STELLA LADI

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GOOD GOVERNANCE AND PUBLIC ADMINISTRATION REFORM IN THE BLACK SEA ECONOMIC COOPERATION (BSEC) MEMBER STATES

ICBSS
INTERNATIONAL CENTRE FOR BLACK SEA STUDIES
BSEC
ΔΙΕΘΝΕΣ ΚΕΝΤΡΟ ΜΕΛΕΤΩΝ ΕΥΞΕΙΝΟΥ ΠΟΝΤΟΥ
ΔΙΚΕΜΕΠ

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CONTENTS

PREFACE

The capacity of a state to deliver public goods and services in an effective and reliable way constitutes one of the key variables for distinguishing between "successful" and "unsuccessful" societies. The countries of the wider Black Sea area, through their cooperation in the context of the Black Sea Economic Cooperation Organisation (BSEC), are struggling to build public institutions needed to achieve "successful" societies. Following the paradigms of international organisations such as the World Bank, the International Monetary Fund and the European Union, the BSEC has undertaken action to address issues of good governance and institutional renewal that are of paramount importance in the region by acting – as the author of this Xenophon Paper suggests – as an agent for "soft" policy transfer of good governance practices.

In this contribution, Stella Ladi elaborates on the concept of good governance, highlighting the fact that governance issues differ from place to place and therefore no one-size-fits-all solution exists. Nevertheless, there are clear priority areas – such as the reform of the civil service, the improvement of policymaking procedures, the endorsement of transparency and decentralisation – where the BSEC member states can and have already started to foster good governance.

The author explores the BSEC's performance on institutional renewal and good governance and then focuses on the assessment of good governance principles and practices in the BSEC countries. Her analysis demonstrates that an administrative gap exists between countries that combine EU and BSEC membership and countries that are only members of the BSEC. Stella Ladi also focuses on the exogenous variables for the adoption of good governance principles and especially the role of the EU, which facilitates the spread of institutional renewal in the region through, among others, the Black Sea Synergy initiative.

Based on a larger study on Institutional Renewal and Good Governance in the BSEC member states that was conducted by the International Centre for Black Sea Studies (ICBSS) between 2006-2007, this paper aims to provide a framework for understanding the spread of good governance principles and practices in the BSEC member states. The enhanced interaction that is taking place on the wider Black Sea area makes such an analysis timely and vital as the countries of the region attempt to come to terms with their transformation and the growing role of their region.

Dimitrios Triantaphyllou

Athens, December 2008

INTRODUCTION

The Organisation of the Black Sea Economic Cooperation (BSEC) accepted governance and institutional renewal as a new area of cooperation between its member states ever since the idea was first introduced in 2001, within the framework of the BSEC Economic Agenda for the Future. As was then pointed out: "An economic agenda cannot be addressed in today's circumstances without the essential public institutions, as has been widely recognised by the major international organisations and many national governments. The international dimension, new economic actions and growth of competing interests demand reliable and trusted governance."[1] This landmark document for the BSEC further underlines aspects of good governance that can contribute to enhancing the multilateral cooperation that is promoted by the BSEC: legality, legitimacy and confidence in laws and institutions, effective partnerships, policy integration, responsible budgeting, investing in government capacity, anticipating crisis management, and building key networks.

Public administration reform, aiming at good governance and modernisation of the state, is not an original goal, while its implementation differs from country to country. The term "good governance" has been discussed in the literature[2] and has been extensively used by international organisations such as the World Bank (WB), the International Monetary Fund (IMF) and the United Nations (UN). It is a broad term that includes values and practices such as legality, justice, trust of laws and institutions, efficiency, responsible budgeting, management of human resources and crisis management. This paper argues that the values and practices of good governance are diffused through Policy Transfer Networks (PTNs). It is shown that the PTN is a useful theoreti-

1   BSEC, *BSEC Economic Agenda for the Future: Towards a More Consolidated, Effective and Viable BSEC Partnership 2001*, http://icbss.org/index.php?option=com_content&task=view&id=53 &Itemid=61 (accessed 25 September 2008).

2   See: R.A.W. Rhodes, *Understanding Governance: Policy Networks, Reflexivity and Accountability* (Buckingham: Open University Press, 1997); George H. Frederickson, "Whatever Happened to Public Administration? Governance, Governance Everywhere," in *The Oxford Handbook of Public Management*, ed. Ewan Ferlie, Laurence E. Lynn and Christopher Pollitt (Oxford: Oxford University Press, 2005), 282-304.

cal framework for understanding the spread of good governance principles and practices. The BSEC is an interesting case-study because it includes countries with different levels of development: countries that are members of the European Union (EU) (Greece, Romania and Bulgaria), candidate states (Turkey) and ex-Soviet Union republics (Georgia, Ukraine, Armenia etc.) that are still going through a painful transition period. The BSEC is also an interesting international organisation because, as it is argued in this paper, it acts as an agent of voluntary policy transfer of good governance practices. A stronger push towards modernisation can be observed among the BSEC countries that are also members of the EU. Indeed, since 2007, the EU has launched the Black Sea Synergy which aims to "europeanise" the entire Black Sea area as has to an extent already happened with Southern, Central and Eastern Europe.[3] The comparison between EU members and non-members can lead to some interesting conclusions concerning the impact of Europeanisation on cases of successful policy transfer.

This paper is structured along four sections. The first section defines good governance and underlines its main values. It reviews the external pressures for good governance and introduces the policy transfer framework. The second section analyses the BSEC's activities on Institutional Renewal and Good Governance. It also highlights the importance of the EU Black Sea Synergy initiative as an external push towards the adoption of good governance principles and practices. The third section turns to some patterns of transfer of good governance principles and practices in the BSEC countries through the use of the policy transfer mechanism. Special attention is paid to the degree of transfer in countries that are simultaneously members of the EU and of the BSEC. The fourth section draws conclusions by bringing together the theoretical propositions and the BSEC experience previously analysed.

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3   Alexandos Yannis, *The European Union and the Black Sea Region: The New Eastern Frontiers and Europeanization*, Policy Brief 7 (Athens: ICBSS, 2008).

CHAPTER 1

GOOD GOVERNANCE AND PUBLIC ADMINISTRATION REFORM

The term "good governance" has been extensively used within the international community in the last fifteen years and has acquired the characteristics of a "container concept", which incorporates a variety of principles and is as general as concepts such as globalisation or global governance. Any attempt to define it would lead to a long discussion of *what* is governance as well as to a normative search of *what* is "good". Good governance is a term different to governance which is mainly a political and technocratic term without normative aspirations and suggests that governance should be "good" and not "bad". In this section first some of the most common uses of the term are discussed, either deriving from international organisations or from the academic literature. Emphasis is placed on its characteristics that are related to institutional renewal and administrative reform. Secondly, the external pressures towards good governance practices are outlined, as well as the tool of policy transfer which is one of the most important mechanisms of change.

