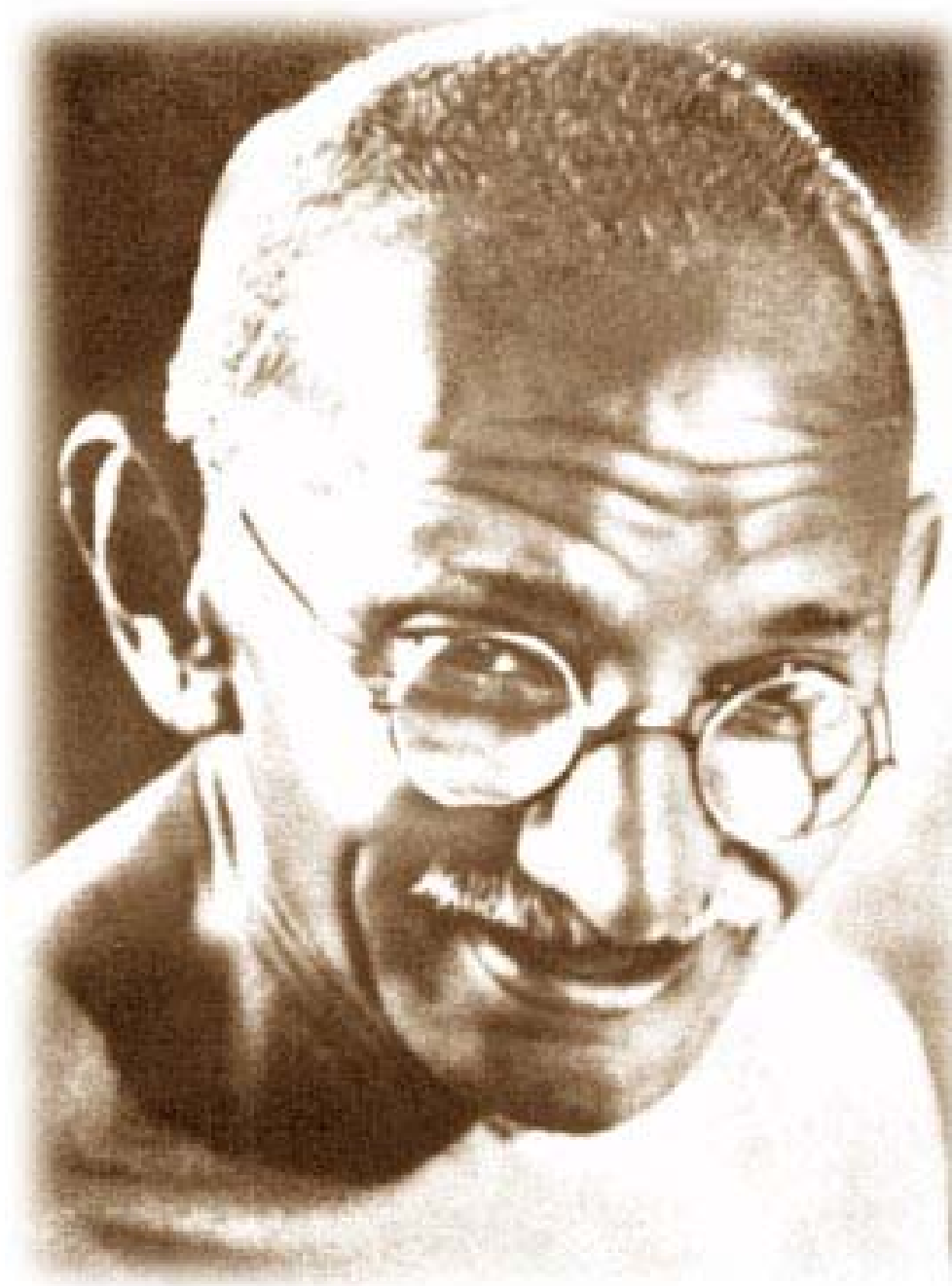


Good Governance and New Public Management: The Case for Estonia

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*What do I think
of Western
Civilization? I
think it would
be a good idea.*

Gandhi

A photograph of a stone castle wall and a round tower under a blue sky. The wall is made of light-colored stone and has several windows. The tower is also made of stone and has a flag on top. The sky is a clear, bright blue. The text is overlaid on the right side of the image.

