Weberian logic of a career bureaucrat. To ensure true independence, civil services need to insulate themselves against private or other interests. This can be achieved by the practice of hiring at low levels and promoting through experience and seniority. In such way, leaders of the public administration, senior bureaucrats, carry an institutional memory and experience of how given bureaucratic departments have functioned in previous years. In addition, these career bureaucrats have only served the public through the posts of civil service and not through a political position or a party. Max Weber and students of contemporary public administration take into consideration these three criteria for evaluating the degree of independence of the civil service.

Any political intervention that violates the rule of law and the independence of the civil service is understood as ‘politicisation’. This can involve a variety of practices. For the purpose of this thesis the focus of politicisation is on acts that concern the movement of public officials. Authorities can decide to politicise selection of civil servants by adding political loyalty to the list of the criteria when filtering candidates for positions. Such practice actively impairs the independence of the Weberian state. When a party, politician, cabinet member, or head of state have the power to decide who gets the job in the public sector, then public administration is not independent to the ruling authority anymore. The politicisation of the civil service contradicts a professional

esprit de corps of the bureaucracy. Bureaucrats, in such politicised environments, come and go with their political patrons. This is why politicisation that takes the form of political selection of candidates becomes synonymous to patronage in the literature. I borrow this logic from the work conducted by Kopecký, Mair, and Spirova (2012) and the Quality of Government Institute at the University of Gothenburg. They both perceive patronage to be a mode of governance, thus disentangling it from older conceptions of patronage that linked it to corruption and clientelism. The former focuses on the illicit monetary transaction, while the latter on the electoral reward from the exchange. Modern theorists of public administration, understand patronage as a practice where incumbents seek to control policy implementation, regulation of intra-organisational information, and possibly resources.

To conclude, throughout this thesis, patronage is treated as the practice where rulers decide who gets the job in the public administration. By doing so they violate the independence of the public sector. Patronage and politicisation are terms that are used indistinguishably to each other.

Measurement Challenges

Patronage is a phenomenon hard to define and even harder to measure. Patronage is a covert activity whose participating agents have no interest in revealing. The literature has been severely impacted by these obstacles to measurement. Several approaches have emerged.

Rich ethnographic accounts of patronage practices across societies and cultures were the first to describe the phenomenon and provide the direction of its key characteristics (Auyero, 2000; Eisenstadt and Roniger, 1980). These ethnographic studies allowed for the formulation of the first large-N, comparative studies. Patronage was proxied by government expenditures, spending on employees, number of public servants, etc. (for an indicative sample, see Calvo and Murillo, 2004; Gordin, 2002; Manow, 2006; O'Dwyer, 2004). However, these proxies are arguably invalid. The practice of patronage does not need to alter the size of the civil service. There is not necessarily the need to increase the number of positions in order to introduce new political appointees. An incumbent has many alternative options when engaging in patronage selection. One can force early retirement, or resignation, of former employees and can substitute them from within the ranks of the existing hierarchies. Turnover for patronage purposes is completely missed by these proxies. In addition, proxies on size or positions miss the type of contracts involved. A common patronage strategy is to introduce short-term contracts. Finally and most importantly, these proxies do not measure patronage as they do not capture the method of recruitment and the background of the selected candidates. During economic growth, it is common to observe an increase in the size of the public sector. These proxies would capture such expansion as patronage. Yet, this is not certain if rules of formal and independent examination are present. In order to address these limitations the field advanced to the study of personnel turnover in in-depth case studies (for example, see Dahlström and Holmgren, 2015; Ennser-Jedenastik, 2013; Hollibaugh, Horton, and Lewis, 2014; Holmgren, 2015; Meyer-Sahling, 2008). They allow for a thorough understanding

of the dynamics of patronage. When does patronage intensify and how does it relate to political competition? Questions such as these are tackled better using this measurement approach. Yet, these measures do not permit cross-country comparisons.

Another method used is to launch surveys that aim at targeting the recipients of patronage (Müller, 1989; Pappas, 2009; Stokes, 2005). Assuming correct sampling strategies, this can prove a good technique for estimating the magnitude of the phenomenon and its societal impact. However, one needs to take into consideration that agents do not have an incentive to reveal their participation in a covert activity. Also, replication of surveys is tough and costly and usually, data do not become publicly available.

More recently, expert surveys have been conducted to estimate the magnitude, dynamics, and characteristics of patronage Kopecký, Meyer-Sahling, et al. (2016), Kopecký and Scherlis (2008), and Kopecký and Spirova (2012). Evans and Rauch (1999) and Rauch and Evans (2000) were the first to interview experts in order to estimate the presence of patronage in newly industrialised countries. Dahlström, Teorell, et al. (2015) and Charron, Dahlström, and Lapuente (2016) use expert surveys to measure the quality of government, including meritocracy in appointments and promotions across Europe. I take advantage of these studies and the data released by the QoG Institute to operationalise patronage in my study¹.

I conceptualise patronage as the practice where parties, politicians, member of the

¹Except for Paper Three, where I conduct my own expert interviews.

cabinet, and Heads of State have the power to select who gets a job or gets promoted in the public sector. Theoretically, this is in line with the Weberian principles of public sector independence (and lack of). I operationalise patronage with merit, as measured by the QoG expert surveys (Dahlström, Teorell, et al., 2015).

Summary of Findings

This thesis addresses three questions that fall under the theme of patronage selection in the public administration. As a student of contemporary bureaucracies I seek to understand and interpret the causes and effects of the practice of a phenomenon that proves very resilient to reform and so deeply-engraved in some societies. To that goal, I employ two cross-country comparative studies in papers one and two and a case study in paper three.

The findings of paper one suggest that patronage proves resilient to reform due to, amongst others, path-dependence. Historical explanations and political decisions during the formation of a country can be good predictors for a country's quality of government today. In particular, countries that decentralised power and resources post-independence, are graced with public administration that are more meritocratic nowadays. The same does not apply to countries that decentralise more recently. These findings add to the literature of decentralisation and patronage. Recent findings by Kenny (2013) showed the opposite result in the relationship. I address empirical, methodological, and theoretical reasons why such difference may have been found.

Scholars of public administration reform are encouraged to shift their attention to historical explanations regarding the roots of patronage. In their examination, better policies can be promoted for professionalising modern civil service.

In the second paper I show that the quality of statistical information reported in trusted international databases, such as the World Bank and the IMF, is affected by the level of meritocratic employment in countries and the conditional effect of democracy on meritocracy. Overall, countries with higher quality of public administration, where assessment for new recruits has clear and transparent rules, will publish more and better quality data. This effect, though, becomes less important with democratic maturity. The result adds to the literature of the consequences of patronage. Non-meritocratic selection of civil servants will lower the performance of departments of the state. To that direction, I capture the quality of statistical reporting. The significant relationship that is found can be used in the list of arguments on why patronage is a bad political tactic and should be avoided by incumbents. Socially, poor statistical reporting, lowers accountability of a state, reduces opportunities for investment and lowers the overall quality of public scrutiny and political debate. Despite the causal limitations that are discussed and acknowledged in the last section of paper two the result motivates additional work in the field that relates methods of non-meritocratic recruitment in civil service and negative consequences.

Paper three constitutes an exploration to the dynamics of patronage and how these are impacted by an economic shock. It also serves as an investigation to opportunities for civil service reform. Using evidence from expert interviews I conducted in Greece

during its crisis era, I reveal the complex nature of patronage. Incentives for patronage change with the beginning of the crisis and this alters the use of patronage across hierarchies and departments. I describe how political priorities, electoral benefits become important in the understanding of patronage in its contemporary setting. In line with Kopecký, Mair, and Spirova (2012), I show how political appointments are used for controlling policy implementation in departments of political interest. The use of patronage for electoral means becomes secondary and less significant. My findings contribute to the literature of civil service reform. Even though they lack a comparative dimension, I am able to show how a budgetary shock can shift the attention away from the extensive use of patronage for, especially, electoral purposes. Yet, the phenomenon remains as a method for controlling policy implementation. These results can encourage the field of public administration to shift their interest in the study of reform due to a shock. In particular, future research can use public official survival rates with their professional or political background to account for discrepancies with election cycles. The recent economic crisis allows for research that can evaluate whether the old belief that public administrations radically change when a crisis, such as a war, an economic shock, or a natural catastrophe occurs, still holds.

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Did your Predecessors Decentralise Power? A Cross-sectional Study of Power Division at Independence and Contemporary Merit in Public Administration

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Abstract

Contrary to earlier expectations, patronage has not declined in spite of economic and social development. Previous studies have discussed mechanisms through which patronage survives and falls. However, little attention has been paid to the importance of decentralisation of power. I use cross-sectional analysis to show that the extent of power devolution when states are granted independence is strongly and significantly associated with perceptions of meritocracy in public administration of given countries in modern times. I discuss whether this is due to the inherent properties of decentralisation to accommodate heterogeneity over preferences, resolve friction, veto bad policy, and enhance information and scrutiny.

Keywords: patronage, decentralisation, quality of government, public administration

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Introduction

Why do some countries have better quality of government than others? Politicians are conventionally assumed to be office seeking. To win or remain in office requires the support of a proportion of the eligible voters in democracies and the loyalty of influential actors in non-democracies (Bueno de Mesquita et al., 2005). Political loyalty can be earned in two ways, by distributing public goods that are non-rivalrous and non-excludable or by providing private divisible benefits (Piattoni, 2001). A prominent form of the latter involves the supply of patronage (Bearfield, 2009). In democracies, programmatic parties are often assumed to deliver mainly public goods. Clientelistic parties engage in exchange politics with the delivery of, amongst others, patronage (Kitschelt, 2000; Kitschelt and Wilkinson, 2007). This is simply defined as the favourable, partisan selection of candidates for public sector jobs. It implies that the established bureaucratic structures do not employ the most appropriate - best qualified and most skilled - candidates for the job (Page and Wright, 1999; Kopecký, Mair, and Spirova, 2012). This is in sharp contrast to Weberian conception of bureaucracy as an autonomous institution, independent from partisan interventions. In such a system, employment is based on merit. The Weberian bureaucrat applies rules consistently and treats every client-citizen with the same standards of service regardless of political affiliation or other preferences. When they exercise discretion, they are constrained by precedents. Such individuals enjoy a security of tenure and do not need to fear political pressure. Their career progression depends on how consistently and impartially they apply the rules (Weber, 1922; Rothstein and Teorell, 2008). Procedures are subject to legal review and this sense of ‘the judge over the shoulder’ helps develop a sense of public service. These qualities can be challenged when power shifts from traditional, centrally located, power holders to decentralised political actors.

In recent decades, there has been a considerable push towards devolution of power within states (Garman, Haggard, and Willis, 2001; Hooghe, Marks, and Schakel, 2010). Often labelled as the ‘silent revolution’, the act of transferring political power to subnational units of government has been viewed as a reform to improve the quality of the delivery of services by bringing communities closer to those responsible for allocative decisions (Ivanyna and Shah, 2014). International organisations such as the World Bank (WB) and the International Monetary Fund (IMF) have promoted appropriate decentralisation plans (McCourt, 2013; Faguet and Pöschl, 2015). Decentralisation is, in its widest definition, the transfer of central government functions to subnational units that maintain a degree of autonomy from the political centre in given geographical boundaries and some policy areas (Manor, 1999). Transferring power and responsibilities from the central government to lower units can challenge the civil service. The introduction of new

veto players - influential political stakeholders - can impose barriers to civil service reform (Tsebelis, 2002). Subnational political actors can benefit from patronage opportunities that may arise by the redistribution of power and responsibilities from the political centre to lower unities of governance. Subnational governments need to employ individuals to execute the main task at hand; to serve the interests of local communities and people. The economic arguments in favour of decentralisation suggest that decentralisation ensures that decision makers are responsive to the communities and clients they are supposed to serve (Tiebout, 1956; Olson and Jr., 1969; Oates, 1972).¹ Subnational authorities have better information about citizen preferences and can provide the public goods that local residents demand. Decentralisation of governance can also lead to a greater control over public sector activity due to the enhanced accountability and allow for a more competitive private sector (Weingast, 1995). These informational advantages and government activity scrutiny may prove to be a driving force for a higher quality of the public administration. The involvement of the private sector can also enhance such demand for a competent and efficient public sector.

Although much scholarly attention has been paid to the origins of patronage, the relationship between the timing of decentralising political power and the prevalence of contemporary patronage has not yet been explored.² Is it wise to argue for the importance of multiple veto players through devolved power centres at the early stages of state-building? If so, can such political and geographical arrangements contribute to the promotion of a meritocratic public administration? In the remainder of this article, I provide evidence of the crucial and positive role of power decentralisation during the initial stages of state formation for the levels of patronage today, by examining a cross-section of countries. I show that the implications differ according to the timing of decentralisation. Decentralisation during state-building is associated with good governance, i.e. less patronage in employment. In contrast, more recent efforts to decentralise are not associated with the quality of the public sector. New data by the Quality of Government Institute at the University of Gothenburg enables us to disentangle the impact of bureaucratic features from corruption and allow for more elaborate and thorough examination of the relationship between decentralisation and patronage. In the next sections, I present the literature on first decentralisation, and then its relation to patronage. I then outline my methods and introduce the empirical evidence. Then, I discuss the implications of the findings.

¹For a review of the economic literature of decentralisation, see Inman and Rubinfeld (1997).

²With the exception of Kenny (2013), who I discuss below.

Decentralisation

Decentralisation does not come in one pre-packed formula. It takes many forms and has many variants (Rondinelli, Nellis, and Cheema, 1983). The key feature is a transfer of political, fiscal, or administrative power from the central government to a lower level. Decentralisation needs to be distinguished from the neighbouring, yet distinct, notion of ‘deconcentration’ that involves the relocation of central government departments or entire ministries from the political capital to districts. Decentralisation, by contrast, involves the transfer of not just buildings and personnel, but the command over them. It is also distinguished from ‘delegation’, where the management of departments is delegated to agents outside the bureaucracy, and from ‘privatisation’, where state assets and their underlying responsibility for the supply of goods and services are transferred to the free market. Decentralisation involves a shift in control over policy from the larger central government to the smaller local governments (Faguet and Pöschl, 2015:3). In other words, decentralisation gives political actors below the central government freedom over the policy agenda and policy setting (Bossert, 1998).

Since different countries devolve different policy sectors to subnational units, the empirical operationalisation of decentralisation for comparative purposes represents something of a challenge. Most studies regarding the effects of decentralisation on various dimensions are located in the field of political economy. The seminal work by Oates (2005) condenses the economic rationale for decentralisation to four arguments. Subnational governments are in closer proximity to the citizens and communities they are supposed to serve. As preferences over public goods distribution differ across regions, subnational authorities are better at optimising the basket of public goods that maximise the utility of their constituents. Local and regional governments have informational advantages over the central state, leading to efficiency gains and welfare improvements. If citizens face no costs when moving around different subnational jurisdictions, they can relocate to regions where the basket of public goods delivered is closer to their preferences (Tiebout, 1956). Domestic migration, across jurisdictions of subnational government, enables people to select where they live. It also allows for relocation without excessive transaction costs and penalties. Accordingly, decentralisation with a variety of different authorities providing different public goods strengthens the positive, welfare enhancing mechanism of decentralisation. The option of exit is very strong in decentralisation as it incentivises local elites to satisfy the needs of the (tax) residents. The threat of losing them over the neighbouring, better serving authority, promotes spatial competition across subnational units. This strengthens the incentives for optimising the welfare outcomes per unit tax received. Local and regional stakeholders are required to provide efficient, cost-effective services to

their citizens. Otherwise, they face the possibility of losing the providers of tax revenue, i.e. their citizens-clients. Finally, decentralisation stimulates innovation and experimentation with new policies, as local areas compete to attract enterprises. When one municipality or state adopts a cost-effective new policy, neighbouring municipalities or states are expected to follow, in order to compete. Oates (2005) maintains that inter-regional competition enhances welfare and leads to a more efficient strategy over public goods delivery. Tanzi (2000) also suggests that decentralisation leads to greater accountability. Officials in charge of public service provision will be more responsible and will face incentives for increased performance. Officials in smaller geographical units of political power are easier to monitor and the formal or informal penalties of poor performance and illicit behaviour can be considerably higher than the equivalent in unitary states. Such calculation provides an intrinsic motivation for better performance.

The positive literature on decentralisation doesn't go unchallenged. Transferring responsibilities from central, powerful bureaucratic structures to local bureaucracies that lack the know-how and the expertise to tackle these increased duties can be detrimental and eliminate the expected welfare improvements. Rural areas that gain powers and responsibilities, but lack qualified labour force with adequate education and knowledge to execute the tasks at hand, will not be able to deal with the issues efficiently (Prud'homme, 1995; Treisman, 2007). If local bureaucrats are perceived to be of lower quality, then the potential benefits of decentralisation can be annihilated as opportunities for mismanagement and corruption increase. The transfer of responsibilities to local bureaucratic structures can reduce the expected efficiency gains, especially if subnational authorities do not significantly rely on their own resources for funding public goods provision (Tanzi, 2000; Grazzi and Jaramillo, 2015). Under such circumstances, expenditure is likely to exceed revenues and debts are likely to be accumulated. The empirical evidence shows a positive link between decentralisation and the quality of education (Faguet, 2004:in Bolivia; Barankay and Lockwood, 2007:in Switzerland; Falch and Fischer, 2012:cross-sectional in OECD countries), and health care (Jiménez-Rubio, 2011:infant mortality in OECD countries; Porcelli, 2014:in Italy; Cavalieri and Ferrante, 2016:also in Italy). The impact of decentralisation on economic growth, macroeconomic stability, income inequality, and poverty is hotly disputed, despite plentiful in the literature. Different measures, samples, and endogeneity concerns, especially of bureaucratic structures, may account for these mixed results.³

³For a detailed review of the empirical literature of decentralisation, I direct the reader to Martinez-Vazquez, Lago-Peñas, and Sacchi (2017).

Decentralisation and patronage

An independent bureaucracy that is insulated from partisan intervention, appointed based on merit can enhance welfare (Keefer and Vlaicu, 2008), increase motivation of public officials (Jaimovich and Rud, 2014), boost growth (Evans and Rauch, 1999), and contain corruption (Rauch and Evans, 2000; Dahlström, Lapuente, and Teorell, 2012; Charron, Dahlström, Fazekas, et al., 2017; Oliveros and Schuster, 2017). However, we know little about the links between decentralised political power and the quality of bureaucracies. Early studies revolve almost entirely around the related – yet distinct – study of political and bureaucratic corruption. Scholars have researched the implications of different levels of decentralisation on corruption. The effect is, at best, uncertain.⁴ Arikan (2004) finds that decentralisation, simply measured by the number of subnational units, can reduce corruption. The same conclusion is drawn by Fisman and Gatti (2002). Diaby and Sylwester (2014), in a sample of 25 Post-Soviet countries and Turkey, on the other hand, conclude that decentralisation increases the level of bribery. Treisman (2000) uses cross-sectional evidence from a dataset containing 64 countries to examine factors that may affect the level of perceived corruption, regressing the Transparency International’s (TI) Corruption Perception Index **CPI** of 1996, 1997, 1998 on federalism. He operationalises decentralisation simply by whether there is a federal constitutional arrangement. Federalism is treated as an exogenous independent variable and Treisman finds that countries with federal structures are expected to be more corrupt than unitary states by at least half point, while controlling for economic development. Gerring and Thacker (2004) in an influential study report that unitary and parliamentary systems are expected to better contain corruption. They propose, borrowing from (Hirschman, 1970), that voice and debate are more important than exit or veto. As a consequence, they explain that those institutional arrangements that promote consensus found in unitary systems will fare better.

Sadanandan (2012) examines patronage linkages at the sub-national level in India using data from Indian villages. He examines linkages between varied levels of devolved governance and patronage politics. The author cautions against the assumption that local politicians are more accountable and responsive to their constituencies than national politicians. He claims that the variation in levels of competition at the local level, an outcome of the differentiated decentralisation policies, is likely to shape the nature of patronage distribution among local politicians. Unfortunately, he uses a wider definition of patronage that does not focus on patronage employment.⁵ In his study, patronage involves the distribution of food

⁴See Lambsdorff (2007:p. 6-9) for a condensed literature review on the association between decentralisation and corruption.

⁵See Piattoni (2001:p. 4-8) for alternative definitions of patronage and its distinction from

and welfare coupons to poorer constituents. He tests whether more decentralised states in India are more likely to be subject to patronage and finds that this is indeed the case. In a similar vein and with similar data, Bardhan et al. (2008, 2015), report a positive association between local decentralisation and clientelistic exchanges. Moreover, Bubbico, Elkink, and Okolikj (2017) explore EU tier two and three subnational entities, taking advantage of recent subnational data on the quality of government across regions of Europe collected by Charron, Dijkstra, and Lapuente (2014) and Charron, Dahlström, and Lapuente (2016). In their spatial analysis, they conclude that inter-regional dependence and competition contributes to a higher quality of government. In fact, they find that more autonomous regions are able to adjust to competitive pressure from their neighbouring regions and end up with administrations of higher quality, in line with the ‘yardstick competition’ framework by Tiebout (1956). Charron, Dijkstra, and Lapuente (2014) are unable to retrieve consistent associations between federalism, semi-federalism, unitary regions and variation in the quality of government outcomes for a number of EU regions considered in the sample. A similar conclusion is reached when measuring regional autonomy, captured by single-party rule across a range of years, and the quality of government (Charron and Lapuente, 2013). Gerring, Thacker, and Moreno (2005), in their prominent theory of ‘centripetalism’, show that a combination of unitary states, with parliamentary and party list proportional representation systems produce positive social outcomes, amongst which, bureaucratic quality. By employing a sample of 77 countries from 1981 to 1994, they show that ‘centripetal’ arrangement is associated with bureaucratic quality. Their results hold for several dimensions of good governance, such as tax revenue, investment rating, trade openness, life expectancy, and literacy. Their weakest result relates to bureaucratic quality, as the coefficient of centripetalism reaches statistical significance in only one of their two models.

Building on these findings, I ask whether decentralisation can help explain both the origins of patronage and the motives for its reform? Shefter (1977, 1993) argues that countries that enter the period of mass democratic contestation without having established institutional safeguards against the politicisation of their public administration, will be more prone to patronage. Conversely, in settings where the civil service is professionalised before mass politics, such danger will be less significant. Newly established parties, unable to exploit state positions and resources by promising favourable employment will find themselves obliged

the wider practice of clientelism. In the current study and for the purposes of my entire thesis, I differentiate between clientelism and patronage. Both constitute quid pro quo strategies but, in my case, patronage only allows for positions in the public and semi-public sectors to be delivered. Conversely, clientelism is wider and allows for broader goods and services, ranging from licenses and permits, to selective subsidies.

to conduct programmatic politics based on pre-electoral appeals and ideologically driven agendas regarding how they will distribute the pie containing public goods. This theory highlights that when patronage is not an option due to institutional constraints, programmatic parties are more likely to emerge. Shefter offers a supply-sided framework of institutionalised patronage that is heavily path dependent. Once a system is patronage-ridden, reform is highly expensive and difficult to accomplish. Incumbents who have benefited from patronage are expected to refrain from promoting civil service reforms, until their electoral or rent-seeking interests are no longer served by the established patronage democracy.