Most international organisations provide definitions of governance rather than of good governance. The World Bank for example, outlines three aspects of governance: i) the type of the political regime, ii) the public management of economic and social resources, and iii) the capacity of government to design, formulate and implement policies.[4] The former UN Secretary General Kofi Annan describes good governance as a force ensuring respect for human rights and the rule of law, strengthening democracy, promoting transparency and capacity in public administration.[5]

Recently, the use of the term good governance has been expanded to include more than multiparty elections, a judiciary and a parliament. The areas of interest are numerous: "universal protection of human rights non-discriminatory laws; efficient, impartial and rapid judicial processes; transparent public agencies; accountability for decisions by public officials; devolution of resources and decision making to local levels from the capital; and meaningful participation by citizens in debating public policies and choices".[6] Good governance has thus become an elastic term rather than a concept in its own terms. It is used more like a flexible carrier which conveys

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4   World Bank, *Governance: The World Bank's Experience* (Washington D.C.: The World Bank, 1994).

5   Thomas G. Weiss, "Governance, Good Governance and Global Governance: Conceptual and Actual Challenges," *Third World Quarterly* 21, no. 5 (2000): 795-814.

6   Ibid., 801.

a varying combination of messages which remain though in the same general logic.[7] Moreover, good governance can be understood as a mechanism of capacity building for states that despite being independent are not capable of making and implementing their own decisions.[8] The quantity of goals has led to the introduction of the concept "good enough governance" that suggests that not all government deficits can be tackled at once and that they should be prioritised. Good governance is a product of time and the individual historical, political and economic conditions of each country have to be taken into account when reforms are prioritised.[9] Empirical research on the BSEC's activities towards good governance and on the priorities of the member states can demonstrate which elements of good governance are usually preferred during the modernisation process.

a. Bringing "Universal Values" Home: The Case of Good Governance

The use of good governance principles from international organisations in order to push for policy reform has been novel. Traditionally, domestic politics and interference in the internal affairs of a state had formally been out of the spectrum of the international community. Article 2(7) of the UN Charter guarantees sovereignty and non-interference in the internal affairs of a state but the pressures for development, the necessity of efficient management and historical events such as the end of the Cold War have led to the undermining of its absolute character.[10] In this section, each of the factors that have brought domestic and international politics closer together through the use of good governance principles are analysed.

Historically, developing countries have been very defensive of the idea of any kind of interference with their economic, political and social choices. During the Cold War, the newly independent countries as well as the socialist bloc countries managed largely to protect their independence within the UN system. The East-West division meant that any attempt by donors and investors to criticise the financial or public management of those countries would signify their alliance with the West and would thus be seen as a hostile action. Although the WB and the IMF had a different opinion about domestic politics for quite some time, the UN due to the preponderance of developing countries in its membership has always been more reluctant. The Kohl, Thatcher and Reagan administrations and their focus on efficient management provoked a substantial shift both at the UN and at the WB and IMF. Gorbachev's "new thinking"

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7   Martin Doornbos, "Good Governance: The Rise and Decline of a Policy Metaphor?" *Journal of Development Studies* 37, no. 6 (2001): 93-108.

8   Ambassador Tedo Japaridze (Alternate Director General ICBSS), in discussion with the author, August 2008, ICBSS, Athens.

9   Merilee S. Grindle, "Good Enough Governance Revisited," *Development Policy Review* 25, no. 5 (2007): 553-574.

10 Weiss, "Governance, Good Governance and Global Governance."

also gave a boost towards this direction.[11]

The turning point though, for the prominence of the good governance concept in the international fora has been the fall of the Berlin Wall. The advancement of theses such as Huntington's (1991) "third wave" of democratisation made good governance principles appear universal. Western investment in Third World and ex-Soviet bloc countries brought domestic politics to the centre of the discussion. The end of the Cold War signified the unwillingness of the West to turn a blind eye to illegitimate regimes such as Uganda's and Haiti's hegemons and an even greater unwillingness to support them. The faults of governments became more apparent due to the proliferation of Non-Governmental Organisations (NGOs) such as Transparency International and Human Rights Watch, multi-national corporations such as Shell and global media such as BBC and CNN, because they exposed the impingement of human rights and the lack of respect by governments of good governance principles. Last but not least, the widespread acceptance of humanitarian intervention as a responsibility of democratic states meant that sovereignty and state borders became even more irrelevant.[12]

An important outcome of the increased connection between international and domestic politics was the introduction of the political conditionality practice. After the end of the Cold War, international organisations such as the WB, the IMF and other donors started linking loans to the political and administrative performance of the developing countries. Political conditionality has been characterised as "the first international attempt to change states' domestic behaviours in peacetime period".[13] Good governance has been on the top of the list together with respect of human rights, organisation of multi-party elections and in some cases cutting military spending. Although international expectations were high about what political conditionality and the application of good governance principles could accomplish, criticisms soon appeared. The ability of donors to either suggest successful reforms or evaluate their results, as well as their objectivity were soon questioned.[14] Nevertheless, although the usefulness of the coercive spread of good governance principles has been disputed, good governance itself is still influential as a tool for the promotion of administrative changes as becomes evident by the BSEC's soft mechanisms of diffusion that are currently in place.

b. The Policy Transfer Framework

Good governance principles have been globalised through their use by international organisations as a form of conditionality but also through their inclusion in the modernisation agendas of many countries. In this section, first the policy transfer framework is introduced in order to

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11 Ibid.

12 Ibid.

13 Peter Uvin and Isabelle Biagiotti, "Global Governance and the 'New' Political Conditionality," *Global Governance* 2, no. 3 (1996): 377-400.

14 Doornbos, "Good Governance: The Rise and Decline of a Policy Metaphor?"

provide a conceptual model for understanding the spread of good governance principles. The aim is to provide the theoretical framework for the analysis of public administration reform in the BSEC member states.

The policy transfer framework has its roots in public policy analysis and especially in the discussion regarding the impact of exogenous factors upon policy making and policy institutions. Dolowitz and Marsh, in a seminal article, bring concepts such as policy learning, lesson drawing, diffusion and emulation under the same framework and argue that: "Policy transfer, emulation and lesson-drawing all refer to a process in which knowledge about policies, administrative arrangements, institutions etc. in one time and/or place is used in the development of policies, administrative arrangements, institutions in another time and or place".[15] They do not use the terms interchangeably. For Dolowitz and Marsh "lesson-drawing" only refers to voluntary transfer because although lesson drawing sometimes occurs, the transfer of a policy does not, and they use "policy transfer" when referring to both voluntary and coercive transfers. Another element which characterises the Dolowitz and Marsh definition is the intention of the agent of transfer.[16] Policy transfer can be both voluntary, or coercive (or indeed indirectly coercive), but it is seen as "an action oriented intentional activity"[17] and this differentiates it from other unintentional structural causes of policy convergence. It is difficult to demarcate the boundaries between voluntary and coercive policy transfer as most of the cases concern indirectly coercive transfer, which are put forward either by international organisations or by foreign governments. The position of a country in the international system determines the level of "resistance" to policy transfer that a country can demonstrate. Rose remarks that if a country is underperforming in comparison with others, then the lesson drawn will be what *not* to do, rather than what *to* do.[18] This is why the study of policy failure can be as interesting as the study of policy success.

Evans and Davies' approach to policy transfer provides a useful starting point by arguing that policy transfer is meso-level analysis and in order for it to provide some interesting conclusions about policy change, it has to be adapted into a multi-level analysis that includes the macro (e.g. globalisation, Europeanisation) and micro (e.g. the actions of agents) levels.[19] They place the spread of information in the centre of their analysis. In order to study the meso-level they introduce the PTN. The PTN links the policy network approach, especially Marsh and

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15 David Dolowitz and David Marsh, "Who Learns from Whom?" *Political Studies* XLV (1996): 344.