*What do
I think
of
good
Gover-
nance
in
Estonia?*

I think it would be a good idea ...

Case study **Natura 2000**
negotiations and implementation
(Habitats) shows typical problems
of Governance:

- lack of administrative capacity
- bad assessment of present situation (negotiation problem)
- strong non-transparent, non-institutional 2nd and 3rd sector influence (hunters, powerful landowners, and developers): lynxes and bears focused upon



- bad information policy towards normal landowners (genuine, legitimate stakeholders)

... but **G**ood Governance is not **g**ood Governance!

- Governance describes the steering mechanism in a political entity
- Good Governance embodies a strong **value judgment** in favor of
 - retrenchment of the State and
 - economization

... and is that what, out of all things, is good for Estonia?

The governance problem in Estonia actually seems to be a government problem, indeed, a PA problem...

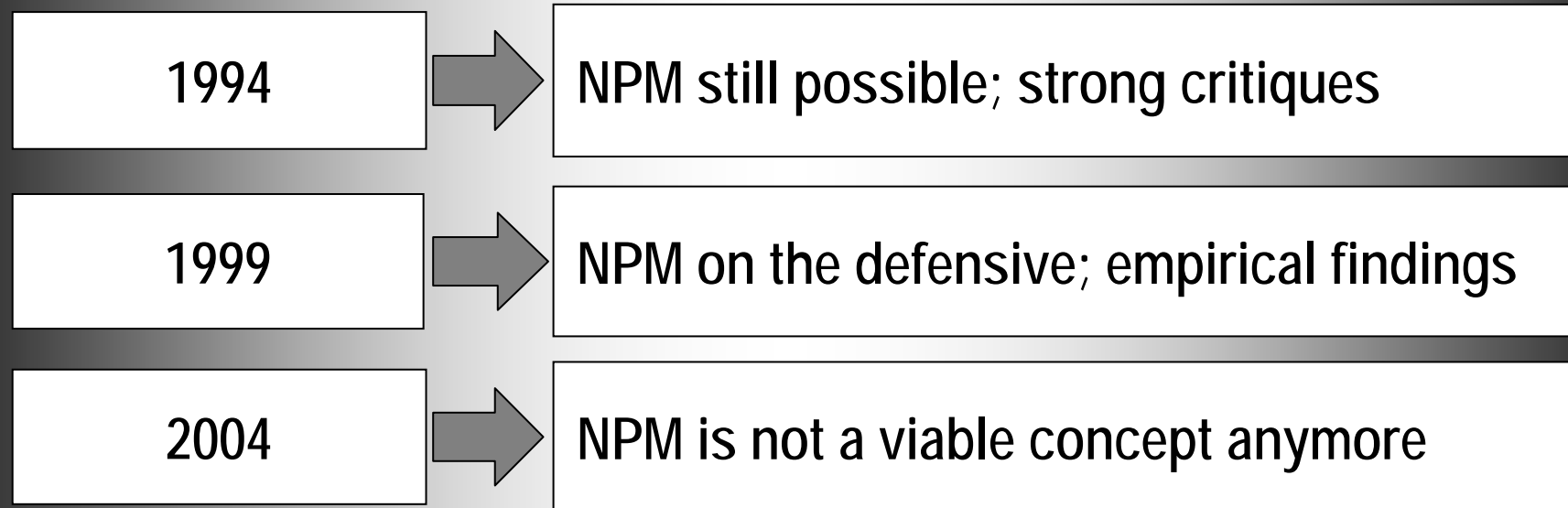
“...the Estonian administrative system may be considered to be on the brink of falling apart... Due to an Estonian politico-administrative ideology that is inimical to strengthening badly needed coordination and control mechanisms” (SIGMA 2003)

Estonia has an ADMINISTRATIVE CAPACITY PROBLEM that after EU accession is even more serious

The Basis of Good Governance as a world view is the New Public Management (NPM)

- NPM = transfer of business principles and management techniques from private into public sector,
- symbiotic with and based on a neo-liberal understanding of State and economy.