Grzymala-Busse (2003) and O'Dwyer (2006) examine the aftermath of the democratic transition in Post-Soviet countries in Eastern Europe. They both offer an exciting refinement to Shefter's theory by attempting to explain the considerable variation in Post-Soviet democracies with respect to patronage. They claim that countries with similar experiences with the development of a closed bureaucratic class during the communist era, followed divergent trajectories in terms of patronage selection. Such divergence is attributed to political competition. Countries that faced intense political contestation in the early Post-Soviet, democratic, stages fared better and reduced the scope of patronage. These theories regarding the origins and persistence of patronage remain highly influential today. In fact, both explanations, democratisation after professionalisation on the one hand and political competition during transition on the other, encompass the supply-sided logic of institutional scrutiny, checks, and balances. Shefter recommends civil service laws prohibiting partisan intervention that safeguard the selection of the best candidate for the job based on merit and nothing else. Grzymala-Busse and O'Dwyer, suggest that a political challenger who has incentives to hold incumbents accountable and reveal acts of bureaucratic intervention is required, together with the provision of a political alternative to particularistic exchanges. More recently, Kenny (2013) argues that these theories of patronage lack three important characteristics. First, they are unable to generalise beyond democratic politics and offer no insight about the origins and persistence of patronage in non-democratic regimes. As, Bueno de Mesquita et al. (2005) have demonstrated political science can generalise beyond the dichotomy of democracy/non-democracy. Both systems require loyal supporters, to ensure (s)election or maintaining power. A theory of the origins of patronage must go beyond the dichotomy to have a greater explanatory power. Authoritarian regimes are not synonymous with poor quality of government (e.g. Singapore, which stands out as a prime example of a well governed non-democracy). Second, none of the previous explanations of the origins of patronage consider the silent revolution of devolution and multi-level governments. Shifting power to units below the central government can shake patronage in ways neglected by the theory. Kenny (2013), demonstrates that the degree of decentralisation can

provide opportunities for civil service reform. He provides mixed methods evidence in the form of a qualitative case comparison between India and Ceylon (now, Sri Lanka) and a quantitative OLS cross-sectional study of former British colonies. He argues that decentralisation during the early stages can explain the variations across former colonies and the level of patronage today, measured by an average of control of corruption indicators in recent years. The extent to which British colonists implemented direct or indirect rule, proved to be a significant regressor for the level of corruption. His theoretical explanation incorporates the number of institutional veto players who could oppose reform in the post-colonial era. Once colonists permitted local elites to exercise power, they developed their own networks of patronage. Local stakeholders in the state building era of decolonisation would then hold power by exploiting the established patronage networks and oppose any civil service reform initiatives by the central authority. Conversely, according to Kenny (2013), when decolonisation starts with a centralised colonial heritage, there are less veto players. In the absence of local stakeholders, the central government can reform the civil service and move towards formal rules over recruitment and promotion of employees.

Below, I evaluate a similar model using a broader sample of countries that is not restricted to former British colonies. I study patronage with an appropriate indicator that measures patronage selection, not a conceptually different, corruption. In addition, I impose stronger controls and develop an alternative theoretical framework to explain the obtained results. As will be discussed, the importance of decentralisation during state-building, not just decolonisation, is confirmed. However, my results substantially differ from those presented by Kenny (2013).

Method and Data

Patronage is often conceived to be heavily path dependent (Mikkelsen, 2016). Reform opportunities can be rare and successful reforms, usually, originate from the supply side, due to changes in electoral competition, political institutions, party organisation, and budget constraints or crises (Schuster, 2016). Established networks of clientelism are difficult to break (Putnam, Leonardi, and Nanetti, 1993). The resistance of many countries to reforming their civil service is an illustration of this point. Contrary to predictions, patronage has apparently survived despite industrialisation, and economic and social development (Piattoni, 2001; Kopecký, Mair, and Spirova, 2012). Collective actions and civil society have been largely unable to achieve much in the way of scrutiny and transparency in public sector employment practices. However, the considerable variation of patronage should be explained by institutions that are taken as given when political systems are in their

infant stages. I propose that the extent of decentralisation during independence, when countries are established and political systems develop, can predict and explain the level of patronage in the public administrations many years later.

For a cross-section of countries, patronage is determined as:

$$Patronage_i = \alpha + \beta * Decentralisation_i + \mathbf{X}_i + \epsilon_i$$

where *Decentralisation* captures the degree of power transferred to existing subnational units (if any) during independence and a matrix of control variables *X*. The error term ϵ contains unobserved or neglected factors that affect patronage. To test the above equation, I require data on patronage today and decentralisation during independence for each country included in the sample.

The measurement of patronage is a difficult task in itself. No obvious measures exist and researchers have experimented with different approaches towards measuring such a covert and complex socio-political phenomenon. A common technique has been to use the size of the public sector as a proxy for patronage (for example, see Calvo and Murillo, 2004; Remmer, 2007). Others conduct opinion surveys trying to evaluate the perception of patronage from its demand side (Brusco, Nazareno, and Stokes, 2004; Stokes, 2005). Recent contributions to the study of patronage have measure patronage in ways that are far more valid given the definition assigned for the purposes of this study, i.e. the ability of political elites to employ individuals in the public administration. The seminal work of Evans and Rauch (1999) and Rauch and Evans (2000) introduced a new dataset of 35 semi-industrialised countries and opened new pathways for the study of patronage. The work of the Quality of Government Institute at Gothenburg University, in particular, has expanded opportunities for research. I source the dependent variable on patronage from the Quality of Government Expert Survey, a recent contribution to the comparative toolkit of patronage conducted by Dahlström, Teorell, et al. (2015). The updated version of the dataset contains 159 countries and is based on a web survey of 1294 public administration experts. The mean number of respondents per country, before aggregation is 8.1.⁶ From the dataset I make use of the variable *q2_a* that asks experts to address: ‘When recruiting public sector employees, the skills and merits of the applicants decide who gets the job?’ Merit is measured on a seven-point scale, where 1 indicates that merit ‘hardly ever’ determines who get the job, while 7 means that ‘almost always’ the best candidate gets chosen. Merit is treated as the reverse of patronage, with a perception of high meritocracy in public employment being equivalent of low patronage. A good government is defined as one that

⁶Access the data and the supplementary materials on <http://qog.pol.gu.se/data/datadownloads/qogexpertsurveydata> for more details. The first version of the dataset contained 135 countries with the participation of 1035 experts.

impartially serves citizens irrespective of political or other beliefs and respects the rule of law and codes of conduct. The prerequisite is the meritocratic selection of the best suitable candidate for each public sector position (Rothstein and Teorell, 2008). The specific variable from either version of the dataset has been used in some recent, influential studies in the field of patronage (for example, see Dahlström, Lapuente, and Teorell, 2012; Sundell, 2014; Schuster, 2017). The dataset revises and upgrades the seminal empirical work of Evans and Rauch (1999), but includes a far broader coverage of countries, both developed and developing. The identity of the average respondent is a public administration expert working in public universities (56%) with a PhD (73%) who resides in the country of expertise (76%). Respondents are allowed to self-select the country of perceived expertise. Several robustness checks have been conducted to evaluate the validity and reliability of the indicator (Dahlström, Teorell, et al., 2015). The Pearson correlation between the 2015 measure and the same variable on merit from the 2012 version is $r=0.83$. Merit is also correlated with the inverse of patronage employment opportunities variable by Kitschelt (2013) at $r=0.72$. Moreover, merit is correlated with ICRG's composite variable on the quality of government ($r=0.73$), and V-Dem's impartiality index ($r=0.72$)⁷. All these correlations are significant with 99% confidence and suggest that the chosen indicator has a degree of reliability and validity particularly when responses by experts are aggregated for each country.

The multifaceted nature of decentralisation has led to the rise of numerous measures. Decentralisation takes different forms and can involve political (for an indicative sample, see Gerring and Thacker, 2005; Treisman, 2007; Hooghe, Marks, and Schakel, 2010; Kenny, 2013), fiscal (for a review, see Martinez-Vazquez, Lago-Peñas, and Sacchi, 2017), and administrative devolution of power (for HR decentralisation, see Ivanyna and Shah, 2014; Sundell, 2014).⁸ Most studies focus on the first two dimensions. I extract the measure of decentralisation from the V-Dem project (Coppedge et al., 2017:74). The variable labelled *division of power* suits the needs for this project in two ways. Firstly, it has the longest time coverage going back to 1900. This is crucial to capture the political situation at the granting of independence to as many countries as possible in order to increase the sample size. Secondly, this measure is appropriate because it doesn't distinguish between levels of subnational governance. For the purposes of this paper, I am not interested in differentiating between tiers of subnational jurisdiction. The index aggregates both regional (state, provincial) and local (municipal) tiers treats them equally during aggregation. In

⁷The variable can be purchased from ICRG's website. Unfortunately, I haven't got access to the individual components of this variable and can only include the aggregate which does not distinguish between corruption, rules, and merit.

⁸For a comprehensive list of different approaches to measurement by dimension of decentralisation, see World Bank (2015).

addition, the index captures power transfer respecting the original definition of space giving. Artificial decentralisation, which doesn't involve the transfer of true power and responsibilities, is not a valid form of decentralisation. Hence, cases of deconcentration, relocation of buildings, appointment of regional authorities without significant roles and political mandate will not be counted as decentralisation in this index. I considered alternative measures. In fact, the plethora of conceptual approaches to decentralisation makes the task of deciding which measures to choose, a tough one. I integrated IMF Government Finance Statistics (GFS) data in my original dataset. Unfortunately, coverage starts after 1990 and reporting remains scarce for most countries before 2005. Inconsistent data protocols between accrual and cash reporting of financial statistics make comparison both within and between countries difficult (on GFS and its pitfalls, see Dziobek, Mangas, and Kufa, 2011; Gu, 2012; Sow and Razafimahefa, 2017). Hooghe, Marks, Schakel, et al. (2016) offer an exceptional addition with an expert survey capturing political and fiscal dimensions of subnational autonomy and conditionality. However, the first observations are only after 1960 and the sample of countries is more restrictive than that of V-Dem. As a consequence, I measure decentralisation, whether it is local or regional, with the aggregated *power division index*. I am interested in measuring how countries distribute power across their geographical boundaries during independence.⁹ The data on the year of independence is drawn from the Correlates of War (CoW) project (Hensel, 2014). I do not consider country expansions, border changes, or annexed territories following the original date of independence as recorded by CoW. In order to avoid losing a considerable proportion of countries established before 1900, any country that declared independence before that year, gets a value of decentralisation during independence equal to the corresponding value in year 1900, the first of the dataset.¹⁰

My empirical strategy is to control for those variables that may confound the results, by influencing both independent and dependent variables. I include a

⁹I have also conducted alternative specification with measurement of power division and control variables taken in year five post-independence. It made sense to allow for a few years into state-building a period to resolve original conflict and decide upon power-sharing arrangements. Results presented below, hold. For a more general and systematic conclusion, see Table 2.

¹⁰This is the case for Andorra (1278), Argentina (1816), Belgium (1830), Bolivia (1825), Brazil (1822), Bulgaria (1878), Canada (1867), Chile (1818), China (1368), Colombia (1819), Costa Rica (1838), Cuba (1902), Dominican Republic (1844), Ecuador (1830), El Salvador (1840), Ethiopia (1855), Germany (1618), Greece (1829), Guatemala (1839), Haiti (1804), Honduras (1838), Iran (1502), Italy (1720), Japan (1590), Liberia (1847), Liechtenstein (1806), Luxembourg (1867), Mexico (1821), Monaco (1419), Morocco (1666), Oman (1741), Nepal (1768), Netherlands (1581), Nicaragua (1838), Paraguay (1811), Peru (1824), Portugal (1139), Romania (1878), Russia (1457), Serbia (1878), Spain (1479), Sweden (1523), Switzerland (1291), Thailand (1769), Tunisia (1591), Turkey (1453), Egypt (1831), United Kingdom (1066), United States (1783), Uruguay (1828), Venezuela (1830). Later on I discuss empirical implications of this strategy.

basic set of control variables. *Log GDP per capita* measures the relative wealth, *regular elections* measures the level of democracy. The literature on corruption, bureaucratic quality, and patronage, emphasises the need to control for variables that may bias the coefficient of the independent variable under examination (for a review, see Gerring and Thacker, 2004; Lamsdorff, 2007). Given the small sample in this study I use the most theoretically and empirically important variables, income per capita and level of democracy, in every regression model. Then, I add different sets of control variables for each model.

Summary statistics and data sources are displayed in Table 2. Overall, I account for 18 control variables displayed in the regression Tables 1 and 3. The level of the natural logarithm of GDP per capita is expected to positively associate with the quality of government. The same goes for the level of political contestation captured by the regularly scheduled elections variable (Charron and Lapuente, 2011).¹¹ Urban and overall population account for heterogeneity in the country demographics. I expect to find a positive association between urban population and merit (Ruhil, 2003; Arzaghi and Henderson, 2005). Oil and coal variables capture the ‘resource curse’ that has been conventionally associated with countries that are endowed with natural resources. These often fail to develop political and economic institutions at the same rates as their less endowed counterparts (Robinson, Torvik, and Verdier, 2006; Wright, Frantz, and Geddes, 2013; Diaz-Rioseco, 2016; Perez-Sebastian and Raveh, 2016; for a contradictory result, see Haber and Menaldo, 2011). I evaluate three forms of fragmentation of the population in a given state. This is defined as the probability that two randomly selected individuals will have heterogeneous characteristics with respects to language, ethnic identity, and religion, I adopt Alesina et al. (2003)’s argument that more fragmented countries tend to produce a lower quality of government (see also Ruhil and Camões, 2003; Chandra, 2004). I present the results for ethnic fractionalisation, as this was the only variable to consistently reach statistical significance. I also control for whether a country faced a violent struggle before independence. This may correlate with either propensity for decentralisation and quality of bureaucracy as the public infrastructure, such as roads and rail, are expected to be negatively impacted by violence. Land area is an additional variable that may simultaneously affect both independent and dependent variables, causing endogeneity concerns. This is under the assumption that larger countries have a higher propensity to share power and may find it more difficult to organise a professional bureaucracy as a result of transaction costs and more difficult communication of policy and tax collection (Perez-Sebastian and Raveh, 2016). Former British colonial heritage, British legal system, and a high proportion of Protestants in a country are all

¹¹In regressions not displayed, I tested for non-linear (square and cubic) forms of the democracy proxy, without any considerable change in the results.

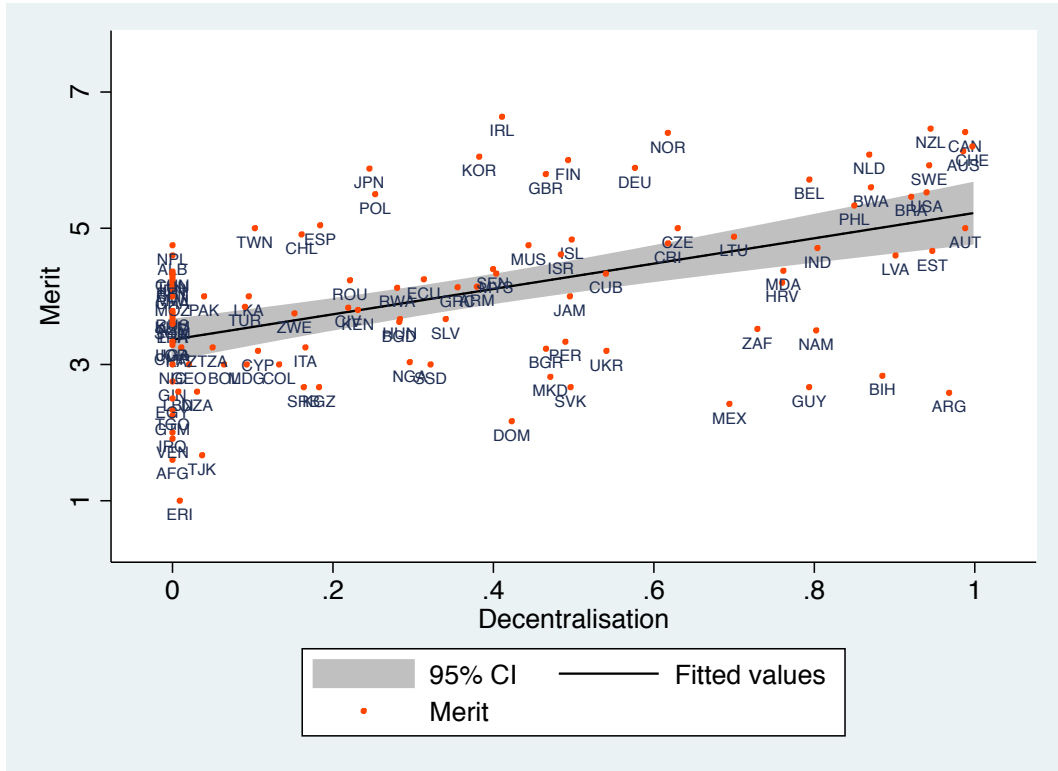
expected to be positive drivers for good governance (La Porta et al., 1997; La Porta et al., 1999). The former two are associated with the establishment of rules and procedures over the daily functions of the state, while Protestantism is associated with societies facing higher social trust that yet are less accepting of authority and are prepared to challenge the principals in question. This mix of social traits can enhance existing checks and balances in the society and lead to higher quality of government. Conversely, countries with high concentration of Muslim population are anticipated to be linked to lower quality of government due to the hierarchical social traits generated (for a review of these arguments and evidence, see Lambsdorff, 2007:29-31). Socialist legal origin correlates with larger bureaucracies that are usually conceived to be less efficient and characterised by red tape (La Porta et al., 1999; Kaufman, 2015). Turning to geography, Africa and Latin America are expected to be associated with poorer quality of government due to the turbulent past of the countries. The expectation for Asia is not certain (Gerring, Thacker, and Moreno, 2005). Finally, I account for the explanatory power of the total subnational tiers captured in recent years by Ivanyna and Shah (2014). The measure is a simple aggregation of the total number of present tiers irrespective of shared power and level. For proposed theory to hold, I expect the coefficient of contemporary multi-level governance to remain insignificant, while the historical power-sharing during independence to maintain its significance.

Evidence and Analysis

The positive association between power division during independence and the perception of experts that appointments are based on merit observed in modern times ($r=0.496$, $p<0.01$) is evident in Figure 1. A low score in the power division index during independence, indicates a unitary structure or devolved subnational units without important responsibilities, and correlates with perceptions of higher merit in public sector recruitment observed in recent years.

This bivariate relationship may be biased by confounding explanations and a causal explanation cannot be produced with much certainty. I run a set of multivariate regressions controlling for alternative potential confounding factors at each time, to establish whether the association persists once controls are added. As Table 1 illustrates, the empirical association between decentralisation and patronage remains, controlling for the confounding variables discussed above. Decentralisation during independence has a positive relationship with meritorious public sector employment in a simple linear OLS regression, depicted in Model 1. The coefficient of 1.860 is statistically significant with a 99% confidence that this is not a result attributed to luck. All reported standard errors account for heteroskedasticity

Figure 1: Power division during independence and Merit



to further ‘robustify’ the results (White, 1980; Wooldridge, 2010:61). With a set of 105 countries included in the sample the model can account for 25% of the overall variation. The independent variables capturing the extent of decentralisation decades or even a century before the dependent variable measuring patronage today. The model is intriguing. The coefficient remains significant and substantively important with the introduction of basic control variables. F-tests show that the probability that all coefficients are jointly insignificant is very small.

The most common confounder in the literature of bureaucratic development is that wealthier countries would fare better in terms of their quality of government. Starting with high wealth following independence can provide the necessary momentum to avoid conflict and fractionalisation at early stages. Lambsdorff (2007) argues that no result on the related issue of bureaucratic corruption is to be trusted unless GDP per capita has been controlled for. Surprisingly, in all but one models run, the natural logarithm of gross domestic product per capita recorded at the time of independence remains statistically insignificant.

Table 1: Multivariate OLS regression results

	(1) Merit	(2) Merit	(3) Merit	(4) Merit	(5) Merit	(6) Merit	(7) Merit	(8) Merit	(9) Merit	(10) Merit
Power Division	1.886*** (0.352)	2.104*** (0.378)	2.043*** (0.386)	2.175*** (0.350)	1.535*** (0.424)	1.719*** (0.439)	1.806*** (0.385)	2.072*** (0.386)	2.114** (0.793)	1.693*** (0.478)
Log GDP per cap		-0.014 (0.139)	-0.026 (0.164)	0.018 (0.134)	0.385** (0.172)	0.257 (0.191)	-0.165 (0.128)	-0.008 (0.137)	-0.075 (0.153)	0.028 (0.143)
Regular Elections		0.524 (0.379)	0.608 (0.415)	0.974** (0.428)	0.750* (0.431)	0.821* (0.484)	0.891** (0.376)	0.698* (0.401)	-0.822** (0.335)	0.363 (0.405)
Urban Population			0.055 (0.103)							
Population				0.090 (0.131)						
Oil Income per cap					-0.007*** (0.001)					
Coal Income per cap						0.001 (0.002)				
Ethnic Fractionalisation							-1.938*** (0.454)			
Violent Independence								0.375 (0.264)		
Land Area									-0.063 (0.118)	
British Colony										0.534* (0.271)
Observations	105	72	70	61	61	58	70	72	26	58
Adj.R ²	0.239	0.331	0.338	0.420	0.427	0.428	0.476	0.341	0.407	0.320
F-test	28.671	13.247	9.558	13.734	26.466	12.886	18.444	10.805	6.159	6.435
p>F	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.000

Heteroskedasticity corrected standard errors in parentheses.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

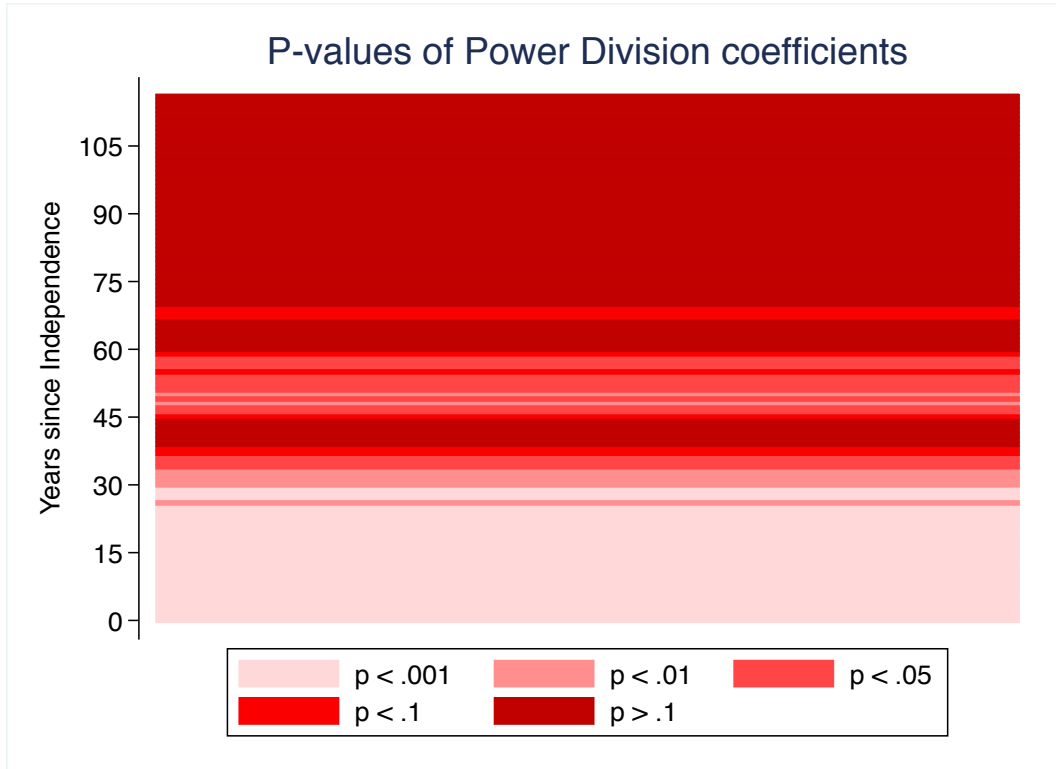
Power division remains positive and significant with a coefficient ranging from +1.535 in Model (5) to +2.175 in Model (4). In fact, with the inclusion of additional controls as shown in Table 3 the positive and strongly significant association remains in all models. This is arguably a result of the decision to assign the value corresponding to year 1900 for countries that were granted independence long before the beginning of the dataset, results may be positively biased. These countries have been given appropriate time to select and organise political institutions and make arrangements on how power will be divided, before their division of power is traced. I test this possibility by restricting the sample to those countries that gained independence after 1900. The impact of power division remains despite the considerable sample reduction. There is no change in the significance or sign of the coefficient. To further account for ‘country maturity’ I control for years since independence in Table 3, Model (4). Indeed, the variable of maturity is significantly associated with better quality of public administration, yet the coefficient of interest, power division during independence, remains positive and significant. This supports the inference that there is not an omitted variable biasing the result observed from the coefficient of power division.