16 Richard Rose, "What is Lesson-Drawing?" *Journal of Public Policy* 2 (1991): 3-30; Mark Evans and Jonathan Davies, "Understanding Policy Transfer: A Multi-level, Multi-disciplinary Perspective," *Public Administration* 77 (1999): 361-86.

17 Evans and Davies, "Understanding Policy Transfer," 368.

18 Rose, "What is Lesson-Drawing?" 19.

19 Evans and Davies, "Understanding Policy Transfer."

Rhodes'[20] idea of a policy community, to the notion of epistemic communities,[21] and to the policy transfer phenomenon.[22]

Evans and Davies provide an illustrative sequence of stages for a voluntary policy transfer process and another one, with slight differences, for a coercive transfer. The first stage includes the *recognition* of the existence of a problem in a particular policy area, which requires action to instigate change. The decision is taken by politicians or bureaucrats and it stipulates the emergence of a PTN. The possible reasons for, and ways in which the decision is taken, are not discussed by the authors; these are important, however, as they could provide valuable information about the rest of the policy transfer process.[23] Nevertheless, the different causes for decisions cannot be easily identified and there are many diverse ways in which a decision for policy change can emerge,[24] therefore special consideration should be given to each case.

The next step for the key agents is to *search* for new ideas, and this will happen if they feel that the existing ideas are not satisfactory. In a process of coercive transfer the main difference is that the agents who try to impose the transfer, for example a government or the EU, play a very active role in these first stages. The search activity is considered to be central in the policy transfer process and it is very closely related to the next process which is the *contact* stage.[25] Think-tanks could become important actors in the policy transfer process at that stage if they possess, or they claim to possess, the knowledge resources and contacts with the knowledge elites[26] which the agents of transfer are looking for.

The next stage includes the demonstration of knowledge resources through the presentation of information resources in an *information feeder network*. The next step will follow, and this may lead to the *cognition, reception and emergence stages of the PTN*. PTN is expected to act as a barrier of entry to ideas and programmes that are opposed to its value system.[27] The following stage of *interaction* will involve the organisation of forums for the exchange of ideas between the relevant actors in the form of conferences, seminars, etc. After this stage, the *evaluation* process

20 David Marsh and R.A.W. Rhodes, *Policy Networks in British Government* (Oxford: Clarendon Press, 1992).

21 Peter M. Haas, "Do Regimes Matter? Epistemic Communities and Evolving Policies to Control Mediterranean Pollution," *International Organization* 43, no. 33 (1989): 377–403.

22 Stella Ladi, *Globalization, Policy Transfer and Policy Research Institutes* (London: Edward Elgar Publishing, 2005).

23 Evans and Davies, "Understanding Policy Transfer."

24 Dolowitz and Marsh, "Who Learns from Whom?"

25 Evans and Davies, "Understanding Policy Transfer."

26 Diane Stone, *Capturing the Political Imagination* (London: Frank Cass, 1996), 14-16.

27 Evans and Davies, "Understanding Policy Transfer."

will start and the objectives, degree and prerequisites of the transfer will be decided upon.[28] The final *decision* on the transfer depends on the broader processes of policy change.[29] In order for the policy transfer to occur, the suggested policy has to be successful in competition with other possible alternatives or in fact manage to overcome inertia. The final decision will be made by politicians or bureaucrats. Finally, in order to have a complete picture of the policy transfer, the *implementation* of the adopted policies or programmes should be considered.[30] The authors do not assume that all the stages of the policy transfer network have to take place or that they indeed take place in the sequence suggested by the framework.

c. Methodology

In summary, this paper puts forward two main theoretical propositions:

i) The values and practices of good governance are diffused through "PTNs". The BSEC provides the platform for the creation of a voluntary PTN for Institutional Renewal and Good Governance.

ii) A stronger push towards Institutional Renewal and Good Governance can be observed in the BSEC countries that are also members of the EU or among candidate countries. Nevertheless, the EU facilitates the spread of good governance and institutional renewal in the whole of the Black Sea region through the Black Sea Synergy.

The empirical material for this paper has been derived from a larger study on Institutional Renewal and Good Governance in the BSEC member states that was conducted by the International Centre for Black Sea Studies (ICBSS) and funded by the Hellenic Ministry of the Interior in its function as chair of the BSEC Working Group on Institutional Renewal and Good Governance.[31] The research methodology included public administration literature reviews as well as interviews with representatives of the BSEC member states, of the ICBSS and with Hellenic Ministry officials.

28 Ibid.

29 Harold Wolman, "Understanding Cross National Policy Transfers: The Case of Britain and the US," *Governance* 5, no. 1 (1992): 27–45.

30 Evans and Davies, "Understanding Policy Transfer," 21-22.

31 Stella Ladi and Evi Ruso-Dragoumis, *Study on Institutional Renewal and Good Governance in BSEC Member States* (Athens: International Centre for Black Sea Studies, 2007).

CHAPTER 2
THE BSEC AND THE SPREAD OF GOOD GOVERNANCE PRINCIPLES

In this section, the role of the BSEC in pushing forward good governance principles is explored in order to evaluate the first theoretical proposition about the BSEC providing the platform for voluntary policy transfer. Emphasis is placed on the BSEC Working Group on Institutional Renewal and Good Governance and its activities in the last few years. Subsequently, the EU Black Sea Synergy initiative is discussed in order to demonstrate that the EU further pushes institutional renewal and good governance in the region.

a. The BSEC Working Group on Institutional Renewal and Good Governance

If we turn to the macro-level of the analysis, we first need to explore the role of the BSEC in promoting good governance principles to its member states and in initiating policy transfer processes. The BSEC came into existence in 1992, and brought together a diverse set of countries. It currently includes Caucasian countries, such as Armenia, Azerbaijan and Georgia – which are also ex-Soviet Union countries – together with Russia, Moldova and Ukraine. It embraces Balkan countries such as Albania and Serbia, EU member states such as Greece, Bulgaria and Romania as well as an EU candidate country (Turkey). According to the BSEC's vision, this amalgam of countries aims at fostering interaction and harmony among the member countries, as well as to ensure peace, stability and prosperity and to encourage friendly and good-neighbourly relations in the Black Sea region. Its activities include cooperation in a large number of areas such as energy, environmental protection, small and medium sized enterprises (SMEs) and tourism. Over the last years, a boost has been given to the cooperation in the area of institutional renewal and good governance.[32] In this section, the principles and practices that have been transferred to the BSEC countries are discussed in order to point out the source(s) and the mechanisms of policy transfer as well as the different levels of acceptance in member states.

