
The EU integration process is unique with regard to supranational institution building. Scholars have been trying to establish theories to explain this process for decades. One of these theories is the multi-level governance approach, which suggests that the decision-making process on the European level is not dominated by national governments in the European Council alone. In fact, regional and domestic actors, advocacy groups and supranational institutions are involved, and differing levels of political actors are interconnected.

As a result of this interconnection, both the EU and the Member States shape their politics and policies in correlating ways. The book *Limits of Europeanization, Reform Capacity and Policy Conflict in Greece*, written by Kevin Featherstone and Dimitris Papadimitriou, explores to what extent domestic and EU policies are shaped by both actors, and where the limits of mutual influence are.

The EU is part of the political and economic life of all member states. It determines goals and examines their implementation. The Lisbon Program in 2000, for instance, defines the EU goal “to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion” (p. 2). This definition provides a framework for Featherstone and Papadimitriou, and explains why Greece was chosen as a case study: according to the EU Commission report of 2004, Greece was one of the worst actors in transposing the Lisbon Program directives. The state suffered from a lack of structural reform capacity. Additionally, Greece was confronted with a high degree of ‘clientelism’ and patronage. Furthermore, the implementation of reform is difficult to achieve due to the existence of various domestic interests and political players in Greece.

In the first chapter, the reader will find an introduction that outlines the structure and methodological framework of the book. This is very helpful, as it provides readers a first glance at the core questions the book deals with: “To what extent have EU-commitments shaped the domestic reform agenda in Greece? What reforms have been achieved?” (p. 18). Moreover, the chapter provides comprehensive data regarding the performance of Member States in accordance with the Lisbon Program, and the various delays in transposing the internal market legislation of the EU.

Chapter two starts with an attempt to define the term ‘Europeanization’ in general. Different scholarly definitions are given, all from people affiliated with the European integration process. The primary suggestion is that ‘Europeanization’ is an interactive top down and bottom up process in which domestic actors and the EU shape policies and politics in correlating ways. Scholars like Claudio Radaelli, Kenneth Dyson and Klaus H. Goetz are cited in this part of the book to give the reader knowledge of the literature dealing with ‘Europeanization.’

Domestic constraints on reform in Greece are discussed in chapter three. Featherstone and Papadimitriou explore a range of things that might obstruct reform processes: for example, the political culture, party system and welfare situation. Whereas the topic of ‘political culture’ receives only limited attention (mainly emphasizing the problems of clientelism and patronage), the party system and the welfare situation are discussed in more detail. Unfortunately, the Greek welfare situation is unsatisfactory when compared with EU standards. Featherstone and Papadimitriou mention, for instance, inequity in benefit entitlement in Greece, and the corresponding challenges to reform underlined by the fact that those benefitting from the current system oppose change.
After elaborating upon the theoretical approach, the book proceeds with three Greek sectoral studies concerning pension and labour market reform, and the restructuring of a state-owned enterprise. Chapter four starts with an overview of processes within the EU concerning domestic reforms. According to the goals of the Lisbon program, the EU began to establish a common strategy to maintain a social welfare system that includes healthcare, education and pensions. The pension system in particular posed great increases in cost from the budgets of member states. Greece provides the following evidence: in 1990 pension payments alone accounted for 15% of GDP; in 2000 these payments accounted for more than 50% of the country’s entire social spending. Pension payments are expected to rise to 24.8% of the GDP in 2050. Hence, reform is inevitable.

The chapter presents the key features of the Greek pension problem. Discussion ranges from financial sustainability to institutional structure and the distribution of pension entitlements. Attempts to reform the pension system in Greece between the years of 1990 to 2006 are outlined. This part provides the reader with a better understanding of blockages by the opposition, unions and government in Greece against pension reform. This part of the book concludes with a clear table outlining pension reform efforts between 1990 and 2006.

Chapter five approaches the importance of growth and the creation of jobs within the EU and its member states, and explores the labor market in Greece. Job creation has been one of the top issues on the EU agenda since long before the Lisbon Program. Hence, the EU began to discuss priorities like ‘employability’ and ‘entrepreneurship’ that should stimulate national reform and action. Although the EU lacks hard instruments to enforce particular reforms in member states, political disagreements and tensions between European and domestic levels can emerge. A case study dedicated to Greek labor market reform provides a good example of such tensions.

Additionally, weaknesses and other characteristics of the Greek labour market are examined. As was the case with pension reform, the authors provide an overview of reform proposals for job creation and discuss the political machinations involved in implementation. At this point, the reader is provided insight into the political decision-making process, which is, without a doubt, a very difficult undertaking due to different perceptions of unions, governments and employers’ representatives. Again a table is provided, this of the processes concerning labour market reforms between 1997 and 2005.

After the examination of Greek pension and labour market reforms, Featherstone and Papadimitriou use chapter six to analyze the rescue of the state-owned enterprise Olympic Airways. The two main focuses here are the policy instruments of the EU and the national government’s rescue programs. The chapter starts with an explanation of the Commission’s competence to act, and its preferred plan for struggling state owned enterprises. Efficiency, competition and the abandonment of state aid in order to establish a strong and robust European marketplace are some of the main goals.

In addition, domestic attempts to reform the airline are explored. The authors show the boundaries of national intervention created by the European competition rules. To contextualize the analysis, a historic overview reaching from the foundation of the airline in the 1950s through its near insolvency in the late 1990s and its unsuccessful rebirth under the name ‘Olympic Airlines’ in 2003 is provided. The reader is confronted with the discrepancies between domestic policy instruments for saving struggling enterprises (e.g. state aid) and EU policy to ensure European Community rules with regard to free competition within its borders. The chapter ends with a table showing the troubled history of the airline.