Can this result be further generalised? Kenny (2013) came to different conclusions to mine in a sample of countries with British colonial heritage. For comparison, I reduce the sample to the set of countries with British colonial heritage. This doesn’t alter signs or significance. In Table 4, I present regressions for those countries with British colonial heritage (1) and (2) and the entire sample (3) and (4). In the first two, I regress my standard dependent variable of merit on power division (1) and the World Bank’s control of corruption (Kaufmann, Kraay, and Mastruzzi, 2010) (2) on the same independent variable maintaining the inclusion restriction for former British colonies. The positive and significant association between decentralisation during independence and the quality of government is maintained, irrespective of measure, I relax my inclusion condition and rerun the regressions for the entire sample on control of corruption (3) and Transparency’s International (TI) corruption perception index (CPI) (4) (Transparency International, 2015). The result stands, reinforcing the strength of the association.¹²

Another test I conduct, illustrated by Figure 2, is to detect whether, for some unexplained reason, the decision to select year 0 since independence is randomly associated with merit in recent years and hence a pattern for theoretical explanations cannot be established. I build the graph by running my basic regression with robust standard errors to account for heteroskedistic residuals, two basic control variables, *regular elections* and *log GDP per capita*, and the independent variable, power division. For every regression, I change the years since independence condition.

¹²Also see Table 4 in the Appendix for a graphical illustration of the positive link between decentralisation during independence and lack of corruption, as measured by TI’s CPI.

Figure 2: Power division coefficient significance by years since independence



Starting from year 0 I run a sequence of regressions where power division is measured with data from incremental years since independence. I then collect all the p-values and coefficients of power division and create the graph above, which is most commonly known as a heatmap. White colours indicate p-values less than 0.001. As shown on the graph below, power division closer to independence does matter for explaining merit in recent years. Merit is, as demonstrated, affected by the power sharing arrangements mainly during and closer to state building. In comparison, power division in years closer to the observation of the dependent variable does not significantly explain observed patronage. The realisation of the pattern that timing of decentralisation during state-building is indeed a crucial one. For instance, Fan, Lin, and Treisman (2009) argue that more tiers of government, which is indicative of greater power sharing and political or fiscal devolution, correlates with higher levels of corruption. This may be true. Yet, if the initial extent of power sharing is controlled for, I anticipate that the result will not be as strong. In other words, decentralisation matters if it happens within the few first years of state-building. Otherwise, it doesn't have true positive implications on quality of government.

The inertia of power sharing and meritocracy of the public sector, where the best candidates are selected from a pool for the job, should not be treated causally. Nonetheless, several causal theoretical explanations can be developed. Regardless of whether the empirical association is a causal one or not, the strong and consistent positive association between decentralisation of power during state-building and contemporary quality of government, has its own value (for a similar discussion on the value of the established mechanism, see Bardhan et al., 2015:301; Kenny, 2013:149). It indicates the importance of institutional and spatial arrangements of multilevel governance that leave their mark on important outcomes for state development, such as the bureaucratic quality, for many years to come. It also points to the considerable gap in the knowledge regarding the roots, causes, and constraints of patronage. Scholars have not been able to fully understand and explain the persistence of patronage in modern times, despite progress, democratisation, and an active civic society. The contradictory results in the field of corruption, quality of bureaucracy, and decentralisation is astonishing (for a condensed review of results on corruption, see Karlstrom, 2015:10). The result in this paper may be able to provide an explanation as to why results vary. Different samples offer empirical outcomes depending on the timing of decentralisation. If decentralisation enters the model under examination in recent years, I am under the impression, it will remain insignificant and will have no association with merit. Yet, if decentralisation is observed in early stages that will, as shown, remain positive and significant with bureaucratic quality.

As discussed above, literature on decentralisation argues that the beneficial outcomes of power sharing come in the form of accountability, economic and political competition, and better information. State-building that starts with power being shared to smaller jurisdictions, closer to each citizen, has the ability to create a more vibrant civic society. Drawing from Putnam, Leonardi, and Nanetti (1993), an engaging society creates trust and bonds that allow for collective answers to problems that arise, less fragmentation, and a focus on the delivery of public goods that can serve a greater proportion of the population in more egalitarian terms. In line with the Weberian bureaucratic ideal a public administration that is independent of political intervention can be the chosen platform (Rothstein and Teorell, 2008). States that decentralise and share power at early stages following independence and formation, are able to have societies that will scrutinise local elites, seek the provision of better quality public goods and the infrastructure that can assist towards that goal; i.e. a better serving, more efficient, public sector, where employees selected, serve wider society rather than private interests. Such civicness, at early stages, where the options of domestic migration may not be as relevant can create the formula for the establishment of better serving governments; irrespective of level. Central governments during state-building can find it hard to

provide public goods and accommodate the variable needs of the population. Once again, the correct information is expensive and hard to obtain. Local governments provide the answer there, allowing for the building of inertia regarding the development of institutions that serve citizens and distribute public goods (Oates, 1972). State-building can be turbulent. Heterogeneity in preferences can fragment the state and its population. Conflict can arise. The powerful homogeneity delivered by smaller jurisdictions with the ability to respond to the citizen needs and adjust to them, creates an environment that is better equipped to resolve conflict, and that welcomes participation and collaboration. Civicness, may thus promote the creation of bonds of trust in institutions that the person next door will be a member of and co-decider, as opposed to unitary settings in a hard to reach remote capital, where decisions are made for citizens in their absence.

Following independence, social, political, and diplomatic processes can determine the institutions that will be originally chosen. Some will be reformed and re-evaluated at a later stage, whereas others will become more endemic, less susceptible to reform. Such is the case for political devolution through the shift of power from the political centre, geographically perceived as the capital, to the remote periphery of the state. By transferring power, underlying responsibilities should be executed by personnel located in the subnational centres of government, away from the dense political centre. These subnational units are closer to the average citizen both geographically and in terms of preferences. Citizens expect to be served by receiving the promised public goods by their subnational governments that are responsible for such tasks. The proximity allows citizens to demand and hold the subnational political authorities accountable when the latter are not delivering. Such system of accountability that has long been established to be the main advantage of multi-level governance, is the driving force for building a state with employees of higher quality. Yet such logic is not restricted to the quality of employees. As Dahlström, Lapuente, and Teorell (2012) argue, meritocratically selected employees are not to be necessarily viewed as a better type. They simply are a different type, who are accountable to the scrutiny of the institution they serve and the society from which they have earned appointed power - not their political patrons. Localism allows for the chosen employees to be closer to the public scrutiny. This is cheaper and illicit behaviour becomes easier to detect other things being equal. Moreover, it should be recalled that bureaucrats constitute a distinct professional group with own interests. They want to be seen as competent and socially legitimate (Silberman, 1993). Localism can assist towards the development of such need, incentivising the bureaucrats to demand reform for themselves and the meritocratic method of their recruitment. As they interact with citizens more often, since they are closer to citizens in their daily lives, such quest for professionalisation may become a popular demand originating from the interest group of civil servants in decentralised nations.

This argument can extend to the scenario where bureaucrats remain centralised and only political power shifts. It can be argued that the link between proximity and the citizen-bureaucrat bond does not hold. Would local incumbents face the dilemma to push for reform in order to increase the quality of delivered service to their citizens? If they do not, they risk being ousted as promised public goods are not supplied efficiently due to a centralised public administration that is patronage-ridden. Local politicians have no interest in maintaining such centralised, non-professional civil service. They do not enjoy the merits of hiring as the benefited bureaucrats cannot reciprocate any favours as they do not reside within the jurisdiction. Local politicians are veto players who can block patronage appointments or denounce them. In such scenario, civil service reform becomes a bottom-up demand. In this sense, I follow Shefter (1993) with regards to the importance of (multi-level) checks and balances for addressing and gradually containing patronage strategies.

Conclusion

Do countries that start with more devolved power structures end with better quality public administration characterised by less patronage and a meritocratic appointment of employees? This is the main question I address in this paper. Previous research claimed that there was a positive association between centralisation of power, whether in the form of unitary institutional arrangements (Gerring, Thacker, and Moreno, 2005) or centrifugalism during the decolonisation process from the British Empire (Kenny, 2013), and better quality of government. I provide evidence pointing towards an alternative conclusion. The extent of power division and sharing in the form of political power transferred to subnational units when a country is granted with independence and bureaucratic quality, measured as meritocratic employment in the public sector in recent years, is positively associated. Countries that experienced more devolution during state-building have a meritocratic civil service in recent years. The empirical association remains irrespective of specification used and against several robustness checks, through an extensive cross-sectional analysis. While decentralisation, in general, as has been recently argued, should not be taken as a certain good governance reform, the timing of decentralisation, I show, does matter. This finding highlights the need to account for path dependency regarding the origins of patronage and may provide an explanation as to why several studies of decentralisation tend to establish radically opposing results. Decentralisation carries more weight and is more effective when it is organised at an early stage during state-building. Thereafter, the positive impact fades away. Such observation is attributed to the opportunities raised by decentralisation in the fragile period of state-building to accommodate heterogeneity and pressure for

fragmentation. Social traits of trust in institutions, civicness, and participation in political processes can be achieved by better serving preferences of smaller, more, homogeneous groups of citizens. Early decentralisation allows for conditions where public goods provision are preferred over particularistic benefits and patronage to become mature.

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Appendix

Figure 3: Histogram of Merit

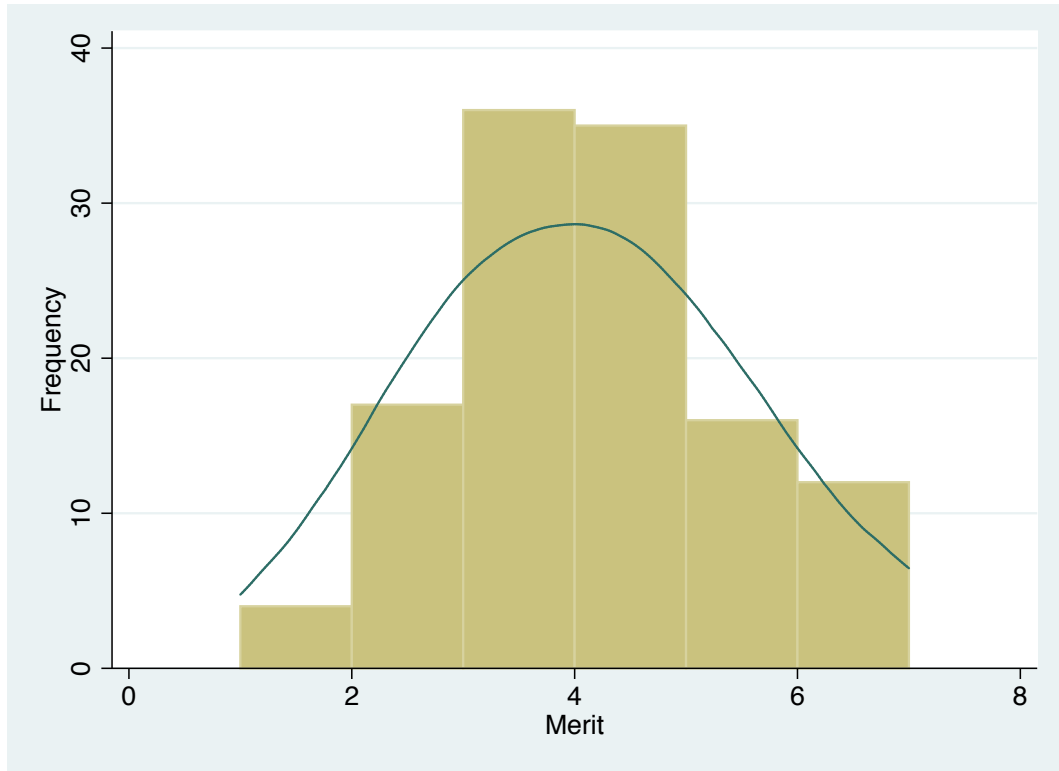


Table 2: Summary Statistics and Data Sources

Variable	Source	Obs	Mean	Std. Dev.	Min	Max
Merit	Dahlström, Teorell, et al. (2015)	120	4.067	1.245	1	6.667
Power Division	Coppedge et al. (2017)	151	.269	.304	0	.997
Log GDP per cap	Coppedge et al. (2017)	108	7.36	.924	5.883	10.531
Regular Elections	Coppedge et al. (2017)	168	.631	.484	0	1
Urban Population	Haber and Menaldo (2011)	158	13.313	1.782	8.096	17.879
Population	Haber and Menaldo (2011)	126	14.949	1.45	11.712	19.807
Oil Income per cap	Haber and Menaldo (2011)	132	321.533	2583.234	0	25848.05
Coal Income per cap	Haber and Menaldo (2011)	131	8.858	38.681	0	343.515
Ethnic Fractionalisation	Alesina et al. (2003)	188	.439	.257	0	.93
Violent Independence	Hensel (2014)	194	.381	.487	0	1
Land Area	Haber and Menaldo (2011)	66	11.704	1.98	6.064	14.683
British Colony	Hensel (2014)	165	.358	.481	0	1
Protestantism	La Porta et al. (1999)	151	12.968	21.151	0	97.8
Muslim	La Porta et al. (1999)	151	22.704	35.916	0	99.9
Africa	United Nations (2013)	168	.315	.466	0	1
Asia	United Nations (2013)	168	.268	.444	0	1
Latin America/Caribbean	United Nations (2013)	168	.107	.31	0	1
Year since Independence	Hensel (2014)	189	61.116	33.135	2	108
British Legal System	La Porta et al. (1999)	154	.351	.479	0	1
Socialist	La Porta et al. (1999)	154	.084	.279	0	1
Subnational Tiers	Ivanyina and Shah (2014)	173	2.035	.784	1	4

Table 3: Multivariate OLS regression results

	(1) Merit	(2) Merit	(3) Merit	(4) Merit	(5) Merit	(6) Merit
Power Division	1.271** (0.488)	1.347*** (0.444)	1.773*** (0.372)	1.411*** (0.418)	1.750*** (0.403)	1.946*** (0.404)
Log GDP per cap	0.403* (0.212)	0.403** (0.192)	-0.443** (0.190)	0.116 (0.140)	0.396** (0.191)	-0.030 (0.139)
Regular Elections	0.356 (0.383)	0.532 (0.412)	0.985** (0.405)	0.794** (0.394)	0.914* (0.469)	0.580 (0.387)
Protestantism	0.010* (0.006)					
Muslim		-0.007* (0.004)				
Africa			-1.417*** (0.430)			
Asia			-0.490 (0.352)			
Latin America/Caribbean			-1.110** (0.442)			
Year since Independence				0.014*** (0.004)		
British Legal System					0.117 (0.238)	
Socialist					1.487*** (0.495)	
Subnational Tiers						-0.139 (0.184)
Observations	57	57	72	72	57	71
Adj.R ²	0.421	0.415	0.447	0.452	0.458	0.328
F-test	16.334	13.933	13.317	17.582	14.092	9.711
p>F	0.000	0.000	0.000	0.000	0.000	0.000

Heteroskedasticity corrected standard errors in parentheses.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Figure 4: Power division during independence and Corruption

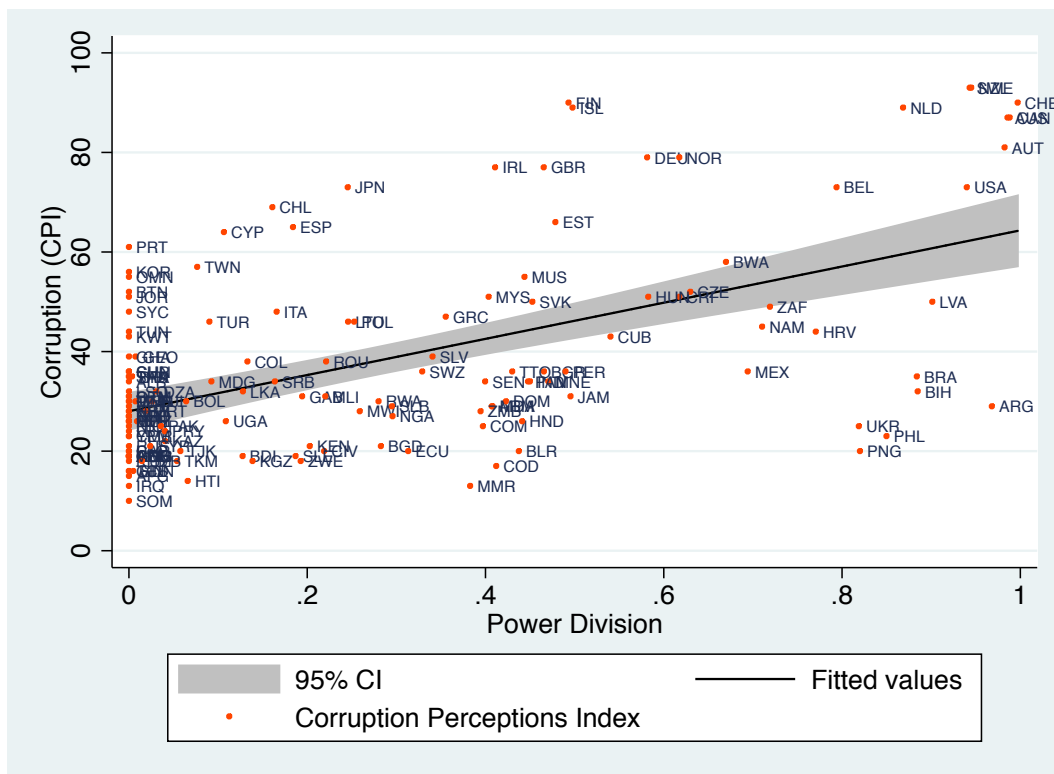


Table 4: Multivariate OLS regression results

	(1) Merit	(2) Corruption Control	(3) Corruption Control	(4) CPI
Power Division	1.890* (1.013)	2.012*** (0.317)	1.903*** (0.295)	40.369*** (6.504)
Log GDP per cap	0.316 (0.484)	0.334*** (0.118)	0.177* (0.096)	3.918** (1.964)
Regular Elections	-0.098 (0.450)	0.462** (0.199)	0.227 (0.171)	4.855 (3.642)
Observations	20	30	101	101
Adj.R ²	0.392	0.613	0.425	0.434
F-test	10.665	24.496	23.114	21.158
p>F	0.000	0.000	0.000	0.000

Heteroskedasticity corrected standard errors in parentheses.

^{*} $p < 0.10$, ^{**} $p < 0.05$, ^{***} $p < 0.01$

Bureaucrats as Regulators of Statistical Information: the Importance of Merit

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Abstract

Statistical information has been an important aspect of government transparency, in recent years. The release of credible quantitative information can be the target of political pressure, as incumbents face incentives to misreport or conceal. If transparency matters for political outcomes, the release of information can boost or harm the incumbent, when citizens, political allies, and challengers evaluate it. Data production is the responsibility of organised statistical agencies that belong to the public administration. I argue that the extent of meritocracy in recruitment of public administrators can insulate from pressures to conceal statistical information. Bureaucrats selected on merit are better candidates and more suitable for the job. In addition, when rules determine who is selected, appointed individuals are less willing to reciprocate favours as they are free from patrons. I find evidence supportive of this arguments in a cross-section of countries. I stress, however, that the result should not be viewed causally as further research to establish exogeneity, is required.

Keywords: national statistics, merit, public administration, data transparency

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In 2009, Greece’s newly appointed chief in the statistical agency, the Hellenic Statistical Authority (ELSTAT), decided to revise past data on the country’s accumulation of debt and budget deficits. At the time, he did not expect the magnitude of the consequences associated with his decision, nor did the citizens of the country.¹ A severe crisis followed the 2010 revelations of the Greek government’s distorted release of data and fiscal mismanagement. Greece was seen as constituting a higher risk due to the distrust in the quality of the fiscal data. Accordingly, the Greek government could not borrow from the international markets as the bond spreads sky-rocketed. This facilitated the onset of the Greek Depression, during which the country suffered severe recession, rising unemployment, and increasing levels of poverty. This has, to this date, led to three-bailout plans by the Troika in 2010, 2012, and 2015 and Greece was required to implement severe austerity measures². However, the whistle-blower with prior experience of 21 years in the International Monetary Fund, faced prosecution by the Greek authorities, and has recently been facing a trial (Brunsden, 2017).

This naturally raises the question whether false statistical reporting and under-reporting of data would have been different had countries like Greece been graced with administrations of higher quality. Would individuals and institutions responsible for the collection, processing, and dissemination of official statistics have ensured a more credible data disclosure, had the public administration appointed employees based on merit and not through means of patronage? I define patronage as the power of political parties and elected governments to select and promote in the public administration (Kopecký, Mair, and Spirova, 2012; Page and Wright, 1999). Patronage allows for formal rules to be circumvented in favour of informal discretions. Information is power. I argue that when information is held by a bureaucracy of poorer quality, where formal rules are not respected or do not exist, the data is more likely to be adjusted and skewed to serve goals that favour the regime in power. To prove this, I employ a cross-section of upwards of 100 countries constituting a mix of consolidated democracies, hybrid democracies, and authoritarian regimes, with varying degrees of economic development. I present evidence that merit is associated with the quantity of credible statistical information. In addition, the level of democracy moderates the effect between merit and digital information. The results are consistent throughout a series of specifications, controls, and checks. However, in the absence of appropriate instruments or experiments

¹For a detailed time-line of the events, see Matakos and Xeferis (2016:497-498). In summary, ELSTAT, Greece’s statistical agency revised 2009 estimates on budget deficit to 14% from 5% that was originally projected. Few months later, in collaboration with Eurostat, it revised figures on debt accumulation and budgetary position for the period 2005-2009. A systematic under-reporting was revealed.

²Troika refers to the tripartite body of IMF, European Commission, and the ECB that are responsible for commanding and supervising policy reform and evaluating fiscal outcomes.

that can exogenise the cause from the effect the result should be viewed critically suggestive and not as proof of a causal relationship. Overall, trade openness is the most significant predictor of the magnitude of released information. The evidence presented contributes to the literature of transparency and public administration, proposing an alternative causal path to the one that is conventionally assumed. It also proposes further research about the characteristics of statistical agencies and their degree of independence from political pressure.

On transparency

The late Donald T. Campbell stated decades ago that the, ‘more any quantitative social indicator is used for social decision-making, the more subject it will be to corruption pressures and the more apt it will be to distort and corrupt the social processes it is intended to monitor’ (Campbell, 1979:85). In the digital era that we live in, information has become a vital part of the daily life and data are essential to organisations’ modus operandi. Data needs to be collected, organised, cleaned, and disseminated with appropriate care. Considerable resources need to be allocated to every stage of the process. Individuals with statistical and computer skills need to process the data from generation to release. Protocols and rules need to be established to guarantee consistency between samples, across measures, and over time. Governments around the globe are the main suppliers of statistical information. Ranging from economy to climate, public agencies faced the growing need to organise departments that would be in a position to address the demand for information. Statistical agencies have been established with the task to supervise information across all stages; from generation to release. Decisions along the way, if not consistent with the bureaucratic application of rules, can bias the information and the results reached from their examination. The hypothetical advantage of quantitative data lies with the wider coverage that allows comparability across cases, time, and can lead to more generalisable conclusions. This allows for the bigger picture to be seen and for rules to be established through the testing of hypotheses (Gerring, 2017). However, the very source of digital information production may also become subject to political pressure.

In order to understand the dissemination of information, we need to look at the motives behind information supply. We can imagine a principal, thought to be an elected government or authoritarian ruler. The principal can have priority access to the information possessed by agencies below them. In addition, a principal, conditional on checks and balances, political arrangements, and the rule of law may be able to control the agencies and their work. Agents, are employed in departments of the public administration and are responsible for data collection, aggregation,

and release. These responsibilities are expected to be executed with integrity, within the limits of the civil service laws. Yet, agents face political pressure to release or conceal the publication of existing information. An informed principal who opts to conceal information can enjoy several informational advantages from such strategy. Information over the effects of policy, can enhance the evaluation and lead to readjustment for failed or counterproductive policies. Principals acquiring information can reduce the discretionary power of agencies and hold them accountable when their departments are less effective. Withholding information can ensure that the principal will not be prone to criticisms and can insulate herself from debates over policy failure Williams (2009:1). Political challengers and a civic society that are less informed, will not be capable to credibly scrutinise the authority of the present ruler. In fact, without trustworthy information, programmatic appeals on behalf of the challenger can become thin air promises, without the support of credible, trusted economic information that can demonstrate the viability of the proposed counter to the incumbent's plan. To ensure that governments are held accountable, trust-worthy information should exist (Hollyer, Rosendorff, and Vreeland, 2014). To put it simply 'information has value, or grants power, only in the presence of uncertainty. Uncertainty creates the potential to exercise power; information provides the capacity to do so' (Mueller, 2003:360). Accepting these informational advantages of the incumbent leads us to understand what drives data missingness, and as a consequence, data release. Sharing and disseminating information to civic society, political challengers, and foreign investors can eliminate the advantage of information. Nonetheless, most governments around the world choose to disseminate information. What drives such paradoxical behaviour and explain the decision to conceal or publish national statistics?