The cooperation within the BSEC in the field of institutional renewal and good governance was launched in 2001, with the adoption of the BSEC Economic Agenda for the Future. This document enshrines the basic principles of cooperation in the field. A first seminar took place

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32 BSEC, http://www.bsec-organization.org/Pages/homepage.aspx (accessed 25 September 2008).

in Taganrog, Russia, between 29-31 May 2002. It was an initiative of the ICBSS in cooperation with the Organisation for Economic Co-operation and Development (OECD) and Transparency International, and it was decided that a series of workshops on the topic should follow.[33] As a result, in 2003-2004, the BSEC in cooperation with the ICBSS and the Friedrich Ebert Foundation organised three workshops in Yerevan, Baku and Tbilisi. The workshop in Yerevan recognised the importance and difficulty of reforms towards institutional renewal and good governance in the BSEC member states and suggested the formalisation of the cooperation as well as the use of the experience and best practices of the OECD – Support for Improvement in Governance and Management (SIGMA).[34] The second workshop that took place in Baku focused on more specific aspects of policy reform and on policy sectors and decided that the third workshop should focus on specific projects.[35] The idea of the formalisation of a Working Group on Institutional Renewal and Good Governance was for the first time informally discussed.[36] The Tbilisi workshop analysed the conclusions and lessons learned up to then and agreed on the priorities of a roadmap of actions for the future. The possibility of the formation of a permanent working group on institutional renewal and governance improvement was elaborated and recorded.[37] In 2005, a final workshop took place in Athens under the auspices of the Hellenic Chairmanship-in-Office of the BSEC and the ICBSS, where the proposal for the creation of a permanent working group was strongly supported by the participants. A draft Joint Declaration was prepared for the Ministerial meeting that was planned for February of the same year.[38]

The BSEC Ministers in charge of Public Administration and the Ministers of Justice during their meeting of February 2005 in Athens, adopted the *Joint Declaration on Institutional Re-*

33 Panayiotis Dais and Antonis Psarakis (co-ordinators from the Hellenic Ministry of the Interior), in discussion with the author, August 2008, Hellenic Ministry of the Interior, Athens.

34 *"Getting the Act Together: Strengthening International Relations Capacities in the BSEC Countries,"* Workshop Report no.1 (Athens: ICBSS, March 2003), http://icbss.org/index. php?option=content&task=view&id=109 (accessed 25 September 2008).

35 "Getting the Act Together: Strengthening International Relations Capacities in the BSEC Countries," Workshop Report no. 2 (Athens: ICBSS, September 2003), http://icbss.org/index. php?option=content&task=view&id=109 (accessed 25 September 2008).

36 Dais and Psarakis.

37 "Getting the Act Together: Strengthening International Relations Capacities in the BSEC Countries," Workshop Report no. 3 (Athens: ICBSS, October 2004), http://icbss.org/index. php?option=content&task=view&id=109 (accessed 25 September 2008).

38 "Getting the Act Together: Institutional Renewal and Good Governance in the BSEC Countries," Workshop Report no. 4 (Athens: ICBSS, February 2005), http://icbss.org/index. php?option=content&task=view&id=109 (accessed 25 September 2008).

newal and Good Governance.[39] In the document which constitutes the basis for inter-governmental cooperation in the field of good governance and endorses the BSEC Working Group on Institutional Renewal and Good Governance, the ministers collectively acknowledged that "…transparent, responsible, accountable and participatory government, responsive to the needs and aspirations of the people, is the foundation on which good governance rests and that such a foundation is a sine qua non for the full realisation of economic and social development".[40] Since then, the BSEC Working Group on Institutional Renewal and Good Governance, under its Greek presidency has taken an active role in promoting good governance principles and practices in the BSEC member states through studies and discussions and best practice exchanges.

Three activities of the Working Group can be highlighted as the most important ones until today. The first one was the organisation of a workshop on the "Improvement of the Relationships between State-Society" that took place in Athens on June 2006. This seminar was important because it derived from the priorities of the member states as they were expressed during the informal phase of co-operation (2002-2005). Activities regarding citizens' services, independent authorities and public consultation were included in the programme because of their great interest to the member states. The second activity that should be highlighted is the "Study on the reform of the Bodies Responsible for Institutional Renewal in the BSEC Member States" that was commissioned to the ICBSS and was the first attempt to outline the current situation in respect to public administration reforms in the member states. The third most important activity was launched in 2007 and concerns a "Pilot Project on the Implementation of Better Regulation Principles on SMEs' 'Start-ups'." This activity has moved the cooperation to a more advanced technical level with four countries (Azerbaijan, Moldova, Romania and Turkey) initially stating their willingness to participate in the project. The project proved to be quite demanding as it requires the creation of a National Project Team to provide an analysis of the current situation in the participant country and to execute the pilot project. At the moment only Romania is still interested in completing the project and the Hellenic Ministry of the Interior as project coordinator is evaluating the situation. The Hellenic Ministry of the Interior, which has been the country co-ordinator since the establishment of the Working Group, has provided the funding for all the activities to date.[41]

The main obstacle to the implementation of the projects is the member states' capacity in Institutional Renewal and Good Governance. There is a lack of administrative and technical

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39 BSEC, *Joint Declaration on Institutional Renewal and Good Governance of the BSEC, Ministers in charge of Public Administration and the Ministers of Justice of the Member States of the Organization of the Black Sea Economic Cooperation (BSEC),* Athens, 21 February 2005, http://icbss.org/index.php?option=com_content&task=view&id=13&Itemid=28 (accessed 25 September 2008).

40 Ibid.

41 Dais and Psarakis.

experience and above all the administrative culture of many member states is not mature enough to allow them to openly cooperate with other countries. Sharing information on internal control mechanisms of public administration or exchanging personnel were two of the proposed activities of the Working Group which could not be implemented. The main reason was the reluctance of the member states to share information.[42]

The Working Group on Institutional Renewal and Good Governance is only one of twenty such groups that exist in the BSEC. Table 1 presents some comparative data on the BSEC Working Groups in order to show that although the Working Group on Institutional Renewal and Good Governance is the newest in the list, it is also one of the most active. Only the respective Working Groups on Cooperation in Combating Crime; Energy; SMEs; and Transport have conducted more meetings in the period 2006-2008. It is also interesting to see that the Working Group has already announced two Declarations in its four years of existence although Statements, which are more binding than Declarations, have not yet been announced by the group. Although it is still early days, the Working Group on Institutional Renewal and Good Governance has gained a lot of credit for its concrete activities and projects it initiated.[43]

Table 1: BSEC Working Groups

Working Group	Foundation Year	Country Coordinator	Meetings 2006-08	Declarations	Statements
Agriculture & Agro-Industry	1995	Russian Federation	3	-	-
Banking & Finance	1999	Hellenic Republic	2	-	-
Cooperation in Combating Crime	1996	Romania	8	1	3
Culture	2007	Hellenic Republic	3	-	1
Customs Matters	-	Ukraine	1	-	-
Education	2004	Hellenic Republic	2	2	1
Energy	1994	Republic of Armenia	9	3	2

(Table continued on next page)

42 Ibid.

43 Ibid.

Environmental Protection	1994	Romania	5	1	-
Emergency Assistance	1998	Russian Federation	6	-	1
Exchange of Statistical Data & Information	1997	-	-	-	-
Exploration & Extraction of Hydrocarbon Resources	No data	Republic of Turkey	No data	No data	No data
Financial Issues	No data	Hellenic Republic	No data	No data	No data
Healthcare & Pharmaceutics	1996	Republic of Albania	2	-	-
Information & Communication Technologies	1994	Ukraine	3	1	-
Science & Technology	1994	Bulgaria	5	-	1
SMEs	2002	Hellenic Republic	9	1	-
Tourism	1994	Hellenic Republic	4	2	-
Economic Development	1998	Turkey	1	-	-
Transport	1994	Russian Federation	16	7	1
Institutional Renewal & Good Governance	2005	Hellenic Republic	6	2	-