Information, printed or digital, has characteristic socio-economic benefits.³ Investment requires some degree of certainty. Potential investors should be in position to evaluate the economic costs and potential profits and risks associated with an anticipated investment (Gelos and Wei, 2002; Mody, Razin, and Sadka, 2003). For such calculation to be credible, statistical information on macro-economic behaviour and government's actions and policies should be available and credible.⁴

Governments can make better decisions when they have credible information about past decisions and outcomes. If one seeks to develop appropriate employment

³From now on, I evaluate the release of digital information as one of several sources of transparency. Hence, I include relevant literature that investigates more traditional aspects of information, such as the printed press and media. Literature on digital quantitative information has emerged only recently.

⁴See the work of Nobel Laureates in economics, George Akerlof, Michael Spence, and Joseph Stiglitz that grounded the impact of uncertainty and information on private sector outcomes, such as investment opportunities and level. For a review of their most characteristic findings, see Rosser Jr. (2003).

schemes to tackle poverty, one needs to know the spatial and seasonal variation of the phenomenon in question. Likewise, civic society can evaluate government performance only if there is credible information about its activities. An informed citizenry, in line with the primitive theoretical expectations, is expected to make governments more responsive Besley and Burgess (2002). Citizens can only be able to evaluate whether fluctuation in personal welfare is attributed to their own economic activity or government policy, if relevant information about the latter is available (Duch and Stevenson, 2008). Traditional reward-punishment models of economic voting require that citizens can actually monitor performance. For these models to work, access to credible information about government performance is essential (Barro, 1973; Besley, 2006; Ferejohn, 1986). Programmatic parties that wish to develop an agenda for challenging the incumbents, will be better able to do so by having access to credible, high quality information about the present government's activity. If accountability through electoral ousting is not possible, the presence of information can spark collective actions against the government's malpractice (Bueno de Mesquita et al., 2005; Hollyer, Rosendorff, and Vreeland, 2013). Transparency has been linked to increased trust in institutions (Bertot, Jaeger, and Grimes, 2010; Tolbert and Mossberger, 2006; Welch, Hinnant, and Moon, 2005). The ability to monitor individuals in institutions that have been entrusted with elected or appointed power is essential at generating trust (Rothstein, 2009). Transparency, also, reduces corruption (Adserà, Boix, and Payne, 2003; Brunetti and Weder, 2003; Solis and Antenangeli, 2017; for a review, see Lambsdorff, 2007:46-47). A characteristic example of this is an experiment with a newspaper campaign in Uganda, studied by Reinikka and Svensson (2005). Public funds allocated to schools for primary education needs, led to significant increases in educational outcomes, ranging from enrolment to student performance, in areas where the recipients of funds were systematically monitored by local newspapers. In these areas, parents and other members of the community were able to detect illicit behaviour, such as graft. Moreover, there is a theoretical expectation that increased traditional transparency, mainly press freedom, should enhance the quality of the government (Roberts, 2006; Piotrowski, 2008; Kosack and Fung, 2014:84). For an empirical confirmation of this hypothesis, Adserà, Boix, and Payne (2003) find that free newspaper circulation is associated with better quality of bureaucracy. More recently, focus has shifted to alternative sources of transparency. Budget transparency, the disclosure of the components that determine the budget position to the public, is associated with improved fiscal performance, namely lower deficits (Benito and Bastida, 2009) and less frequent fiscal gimmickry prior to an election (Alt, Lassen, and Wehner, 2014). To many, transparency is an end in itself. It is no wonder that in some latitudes of the world it is treated as a human right; the famous right to know that came to prominence with the freedom of information

(FOI) laws in several countries. When FOI laws are enacted, governments and civil services are obliged to formally respond to queries raised by the public and to release withheld information, within a specified time interval (Birkinshaw, 2006). FOI has been the most celebrated achievement of the movement for transparency and open information with regards to government activities and performance. More recently, however, a new wave of literature criticises these expectations of transparency (Etzioni, 2010). Even if information is present, citizens may not have the time, knowledge, or resources to evaluate published information, reports, and data (Etzioni, 2014). In line with such less optimistic conclusion, Worthy (2010) finds that the UK Freedom of Information Act 2000, the most characteristic example of bottom-up transparency innovation in the world, does not appear to have led to increased perception of trust in institutions. Likewise, Grimmelikhuijsen et al. (2013) maintains that cultural values regarding the perception of proximity of politicians are more significant predictors of trust than the level of transparency. Some have even argued that transparency and the fear of information leak can lead to executive indecision and policymaking delay Grumet (2014).⁵

What drives data release?

I seek to explain data disclosure. I form the following hypothesis that determines the level of statistical reporting for the countries included in the sample.

H1: Public administrations of higher meritocracy release more information

The advantages of an autonomous public administration where partisan intervention is not common have been the focus of attention for the past few years. A meritocratic public administration can boost economic growth Evans and Rauch (1999) and increase the motivation and effort exerted by the employees (Jaimovich and Rud, 2014). A civil service that selects employees upon merit is better at containing corruption (Charron et al., 2017; Dahlström, Lapuente, and Teorell, 2012; Oliveros and Schuster, 2017; Rauch and Evans, 2000). I argue that the civil service plays an important role in determining the level of credible digital information released from countries.

Public administrators are responsible for the data generating process. Public service and its members are a class with their own interests. There can be two operating forces at play. First, one may assume that when the selection of public sector workers is independent of political and is less prone to political intervention. If this is true, the given qualitative advantage derived from the extra skills of the civil

⁵For a recent systematic review of the literature of transparency, see Cucciniello, Porumbescu, and Grimmelikhuijsen (2016:9).

servants can improve performance when collecting, processing, and disseminating quantitative information. The second explanation as to why merit matters is unrelated to the quality of employees. Borrowing from Dahlström, Lapuente, and Teorell (2012), meritocratic appointments can be thought of as a process that generates a different type of civil service. Irrespective of employee quality, meritocratically recruited civil administrators will be less vulnerable to the political demands of the principal, i.e. the political supervisor. Having been selected through an autonomous process, they are solely accountable to the institution, the formal rules and the integrity code of the body to which they belong. In the absence of a political patron, who offers the job, there are no favours to be returned and no veiled incentives for showing gratitude. The meritocratically selected employee does not need to abide by political orders if the departmental code suggests otherwise. In such a framework, employees selected on merit will be less prone to with-hold information or pursue any other statistical irregularities, such as false reporting. To an extent, this type of employees will have interests that will not match those of the political supervisor. The professional bureaucrat, is expected to become an extra source of accountability, where political pressure to regulate information will find deaf ears.

Empirical Controls

My empirical strategy should control for alternative explanations that may influence the relationship between merit and statistical reporting. Possible confounders are discussed and accounted for.

It has become axiomatic to assume that the legitimacy of institutions in democracies together with the respect for the rule of law, contribute to better social outcomes. Political institutions should matter in determining the level of transparency. Democracies are more consensual than non-democracies. For debate to occur and for consensus over policy to be reached, participating parties should be collectively well-informed. Thus, it is assumed that democracies have a tendency to be more transparent in governance when controlling for relative wealth (Hollyer, Rosendorff, and Vreeland, 2011; Lebovic, 2006; Rosendorff and Vreeland, 2006). Authoritarian regimes and less competitive, hybrid democratic systems, on the other hand tend to be more secretive in their practices and decision-making processes. This does not mean that statistical data is not requested or valuable for authoritarian regimes. It simply means that such regime types may lead to data being concealed rather than disclosed to the average citizen. In addition, in the face of external pressures for democratisation, less democratic systems, tend to insulate against external threats. If transparency of information and data disclosure has any value in mobilising citizens, then autocracies will have an incentive to conceal. Indeed, evidence shows

that democracies are inherently more open when sharing economic information (Broz, 2002).

Sundell (2014) argues that formal exams may not be the ideal method of recruitment for all countries. He shows that in economically advanced, established democracies, where the risk of patronage is lower, conducting interviews in the recruitment process may assist to hire the better candidate. Yet, in countries where patronage risks are higher, interviews should not be conducted as they may reveal the political identity of the candidate, thus introducing political bias in the recruiting process. This points to a direction where merit matters less in cases where democracy is engraved in societies. Thus, I moderate the relationship between merit and statistical reporting through the level of democracy. There will be an expectation that the effect of merit on the quality of statistical information will not matter as much in higher levels of democracy.

A main theoretical expectation is that data will be released when countries develop economically. Less developed countries are expected to have less resources to allocate to the organisation of professional statistical departments with the responsibility to collect, aggregate, clean, and disseminate quantitative information in a digital format. When funds are not enough to cover basic needs and provide fundamental public goods, statistical transparency may not be the most important priority for the incumbent. Building appropriate networks for automating data generation and dissemination requires significant planning and a budget that simply may not exist (Williams, 2009:1). A wealthier population has more resources at its disposal to form collective actions and demand access to digital information.

The average level of education of the domestic population can play a crucial role in determining levels of data disclosure. Citizens with greater access to education are expected to be better suited to demand statistical information, as they will be more able to understand, read, and process the information released. More educated citizens can be more inclined to question the performance of the incumbent and to request access to data in order to make well-informed decisions. Conversely, citizens with lower educational attainment may simply be unable to process the information of this source. To a less educated population, perhaps, data may not be of high value, hence pressure for release of statistical information is expected to be lower, *ceteris paribus*, in countries with a less educated average citizen. In other words, education may be a significant determinant for the value of information and as a consequence set the level of demand. At the same time, levels of education may prove essential on the supply side of the equation as well. Societies with higher average level of education can enjoy a labour supply of higher average statistical knowledge and technical expertise. Under such circumstances, statistical agencies can find candidates that are better suited for the job, all else

equal, thus having a greater capacity to generate good quality statistical. A more educated labour force is expected to be in position to address needs for consistent data generation, automation of data collection and aggregation, thus reducing measurement discrepancies and errors in reported data. Lastly, education has been shown to be a predictor for the level of merit (Rauch and Evans, 2000). The omission of such variable would endogenise the variable on merit and hence deem results inconsistent.

This hypothesis goes hand in hand with the one on education level. On the demand side, citizens need to be able to access the digital information when it is present. To do so, conventionally, a stable internet connection is essential. To find and download data, one needs to be able to connect online. Otherwise the digital information will be of no use. Likewise, on the supply side, digital infrastructure should be present in order to allow for various departments of the public administration to remotely connect to each other in order to share the available information. Access to internet is a simple proxy for capturing the effect of the available technologies for remote connection to servers that enable digital information to be safely stored and transmitted.

Political systems, whether they are democratic or not, differ from each other in ways that influence the disclosure of information of data. Data disclosure, as any aspect of government activity, is expected to take place overtly when there are significant stakeholders with entrusted power and legitimacy to monitor the bureaucrats' activity. Aside monitoring, when a new policy is to be enacted, the higher the number of participating bodies with the ability to veto the new law, the more consensual policy-making should become. Constraints limit the power of the head of state or head of government, and thus, can increase the demand for information to evaluate policies. Also, a secretive government will find it hard to pursue illicit activities when constraints are higher. More check points mean that there are more bodies that can denounce the illicit acts of the ruler, pushing the latter for higher transparency in the face of costs of getting caught.

Countries that are more open to imports and exports will on average be more prone to supply aggregate statistical information. The same logic is applied to financial markets. Countries with stronger financial sectors will release more statistical data. Tiebout (1956) developed the framework of 'yardstick competition' for decentralised jurisdictions that compete to attract new citizens-taxpayers. Similarly, a country needs to compete against neighbours in exploiting their comparative advantages. Such competition may lead to a growing demand for transparency so that trade partnerships are maximised. In addition, trading allows for exposure and exchange of common practices and innovations to further facilitate trade (Wei, 2000; Williams, 2009:125).

Data

I explore if the level of meritocratic employment in the public sector and the relevant statistical agencies can explain the amount of statistical information released by countries. I draw my main dependent variable, the release of statistical information (ri), from the work of Williams (2009). The variable release of information captures the percentage of quantitative data that is sent by respective statistical departments to the International Monetary Fund (IMF) and the World Bank (WB). In particular, the author examines the World Development Indicators (WDI) database, a prominent source of social and economic indicators, supervised by WB. For IMF, four data topics included in International Financial Statistics (IFS) are considered. Namely, 1) monetary survey, 2) interest, prices, production, and labour, 3) international transactions, and 4) government finance statistics (GFS). Selected data sources have been chosen based on the criterion of whether a country's own statistical department is responsible for issuing the dataset or if NGOs or foreign organisations could collect and publish the information on the country's behalf. If the latter is the case, variables and data themes are excluded from the calculation and the aggregation of data missingness. A second criterion, involves whether reporting of a variable is unique across WDI and IFS. Variables in themes such as national accounts have been included in only one of the two databases. Third, variables that are transformations of other key variables, e.g. macroeconomic variables reported in local currencies and then transformed to other variables at constant currencies, PPP, have only been considered once per country and year. Fourth, given that the original measure starts in 1960 and variables are being added to the databases across time, missingness is recorded only if there is at least one country per specific year that reports data on a given variable. If the entire list of countries doesn't report a variable in a year, the variable is not considered for that year. Finally, countries enter the dataset when they become independent and previous reporting is not considered (hence, Yugoslavia, Soviet Union, colonies, Germany West and East, are excluded from the dataset) Williams (2009:126).

In the original sample, 175 countries are included with a minimum ri equal to 0.01 (=1%) of the available variables being reported and the maximum score being 0.82 (=82%). For the purposes of my sample restrictions, where I use averaged data between 1980-2010, the summary statistics of ri , amongst the other variables, are displayed in Table 2. Comparison of statistical reporting is ensured due to the commonality in the protocols and standards that need to be met for an aggregate indicator to be accepted for publication by the IMF and WB.

I have been able to trace three other attempts to quantify data reporting and missingness. Chronologically the first effort is by Islam (2006). She follows a

similar approach by quantifying 11 ‘representative’ variables for a cross-section of countries in 2002. Her interest was to capture the speediness of statistical reporting, assigning values on how many months, quarters, years - if any at all - the data on these variables become publicly available. For the purposes of this paper, I am not interested in the speediness of statistical reporting, and thus, such variable is not chosen. Recently, the WB introduced the Statistical Capacity Database, which captures the periodicity of statistical reporting on behalf of governments’ statistical agencies to the World Bank. Originally introduced as a monitoring tool of government capacity, the database can be a great resource. However, it doesn’t serve this study because it includes only developing countries and recipients of WB development funds.⁶ The last approach to measuring data reporting comes from Hollyer, Rosendorff, and Vreeland (2014). They develop a highly sophisticated Bayesian item response model to capture heterogeneity in statistical reporting for the WDI database issued by the WB. They apply similar inclusion-exclusion criteria as those mentioned above and developed by Williams (2009). I use their HRV_index as an alternative dependent variable in the robustness checks below. I do not select it as my main dependent variable as I feel that politicisation concerns predominantly variables of economic interest, especially those in statistical themes of the IFS. Subsidies, selective transfers, means-tested benefits, to name a few, are not covered by the WDI. Almost every country reports information regarding, for instance, the overall population, birth-rates, female citizens (Hollyer, Rosendorff, and Vreeland, 2014:417). Dimensions of expenditures and taxation, however, are not addressed in the WDI. Hence, despite their measurement being more sophisticated by penalising countries that do not report variables reported by most others, it doesn’t include some sensitive variables by construction. It should also be mentioned that previous proxies for measuring transparency more broadly, included media freedom as measured by Freedom House since 1994. This covers 197 countries and newspaper circulation figures, for comparative purposes issued by the WDI. However, none of these rather traditional approaches to measuring transparency can be thought as a valid indicator for the level of statistical reporting.

The chosen independent variable, merit, is captured by variable q2_a issued by Dahlström, Teorell, et al. (2015). Experts address if, ‘When recruiting public sector employees, the skills and merits of the applicants decide who gets the job?’ Merit ranges between 1, indicating that merit ‘hardly ever’ determines who get the job, and 7, where ‘almost always’ the best candidate gets selected. Measurement of patronage, a multidimensional and covert phenomenon, has been a serious obstacle in the empirical literature. Traditional approaches proxy patronage as the annual change in public sector workers, their salaries, or even public sector expenditures Calvo and Murillo (for a small example, see 2004), Keefer (2005),

⁶For more, see <http://datatopics.worldbank.org/statisticalcapacity>.

Matakos and Xefteris (2016), and Remmer (2007). However, such an approach may not capture the modern dynamics of patronage that involve preferential promotions, patronage with complete turnover, where one enters for every exit. Others conduct opinion surveys trying to evaluate the perception of patronage from its demand side Stokes (2005). The seminal work by Evans and Rauch (1999) and Rauch and Evans (2000) introduced a new dataset of 35 less developed, semi-industrialised, countries and restored interest in the study of contemporary patronage. Their dataset, despite limited in cross-sectional coverage, relied on experts to address phenomena such as preferential recruitment. The variable and expert study I have chosen follows this lead with a larger cross-sectional coverage and a greater mix of developed and developing countries. The latest version of the dataset contains 159 countries and is based on a web survey of 1294 public administration experts.⁷ The average expert works in public universities (56%) holds a PhD (73%) and resides in the country of expertise (76%). Respondents are allowed to pick the country of perceived expertise. Several robustness checks have been conducted to safeguard the validity and reliability of the included indicators (Dahlström, Teorell, et al., 2015). As per the chosen variable from the 2015 version I find a Pearson correlation of $r=0.831$ with $q2_a$ from the previous version, $r=0.720$ with the inverse of the patronage employment opportunities offered by Kitschelt (2013), and $r=0.738$ with ICRG's composite variable on the quality of government⁸ All these correlations are significant at the 99% confidence level.

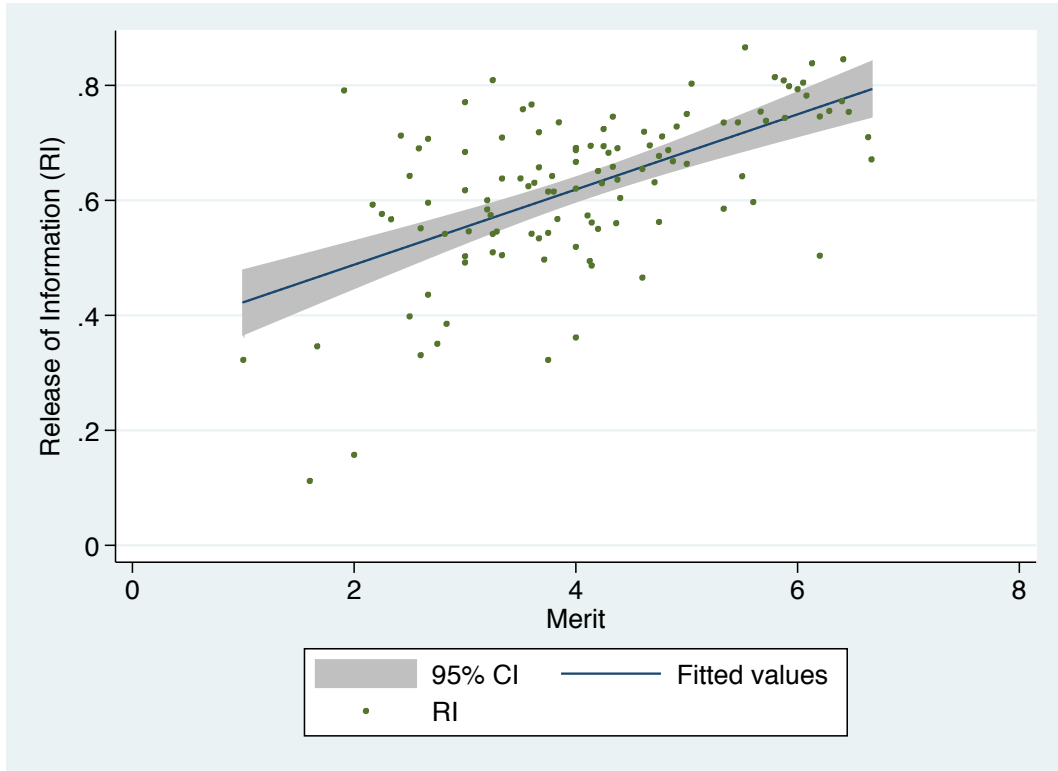
The linear association between merit and the release of information is shown in Figure 1, below. Obviously such association requires further inspection with the inclusion of variables to check for the validity of alternative hypotheses and variables that can confound the association.

Summary statistics for the main variables can be viewed in Table 2. The chosen measure of democracy is the standard, continuous imputed polity2 indicator extracted from the Freedom House (2016a). It ranges from 1 to 10 with higher values depicting more democratic regimes. The log of GDP per capita is taken from the V-Dem project. Checks and Balances are measured as the actual number of veto points. These are institutions or stakeholders with formal power to block reform. As a measure of trade openness I use the sum of imports and exports as calculated by Gleditsch (2002). This is the ideal variable to capture the overall transactions. Internet users per 1000 kilometres transformed to its natural logarithm is taken

⁷Access the data and the supplementary materials on <http://qog.pol.gu.se/data/datadownloads/qogexpertsurveydata> for more details. The first version of the dataset contained 135 countries with the participation of 1035 experts.

⁸The variable can be purchased from ICRG's website. Unfortunately, I haven't got access to the individual components of this variable and can only include the aggregate which does not distinguish between corruption, rules, and merit.

Figure 1: Release of statistical information and merit



from the WDI.

1 Method and Results

For a cross-section of countries, where all variables (except for merit) have been averaged between 1980-2010, I estimate the following equation:

$$RI_i = \alpha + \beta * Merit_i + \gamma * Democracy_i + \delta * (Merit * Democracy)_i + \mathbf{X} + \epsilon_i$$

where the average of released statistical information for country i between 1980 to 2010 is explained by the constant, the level of meritocracy in public administration, the level of democracy, the interaction between merit and democracy and a vector of covariates \mathbf{X} . Unobserved or neglected explanations are captured by the error term ϵ . I run a series of OLS multivariate regressions to estimate a linear fit on information release.

Table 1: Multivariate OLS regression results, average of 1980-2010.