It can be concluded that although the topic of Institutional Renewal and Good Governance is politically sensitive for the BSEC area, important progress has been made. In the next section the role of the EU in promoting the same principles is discussed.

b. The EU and the Black Sea Synergy

Even more interestingly, a second push towards good governance principles and practices is coming to the BSEC member states through the EU. Bomberg and Peterson as well

as Radaelli see the EU as a platform that offers increased policy transfer opportunities.[44] Bomberg and Peterson discuss policy transfer contrasting it with the Monnet - Community method for achieving convergence and they conclude that more evidence of Europeanisation can be found in cases where policy transfer has occurred.[45] Radaelli on his part outlines the importance of national paradigms in order for successful transfer from the European to other national environments to take place.[46] Deriving from the above theoretical discussion, it can be argued that participation in the EU increases and deepens processes of policy transfer. Important policy changes can also be observed in countries even before their entry in the EU.

Since May 2007, the EU has launched the "Black Sea Synergy – a New Regional Cooperation Initiative" in order to strengthen cooperation between the EU and the Black Sea region. Ten priority areas have been outlined, among them "Democracy, respect for human rights and good governance". The EU is acting complementarily to other regional organisations such as the BSEC in order to support their work in the field, to share experience and to provide training.[47] Bilateral efforts are also encouraged such as the civil society seminars on human rights that took place in Moldova in May 2008, with the participation of the other Black Sea countries.[48] Yannis rightly points out that "… the Black Sea Synergy is a concrete initiative aiming to reinforce the Europeanisation process in the region", although the process is not as straightforward as in Southeast and Central East Europe where there is an EU membership perspective.[49] In any case, it is in the EU's interest to have well-governed countries along its eastern borders and in this respect the Black Sea Synergy is a further push for Institutional Renewal and Good Governance in the region.

In the next section we will turn to specific examples from the transfer of good governance

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44 Elizabeth Bomberg and John Peterson, "Policy Transfer and Europeanization," presented at the Political Studies Association Annual Conference, London, 10-13 April 2000; Claudio Radaelli, "Policy Transfer in the European Union: Institutional Isomorphism as a Source of Legitimacy," *Governance* 13, no. 1 (2000): 25-43.

45 Bomberg and Peterson, "Policy Transfer and Europeanization."

46 Radaelli, "Policy Transfer in the European Union."

47 Commission of the European Communities, *Communication from the Commission to the Council and the European Parliament: Black Sea Synergy – A New Regional Cooperation Initiative*, COM (2007) 160 Final, Brussels, 11 April 2007, http://ec.europa.eu/world/enp/pdf/com07_160_en.pdf (accessed 25 September 2008).

48 Commission of the European Communities, *Communication from the Commission to the Council and the European Parliament: Report on the First Year of Implementation of the Black Sea Synergy*, COM (2008) 391 Final, Brussels, 19 June 2008, http://ec.europa.eu/external_relations/blacksea/doc/com08_391_en.pdf (accessed 25 September 2008).

49 Yannis, *The European Union and the Black Sea Region.*

principles and practices in the BSEC countries. Special attention will be given to Greece, Bulgaria and Romania that are both members of the BSEC and of the EU and to Turkey as an EU candidate state in order to also test and evaluate the Europeanisation hypothesis.

CHAPTER 3

THE TRANSFER OF GOOD GOVERNANCE PRINCIPLES AND PRACTICES IN THE BSEC COUNTRIES

The most common actions towards the adoption of good governance practices and principles in the BSEC countries are the reform of the civil service, the improvement of policy-making procedures, the promotion of transparency including e-governance initiatives, and decentralisation.[50] What follows is an analysis of the developments in each of these areas, in order to evaluate if the BSEC acts as a policy transfer platform and if learning processes are facilitated by the EU membership.

a. Civil Service Reform

All the BSEC countries have launched strategies for the reform of their civil service in order to combat their similar problems. The current situation in the region is that of a politicised civil service where corrupt practices are facilitated. The recruitment procedures in most of the cases are opaque and are combined with political patronage. A career of work for the state turns into the reserved privilege of the few while maladministration and ineffectiveness are encouraged. Civil servants develop into a lethargic and passive body that functions disconnected from the citizens and has no interest in adopting an active role in the service of the state. Clearly, the degree of inadequacy varies from country to country with Greece and the new EU member states having already moved ahead of the rest of the countries by having implemented more of the planned reforms.[51]

Most of the civil service reform strategies focus on both the recruitment and the training of the personnel as well as the description of their tasks. The empowerment of human resources is seen as a priority in the modernisation of the civil service in the BSEC countries and it includes rational planning, purposeful training, a recruitment based on objectivity and transparency and a system of career opportunities.

Greece is a country where most of the structures have been established and the implementation phase is now in progress. The selection and recruitment of civil servants is conducted either through competition or through selection according to predetermined and

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50 Ladi and Ruso-Dragoumis, *Study on Institutional Renewal.*

51 Ibid.

objective criteria and is controlled by an independent authority which is called Hellenic Supreme Council for Personnel Selection (ASEP).[52] The National Centre for Public Administration and Local Government (EKDDA) has been responsible for the training of civil servants since 1983. In 2004, a restructuring of its organisation and of its functions was initiated and it now plays an important role in the initial training of civil servants but also in life-long learning, both at national and at local level.[53] The next target is an improvement of the performance assessment system of civil servants and its correlation with the remuneration system. Rational planning and a concrete description of civil servants' tasks are prerequisites for moving in this direction.[54]

Since 1999, Romania and Bulgaria have introduced new regulations and structures in light of their accession to the EU. In 1999, both of them adopted new Civil Servants Acts that were subsequently amended in order to further modernise their civil service. For Bulgaria the priority was to draw a clear distinction between civil servants and political appointees as well as to strengthen its training system. Similarly, in Romania the first aim was to define the principles and duties of civil servants and then to strengthen their training. An innovative programme, funded by the EU, is the Young Professionals Scheme (YPS) which prepares a core of new generation leaders for the civil service both at national and at local level with deep knowledge of modern principles and values of EU public sector management.[55]

Albania and Serbia, the two other Balkan BSEC member states have followed a similar route. In 1999, Albania adopted the Law on Civil Servants Statute that introduces the principles of "professionalism, independence and integrity, political neutrality, transparency, service to the public, career continuity, accountability and correctness in the application of binding legislation".[56] This piece of legislation paved the way for the creation of the Training Institute for Public Administration in 2000. Serbia proclaimed professionalisation and depolarisation as its two strategic principles and adopted a new law in 2005. During this time, with the support of the IMF and the WB, Serbia made a staff reduction

52 Hellenic Republic, *Law 2190/1994,* http://www.asep.gr/ (accessed 25 September 2008).

53 National Centre for Public Administration and Local Government (E.K.D.D.A.), http://www.ekdd.gr/

54 Hellenic Ministry of Interior, Public Administration and Decentralisation, *Operational Program Politeia: Reinventing Public Administration 2005-2007,* Law 3345/2005.