	(1) RI	(2) RI	(3) RI	(4) RI
Merit	0.084*** (0.026)	0.081*** (0.027)	0.080*** (0.026)	0.078*** (0.029)
Democracy Level	0.055*** (0.013)	0.064*** (0.013)	0.070*** (0.016)	0.063*** (0.014)
Merit \times Democracy Level	-0.009*** (0.003)	-0.010*** (0.003)	-0.010*** (0.003)	-0.010*** (0.004)
GDP per cap (Ln)	0.043*** (0.011)	0.000 (0.012)	0.011 (0.022)	0.008 (0.013)
Education (%GDP)		0.013** (0.005)	0.014*** (0.005)	0.013** (0.006)
Checks and Balances		-0.002 (0.007)	-0.005 (0.007)	-0.001 (0.008)
Sum of Trade (Ln)		0.029*** (0.005)	0.029*** (0.005)	0.030*** (0.006)
Internet Users (Ln)			-0.015 (0.020)	
Press Freedom			0.030 (0.027)	
OECD				0.015 (0.023)
OPEC				-0.019 (0.070)
Distance to Financial Centre (Km.)				0.006*** (0.002)
Observations	105	103	103	103
Adj.R ²	0.684	0.749	0.748	0.751
F-test	59.186	42.034	34.331	31.643
p>F	0.000	0.000	0.000	0.000

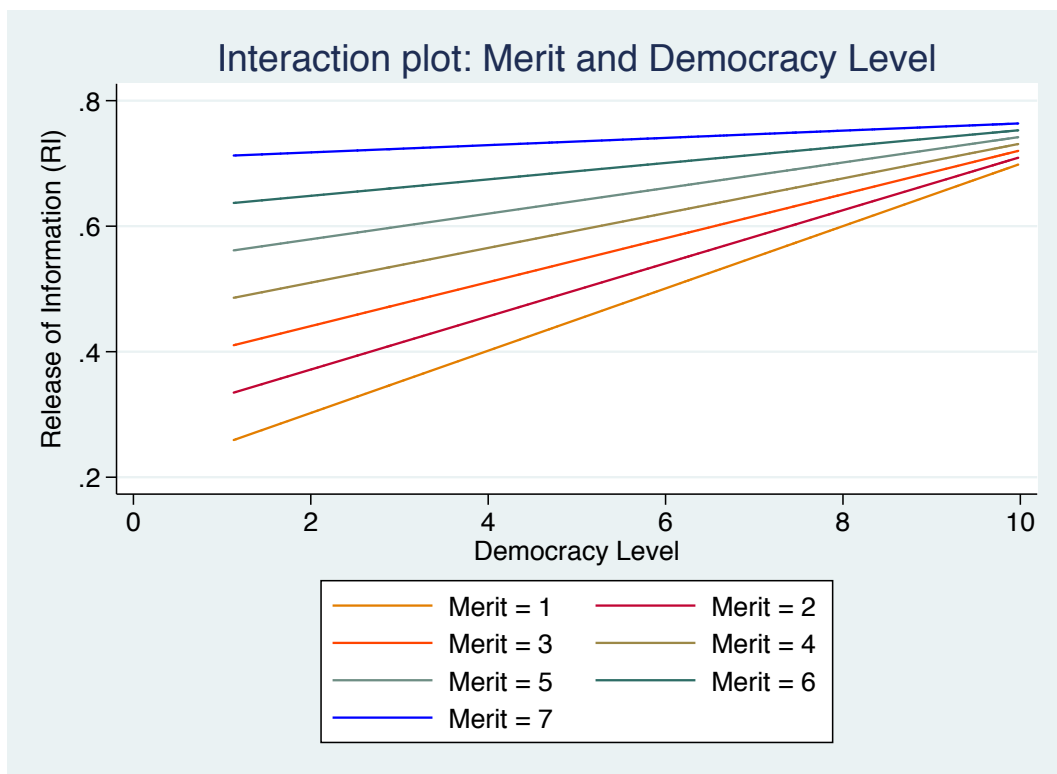
Dependent variable: Release of Information (RI).

Heteroskedasticity corrected standard errors in parentheses.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 1 displays the baseline models. Merit has a positive and significant coefficient in its main impact on the quantity of statistical information that is released. Marginal increases in meritocratic employment can lead to an increase in release of average information. The sign remains positive throughout alternative specifications and the introduction of control variables that assess alternative hypotheses on data missingness and possible confounding variables. Interestingly, merit has the largest coefficient compared to the remaining coefficients included in the various models. In fact, democracies, in line with expectation tend to produce more data. I illustrate the coefficient of the interaction term with Figure 2 below:

Figure 2: Interaction between merit and level of democracy



As shown and indicated by the negative significant sign of the moderation between merit and democracy level, for higher levels of democracy, increases in merit have less of an impact on release of information by approximately 0.9%. In other words, meritocratic selection of employees matters less as democracy becomes more vested in countries for explaining the level of release of statistical information. The greater the level of democracy in a country, the weaker the effect of merit on released information. After a certain point of democratic entrenchment and experience with democracy, rules become more important in determining the practice of information

release than merit. Highly democratic societies will abide by rules and demand transparency irrespective of means of employee selection. It should be noted, however, that despite its strong significance, the coefficient is very small, hence its impact on the overall effect, quite marginal.

The level of economic development and education are jointly positive and significant. Both follow the theoretical understanding that more resources allow for greater organisation of statistical departments that are responsible for data release. Education, whether it is through the increased demand for data or the more educated employees, is also positively associated with the release of statistical information. Internet access does not seem to impact data release in any of the models I have specified. Press freedom, memberships of the OECD and the OPEC are also not associated with greater information release. Finally, as distance to financial centres goes up, release of data increases. This is a very interesting discovery that may indicate that as distance or remoteness grows, the need to advertise financial position and economic conditions through digital information grows. That may be due to the need to compete that are closer to financial centres. In any case, the results indicate that the positive impact of the private sector in the need to deliver more data is confirmed. In a similar vein, trade openness proves to be a significant predictor of the quantity of credible national statistics reported. In line with expectations, trade appears to increase pressure to national governments to issue information of interest to their trading partners. One needs to be able to evaluate a country's comparative advantages and position for trade deals to be negotiated and goods to be transacted.

Confidence in the baseline results is reduced considerably when looking at Table 3. I drop press freedom and the natural logarithm of internet users as they remain consistently below levels of significance. In models (1) and (2) I regress RI on impartiality as measured by Pemstein et al. (2017). The indicator is constructed by experts who address whether 'public officials are rigorous and impartial in the performance of their duties'. The coefficients for impartiality maintain the anticipated signs, with main effect having a positive impact on release of information. The interaction term between impartiality and the level of democracy is still negative. Impartiality according to Schuster (2016) has own implications and despite its high correlation with merit ($r=0.745$, $p<0.001$), is not an identical concept and it should not be treated as such. According to Rothstein and Teorell (2008) quality of government can be evaluated by the level of impartiality. Impartiality has two facets. On the input side, if rules are impartial in the selection and promotion of employees then impartiality becomes conceptually equivalent to meritocracy, provided that rules are fair, stable, and candidates are aware about the criteria in advance. On the output side, it ensures that public officials serve citizens impartially and free from any discrimination. The chosen variable primarily captures the output side

and the way that officials execute their duties. Thus, the indicator and the results should not be used as perfect complements of the indicator for merit. Nonetheless, it is an indicator that includes many countries in the sample and this is why it has been chosen. Democracy level maintains its positive and significant impact. On the other hand, both the natural logarithm of income and checks and balances lose statistical significance. Education is barely significant in model (1). From these first two models it can be inferred that economic explanations, regarding competitive behaviour and exposure through trade are the most important explanations of why countries choose to issue economic and social indicators in a digital format. In line with the literature and previous expectations this result is replicated throughout this study. Interestingly, veto players do not seem to have any impact on the level of statistical information whatsoever. This is a consistent finding.

In model (3), I add government expenditure as a proxy for overall state capacity and resources spent on state infrastructures. Returning to the use of the original independent variable on merit, I observe that the result of the main effect holds despite the introduction of a variable that could capture the entire effect. Government expenditure does not seem to be a good enough predictor for the quantity of released statistical information. If the result is interpreted optimistically and the assumption that all possible confounders have been held fixed, meritocracy needs to be treated as a distinct concept from government capacity. This differentiates this study from the traditional literature of transparency. In previous cases, capacity and quality had jointly been captured by ICRG's bureaucratic quality indicator (for an example, see Adserà, Boix, and Payne, 2003; Williams, 2009). Here, when using a very specific indicator that is supposed to contain only one dimension of government quality, its impact remains significant conditional of overall government capacity, proxied by government expenditures.

Turning into the final model of Table 3, I substitute the dependent variable with the measure developed by Hollyer, Rosendorff, and Vreeland (2014), to check the robustness of findings to the use of alternative sources. Overall, despite the considerable loss of observations due to missing data, the coefficient in most variables behave as formerly established. The sum of trade, the proxy used for trade openness in this study, together with the level of democracy determine the level of released statistical data in WB's WDI database with most confidence. Merit, while maintaining correct sign, barely touches levels of accepted statistical significance (i.e. $p < 0.1$). The `hrv_index` may be less susceptible to politicisation and politically derived secrecy than `ri`. Reasons may concern the nature of the variables that are included in the examination of `hrv`. Perhaps the world bank's WDI database issues data that governments treat as less politically threatening for the continuation of their tenures. On the other hand IFS demands the reporting of variables that may conceal government activity that they may not wished to

be released. Indicators such as benefits, subsidies, employee compensation per branch of government can be subject to government under-reporting. Disclosure of such data may initiate process, electoral or through collective actions to penalise government behaviour.

This of course is a rough interpretation of the empirical results established and further research is necessary. However, what this paper shows, is the importance of examining the interplay between particular aspects of government quality, be it tenure, impartiality, or as in this case, merit in employee selection and transparency. The inclusion of the freedom of the press, traditional transparency channels, such as printed press or broadcasting media, do not explain statistical information. It is to be anticipated that digital information is not communicated via older mediators of information as the costs of doing so would be high Hollyer, Rosendorff, and Vreeland (2014:415). Hence, it is important that the transparency literature shifts to new platforms for disseminating information on government activity such as FOI laws, e-government, open data, and -as in this paper- level of statistical reporting.

2 Revisiting the causal path

Public administrations and agents employed in them are responsible for collecting, organising, processing, and disseminating information. I argue that meritocracy in the selection of individuals in the public administration should influence the quantity and quality of statistical information that is published by respective countries. The reasons for this are twofold. Public sector employees can be thought as better employees. When meritocratically selected, outside a system the conditions political loyalty in the decision for recruitment of candidates, individuals will have the propensity to work harder and be more motivated (Jaimovich and Rud, 2014). In addition, they can be thought as more skilled and with greater abilities are the definition of merit portrays that the best candidate is always preferred. If that is true, a public administration characterised by a greater degree of meritocracy in recruitment of civil servants, will *ceteris paribus*, issue more and better quality data than another civil service where a proportion of employees have been placed in the administration due to patronage. Moreover, the first causal explanation is not necessary. We may as well relax the assumption that merit brings forward employees of better quality. Thinking of a developed country with highly educated population, the variation in skill amongst candidates can be insignificantly different. Thus, the logic of patronage employment whereby employees can't issue data as they don't know how, can be considered very weak. In line with the argument put forward by Dahlström, Lapuente, and Teorell (2012), who explained why meritocratic public administrations exhibit less corruption, I

maintain that meritocratically recruited civil servants have different sets of interests and sense of accountability. Individuals chosen amongst other candidates of equal skills will appreciate the impartial mechanism and the formal rules that evaluated their abilities and ended up selecting them. There will not be a dyadic exchange of an informal contract where a job is given by someone, in the expectation of some returned favour. When rules decide objectively, the importance of individuals who move the strings and participate in the selection process is minimal. Employers in these cases are HR-managers who execute written conduct and apply formal rules in the face of employment decisions. Their interest lies with their public sector career and their success lies with the success of the agency that they command. In comparison, when political intervention is feasible, newly appointed bureaucrats, will be ready to reciprocate the favour to the patron-benefactor who appointed them in the first place. In the face of absent rules and the expectation of some reward, politicians who face the paradox of information, may decide, later on, that information should not be released. There are several reasons to do so. They may wish to cover up a policy that failed to deliver, conceal statistics in the face of an electoral battle, reduce the severity of social phenomena that upon disclosure collective action may erupt, or even, to conceal their own illicit practices and misconduct. Politicians will be able to exploit the favoured individuals in order to promote their preferences for under or false reporting. That can only occur if principals have clients who are aware that their position and salary have occurred, thanks to the political patron.

The results obtained and presented above should be treated critically and not necessarily causally. I am aware that a large segment of literature presents transparency as the cause of government quality and capacity (for example, see Adserà, Boix, and Payne, 2003; Hollyer, Rosendorff, and Vreeland, 2014; Islam, 2006; Williams, 2009). Yet, I have been unable to find a publication that examines patronage employment and merit in the public administration, *per se*. I have argued above as to why I anticipate the causal path to flow from merit to statistical transparency. In essence, I have argued that the extent of meritocracy in a civil service precedes statistical reporting and not *vice versa*. Treating the association potentially endogenously would lead to inconsistent OLS estimators and the obtained results would be wrong. Strategies to cope with the presence of endogeneity in the literature involve the use of Granger-Causality explanations and the use of instruments to exogenise the source of causality. Unfortunately, in the absence of a measure of meritocracy that varies over time, I am unable to develop a dynamic panel model that can test for Granger causality with the inclusion of lagged dependent and endogenous independent variables (Granger, 1969). The reported results should be viewed with considerable care as statistical transparency may reverse-cause the extent of meritocracy in civil service. Future research should consider the use of appropriate

instruments to exogenise the cause from the effect and, even better, focus on recruitment practices across statistical departments. In particular, going back to the original story of the Greek chief statistician and the revelations of statistical misconduct, future research can address means of recruitment for statistical chiefs. Here, the literature on central bank independence can an appropriate starting point for the development of appropriate indicators to capture the degree of independence from political pressure. More importantly, in line with recent contributions to the study of patronage, coding career-paths and previous experience could illuminate such important dimension of government transparency and disentangle the cause from effect, hence containing risks for endogeneity that aggregate indicators exhibit (Dahlström and Holmgren, 2015; Ennser-Jedenastik, 2013; Hollibaugh, Horton, and Lewis, 2014; Meyer-Sahling, 2008).

Conclusion

In this paper I have attempted to associate the means of recruitment in the civil service with the level of statistical reporting in prominent international databases, such as the World Bank's WDI and International Monetary Fund's IFS. Merit in public administration can promote the production of more and better quality statistical data for two reasons. Meritocratically employed agents can be assumed to be of higher quality, thus, having higher skills and motivation to collect, organise, and deliver quantitative information. Second, meritocratically selected individuals have a propensity to be less susceptible to political pressure to under-report, miss-report, or conceal. I find evidence that merit is a significant predictor of the extent of quantitative information. Democracies, in line with theory, promote transparency through data disclosure, same goes for trade openness. In addition, merit in embedded democracies tend to have less of an impact on national statistical reporting. I warn that the association may not be a causal one and that further research is required to establish proper causal explanations. The paper contributes to the literature of transparency and public administration by bringing into light a possible and to this day neglected link between the methods of recruitment in statistical agencies and the incentives to misreport or conceal national statistics.

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Appendix

Table 2: Summary Statistics and Data Sources

Variable	Source	Obs	Mean	Std. Dev.	Min	Max
Release of Information (RI)	Williams (2009)	176	.563	.153	.112	.866
Merit	Dahlström, Teorell, et al. (2015)	120	4.067	1.245	1	6.667
Democracy Level	Freedom House (2016a)	198	6.017	3.043	.093	10
GDP per cap (Ln)	Coppedge et al. (2017)	155	8.102	1.098	5.838	10.123
Education (%GDP)	World Bank (2016)	183	4.492	1.913	1.074	11.816
Checks and Balances	Beck et al. (2001)	179	2.6	1.339	1	7.697
Sum of Trade (Ln)	Gleditsch (2002)	191	8.093	2.65	0	13.789
Internet Users (Ln)	World Bank (2016)	192	2.467	1.057	0	4.194
Press Freedom	Freedom House (2016b)	198	1.97	.763	1	3
Distance to Financial Centre (Km.)	Gerring, Thacker, and Moreno (2005)	217	4.037	2.357	0	9.677
Latitude	Gerring, Thacker, and Moreno (2005)	156	.257	.18	0	.722
HRV Index	Hollyer, Rosendorff, and Vreeland (2014)	125	1.21	1.923	-4.563	5.798
Democracy	Boix and Rosato (2012)	196	.602	.491	0	1
Impartiality	Pemstein et al. (2017)	172	.373	1.381	-2.265	4.056

Table 3: Multivariate OLS regression results, average of 1980-2010.

	(1) RI	(2) RI	(3) RI	(4) HRV Index
Impartiality	0.042** (0.018)	0.035* (0.021)		
Impartiality X Democracy Level	-0.006*** (0.002)	-0.006** (0.002)		
Merit			0.059** (0.028)	0.454* (0.258)
Merit X Democracy Level			-0.008** (0.003)	-0.074** (0.033)
Democracy Level	0.025*** (0.005)	0.026*** (0.005)	0.054*** (0.014)	0.569*** (0.158)
GDP per cap (Ln)	0.019 (0.012)	0.022 (0.013)	0.017 (0.013)	0.318 (0.204)
Education (%GDP)	0.006* (0.004)	0.005 (0.004)	0.016** (0.007)	-0.024 (0.064)
Checks and Balances	0.002 (0.008)	0.002 (0.008)	-0.000 (0.007)	-0.069 (0.135)
Sum of Trade (Ln)	0.029*** (0.005)	0.032*** (0.005)	0.029*** (0.005)	0.374*** (0.095)
Distance to Financial Centre (Km.)		0.008*** (0.002)	0.004* (0.002)	-0.058 (0.042)
Government Expenditure (%GDP)			-0.002 (0.001)	
Observations	143	142	103	85
Adj.R ²	0.731	0.735	0.764	0.732
F-test	77.416	75.166	38.333	29.298
p>F	0.000	0.000	0.000	0.000

Dependent variable: Release of Information (RI).

Heteroskedasticity corrected standard errors in parentheses.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Politicisation in Public Administration During Economic Downturn; Evidence from Crisis-Ridden Greece

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Abstract

What is the impact of fiscal consolidation and austerity politics on the politicisation of public administration? I draw evidence from elite interviews in Greece to address the direction of the changed patterns of patronage strategies since the beginning of the debt crisis in 2010. The use of patronage employment has been reduced overall, but other forms of political intervention have become more salient. In particular, key departments and top administrative positions are prone to open politicisation, while renewable fixed-term bottom level contracts are being targeted for partisan employment. Evidence sets patronage in its contemporary context. The electoral reward mechanism is secondary compared to its use as a mode of governance. Fiscal austerity makes the electoral use of patronage less worthwhile, due to the reduction of available positions and hiring restrictions. Meanwhile it contributes to an increase in the need for effective policy implementation.

Keywords: patronage, public administration, politicisation, economic crisis, fiscal austerity, Greece

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Introduction

The memorandum is an opportunity for the country,
is a blessing

Theodoros Pangalos, Deputy PM of Greece,
24-11-2010

A few months into the first Memorandum of Understanding (MoU) between Greece and its creditors, deputy Prime Minister (PM), an elected Member of the Parliament (MP) since 1981, and minister in a number of cabinets, caused wide controversy with one of the most heavily referenced statements in Greece's modern history.¹ He rushed to explain that the opportunity lies not with the economic downturn - which was already realised - but with the pressure to pursue deep-rooted reforms. A couple of months later, he referred to the need to promote structural changes in the public administration, to divert from phenomena of *quid-pro-quo* and corruption (Againstcorruption.eu, 2011; Pappas, 2013:42).

I assess how the economic crisis has transformed the terms of employment and promotion across the public administration. The reduction of available resources, veiled under a political rhetoric of reduced efficiency, can set fruitful conditions for reform of the public sector (Peters, 2001:9). Strategies aiming to reduce the size of this sector have been enacted in cooperation with the 'Troika', as the tripartite foreign economic supervision by the International Monetary Fund (IMF), the European Central Bank (ECB), and the European Commission (EC) is commonly referred to. How have formerly prevailing strategies of patronage in employment and politicisation over promotion been shaped in the new, fiscal austerity, era? How does economic downturn in the form of a debt crisis, addressed through fiscal austerity, affect the use of patronage strategies for the employment and promotion of personnel within the hierarchies of the public administration? Evidence is drawn from elite interviews in Greece amid the economic crisis.

Exchange politics transacting political loyalty for a position in the public sector without transparent criteria and qualifications, has been coined as 'bureaucratic clientelism' (Lyrintzis, 1987:103-104). That is conceptually connected to the 'patronage democracy' identified by Chandra (2004:6), where the state in a democratic system is monopolised by the incumbent party, which has the discretion to employ selectively and gradually capture sectors of the state. Political manipulation of the public administration by political elites is a phenomenon that has been practised for decades across countries and political or economic systems (Scott, 1977).² Academic

¹For his impressive CV, see Wikipedia (2017). See also Tvxs.gr (2010) for an article regarding the aforementioned statement (in Greek).

²Eisenstadt and Roniger (1980), Eisenstadt and Lemarchand (1981), and Eisenstadt and

interest in patron-client relationships and exchanges has peaked over the last two decades due to the failure of modern, fully mobilised, and democratic societies to eliminate what was thought a sign of backwardness (Putnam, Leonardi, and Nanetti, 1994). Particularistic exchanges of non-public benefits still occur despite predictions that these would decline and eventually vanish with economic progress and societal development (Piattoni, 2001; Kitschelt and Wilkinson, 2007). I conceptualise patronage as employment and/or promotion of individuals in the public sector via political intervention or influence (Weingrod, 1968; Page and Wright, 1999; Walle, 2007; Kopecký, Scherlis, and Spirova, 2008; Lewis, 2009; Kopecký, 2011; Kopecký, Meyer-Sahling, et al., 2016). In a modern bureaucracy, patronage may be motivated by control and/or pure reward, may involve anyone, and can be legal or illegal depending on whether there is an active violation of the rules of independent assessment or exchange of bribes (Weyland et al., 1998:108-109).

The terms patronage and clientelism are often used interchangeably in the literature. This is frequently a convenient strategy for reducing repetition. In the present paper, however, I need to underline the distinction. Clientelism involves a broader variety of exchanges, such as subsidies, loans, medicines, contracts, licences with the sole objective of gaining electoral support. The recipients of clientelism may be present or future voters, only.³ I, also, consider the interaction between parties, elected officials, and clients who benefit from employment or promotion across the hierarchies of public administration. The key distinction between clientelism and patronage lies with the primary motivation behind the supply of favourable treatment. In advanced democracies the perception that the secrecy of the ballot is ensured is relatively strong. A recipient of a particularistic exchange will have the freedom to vote according to own political will as no one can effectively monitor voting behaviour (Stokes, 2005). That challenges the conventional wisdom regarding the effectiveness of electoral reward from dyadic exchanges (Geddes, 1996). However, we do have evidence that dyadic exchanges are far from uncommon. Why does a politician, supplier of patronage, still pursue such strategy, despite awareness that it may not be as effective for gaining votes. I evaluate patronage as a mode of governance whereby suppliers of patronage seek to, primarily, control policy implementation by recruiting political affiliates in key positions of their choice. Anticipated electoral reward, which constitutes the traditional understanding of exchange politics, one of which takes the form of patronage, becomes of secondary importance to parties and elected officials (Kopecký, Mair, and Spirova, 2012)

Roniger (1984) offer a rich account of the variable mechanisms and common functions of patronage observed in different political, cultural, and economic settings.

³See Piattoni (2001:5) for an explanation regarding the origin and content of the definitions of clientelism and patronage. Also, read Hicken (2011:295) for an extensive description of clientelism. For a thorough discussion regarding the evolution of the definition and understanding of patronage, see Bearfield (2009).

Patronage, in this sense, is conceptually identical to politicisation of the public administration and more distant from the traditional literature on patronage that treats the strategy as a form of corruption.⁴

Patronage as a strategy of favourable selection or advancement through the exercise of discretionary power. It is a form of intervention against the Weberian autonomy of the public administration (Weber, 1922). Meyer-Sahling (2008) outlines three dominant modes of public administration politicisation. Firstly, ‘bounded politicisation’ occurs when existing administrators are replaced by others in lower ranks. This internal relocation and turnover is expected to be present in systems where institutional memory, public service experience, and professionalisation of the public administration are all respected and are highly valued by the members of the executive. With a change in power, appointed ministers select their team of loyal, partisan bureaucrats to substitute the higher echelon of administrators that are perceived to belong to the previous incumbent. The phenomenon constitutes a mode of patronage through favourable promotions. No new recruitment is necessary, but the high and sometimes frequent turnover can possibly impact the capabilities of the public administration at least in the short-run and the notion of merit as old bureaucrats are solely replaced on the grounds of political affiliation. Secondly, ‘open politicisation’ refers to the phenomenon of overt patronage recruitment from outside the professional civil service. The employment of journalists, academics, private sector practitioners, and other experts is a common strategy that also violates the perception of closedness of a professional Weberian administration. Lastly, Meyer-Sahling (2008) specifies a third mode of politicisation that calls ‘partisan’. It occurs when public administrators are replaced by “outsiders”, exactly as in the case of ‘open politicisation’. The distinction between the two lies with the political and party background of the new entrants in partisan recruitment. As opposed to ‘open politicisation’, the newly selected administrators originate from political and party structures of the ruling political elite. The concept of an independent, autonomous, and non-politicised civil service is completely violated and the bureaucratic and political careers are fully inter-wined. Partisan politicisation has been assumed to be very common practice in countries such as Greece and Spain (Page and Wright, 1999; Sotiropoulos, 2004; Pappas and Assimakopoulou, 2012). In all of the above variants of politicisation public administrators are expected to come and go together with the incumbent who selected them. The inter-relation of power between the political patron and the appointed client-administrator can become detrimental for

⁴A number of recent contributions that examine the terms and implications of Presidential appointments in the United States constitute an indicative example of this approach, where patronage is viewed as a mode of governance and hence becomes conceptually equal to public administration politicisation (for example, see Lewis, 2008; Lewis and Waterman, 2013; Parsneau, 2013; Hollibaugh, Horton, and Lewis, 2014; Ouyang, Haglund, and Waterman, 2016).

managing an effective public administration reform agenda (Trantidis, 2014).

Moving beyond definitions of patronage, a radical change of socio-economic and political conditions caused by crises is often assumed to drive reform. In the end, something needs to change if a one has failed. Tolerance to increases in taxation or salary cuts are more easily accepted (Peters, 2001:10). Reform opportunities of patronage ridden states emerge in several forms. On the demand side, interest groups can act collectively and demand a more accessible, formal, and transparent state. On the supply side, electoral competition, party structures, constitutional arrangements, and budget constraints can impact the drive for civil service reform (for an overview, see Schuster, 2016:3-7). Crises are expected to introduce an urgent demand for reform and destabilise the status-quo that failed. There is no clear consensus regarding the impact of the latter. Asatryan, Heinemann, and Pitlik (2016) find that fiscal crises can build the required momentum for public sector reform, provided that the public administration is not overly powerful and capable of blocking policy execution. Negative budget shocks and fiscal contractions can induce the need for a cost-effective bureaucracy, hence, incentivising the push for civil service reform, as shown in an analysis of the implementation of World Bank projects in developing countries (Bunse and Fritz, 2012). The same logic is established when fiscal accounts experience a positive shock due to an inflow of aid; the political drive for modernising the public administration diminishes (Mwenda and Tangri, 2005). Conversely, fiscal contractions frequently target the reduction of the public wage bills, which on its own cannot insulate against existing networks of political control and patronage (Heredia and Schneider, 2003).

The literature of public administration politics and reform only provides unconvincing explanations regarding the direction that a public administration will take following a shock. This paper links the literature of patronage with these of public administration crisis and reform. It evaluates the driving forces of reform following a grave fiscal contraction. In particular, the paper's contribution to the understanding between the link of an economic crisis and push for civil service reform is threefold. Firstly, evidence is drawn from a contemporary debt crisis in a developed economy, EU, and Eurozone member state that allows for a modern examination of civil service reform opportunities and the challenges imposed. The Greek debt crisis and its impact on the politics of public administration, to the best of my knowledge, have not yet been studied. Secondly, the paper identifies the complex nature of public administration reform, by breaking down the public administration into ranks. This is not a common strategy in the literature. By doing so, I permit interests to differ when politicising respective echelons of governance. In this way, the variable motives between reward and control, together with the main causes by the crisis, can be captured for every rank. Thirdly, the peculiarity of Troika's involvement in the supervision and execution of policy as a supranational, para-institutional

stakeholder, is an ideal test of the strategy developed by ‘regime outsiders’ and to what extent they have an incentive to push for civil service reform. The Troika becomes an influential stakeholder with, essentially, veto powers, without having previously engaged into the system of exchange politics. Troika, does not compete in elections. It has no desire to maintain its electorate. Electoral reward is not a concern. The empirical finding that Troika permits or opts for open politicisation serves as a validation that patronage is, indeed, a mode of contemporary governance. Also, it serves as a proof that patronage-ridden systems, despite shocks that may affect networks of exchange politics, are pretty resistant to change.

The paper is divided into four sections. I introduce the Greek case and provide secondary evidence of patronage employment prior to the crisis, moving into the method of conducting elite interviews and the participants’ selection criteria. In sections three and four I present the interview results and discuss theoretical impact, underlying limitations, and propositions for future research.

Patronage in Greece; the precedents

Several decades of state capture by authoritarian regimes and conservative parties that ruled since World War I, came to an end in 1981, when the Pan-Hellenic Socialist Party (PASOK) came to power for the first time. Until then, public administration was only open to citizens conditional on political beliefs and more precisely, excluded left-wing or communist citizens (Pappas, 1999; Aspidis and Petrelli, 2010). Such heritage of exclusivity may link countries with authoritarian experience in the South of Europe with former Soviet democracies in Eastern Europe. The common experience, although ideologically distinct, of authoritarian regimes that imposed restrictions on recruitment to public administration based on political beliefs, may be a compelling explanation regarding the common observation of acute patronage following democratisation. In the East of Europe, elected parties attempted to ‘democratise’ their public sectors by getting rid of former officials (Meyer-Sahling, 2008; Kopecký and Mair, 2012; Demir, 2016). Following the collapse of the military dictatorship and the establishment of the third democratic period in 1974, Greece experienced the emergence of a Western-like liberal democratic model where two parties, PASOK on the centre-left and New Democracy (ND) on the centre-right, enjoyed stable, single party, tenures. In Greece, the PASOK government of 1981, pursued a program of ‘democratisation’ that led to the employment of formerly restricted citizens to the hierarchies of the public sector. PASOK was a clear-cut case of a ‘regime outsider’. Contrary to Shefter (1993)’s expectation that patronage strategies decline following the electoral success of a regime outsider winning an election with a programmatic agenda, PASOK pursued

its own cycle of extensive patronage (Pappas, 2009). After its first election, the Greek society witnessed the transformation of traditional clientelism into machine politics (Mavrogordatos, 1997; Lyrantzis, 2011). Patronage became an extra-institutional norm for both competing parties (Charalambis, 1989; Lyrantzis, 2007, 2011; Pappas, 2013). Non-meritocratic and patronage selection in the public sector became a principal feature of the post-war state. The pervasiveness of patronage led to a constant deterioration of the skills of selected personnel and undermined the efficiency of the public service (Prasopoulou, 2011). In some cases, patronage led to cases of corruption (for the link between politicisation and corruption, see Diamandouros, 1997; Dahlström, 2012).

With the absence of safety valves that would insulate the public administration from overt politicisation, the Greek state experienced a period of structural transformation and expansion.⁵ The civil service of the country has been a desirable career prospect thanks to the high protection of labour rights, relative salaries, and permanency of tenure (Aspridis and Petrelli, 2010). With a plentiful supply of labour, parties and their officials in key positions were in position to distribute a lucrative resource to their clientele.

Some attempts to professionalise

In 1994, Law §2190 was approved by the parliament and an independent recruiting agency, the Supreme Council of Personnel Selection (*Ανώτατο Συμβούλιο Επιλογής Προσωπικού*, ASEP), was established. Its main responsibility has been to assess applications and supervise competitions for personnel selection in the public sector.⁶

⁵The true number of employees in the public and semi-public sectors constitutes a tough-to-solve mystery. It is astonishing that almost every resource that revolves around Greek patronage and public administration provides a disclaimer regarding the lack of reliable, publicly available statistics. I direct the reader interested in the discussion to Pappas and Assimakopoulou (see Note 1 2012:161) and Manolopoulos (Chapter 5 2011) for a brief outline of how chaotic the calculation can be, given the scarcity of inter-temporal information. A recent contribution by Tsampra and Chatzimichailidou (2016) provides valuable information about the core public administration employment with data from the Ministry of Interior released in 2009 with annual figures for the years between 1999 to 2008. Unfortunately, I have been unable to retrieve the original datasets as cited by the authors in order to confirm the reported numbers, with the exception of years 2005 and 2008. Only recently, in July 2010, the first official census of the Greek public sector was conducted by the Ministry of Internal Affairs. According to this census 866.658 civil servants were registered. This figure does not include an estimated 200,000 individuals who are employed across the 74 state-owned enterprises (SoE) according to a recent report by the OECD (2011a:7). Indeed, Greece was the OECD state with the highest proportion of its active labour force employed in SoEs in 2008 (OECD, 2011b).

⁶Refer to (OECD, 2001:11-12) for a detailed description of the role, structure, and responsibilities of ASEP.

Aside ASEP, the Civil Service Code that was legislated in 1999 (OECD, 2001:14) and the reactivation of the National School of Public Administration that offered professional training to top civil servants (OECD, 2011b:70), increased the momentum in favour of the professionalisation of the public administration. However as illustrated in Table 3, incumbent parties found ways to heavily amend the list of ASEP's jurisdiction. Pappas and Assimakopoulou (2012:148-149) outline several paths through which individuals can still be favoured over others even within the framework of the independent examination. A significant number of appointments and promotions are not subject to the supervision of ASEP. These exemptions are especially common for fixed-term contracts that offer direct employment to a large potential clientele when required and for most intra-departmental promotions. The latter are evaluated by board committees comprised of chief departmental administrators. The criteria for the selection of candidates remain blurry and in most cases they are not published making public scrutiny difficult or impossible. Despite the long-celebrated formalisation of the procedures for recruitment, ASEP did not succeed in significantly containing the wide perception that patronage strategies are common in employment and promotion of employees (Filiis, 2012:125).

In an OECD report on the Greek public administration, one of the key finding was that:

Greek administration and political system favour conflict resolution through informal routes and procedures, which although lacking transparency and independence from party politics, are sometimes more effective in defusing conflictual situations. This tends to reinforce political clientelism and to obstruct administrative modernisation and collective decision making. (OECD (1997:236))

A more recent OECD (2011a:7) report found that the over-staffing of State-Owned Enterprises (SoE) is a general practice and a principal mechanism of patronage. OECD (2011b:79) reviewed the central administration by highlighting the structural problem of patronage and poor coordination between agencies.⁷ In particular, insufficient HR management and lack of political will have allowed patronage to be prevalent, despite the steps towards modernising the state. More important however, was the finding that almost one in three civil servants perceived the negative image of the public sector was an outcome of either corruption, cronyism, or patronage. It is worth highlighting that there does not seem to be evidence suggesting any impact of the EU membership, which Greece has been a member of since 1981, and the quality and/or meritocracy of public administration.⁸

⁷The use of SoE for patronage employment is a typical strategy in many states. A recent study by Ennser-Jedenastik (2013) shades some light regarding the politicisation of top managers in Austria, while offering a novel methodological approach for the study of patronage.

⁸The connection between EU membership and aspects of public administration is difficult to be

In fact, as shown in Figure 2a, Kopecký, Mair, and Spirova (2012) compared party patronage across 15 European states using expert interviews and concluded that in Greece patronage was a dominant phenomenon for *both* control and reward purposes, across the sample. In a similar vein, Figure 2b shows evidence from Kitschelt (2013) that points in the same direction. Greece was only a close second, after Bulgaria, in the provision of preferential employment opportunities. These two studies conducted with data from different expert surveys before the beginning of the economic downturn in 2009 provide as good snapshots of the scope of patronage in the pre-crisis era. Greece, had failed to reform and insulate its public administration from partisan exploitation.

Realisation of the crisis

A pre-crisis period of political stability and economic development came to an end when George Papandreou Prime Minister and leader of PASOK gave a historic speech on April 23 2010 on the small island of Kastelorizo. He announced that the country could no longer accommodate its public debt. Expressing the fear for a ‘chaotic default’ he ordered an immediate financial assistance from the IMF and ECB. This caught most citizens by surprise. A quick round of negotiations regarding the course of action gave birth to the First Memorandum of Understanding (MoU) between the Greek government and the Troika. It was a plan that allowed for borrowing through the ECB -off the market- at favourable interest rates in an exchange of a series of reforms. As in most IMF-commanded structural reforms, there was a clear underlying dogma behind the core of most measures. Greece had to order policies aiming to sustain significant primary budget surpluses. Acute austerity was proposed together with a directive to transform the public sector which was viewed as being inefficient and too large.⁹ May 2010 was preceded by a period of considerable political fluidity, with voters shifting between ideological extremes. New parties were formed and others completely vanished. Elections were held four times between 2010-2014. The sovereign debt crisis shook political conventions with multiparty coalition governments emerging for the first time since 1989. A neo-nazi party, Golden Dawn, entered the parliament and consistently gained popularity. Lastly, the crisis era led to the polarisation around Syriza,

assessed empirically, given the absence of quantitative measures that vary over time. Nonetheless, such research, would expand existing knowledge regarding the overall effect of EU accession on effective policy implementation.

⁹See Varoufakis (Chapter 2 2017) for an insightful narrative regarding the structure and reform agenda proposed by the Troika. Also, Sklias and Maris (2016:414-417) provide an exhaustive account of the undertaken reforms by respective Greek governments, following the signing of the first memorandum.

originally a coalition of small, highly fragmented leftist organisations. Since the election of January 25 2015, Syriza and the Independent Greeks party have formed a coalition on an anti-memorandum, anti-austerity platform.¹⁰

The imposition of fiscal consolidation created a priority for a radical reduction in the size of the public sector, together with wage cuts, privatisations, and tax increases, for stabilising the government budget and achieving budget surpluses. At the same time, the PASOK government introduced a law that required decisions for recruitment in both core and wider public administration to be organised and conducted by ASEP. According to the Minister of Internal Affairs and the Prime Minister at the time that change would signal the end of the historical experience of patronage (Skai.gr, 2009). The objective of the infamous Ragkousis Law §3812/2009 was to expand the responsibilities of the independent recruitment agency. The supervision of appointment processes that were previously excluded, such as those conducted for the SoE, civil servants in the Parliament, and municipality workers, became part of ASEP's obligation. These sectors were extremely prone to patronage. In addition, the legislation terminated the practice of using interviews to assess candidates, a strategy that was perceived to be highly secretive and prone to politically driven decisions (for a discussion regarding the alternative methods of recruitment and associated risks, see Sundell, 2014). In a rare public recognition of the practice of patronage, George Papandreou PM, stated that: 'We often failed to make the necessary changes as compromises with vested interests were put before the common good. We often yielded to statism and clientelism.' (Kathimerini, 2011) Two published commentaries by the advocate of the enforced fiscal austerity, pro-memorandum, Kathimerini Newspaper in 2012 and 2013, illustrate how patronage may still be valid despite the supervision by the Troika and enacted legislation.

The information that has so far been released from inside sources regarding the appointments that will be made to high-ranking positions at public organisations and state-owned enterprises are extremely disappointing. The overwhelming majority of the candidates are failed politicians, former MPs and party cadres. (Kathimerini, 2012)

If the government wants to regain any credibility and if it really wants to get the job of rebuilding the country done, it needs to start thinking in terms of meritocracy only. Otherwise, it won't be surprising if the people start to suspect it of patronage and half-measures. (Kathimerini, 2013)

The Greek public administration entered the period of economic turmoil with

¹⁰When I was writing these lines I couldn't forecast the textbook capitulation of the coalition over the result of the referendum on July 5 2015, which led to the signing of the third memorandum of understanding between Greece and its creditors.

significant allegations regarding its poor competence, ‘monstrous’ size, cases of corruption and, most importantly, openness to political influence and patronage. It is worth investigating if and to what extent the picture regarding the terms of personnel selection has been influenced by it.

Case and Method

Research in the field of patronage is constrained by two factors. It is difficult to define and operationalise patronage as it constitutes a covert activity (Weingrod, 1968). In addition, the idiosyncratic characteristics of patronage do not allow for generalisations and comparability (Medina and Stokes, 2002:2). For these reasons, the literature is segmented into a number of approaches ranging from ethnographic studies (Auyero, 2000), large-N opinion surveys aiming to capture the demand side of patronage (Müller, 1989; Pappas, 2009), proxy indicators (usually operationalised as the change of public sector size or salaries, for example, see Gordin, 2002; Calvo and Murillo, 2004; Manow, 2006; O’Dwyer, 2006; Remmer, 2007; Grzymala-Busse, 2008), to more in-depth case studies when data allows to trace personnel turnover in particular positions of interest over time (Meyer-Sahling, 2008; Ennser-Jedenastik, 2013; Hollibaugh, Horton, and Lewis, 2014; Dahlström and Holmgren, 2015; Holmgren, 2015).

In this paper, I follow the methods employed by Kopecký and Scherlis (2008), Kopecký and Spirova (2012), and Kopecký, Meyer-Sahling, et al. (2016), who conduct expert interviews to investigate the scope of party patronage across contemporary Europe and Kitschelt (2013) and examine party linkages and exchange politics. In a similar vein, Dahlström, Teorell, et al. (2015) and Charron, Dahlström, and Lapuente (2016) use expert surveys to measure the quality of government, including meritocracy in appointments and promotions across Europe. These constitute modern approaches to measuring and determining the magnitude of patronage; a complex and multidimensional phenomenon in the intersection between ‘public administration, politics, economics, and society’ (Roniger, 2004:354).

The main research question of this study explores, *how an economic crisis is expected to affect the scope of patronage?* A crisis followed by a tight fiscal austerity agenda can decrease opportunities for preferential employment in the public administration. The decreased opportunities, in turn, are likely to shock existing networks that may not be able to supply preferential employment as much as they used to when resources were less scarce. To answer this main question, I use semi-structured elite interviews I conducted in Athens, Greece in autumn 2014 and summer 2015. Greece constitutes a prime case study due to its heritage of extensive patronage, as discussed in the previous section. The significance of Greece’s debt crisis and the

response of the incumbent parties in cooperation with the foreign led supervision, the Troika, do not allow room for severe deviation from the commanded and enacted austerity. Departing from the sensible assumption that fiscal austerity was enacted and respected, I am able to infer about the true scope of patronage in the new, within-crisis, era (Featherstone, 2015).

Conducting elite interviews

I conducted semi-structured in depth elite interviews with individuals who are expected to have insights regarding the use of patronage in the public administration for appointment and promotion. Similar methods in studies of public administrations have been employed in the literature. Stamati, Papadopoulos, and Anagnostopoulos (2014) interviewed top agency managers on how Greek civil service adopts new technologies. Corbett and Howard (2017) examined whether the inter-temporal perception of agency size can influence decisions over its termination in a study of Australia's aid agency, by interviewing a sample of employees. Craft (2017) conducted elite interviews with administrators and members of the cabinet to investigate the politicisation of partisan advisers in Canada. I define a pre-crisis period before the signing of the first MoU between the Greek government and the Troika in May 2010. The second period concerns the aftermath of May 2010, which involves the foreign supervision by the Troika and a sequence of adopted austerity policies. In order to provide a comparison between the perceived change of patronage between the two time intervals, I require informants who have experience in a position of expertise for more than five consecutive years prior to September 2014, which is when the interviews were conducted. Conditioning on the years ensures that every given participant has one pre-crisis year of experience, at minimum. In addition, five years would ensure that candidates have been position holders for more than one political cycle, which is recently, below, four years. Obviously, the longer the experience the greater the confidence that an informant has been deeply embedded within potential networks of patronage and is more familiar with the phenomenon. My pool of participants includes MPs, members of the cabinet, top and middle-ranked civil administrators, top trade unionists, and individuals who have documented access to information of interest through their work in key institutions or agencies. I approached affiliated MPs of ruling and opposition parties.¹¹ A main consideration was to attract individuals who were either suspected of participation in patronage networks, or had publicly denounced the phenomenon at some point in their career. My original pool comprised of those potentially keen on pursuing the activity and those disgusted by the practice.

¹¹With the exception of Golden Dawn for ideological and safety reasons.

In the latter category, I approached some so-called ‘victims’ of patronage. These were individuals who had lost their positions or resigned due to patronage related disagreements. Such informants may be more willing to reveal mechanisms of patronage. To capture the perceptions from the demand side, I recruited prominent top trade unionists and managers in SoEs. The breakdown of my participant list by experience and political affiliation (when possible) can be viewed in Table 2. Anonymized responses are presented with an assigned identification based on the (primary) background of the interviewee.

The terms of the interview were clearly stated to participants via phone or email prior to reaching consensus. More precisely, interviews were not audio or video recorded. For a study of such sensitive nature, where interviewees had been potentially involved in a semi-legal practice such as patronage, audio or video recording could have limited the incentive to participate and/or undertake a more critical and honest stance (Paulhus, 1984). I outlined how I would have a preset questionnaire but I would be allowed to ask for clarifications and out of context questions. I underlined that full confidence and anonymity for my participants’ identity would be provided and that my interview material would only be used for academic purposes under the conditions of confidentiality and anonymity. I presented identification, academic affiliation, and an ethics approval form that they had to sign, before beginning each interview. The venue of the interviews was selected by each volunteer. As it may become obvious, I set clear rules to bypass any safety and confidentiality concerns that my interviewees might experience. The questions were addressed and the discussion took place in the Greek language to allow for an easier communication and flow of ideas (for a similar approach, see Stamati, Papadopoulos, and Anagnostopoulos, 2014). The interview schedule was tested before the data collection and questions were framed in such way so as to allow for comparison, with the exclusion of some additional and specific questions raised to actors from independent regulatory bodies, such as ASEP, Transparency International, and the Judiciary. Questions required responses based on experiences, memories, and general awareness regarding interventions that have taken place, their perceived frequency, and the hierarchical layers that were sensitive to manipulation during each period. I strictly avoided negatively loaded remarks regarding the use of patronage or moralising around the practice. I attempted to allow discussants to review patronage strategies without feeling that any positive connotations would be negatively perceived.

I systematically produced notes during the interview process (Barbour, 2014:256-257), which were, then, digitised and translated. I imported the textual data into ‘Nvivo’ software that allowed me to skim through the scripts of each participant and detect concepts of interest (themes). I approached my data critically, aiming to create a list of inductively produced codes. I was particularly interested in

explanations that were repetitive, unexpected or unique ‘exemplars’. After the first round of coding, I enumerated 108 codes and a total of about 250 coded excerpts. During the second phase of analysis I collapsed the codes into 27 broader codes which were then merged into 13 large categories. The original word frequency query can be found in Figure 3.¹² In order to avoid anecdotalism and to be able to offer the thick description derived from the interviews, I include simple counting visualisations, where the main themes and their subcategories are presented in size comparable to their coded frequency (Silverman, 1993; Barbour, 2014:271-273; Gerring, 2012).

Main Findings

In summary, question (1) explores what participants understand by the concept of patronage. Questions (2-4, 7) investigate the direct impact of the crisis on patronage. These questions attempt to capture perceptions prior and during the crisis. Question (5) considers the role of the Troika and external supervision on addressing the phenomenon. Questions (6a-6b) examine the perceived influence of ASEF. Question (8) examines whether participants perceive the use of patronage as a ‘Greek particularity’, as it is commonly referred to in the Greek media. Questions (9-11) discuss the motivation behind the supply of patronage. These are open questions in order to allow participants to use own language to reflect on the reasons behind partisan politicisation of the bureaucracy. The translated questionnaire is found in the Appendix.

What is understood by patronage?

Patronage in the Greek language is not linguistically distinguished from clientelism. The literal translation of the word used, means ‘relations of clientelism’. This is the most precise term for describing the phenomenon of interest, i.e political intervention for employment and promotion in positions of the state. But, what do experts understand by the term?

Figure 4 illustrates the main coded themes that are brought up by experts. Most understand patronage as traditional *quid-pro-quo*, ‘I do something for you and I expect you to reciprocate the favour’ (Ex2), or highlight that the gravest form of ‘clientelism’ develops between public and private agents. ‘Clientelism refers to attempts by organised individuals or groups to influence political decisions.

¹²One interview that didn’t meet the requirements due to the interviewee’s refusal to give me permission to keep notes has been excluded from the analysis.

The biggest source originates from networks of influence from the banking sector, media, and political agents' (Ex7). Such description can be textbook definition of lobbying where the bargaining power of collective private interests can influence and even command policy. Another participant mentions that 'private clientelism costs more and is more dangerous' (Leg1).¹³ Regarding the other side of patronage, interviewees mention that patronage 'requires economic or personal relationships' (ASEP1) and that 'the developed dependence may overpower the general rules of meritocracy' (Tu1). Indeed, such descriptions show thorough understanding of the accepted axioms regarding the bonds of dyadic trust that is a obligation for the emergence of exchange politics. Interestingly, no participant associates the definition of 'clientelist relations' with corruption, as I had anticipated. In fact, there was a number of interviewees that rush to clarify the distinction between the two phenomena. 'I should differentiate between corrupt exchanges and patronage as in the first case politicians are usually submissive to organised economic interests while with patronage, the exchange is usually of reciprocal dependence' (Ex4). Patronage, being a semi-legal, grey strategy may lead to corruption (Heidenheimer and Johnston, 2002; Dahlström, Lapuente, and Teorell, 2012). The term 'corruption' only shows up in relation to the definition of patronage to depict their differences in terms of dependence and power structures.

Why patronage?