55 Central Unit for Public Administration Reform (CUPAR), Answers to the Questionnaire for the Recording of the Existing Situation on the field of the Institutional Renewal in BSEC Member States, Romania, 2006.

56 The Assembly of the State of Albania, *Law no. 8549 / 1999 on the Status of the Civil Servant,* 11 November 1999, www.lexadin.nl (accessed 25 September 2008).

of 10% of the total number of employees.[57] Turkey also plans to work towards the same direction although the process is slow because it has a large and immobile body of civil servants that is reluctant to change.[58] Similar initiatives that are primarily aiming at the establishment of civil service principles and procedures and at combating corruption can also be found in Armenia, Azerbaijan, Georgia, Ukraine and Moldova. These initiatives are in their planning and early implementation phases. In Russia, proposed reforms that contain several New Public Management ideas which aim to transform "state service" into a "public service" could not be directly implemented due to a lack of mechanisms and tools.[59]

b. Policy Making Procedures

A common weakness in the BSEC countries is their inability to successfully design and effectively manage public policies. Most of them have weak public institutions and confront problems of co-ordination between their central units. Public administration has been traditionally characterised by top-down procedures of managing decisions without even being aware of the final aim. A shift towards public policies that are trying to solve specific problems with the participation of a number of actors and through the modernisation of the procedures has been in place in some BSEC countries. Awareness of the importance of the issue is being raised in the whole area through the work of organisations such as the BSEC, the EU, IMF and the WB.[60]

For the ex-Soviet countries the modernisation of policy making procedures is a new area of activity which, if successful, would mark a substantial transformation of the mentality and of the functions of traditional public administration. Until today little practical progress has been made but a lot of discussions have taken place and most of the countries have started designing strategies towards this direction.[61] Moldova is the only country in the group that has started implementing some of the reform strategies through the establishment of Policy Analysis, Monitoring and Evaluation Units in six ministries. A list of 150 administrative authorities has been approved for the implementation of this review strategy.[62] Turkey is at

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57 SIGMA, "State Union of Serbia and Montenegro: Public Service and the Administrative Framework Assessment June 2006," http://www.sigmaweb.org/ (accessed 25 September 2008).

58 SIGMA, "Turkey: Public Service and the Administrative Framework Assessment June 2005," http://www.sigmaweb.org/ (accessed 25 September 2008).

59 Ladi and Ruso-Dragoumis, *Study on Institutional Renewal*.

60 Ibid.

61 Ibid.

62 Council of Europe – Group of States against Corruption (GRECO), *Second Evaluation Round (2003-2006), Evaluation Reports and Compliance Reports adopted by GRECO in Plenary,* http://

a similar level of development in the process of modernising policy making procedures.

In the Balkans more progress can be noticed in Romania and Bulgaria that are EU member states. Bulgaria, in order to improve its policy-making and co-ordination processes, has developed a new set of rules that include impact assessments, consultation procedures, evaluation and monitoring.[63] Similarly, Romania has established new institutions such as the Agency for Government Strategies and the Public Policy Unit in order to improve its policy making procedures. Consultation procedures have been improved and the government has published a *Handbook on Impact Assessment Methodology*.[64] Albania, although it is not an EU member-state, has created a special Ministry of European Integration and has made good progress towards the modernisation of policy making procedures. The Integrated Planning System (IPS) which aims to link the budget process to policy priorities is seen as the most significant innovation in place at time.[65] Greece, although it has been a member of the EU since 1981, is still facing a situation of significant overlapping, vagueness and a great extent of co-competences. The implementation of predetermined targets and the establishment of Strategic Units in the ministries are in the government's plans for the immediate future.[66] In total, it can be argued that progress on this issue is still limited in the BSEC area, with the situation being considerably worse in the ex-Soviet Union countries.

c. Transparency and E-governance

A central goal of reform in the BSEC countries is achieving transparency. Most BSEC countries are subject to what is often branded as the Soviet legacy of secrecy and confidentiality. This culture of secrecy first and foremost causes the citizen to become increasingly suspicious towards public authorities and their use of power, which they come to perceive as against them rather than for them. Secrecy favours corruption. Corruption is a result of resistance to change as well as of economic stringency. It stems from an ill conception of

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www.coe.int/t/dg1/greco/evaluations/index_en.asp (accessed 25 September 2008).

63 SIGMA, "Bulgaria: Policy-Making and Co-ordination Assessment 2003 and 2005 (in Croatian)," http://www.sigmaweb.org/ (accessed 25 September 2008).

64 Commission of the European Communities, *Communication from the Commission: Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania*, COM (2006) 549 Final, Brussels, 26 September 2006, http://ec.europa.eu/enlargement/pdf/key_documents/2006/sept/report_bg_ro_2006_en.pdf (accessed 25 September 2008).

65 SIGMA, "Albania Policy-making and Co-ordination June 2006," http://www.sigmaweb.org/ (accessed 25 September 2008).

66 Hellenic Ministry of Interior, Public Administration and Decentralisation, *Operational Program Politeia;* Hellenic Ministry of Interior, Public Administration and Decentralisation, *Operational Program: Administrative Reform*, Athens, 2007.

the state – citizen relationship where power is supposedly allowed to be used for personal gain at the expense of the citizen. Corruption, however, is indirectly encouraged when due to an insufficient salary it represents the only means for the civil servant to assure his own subsistence. Extremely low salaries in some BSEC countries constitute the prime cause of higher level corruption which takes the heaviest toll on simple citizens. Corruption indeed happens at any particular level of administration and constitutes therefore an exceptionally deep-rooted problem.[67]

In order to achieve transparency and to apply the values of good governance, an effective institutional framework must be applied, the participation of citizens in governance should be enhanced, and an effective system of internal and external control needs to be developed. A further measure to guarantee transparency is the establishment of an independent authority, such as an Ombudsman, for the protection of citizens against maladministration and corruption. The use of Information Technologies (IT) at all levels of public administration is often seen as a useful instrument in this context. It can improve the services provided to the citizens as well as the smooth functioning of democracy. An integrated, lawful and secure system of communication between the citizens and public administration is an aim of most of the BSEC countries although e-literacy is far from universal in the region.[68]

Progress in the region is sporadic and uneven. Greece is the country with the most established institutions and regulations for transparency in the area, followed by Romania and Bulgaria. In Greece, internal and external control mechanisms have been modernised a decade ago and significant progress has been made as far as e-governance is concerned.[69] A weak area is citizens' participation in policy making and the institutionalisation of consultation mechanisms. Bulgaria and Romania, in light of their accession to the EU, have applied extensive e-governance strategies[70] and have developed legislation on freedom of information as well as anti-corruption strategies. In Turkey, a *Law on Freedom of Information* was adopted in 2004 and has signified an important shift towards transparency.[71] This law lays down the principles and procedures with which citizens can access administrative documents and acts. Nevertheless, an Ombudsman institution does not exist in Turkey. In the rest of the BSEC area the picture is quite simi-

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67 Ladi and Ruso-Dragoumis, *Study on Institutional Renewal.*

68 Ibid.

69 Hellenic Republic, *Law 2477/1997,* http://www.asep.gr/ (accessed September 25, 2008); Hellenic Ministry of Interior, Public Administration and Decentralisation*, Operational Program Politeia: Reinventing Public Administration 2005-2007,* Law 3345/2005, Athens, 2005.