Why does patronage emerge as a significant phenomenon in Greece? As illustrated by figure 5 general explanations are twofold; political and economic. Usually, the most common explanation by PASOK affiliated legislators, administrators, and unionists is the idea of original state exclusion. The Greek state was not open to left-wing citizens prior to, during, and shortly after the military junta. Following PASOK's election in 1981, a significant proportion of the population had the opportunity to be employed for the first time in the public sector. 'The "ghost" of the political right could not pursue prohibitions or selective restrictions anymore. The government at the time, reciprocated the demand for jobs, social security, and equality by radically reshaping the public sector with new appointments' (Tu4). This argument is propagated by the majority of 'left-leaning' informants. Conversely, right-wing interviewees mention that in the democratic period following the collapse of the dictatorship, PASOK opted for exchanging favours with loyalty and that in the period 1974-1981 when ND was in power, such strategy was not so

¹³That is a line of inquiry that I will not address in this study. It certainly can be the subject for future investigation. See Trantidis and Tsagkroni (2017) for a recent study, where the use of the term clientelism, in its wider definition, is compared with that of corruption in formal speeches within the Greek Parliament in the pre-crisis era.

significant. Apparently, they disregard that most junta affiliated administrators, simply remained in their positions and proved pretty loyal and effective with ND in power. Hence, ND didn't have a direct incentive to pursue a state 'cleansing'. Another interesting perspective is that 'patronage will emerge when the rule of law is weak and constitutional rights are not protected' (e.g Ex9). Parties, according to this view, reciprocate a need to safeguard the interests and rights of their supporters by using state capacities. An alternative explanation asserts that 'capitalism required an extensive public sector, two decades ago, and this demand was covered through patronage. Today, the requirement is the opposite, hence, austerity and consolidation are being proposed' (Leg1). Post-junta, there is an acute labour market inefficiency with a shortage of labour supply. Public administration becomes a lucrative destination for tackling unemployment and reducing labour insecurity. 'The public administration under conditions of uncertainty offers long term contracts, in most cases permanent, which offer security and increase the desire of citizens to join. The state becomes part of a family strategy' (Ex7). The Greek 'peculiarity' lies with the large number of small to medium sized enterprises, which usually are not sufficient to cover demand for labour, are more vulnerable to economic shocks, and have less political bargaining power. These private sector traits may be able to promote the importance of getting access to the more lucrative alternative, i.e. the public sector. The latter ensures tenure, secure salaries, and safe working conditions; a reality until the beginning of the great recession.

The crisis' impact on patronage

The economic crisis that shook Greek politics and society in 2010 can impose barriers to the continuation of an enduring politicisation of the public sector. The crisis is expected to affect patronage via two broad but distinct paths as illustrated in figure 6. The direct impact through fiscal consolidation and the indirect one through the involvement of the Troika as a political stakeholder of the country.

The economic response to the debt crisis comes in a form of an attempt to balance the primary budgets and reduce spending by imposing fiscal consolidation. With regards to bureaucracy a decisive reduction of the size of the public sector via mandatory redundancies, salary cuts, and hiring freezes can affect employees' expectations for employment and their motivation to perform (Meyer-Sahling et al., 2016; Esteve et al., 2017). The Troika - despite being perceived to be fully informed about state inefficiencies, including extensive politicisation - has one single priority; to dictate and safeguard unobstructed policy implementation. Achieving so, certain policy areas of importance become prone to supervision.

In detail, fiscal consolidation, which leads to a contraction of the size of the public

sector and a reduction of its expenses, is expected to reduce the opportunities for patronage in absolute terms. Fewer positions are available for partisan distribution and thus less clients can be served. The imposition of the new 10:1 rule, under which one individual is permitted to enter for every ten exits (OECD, 2011b:71), formalises the reduction of opportunities for patronage in recruitment. Given the small number of positions to allocate, appointments through patronage may not be a lucrative political strategy anymore, at least for reward purposes. The logic of patronage in its traditional form of exchange politics, is expected to decline. In fact, top administrators and opposition members express the view that such influence over appointments has, indeed, declined. Yet, they point that ‘the motivation is still present as institutions and political elites haven’t changed’ (Ex2). Interestingly, but not astonishingly, some suggest that ‘the decline of PASOK’s popularity may be explained by the lack of ability to promise state positions for loyalty’ (Admin2). In addition, political fluidity may be explained by failed (un-reciprocated) promises as PASOK failed to satisfy the needs of employment. ‘Former PASOK loyalists with low class consciousness, who used to have access to state resources shifted to Golden Dawn as a so-called ‘reaction’. Others, by supporting Syriza expected to be able to achieve the continuity of the former strategies of patronage and hence regain access to state resources’ (Leg1). In an attempt to explain the radical collapse of electoral support for PASOK several theories have been formulated. One of them is that PASOK’s clientelistic logic that kept it in power for several decades, couldn’t continue in the memorandum, crisis era. Favours that were promised by the party patrons, could not be reciprocated any more. Hence, the party was not able to recruit new members or maintain its existing electorate. According to such argument, dissatisfied former PASOK voters would shift to populist protest parties, such as Syriza on the left and Golden Dawn on the right, depending on ideology and perceptions on immigration. The testable hypothesis that links failed patronage networks to voting intentions for Golden Dawn failed to become a significant predictor in a recent study by Lamprianou and Ellinas (2016:10).¹⁴ Citizens can adjust to labour market inefficiencies and acute unemployment by ‘reducing their expectation when they engage in a patronage driven exchange’ (Ex4). ‘Recipients of patronage may be satisfied with less lucrative and shorter contracts’ (Ex5). Indeed, there seems to be strong consensus regarding the changed dynamics of patronage. The new patronage equilibrium seems to entail temporary positions with part-time, renewable, or revocable contracts. This is in line with Robinson and Verdier (2013) who show that these short-term contracts may be able to bind demand and supply of patronage for a longer time period, making such strategy more profitable for the party or politician wishing to engage in exchange politics.

¹⁴The study attempts to interpret voting intention for Golden Dawn against a battery of questions, among which, there are some on clientelism.

Another aspect of the change involves new forms of patronage. Political influence concentrates on decisions regarding favourable intra-departmental relocations (for example, see Vasilaki, 2016:22) and redundancy avoidance. ‘Patronage now concerns avoiding getting fired. There is also favourable intervention in labour mobility (i.e. relocation’ (Ex2). Another key informant complements, ‘there has been a change in the characteristics of patronage. Now it is with the use of exceptions or firing prevention’ (Ex7). A prominent conservative party minister and MP explains, ‘Patronage is now frequent only for revocable contracts. If you think about it, permanent contracts are few and all go through ASEP. It is almost impossible to intervene, there’ (Ex1).

The alternative path proposed, via the Troika’s involvement, is more complex. There is broad agreement among interviewees of all backgrounds that the tripartite body is fully aware of the politicisation of the Greek public administration and the heritage of political influence over appointments and promotions. However, the consensus is that the Troika is not interested in proposing reforms to restrict parties’ ability to influence appointment and promotion decisions. ‘Troika is executing a set plan with given economic priorities. Patronage and the elimination of its malpractice is not among them’ (ASEP1). A key informant offers valuable insights from the Ministry of Finance, ‘After a while it became evident that Troika wanted to ensure that enacted legislation was rapidly implemented with no administrative barriers. They favoured the use of non-partisan administrators, such as myself, as we were deemed to be neutral and more willing to push for policy’ (Admin1). The Troika has become a political stakeholder that seeks to safeguard prompt policy implementation in areas of interest. ‘Revenue-related departments, such as those under the responsibility of the Ministry of Finance, will end up less prone to overt partisan politicisation’ (e.g. ASEP1, Ex3). However, that does not mean that these departments are now fully professional and not politicised. In fact, ministries under the attention of the Troika have been the recipients of a new, transformed type of politicisation. Parties are co-operating with the Troika in the selection of non-partisan administrators with technocratic or private sector experience. Such wave of politicisation constitutes a new challenge for the Greek public administration. Given the transformed characteristics and obstacles to overt politicisation, it is of great interest to explore the logic behind the range of departments or agencies and administrative ranks that will be targeted for patronage. It is also crucial, for the purposes of this paper, to compare how the scope of patronage has been altered by the fiscal austerity.

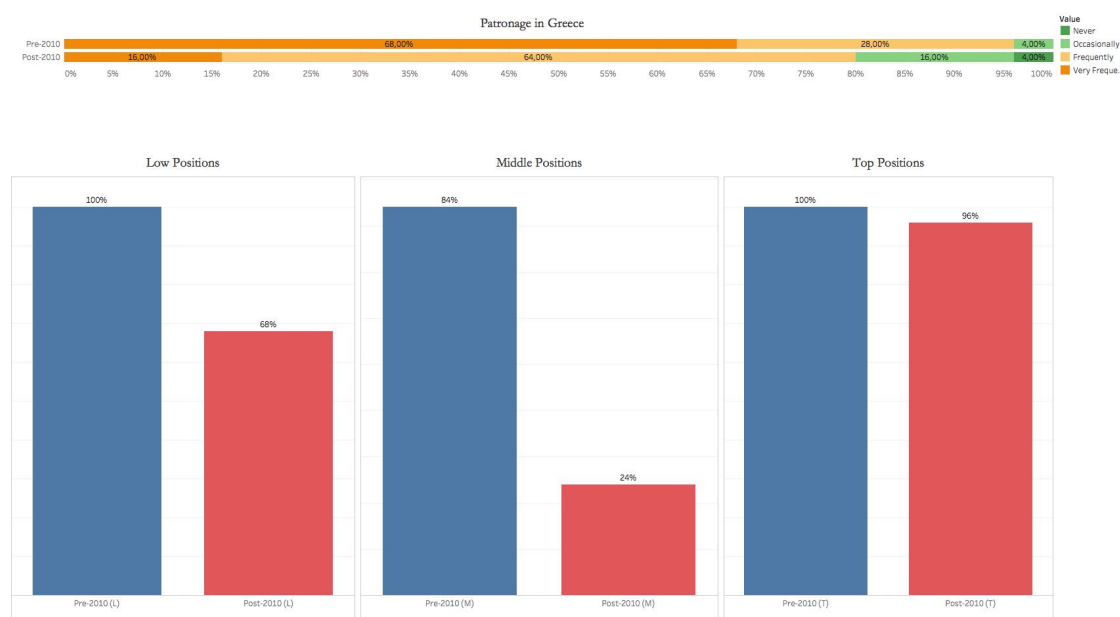


Figure 1: Change of patronage during the economic crisis in Greece; own data

Perceptions of change, old versus new style of patronage

Perceived overall levels of patronage, as shown on the top graph of figure 1, have noticeably changed during the economic crisis and the policies of extreme austerity that Greece experienced after 2010. Experts convey such trend with the responses in the structured questions.¹⁵ A 96% indicate that political intervention was a frequent or a very frequent phenomenon in the period prior to 2010. Following the signing of the MoU in the spring of 2010 the perception of overall politicisation falls. 80% of the respondents perceived politicisation to be frequent or very frequent in this latter period. Such dynamic of change is better captured when addressing specific hierarchical layers, where it appears to be a considerable decline in the use of patronage in middle positions and a noticeable reduction in the perception of patronage for lower positions. Conversely, the top echelons of public administration are perceived, still, highly politicised.

Bottom level administrative positions

Bottom ranked positions of the public administration have been historically the target for patronage employment. These entry-level positions, such as ministerial

¹⁵This section draws evidence from the structured questions (2a-3b), and the open-ended questions (2, 3, 4, 5, 7).

secretaries, housekeepers, clerks, janitors, special committee members, and most employees in public services occupy the largest proportion of civil service. Meanwhile, a lax framework for safeguarding meritocratic employment has allowed the emergence of a deep-rooted network of traditional *quid-pro-quo* between political patrons and clients. ‘Patronage is easier in lower positions and harder as you climb up the hierarchies’ (Ex1). In the cases where ASEP has been absent or excluded, these positions have been filled by partisan employees, as demonstrated by the consensual testimony of all experts. The mechanism of anticipated electoral reward was present and very significant in the pre-crisis era, especially for these positions (Papakostas, 2001; Pappas and Assimakopoulou, 2012). Bottom ranked posts in the public sector fall under the traditional logic of patronage employment and the famous spoils system of machine politics (Scott, 1969). These positions do not have a primary policy-making importance. Hence, the element of control over policy implementation is not a serious consideration when supplying patronage.

Perceptions of politicisation across lower ranked positions point towards two themes. The first is unrelated to the crisis. ASEP has become very relevant in safeguarding meritocratic recruitment for permanent contracts. ‘Recruitment on the basis of loyalty for permanent positions is now closed’ (Ex3). Informants indicate that ASEP has contributed positively and in recent years most low level positions have been filled with personnel on meritocratic ground. I was surprised to witness only few days after the interview we conducted, a Twitter message by one of New Democracy MPs’. Replying to a citizen’s request for inter-mediation to find a job in the public sector, he asked for the CV and promised to help!¹⁶ Days earlier the same person stated with confidence: ‘economic crisis and the tight fiscal conditions have caused the reduction of the phenomenon. Even the minister will select permanent employees **only** via ASEP. The new recruitments are purely meritocratic’ (Ex1). Key informants warn that a pattern has intensified following the beginning of the crisis. Budgets of ministries have been depressed and there has been a shift towards revocable, renewable, part-time contracts. These contracts do not pass through and are not supervised by ASEP (See Table 3 and Pappas and Assimakopoulou, 2012:148). A direct consequence is that ‘these temporary employees who need to have their contracts renewed every six months to a year become a pool of clients for patronage and are exposed to politicisation’ (Judge1). Had these contracts been permanent, ASEP could monitor and safeguard meritocracy over recruitment in low positions. With the applied fiscal austerity, part-time, temporary, or revocable contracts appear more often in absolute numbers and are perceived to be cheaper for the public budget as they can be cancelled or revoked at any point. Candidates face the risk of engaging in new patronage transactions. Such type of *quid-pro-quo* would be in line with the more traditional nature of patronage that views

¹⁶All details are available, since that was a public tweet and it triggered many headlines.

the phenomenon as a form of exchange politics (Kitschelt, 2000; Robinson and Verdier, 2013). The second theme highlights the importance of the imposition of fiscal consolidation through the hiring freezes. ‘With regards to new recruitment, patronage is constrained due to the vertical reduction of new employment, ASEP, and the 10:1 rule as stated by the memorandum’ (Tu3). For bottom level positions of the public administration, patronage employment has become less frequent due to the rising institutional constraints imposed by ASEP and the reduction of the size of public administration. Lastly, informants demonstrate the lack of Troika’s involvement for positions of no policy interest. ‘Troika can only be assumed to affect patronage in bottom level positions indirectly, by their presence and by signalling awareness’ (Ex3).

Middle level administrative positions

Middle level positions in the public administration are considerably more important for policy implementation. Directors, heads of departments, coordinators, heads of directorates, managers, this echelon of governance is the spine of the civil service. Middle level bureaucrats need to be constantly harmonised with enacted legislation in order to communicate changes to their subordinates who transact with citizens and apply new policy in action. In addition, managerial and organisational skills of middle level administrators are essential for maintaining well-performing environments and holding their subordinates accountable. Middle ranks of civil service require considerable civil service experience. The institutionalisation of seniority has been a crucial reform for the Greek civil service since 2004. Before that, turnover in middle positions of the bureaucracy was far from uncommon. ‘We are still trying to forget the days where after an election had to pack our stuff and prepare for an office change. We would even place bets on who would substitute us!’ (Admin2). Newly elected governments would usually reshuffle a significant proportion of middle level staff. Both employees and citizens anticipated that change in power would initiate a wide turnover in middle level position holders. As tenure protected existing personnel from getting fired, the mechanism commanded relocation to departments of less significant policy implication and when possible, lower pay. ‘With the change of the government, I had to wait for my new general secretary. If he was from the ministry, I would keep the position. If he wasn’t, I would have to relocate’ (Admin5). Each party in power had its own politically aligned army of civil servants. These middle echelons of governance, following the partial insulation from direct recruitment with personnel who had no civil service experience, became hostage of a slightly transformed phenomenon. Instead of direct replacement with candidates outside the bureaucracy, a system of demotions or relocations emerged. To use Meyer-Sahling (2008)’s terminology, ‘bounded’

or internal politicisation became the new norm. Middle level positions and the requirement for considerable institutional experience insulated the bureaucratic rank from overt exogenous intervention with newcomers. Replacements had to be found from the existing labour force. In some circumstances where experience was not a necessary qualification, only then, external politicisation occurred.

At the beginning of the crisis the demand for cutbacks, redundancies, and hiring freezes, left these middle ranks without many possible candidates for replacement. ‘After a certain point, most people at my age were gone. The remaining younger ones didn’t have the required experience to get these positions. I guess there was a gap on our floor we have all remained in our positions for the past 5 years’ (Tu3). The lack of new candidates with qualifications and experience, created a deficit of possible candidates for replacement. ‘It was not well-calculated. If the old ones became redundant or were asked to retire, many departments would be left without substitutes’ (Ex5). ‘It was a time when we all had to work double and triple shifts. The burden from the mass wave of departures couldn’t be covered by someone else’ (Admin4). Indirectly, the shortage of new candidates for these positions, arguably, contributed positively for maintaining a considerable proportion of middle-ranked stuff to their positions. Two excerpts are indicative; ‘After the first period of cutbacks and redundancies I didn’t have stuff to allocate for running tests to the samples. But it was the first time that I felt my career was not linked with an upcoming election. There was no one in the region to substitute me!’ (Admin2). ‘Experienced principals retired in the region. I was one of the few to remain. When they run the assessment, there were not enough candidates. Hence the assessment became void.’ (Admin3). Overt, both internal and external, politicisation declines with the beginning of the crisis for these middle level positions. The effect runs through the direct impact of cutbacks, hiring freezes, and mandatory redundancies. Enacted seniority set conditions that could not be satisfied by the remaining staff at lower positions. Hence, at least in the short-run, a gap was observed.

On the other hand, there is not enough evidence to support that the troika, as a political stakeholder in charge of supervising policy implementation, has directly intervened against the selection of particular middle level bureaucrats. Partisanship, given the established closedness and seniority requirement for these positions, remains bounded along the lines of reshuffle, when ministers change. However, given the decrease of the number of potential alternative candidates, the phenomenon of mass turnover has declined. ‘Most of us have worked in the civil service for 35 plus years are about to retire or get an early leave. The last wave of recruitment before the imposition of the rule, still, needs about 4 years of experience before they are able to take over’ (Admin3).¹⁷

¹⁷The shortage of labour force, became evident and was part of a heated debate between the

‘Of course public administration was a mess. Still is, but is improving. Remember those days where PASOK administrators would sabotage the work of the new directors? At least, when they all started to sign memoranda with the Troika, they realised how stupid such strategy was...’¹⁸ (Ex10). The end of the traditional polarisation between PASOK and New Democracy, following the first coalition government shook the traditional rhetoric of divide. It also shook the public administration, which due to decades of partisan and extensive politicisation, was also divided. The formation of the coalition government under the austerity reform manifesto forced old political enemies, colleagues in the same offices, to become allies and servants of austerity politics.

Top administrative positions

More interesting is the established consensus for the high echelons of governance. All but one informants, regardless of party affiliations or background, seem to agree that top administrative positions are fully open to politicisation in the crisis era. General secretaries, special secretaries and special advisers occupy offices next to the ministers with the intention to ensure prompt policy implementation, good flow of information, and effective communication with their subordinate directors, managers, and heads of sections. Top positions in public administration are acutely important to ministers and incumbent parties to promote, execute, and communicate enacted policies. Civil service with its heritage of partisan politicisation before the beginning of the crisis had to encounter phenomena of discontinuity, lack of institutional memory and accountability due to the frequent turnover in the top branches of governance (Prasopoulou, 2011). Not only when incumbent parties would change, but rather when the ministers had to depart, following a cabinet reshuffle, these highly ranked position holders would go with the minister who appointed or promoted them (Sotiropoulos, 2004:409). With state failure and the beginning of the economic depression, radical reform had to be executed rapidly. Key administrative positions needed to be politically protected in order to allow for better information between the public administration and the executive, while ensuring loyalty and cooperation. Such perception of high politicisation of top positions is in line with theoretical expectations (for example

health and education ministers and the Troika. For these two sectors, due to the dire need for new staff, some exceptions were made after it was ensured that the new recruitment would be processed and supervised through ASESee 3 for the relevant legislation.

¹⁸It is very common that civil servants are assigned a political identity depending on trade union affiliation, party in power when recruited, or promoted. That is a prime symptom of a politicised public sector, where its employees are treated as politically synonymous to the party that selected them, as meritocracy in selection most often is not assumed.

Kopecký, Mair, and Spirova, 2012) that view patronage as a mode of contemporary governance and empirical evidence behind the rationale and choice of politicisation in the United States (Lewis, 2009; Lewis and Waterman, 2013; Parsneau, 2013; Hollibaugh, Horton, and Lewis, 2014; Hollibaugh, 2016).

‘Troika has become a supranational entity that has the power to overrule and supervise the government and its ministers. Key administrators in top positions, especially under the responsibility of the ministry of finance have been directly dictated by the Troika’ (Leg2). In fact, one of the primary demands of the Troika was to enact legislation that would ensure the autonomy and full independence of the department of public revenues from the respective minister of finance (Kathimerini, 2016). This department has been responsible for tax collection and tax policy implementation. Given the economic recession and the austerity agenda, it has been the department of public administration with the most important workload. ‘Troika is trying to obtain control over key general secretaries to ensure cooperation’ (ASEP1). ‘They need technocrats who won’t be affected by the misery of the people and they will execute whatever policy goes to their hands’ (Tu2). The latter is one of the lighter excerpts from trade unionists I interviewed. The perception that non-politicised civil servants or as often reported in the news, technocrats, tend to be less humane, is not a surprising finding. Citizens’ perception that accountability and their ability to vote a government out of power can stop a non-preferred policy, includes members of that politicised civil service who were acting on the government’s behalf. ‘Truth be told. Troika has been approving or rejecting general secretaries. Some ministers do not choose their own people anymore’ (Judge1). ‘In departments of their interest they do intervene over selection. In others, they do not care’ (Admin1). ‘These are people who need to get the necessary numbers. They need their own army of trusted administrators to achieve so’ (Ex5). A new political stakeholder, with different background, motives, and accountability than the elected Greek government, gets in position to influence selection over top administrative positions. Difference with the pre-crisis era lies in the mode of politicisation. Before, selected individuals had the approval of the minister and were potentially party affiliates. Now, politicisation is open. Experts, academics, other professionals with experience in the private sector or independent agencies tend to be favoured. Such speculative remark requires further empirical research. However, it is worth mentioning that key informants did mention that party affiliation and previous party involvement are not as salient for selection anymore.

Discussion and Conclusion

Reflecting upon the findings of this paper it is worth noticing that every informant, regardless of background, stated with variable confidence an understanding that the economic crisis in Greece and the imposition of a strict fiscal consolidation agenda have shaped the public administration in some way. This is in line with recent contributions suggesting that Troika has had some major positive influence over the reform agenda during the crisis period (on administrative reform laws Featherstone, 2015; on anti-corruption laws Sotiropoulos, 2016). Evidence derived from elite interviews points to a reality where the old system of extensive partisan politicisation has been impacted, regardless of hierarchical layer. However, respective ranks have been affected in different ways, magnitude, and by different factors, as shown in table 1.

Table 1: Two period comparison of patronage perception by hierarchical position.

	Pre-Crisis	Crisis	Reason for Change
Top Positions	partisan politicisation	open politicisation partisan politicisation	Troika where Troika is not involved
Middle Positions	bounded politicisation	mostly closed for employment mostly closed for promotion some bounded partisan promotion	hiring freezes seniority relocations
Bottom Positions	patronage	mostly meritocratic selection through ASEP patronage otherwise	ASEP ASEP's exceptions

The crisis-era found the bureaucracy surrounded by a culture of patronage selection, according to all account. Regardless of ruling parties or ranks, patronage selection was the norm. The study confirmed a widely respected belief that pre-crisis patronage had been extensive (Pappas and Assimakopoulou, 2012:153; OECD, 2011b; Kitschelt, 2013), while offering a new, updated, reality following the economic shock. This is a unique contribution to the recent literature on Greek public administration and politicisation. The norm of patronage selection was shaken by the imposition of barriers for expansion and recruitment. The 10:1 hiring restriction is the most widely attributed path for the proposed patronage decline (for a list of public administration reforms, see Eurofound, 2016). These quantitative constraints allowed for the recalculation of the political strategy behind the supply of patronage employment. Opportunities were fewer, hence electoral reward would be less significant. Alternative means of patronage selection were found. An increase in the use of renewable, non-permanent, contracts for low positions became the preferred route, when patronage selection for political reward was sought. This is in line with theory that suggests that political supply of jobs will maximise electoral returns if the frequency of the exchange is high (Ferraro et al., 2006; Robinson and Verdier, 2013; Gallego, 2014). Bonds need to be established and re-tested

every time a contract expires or needs to be renewed. In such way, the traditional logic surrounding the exchange based on loyalty can be confirmed. However, this old-fashioned network of *quid-pro-quo* was particularly present only to bottom level, entry positions.

A revelation in the analysis of the expert interviews concerns the strong perception that middle ranked positions were more strongly insulated against the phenomenon of political intervention in selection or promotion. The pre-crisis heritage of generalised internal turnover, where entire departments and organisational charts would change as an aftermath of an incumbent change, was viewed as long gone. High turnover is not a Greek peculiarity. It is a strategy vastly employed in many patronage ridden bureaucracies where incumbents seek to reward the electorate or seek to control policy implementation and are fearful of old administrative elites that may oppose their reform agenda. Favoured personnel that is quickly promoted to upper hierarchical positions enjoys higher wages and remains loyal when there is an urgent need to execute policies Grindle (2012:184-185).

In the crisis era, turnover was far less frequent, more selective, and bounded. The direct impact of the fiscal austerity and hiring freezes was a shortage of skillful personnel. ASEP's restrictions over external selection and the formal regulation for seniority over promotion, led to few possible candidates with objective skills to take over positions of those voluntarily leaving or forced to retirement. These two factors combined, created a push for professionalisation. No entrants based on partisan identity could be selected, as ASEP could safeguard meritocratic employment. The need for new personnel had to be internally covered with internal promotions. Objective bureaucratic experience, was the key determinant for promotion. Thus, the overall perception is that during the period of the crisis, patronage selection in middle-ranked positions has declined considerably. Seniority is the characteristic that determines who gets promoted. Any political intervention is internal, with ASEP, the body for personnel recruitment, insulating against non-meritocratic new employment decisions.

In contrast, the need for the executive to enact and execute reforms rapidly incentivised the continuation of the political selection of top administrators. In these politically important positions, patronage is still the *status quo*. However, there is a qualitative difference compared to the previous period. Troika, being a supra-national stakeholder, with agenda and policy setting powers has opted for its own version of bureaucratic command. It favours candidates from outside the nexus of the public administration for the leading positions of the bureaucracy. A new mode of politicisation, open in nature due to the characteristics of the favoured individuals is now in place. Replacing old partisan candidates, with party background and political profiles, the new army of top administrators comes

from the private sector with reputable careers in the country or abroad. New administrators can be widely unknown to the general public until the day that they take over. They have not served any previous governments and have not been involved in national politics. The question that arises concerns the motives behind the continuation of politicisation. Why not allow for internal promotions of bureaucrats who have served for decades, with demonstrated experience and skills, to get in charge of these top, politically sensitive positions? In the end, Troika does not have an electoral concern. It does not seek to win any election or please any electorate. Yet, in co-operation with the ministers, they select candidates from a pool outside the bureaucracy. Troika, being a regime outsider, could have been a prime force for public administration reform. Able to push policies that could shape and transform the public administration, solidify its insulation from politicisation. However, they opt for politicisation in some positions themselves. In policy areas where the Troika is not particularly interested, politicisation remains qualitatively the same, i.e. partisan, albeit declines in quantity due to fiscal restrictions. In policy areas where the Troika is interested to supervise, the introduction of a new regime outsider with significant bargaining powers, allows for the change of the mode of politicisation (for a US examination of politicisation and policy priorities, see Parsneau, 2013; Hollibaugh, Horton, and Lewis, 2014). The fact that top administrative positions remain politicised, is an indirect confirmation that patronage selection is used primarily to command positions of policy interest. This is in accordance with contemporary literature, the Greek case and Troika's involvement point towards the understanding of patronage recruitment as a mode of governance, rather a mode of electoral reward, at least in sensitive, high-ranked positions of public administration (Kopecký, Mair, and Spirova, 2012).

A major surprise to my findings is the lack of a considerable mention to the new political reality that emerged with the MoUs, coalition parties. I had expected that the supply of patronage may be constrained, due to accountability concerns and the threat of getting denounced, once coalition, multi-party governments are formed. In the discussions I had with experts, consensus differed. This is a line of inquiry I wish to undertake in the future. In the current evidence, however, the single-party versus coalition party governments does not seem to be an important variable.

Moreover, the chosen research design of the semi-structured elite interviews is far from flawless. Information can be selective and biased due to the informants' backgrounds and political alliances (Dexter, 1970:18) and (Putnam, 1973:125). I reduced selection bias by inviting interviewees in ways to safeguard some degree of representation of parties and political interests, as possible. That is crucial in order to ensure that results capture thoughts and beliefs from a wide political spectrum and are as unbiased as possible, in a qualitative framework. I originally

invited discussants in numbers proportional to their democratic representation (King, Keohane, and Verba, 1994).¹⁹ Unreliability also comes in the form of myopia and limited memory for past events (Dexter, 1970:119-138). I address such concern by triangulating the median answers on questions that require the evaluation of patronage in years before the economic crisis against interview data from Kopecký, Mair, and Spirova (2012) and Kopecký, Meyer-Sahling, et al. (2016), which were conducted in 2009 before the beginning of the crisis. In such way I am able to assess to what extent my median responses correlate and hence can be deemed valid. In addition, the majority of informants have long experience with more than one policy area, allowing them a multidimensional understanding of governance and, as an extension, experience with patronage. Finally, the interviews were conducted face-to-face, enabling discussion in cases of uncertainty and supplementary questions. Familiarity with the interviewees was essential as there were cases where I was asked why they were particularly chosen to participate (Mikecz, 2012:487). Strong awareness of the field of study, the political system, and the participants' life trajectories, allowed me to verify the received information for consistency through the use of relevant primary and secondary sources.

The formulation of the questions and the lack of follow ups was another concern that I developed through the analysis. A better setting would include vignettes, as in Stamati, Papadopoulos, and Anagnostopoulos (2014), to allow for informants to express their beliefs and actions in hypothetical scenarios where they became the observant and not the person in charge (Barbour, 2014:119). That would allow the interviews to become more interesting and would enrich the interviewing process by providing a more personal and direct insight. Since I prevented myself from raising personal question regarding own experience, the use of vignettes could have been a good alternative. Otherwise I should have scheduled the interview so that more sensitive and direct questions were addressed towards the end (Kvale, 2007:56). I hadn't had the opportunity to arrange follow up interviews for the interviews conducted in 2014. However, i did raise more direct and personal questions to the interviewees in July 2015.

Another limitation is that a study about such a wide range of positions doesn't allow, in the end, to focus on a particular hierarchical layer. Hence, for future research, specific hierarchies should be targeted for different investigations. This can be the product of a quantitative research design that can forge the findings, especially for top administrative positions. This is feasible but requires excessive coding of non-digitised daily records of personnel movement. Their length of tenure, employer, background can all be traced. In the Greek case, the split between the two time frames and the beginning of the crisis can allow for an exceptional

¹⁹With the exception of Golden Dawn.

experiment of the modes of patronage, background of personnel, and survival and thus further enrich and forge my qualitative findings.

State owned enterprises can also constitute a different study on their own. At the beginning I thought about examining SoEs jointly with public administration in the sense that they are part of the spoils system. However, in SoE, there is only the element of electoral reward and potentially rent-seeking through procurement. Hence, the examination of turnover and politicisation in SoE had to be eliminated from the discussion. In addition I did not manage to recruit ministers or members of the executive who have managed SoEs after the beginning of the crisis. That didn't allow me to gain a wide understanding of the whole spectrum of perceptions, as my sample was only restricted to Trade unionists and SoE top employees, who were allegedly the product of patronage themselves. Also, during the crisis a considerable proportion of SoE has been privatised. That blurs the line of accountability and perceptions over who is in charge of employment decisions (Peters, 2001:5).

It remains to be seen whether politicisation in positions of policy interest, as established in the findings, positively affect the performance of agencies and departments. Evidence, primarily from presidential appointments in the United States points to a different reality (Lewis, 2008). Also, it is worth investigating the direct impact of the cutbacks, hiring freezes, and personnel shortages on productivity and motivation (for example, see Meyer-Sahling et al., 2016; Esteve et al., 2017).

The reduced opportunities to influence and politicise employment decisions, can lead to some positive expectations that the old exchange based system of conducting politics in Greece, may be reduced in its importance and magnitude. However, the quest for meritocracy remains imperative. Promotions and the newly emerged strategy of renewable contracts are both open to political influence. In a period of political fluidity, where parties are unable to maintain their electorate, radical change in socio-economic conditions caused by the debt crisis and politics of fiscal austerity, public administration cannot be unaffected. In times of shocks, be it wars or crises, public administrations tend to be prone to radical transformations. Such, is the ongoing experience in the Greek public sector.

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Appendix

Interview Questions

Q1) What do you understand by the term patronage? Statement: I would like us to discuss patronage relations that are developed between parties or elected MPs and citizens who desire to be employed to or promoted in the public administration and wider public sector.

Q2) Describe the scope of influence by parties and elected MPs in determining promotions and employment in public administration and the wider public sector, in the periods before the signing of the memorandum plan in 2010.

Q2a) How frequent was the use of patronage by parties and elected MPs (before memorandum)? [Available options: Never, Rarely, Occasionally, Frequently, Very Frequently]

Q2b) Which hierarchical positions were open to patronage? (before memorandum) [Available options: Top, Medium, Lower]

Q3) Describe the scope of influence by parties and elected MPs in determining promotions and employment in public administration and the wider public sector, in the periods following the signing of the memorandum plan in 2010.

Q3a) How frequent was the use of patronage by parties and elected MPs (with memorandum)? [Available options: Never, Rarely, Occasionally, Frequently, Very Frequently]

Q3b) Which hierarchical positions were open to patronage? (with memorandum) [Available options: Top, Medium, Lower]

Q4) If there has been a change between the two time frames; which factor(s) may have contributed to that? (comparison of patronage before and with memorandum)

Q5) How do you think Troika and the external economic supervision have affected the scope of patronage?

Q6a) How important do you think is the role of the Independent Body for Personnel Selection (ASEP) in order to eliminate the phenomenon patronage? [Available Options: Unimportant, Of Little Importance, Moderately Important, Important, Very Important]

Q6b) Could you indicate any potential weaknesses or vulnerabilities of the institutional framework of ASEP?

Q7) How have the crisis and the enacted tight fiscal policies affected the selection

and/or promotion of personnel in the public and wider public sectors with patronage criteria?

Q8) Based on your knowledge and/or experience, how would you evaluate the use of patronage in Greece in comparison to the respective practice across the EU member states? [Available Options: 0 § Uniquely common phenomenon across the EU, 4 § Uniquely Greek phenomenon]

Q9) What do political parties and elected MPs achieve through patronage?

Q10) Which factors may determine which departments of the public administration will be more open to patronage than others? (For example, what may cause the department of Education to have more public employees selected with criteria of patronage than the department of Health?)

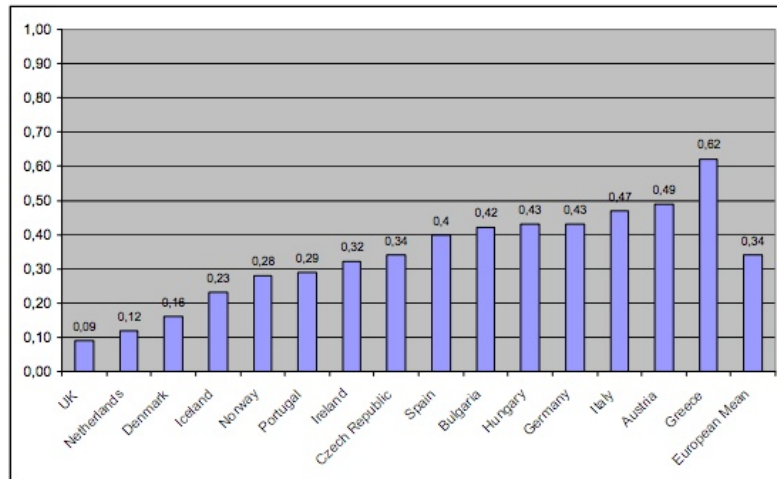
Q11) How does patronage affect the quality of public administration?

Q12) How does patronage affect the relationship between citizens and parties or elected MPs?

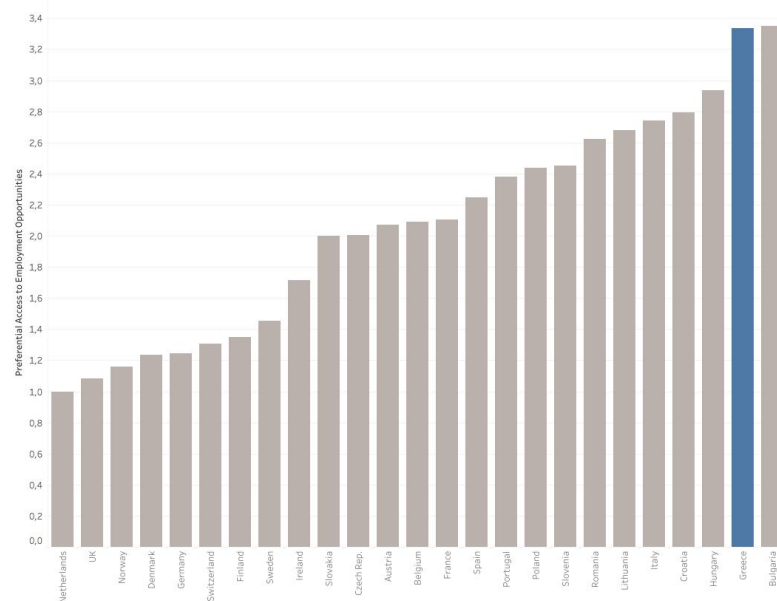
Table 2: List of Participants

Identifier	Role (Title, Party, Organisation)	Date of Interview
Ex1	Minister and MP (New Democracy)	September 2014
Ex2	Minister and MP (Syriza)	September 2014
Tu1	Trade Unionist (Senior) and SoE Director	September 2014
Lead1	Party Leader	September 2014
Tu2	Trade Unionist (Senior) and SoE Director	September 2014
ASEP1	Supreme Council for Personnel Selection (Spokesperson)	September 2014
Ex3	Minister and MP (PASOK)	September 2014
Ex4	Minister and MP (PASOK)	September 2014
Admin1	Public Administrator (General Secretary)	September 2014
Ex5	Minister and MP (PASOK)	September 2014
TI1	Transparency International Greece (Director)	September 2014
Judge1	Supreme Court Judge (Responsible for Corruption Matters)	September 2014
Ex6	Minister and MP (New Democracy)	September 2014
Ex7	Minister and MP (PASOK)	September 2014
Ex8	Minister and MP (PASOK)	September 2014
Leg1	MP (Communist Party)	September 2014
Ex9	Minister and MP (Syriza)	September 2014
Tu3	Trade Unionist (Senior) and Public Administrator (Middle Position under Ministry of Interior)	September 2014
Admin2	Public Administrator (Director of Department under Ministry of Finance)	July 2015
Admin3	Public Administrator (Director of Department under Ministry of Education)	July 2015
Tu4	Trade Unionist (Senior) and SoE Employee (Head of Office)	July 2015
Admin4	Public Administrator (Director of Department under Ministry of Justice)	July 2015
Admin5	Public Administrator (Director of Department under Ministry of Agriculture)	July 2015
Ex10	Minister and MP (Syriza)	July 2015
Leg2	MP and Speaker of Parliament	July 2015

Figure 2: Evidence of Greek patronage



(a) Party patronage in contemporary Europe; source: Kopecký, Mair, and Spirova (2012:367)



(b) Provision of preferential employment opportunities; data: Kitschelt (2013)



Figure 3: Word Frequency Cloud of Scripts

Table 3: ASEP Reforms 1994 - 2015

Year	Law	Main Reforms	Exceptions
3-Mar-94	2190/1994	Establishment of ASEP	<ul style="list-style-type: none"> 1) All promotions 2) Recruitment: <ul style="list-style-type: none"> a) Presidency and Parliament b) Judiciary c) Academic staff in HE d) Research personnel e) Military f) Police g) Merchant navy h) Intelligence service i) National Health Service k) Religious practitioners l) Linguists - artists - journalists m) Aviation (Pilots) - Captains - Commanders in Chief n) Revocable workers - Special advisers - Special affiliates o) Directly employed managers and directors of departments p) Temporary, seasonal, or emergency workers q) Personnel in Ministerial secretaries 1 and 2 as above 3) If ASEP is unable to run a competitive examination within five months, then ASEP is bypassed
20-Sep-02	3051/2002	<ul style="list-style-type: none"> 1) Changes in the consistency of committee members of ASEP 2) Changes in the procedure for the application and competitions 3) Clarifications with regards to the scoring system and qualifications 1) Specific deadlines for conducting examinations 2) If delays are observed, employees in charge are prosecuted 3) Formalisation of required experience (in years) for promotion <ul style="list-style-type: none"> a) Seniority is enacted 4) Definition of Top Level Administrative positions 1) Experience in the public sector becomes more important by 50% 2) Introduction of Interview process for new recruitment (assigned weight 0.8-1.2) 	<ul style="list-style-type: none"> 1 and 2 as above Promotions still not ASEP's responsibility. Intra-departmental committees are responsible for promotion decisions
6-Aug-04	3260/2004		<ul style="list-style-type: none"> As above New exceptions: <ul style="list-style-type: none"> 1) All promotions 2) Recruitment: <ul style="list-style-type: none"> a) Judiciary b) Academics in HE c) Research Personnel d) Military e) Police f) Diplomats g) Intelligence service h) National Health Service i) Religious practitioners j) Linguists - artists - journalists m) Aviation (Pilots) - Captains n) Revocable workers - Special advisers - Special affiliates o) Directly employed managers and directors of departments p) Temporary, seasonal, or emergency workers q) Personnel in Ministerial secretaries r) Students in National School of Administration s) Employees of SoF in countries outside Greece for maximum 5 years t) Medical and support staff in psychiatric units As above As above minus (h) As above As above
28-Feb-09	3812/2009	<ul style="list-style-type: none"> 1) Wider definition of state employees 2) Additional weight on experience is retracted 3) Interview is retracted 4) Change in weights for objective qualifications 5) Experience doesn't count for 50% of vacancies 	
19-May-10	3848/2010 (Section A)	1) ASEP responsible for recruitment of teachers in primary and secondary education	
3-Aug-10	3868/2010 (Article 7)	1) ASEP supervises recruitment of medical and health employees	
21-Nov-13	4210/2013	1) Provisionally accepted employees can commence work prior to ASEP's final decision	
11-May-15	4325/2015	<ul style="list-style-type: none"> 2) Temporary health and medical staff through ASEP 1) Enhanced accountability and public digital archives for ASEP 	

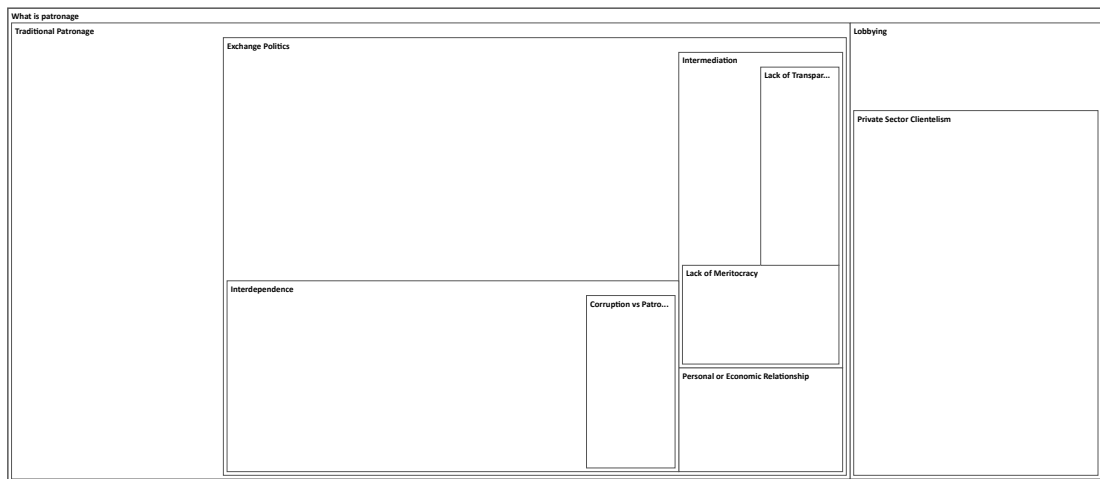


Figure 4: What is understood by patronage? Emerging themes, own data

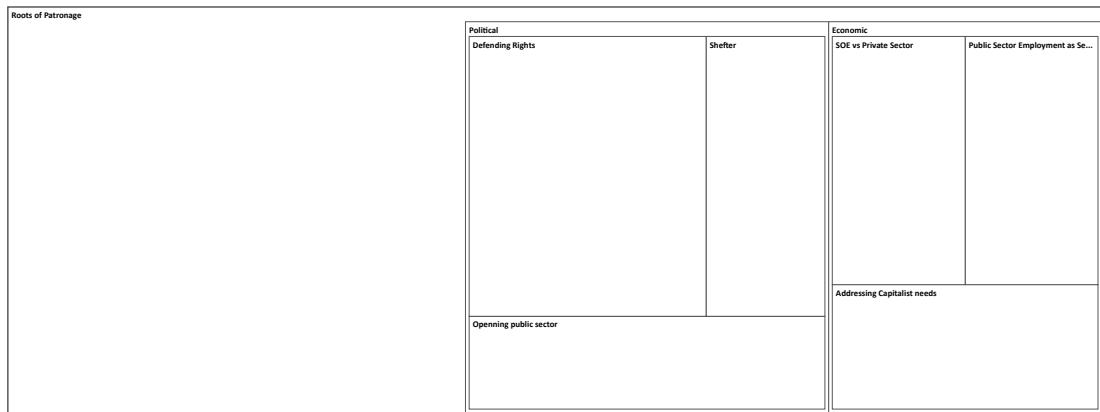


Figure 5: What are the roots of Greek patronage? Emerging themes, own data

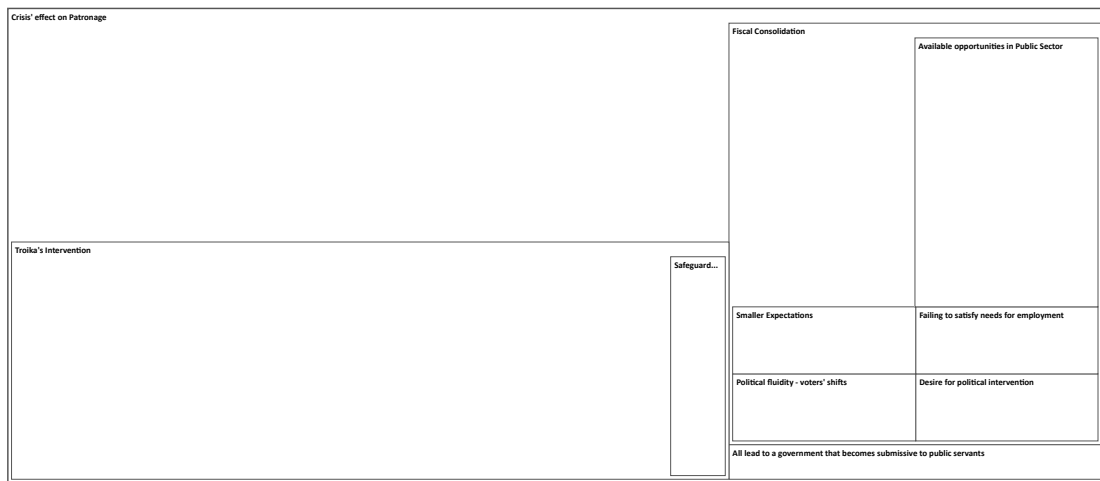


Figure 6: How does the crisis impact patronage? Emerging themes, own data