70 Ministry of State Administration and Administrative Reform (MSAAR), *Report on the Activity of the Ministry of State Administration and Administrative Reform,* August 2005-2006.

71 Turkish Republic, *Law on Freedom of Information,* 24 April 2004.

lar, with the majority of countries having established Ombudsman institutions and still working for the enhancement of freedom of information legislation and of anti-corruption strategies. Consultation processes are still at an embryonic stage.[72]

d. Decentralisation

Decentralisation constitutes one of the good governance principles in the sense that it brings democratic and effective governance closer to the citizens. The aim is the strengthening of local and regional authorities in order to be able to satisfy citizen's needs and to respond to the changes of their external environment. The picture of the decentralisation progress in the BSEC area is diversified and depends on the size and the history of each country. For example, the necessity for decentralisation is much more prominent in Russia which is a vast country than in Albania.

Indeed, one of the main challenges of institutional renewal in Russia is the implementation of laws in the totality of its territory. Russia is divided in 88 regions, each with a different degree of development, of which 80% are classified as having a weak administrative capacity. Various mechanisms are in place, such as the Offices of Presidential Representatives in the Federal Districts that are responsible for the monitoring and support of reform implementation at the regional level and the State Council of the Russian Federation which is a consultative structure that aims to coordinate the interaction between the federal government and the regions.[73] Serbia is another country that has decentralisation high on the agenda mainly because of its recent history. Since 2002, it implements a combined decentralisation model that offers increased independence to local governments and prepares the ground for a more advanced devolution model.[74]

An important step towards decentralisation has also been made in Georgia where the very first elections of local officials since independence took place in October 2006. Every step towards the strengthening of local authorities in Georgia equals a complete turn about of the previous situation.[75] Countries such as Greece and Romania already have decentralised

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72 Ladi and Ruso-Dragoumis, *Study on Institutional Renewal*.

73 World Bank, *Institutional Reform in Russia: Moving from Design to Implementation in a Multi-level Governance Context*, Report no. 35576 (Washington D.C.: The World Bank, 2006), http://siteresources.worldbank.org/INTRUSSIANFEDERATION/Resources/Institutionaleng.pdf (accessed 25 September 2008).

74 Serbian Ministry of Public Administration and Local Self-Government, "Strategy of Public Administration Reform in the Republic of Serbia," Belgrade, 2004, http://www.seerecon.org/ (accessed 25 September 2008).

75 The Government of Georgia, "Georgia's Democratic Transformation: An Update since the Rose Revolution," October 2007, http://www.president.gov.ge/others/dem_transform_3.pdf (accessed 25 September 2008).

structures and further deepening of their activities is planned. In Turkey, due to its size, there is a vivid discussion about decentralisation but not much has been implemented to date. In conclusion, it is interesting to note that as far as decentralisation is concerned there is no pattern of the EU member states being more active, and other factors such as size or history play a more important role.

CHAPTER 4

ANALYSING PUBLIC ADMINISTRATION REFORM IN THE BSEC COUNTRIES

In this section, the concept of good governance and the way it is diffused through PTNs is applied to the BSEC case study in order to reach some theoretical and empirical conclusions. The first argument that was put forward is, that the PTN framework is useful for the description and analysis of the spread of good governance values and practices. More particularly, it can be claimed that the BSEC is acting as an agent of voluntary policy transfer through the BSEC Economic Agenda for the Future,[76] the Joint Declaration on Institutional Renewal and Good Governance[77] and through the work of the BSEC Working Group on Institutional Renewal and Good Governance. The BSEC has less power to push forward "good governance" than other organisations such as the EU, the WB and the IMF that can be characterised as indirectly coercive agents of policy transfer. The EU, for example, has pushed forward changes to candidate countries through pre-accession funding as well as through the Copenhagen Criteria for accession and has now initiated a softer mechanism, the Black Sea Synergy. Similarly, the IMF and the WB have the conditionality tool in their aid for promoting good governance principles and practices. Nevertheless, the BSEC can be characterised as an agent of voluntary policy transfer in the Black Sea area, although it was made clear from some of the most important agents of transfer that this is still in its initial stages. There is no obligation or any kind of formal or informal penalty on the part of the member states if they do not proceed with changes. Exchange of information, of best practices and an opportunity for networking is what the BSEC Working Group on Institutional Renewal and Good Governance mainly offers.[78]

The BSEC experience in promoting public administration changes under the mantle of "good governance" allows us to dispute the validity of the claim that is often made about the uselessness of the "good governance" concept.[79] The argument is sustained on the problems that

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76 BSEC, *Economic Agenda for the Future.*

77 BSEC, *Joint Declaration on Institutional Renewal and Good Governance of the BSEC. Ministers in Charge of Public Administration and the Ministers of Justice of the Member States of the Organization of the Black Sea Economic Cooperation (BSEC),* Athens, 21 February 2005, http://icbss.org/index.php?option=com_content&task=view&hid=13&Itemid=28 (accessed 25 September 2008).

78 Ambassador Tedo Japaridze; Dais and Psarakis.

79 Doornbos, "Good Governance."

the generality of the term is causing in both applying and evaluating the effectiveness of its principles. The argument is a valid one, but this generality has not prevented donors, international organisations and governments from using the term "good governance". A useful step has been the introduction of the "good enough governance" that suggests that what normally happens is a prioritisation of the government deficits that need to be tackled in order to narrow down the demands for good governance.[80] This can be seen in the case of the BSEC where reform priorities in most countries include the restructuring of the civil service, the improvement of policymaking procedures, the promotion of transparency through the use of e-governance initiatives and decentralisation.

The definition of policy transfer of Dolowitz and Marsh[81] fits perfectly the transfer of good governance principles and practices between the BSEC member states. More specifically, "policy transfer refers to a process in which knowledge about policies, administrative arrangements, institutions etc. in one time and/or place is used in the developments of policies, administrative arrangements, institutions in another time and/or place".[82] This is exactly what happens in the BSEC especially through the functioning of the Working Group on Institutional Renewal and Good Governance, which functions as a platform of soft policy transfer. The sequence of stages of the policy transfer network is also very useful in outlining the process of transferring good governance in the case of the BSEC member states.[83] Although, so far information is limited to the first stages of the PTN due to limited implementation, a few remarks can be made.

The *recognition* of the existence of a problem in the area of governance and the need for reform has already taken place in all member states and the BSEC as well as other organisations such as the EU and the OECD have been particularly active. This has automatically initiated the *search* for new ideas through the conduct of research such as the *Study on Institutional Renewal and Good Governance in BSEC Member States* that was initiated by the coordinator of the BSEC Working Group on Institutional Renewal and Good Governance. The stage of search is closely related to the *contact* stage which involves the rapprochement of the agents that possess the knowledge and the relevant information. In the case of the spread of good governance in the BSEC countries contacts have taken place within the organisation but also independently by each country, as can be observed in each of the topics where reform has been initiated. The relevant BSEC Working Group can be characterised as one of the *information feeder networks* that have been activated for the transfer of good governance. Other information feeder networks have been activated within the EU for the member states, the candidate countries, and the Black Sea area, as well as within the countries.

The stages of the *cognition, reception and emergence of PTNs* have been taking place in various cases in all four areas that are covered in this paper – civil service reform, policy making pro-

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80 Grindle, "Good Enough Governance Revisited."

81 Dolowitz and Marsh, "Who Learns from Whom?" 344.

82 Ibid.

83 Evans and Davies, "Understanding Policy Transfer."

cedures, transparency and e-governance, decentralisation – but in depth analysis of specific cases is needed in order to reach concrete conclusions about the agents that participate and the processes that are underway. The stages of *interaction, evaluation and implementation* also need to be discussed in more detail in order to offer an interesting analysis of the policy transfer process. In any case, the expectations from the implementation stage are low as the first and most common problem in the BSEC member states concerns the implementing phase of reforms. In several of the BSEC states for instance, certain laws that provide for a particular reform measure have been more ambitious than the existing structures in the country allowed for, which made it thus impossible to achieve a satisfactory result. Indeed, a legalistic approach to reform is observed in some states consisting of eager reforms on paper that have yet to produce tangible results on the level of the citizen or the civil servant. The actual implementation of a reform is where the political energy and serious commitment is most needed on the part of the government.[84]

The final comment concerns the confirmation of the Europeanisation hypothesis that claims that participation in the EU increases and deepens processes of policy transfer and that important policy changes can also be observed in countries even before their entry in the EU. The discussion on policy reform in the BSEC countries demonstrates an administrative gap between countries that are also members of the EU and countries that are only members of the BSEC. Greece, as well as the new EU members Bulgaria and Romania, have made much greater progress as far as the implementation of good governance principles and practices is concerned. Reform did indeed start taking place before full membership in the case of Bulgaria and Romania as demonstrated by changes in the civil service that started in 1999. Turkey, an EU candidate country, is active within the BSEC Working Group and has shown a lot of willingness to plan reforms in areas such as e-governance and decentralisation, but has still to implement them. Its pace though is not the same as for Bulgaria and Romania. For example, although it initially volunteered to participate in the current pilot project on SMEs, it pulled out at an early stage.[85]

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84 Ladi and Ruso-Dragoumis, *Study on Institutional Renewal*.

85 Dais and Psarakis.

CONCLUSIONS

Good governance is firstly and above all the responsible use of power. The concept of good governance has been measured, studied and defined by numerous agents, international organisations and academics around the world, who have developed an array of theories as well as multiple and diverse standards for outlining what constitutes good governance. Yet, no one-size-fits-all formula was ever plausible. Indeed, the idea of an "administrative culture" is often evoked, only further emphasising how difficult it is to achieve reform in this particular field. A successful reform process can only be individually tailored to each separate administration although universal principles do exist. Public administration reform, however, was never an easy task anywhere. The OECD countries encountered several serious obstacles in reforming their administrations which are still being overcome. Each country can only best define its own individual problems in order to find solutions adapted to its specificities. Nonetheless, comparing different public administration reform and institutional renewal processes currently being implemented in the BSEC countries can be an enriching learning experience. By becoming familiar with what is happening in the field of public administration reform in neighbouring states, the BSEC states may then better and more effectively define the direction and the pace of reform for the years to come.[86]

At a more theoretical level the paper shows the importance of indirectly coerced policy transfer for successful reforms. Although all the BSEC countries showed some level of willingness to change their public administrations, the countries that are also closely related to the EU either as members or as candidate countries have acted at a much quicker pace. The pressure coming from the EU has proven to be much stronger than that coming from the BSEC, without undermining the importance of the BSEC's soft mechanisms of policy transfer that are often preparing the ground for change. Nevertheless, the importance of external pressures for policy reform should not be overvalued. The examples that come from the BSEC show that large countries, both in size and in economy, such as Russia and Turkey are more likely to follow their path and pace of reform than countries that find themselves in a weaker economic or political position such as Albania and Serbia. Although the argument is not novel, its importance is not always taken into account when talking about the spread of good governance principles and public administration reform in general. In conclusion, it is fair to say that the BSEC offers an empirically interesting and politically important pool of cases for further study and analysis in the area of good governance and administrative reform.

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86 Ladi and Ruso-Dragoumis, *Study on Institutional Renewal.*

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Ambassador Tedo Japaridze (Alternate Director General ICBSS). In discussion with the author, August 2008, ICBSS, Athens.

Panayiotis Dais and Antonis Psarakis (co-ordinators from the Hellenic Ministry of the Interior). In discussion with the author, August 2008, Hellenic Ministry of the Interior, Athens.

ANNEXES

ANNEX I

ABOUT THE AUTHOR

Dr. Stella Ladi works as a Public Policy Expert at the Ministry of the Interior of the Hellenic Republic. She also acts as a good governance expert at the International Centre for Black Sea Studies (ICBSS). She previously worked as a lecturer at the Department of Politics, University of Sheffield and the Politics Department, University of Exeter, both in the UK. She has also been a Research Fellow at the Barcelona Institute of International Studies (IBEI). In July 2002 she completed her PhD thesis on "Globalisation, Europeanisation and Policy Transfer: A Comparative Study of Knowledge Institutions" at the University of York, UK. During the last year of her thesis, she also worked as a Research Assistant at the Policy Research Institute, Leeds Metropolitan University, UK. In April 2002 she was a Visiting Research Fellow at the European University Institute in Florence, Italy.

Her research interests include processes of policy transfer, global governance, comparative public policy, the relationship between Europeanisation and globalisation and their impact on domestic public policy, the role of NGOs and experts in the policy process.

Her publications include:

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ANNEX II

ABBREVIATIONS

BSEC	Organisation of the Black Sea Economic Cooperation
EU	European Union
ICBSS	International Centre for Black Sea Studies
IMF	International Monetary Fund
IPS	Integrated Planning System
IT	Information Technologies
NGO(s)	Non-Governmental Organisation(s)
OECD	Organisation for Economic Co-operation and Development
PTN	Policy Transfer Network
SMEs	Small and Medium Sized Enterprises
UN	United Nations
WB	World Bank
YPS	Young Professionals Scheme

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Public administration reform, aiming at good governance and modernisation of the state, is a target for every nation on the globe. The term "good governance" has been discussed in the literature and has been extensively used by international organisations such as the World Bank, the International Monetary Fund and the Organisation of the Black Sea Economic Cooperation (BSEC). It is a broad term that includes values and practices such as legality, justice, trust in laws and institutions, efficiency, responsible budgeting, management of human resources and crisis management. It is argued that the theoretical framework of "Policy Transfer Network" is useful for the description and the analysis of the changes that are taking place in the BSEC member states following the good governance principles. The BSEC is an interesting case-study because it includes countries with different levels of development, countries that are members of the European Union (EU), namely Greece, Romania and Bulgaria, and candidate countries (Turkey). The BSEC is also an interesting international organisation because, as it is argued, it acts as an agent of "soft" policy transfer of good governance practices. A stronger push towards modernisation can be observed among the BSEC member states that are also members of the EU. This comparison leads to some interesting conclusions on the impact of Europeanisation on cases of successful policy transfer.