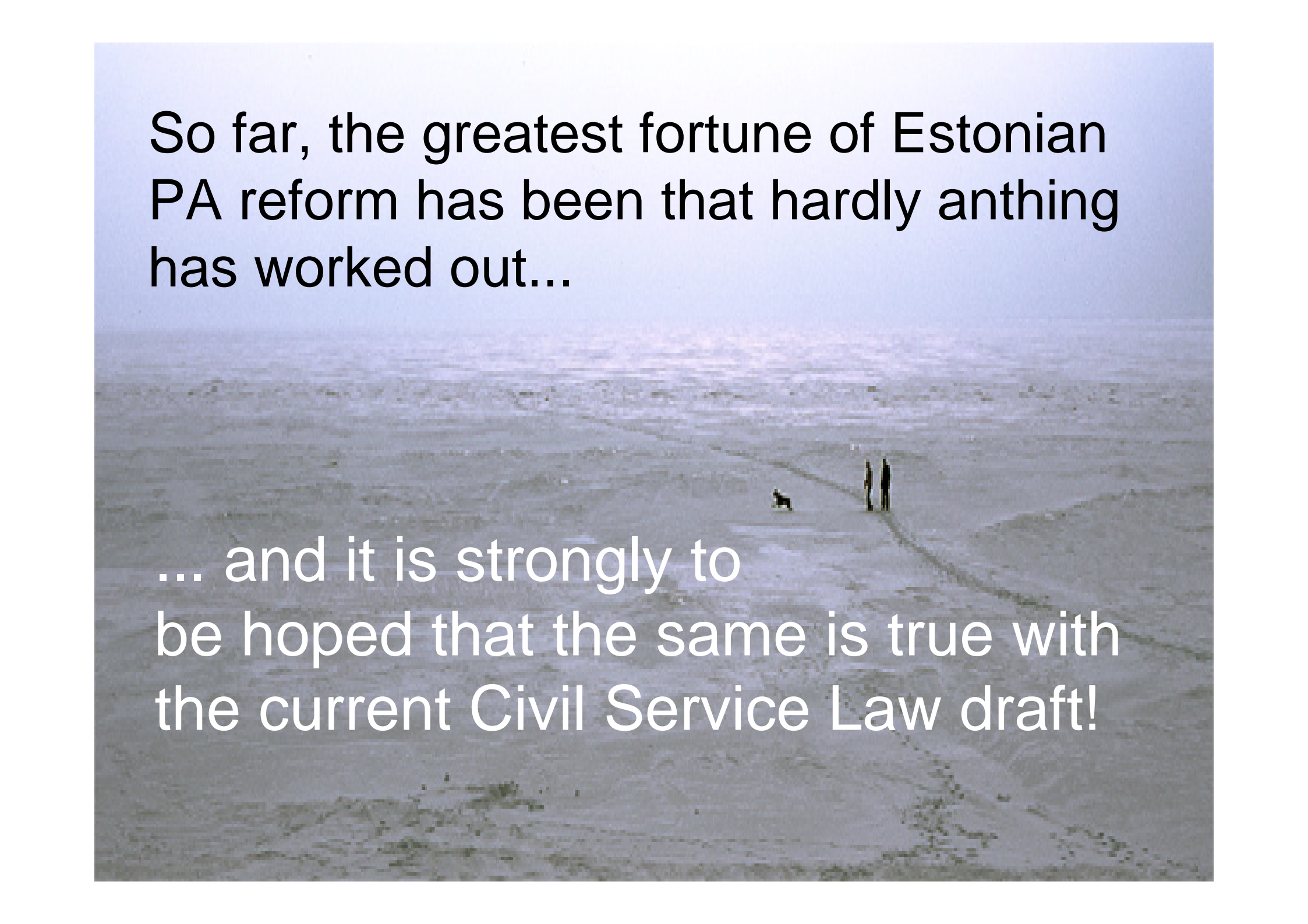
... but what was an option 10 years ago
is not an option anymore today:



**The question today is whether one is in the
post-NPM (anti-NPM) or
post-post-NPM (synergy) paradigm**


ESTONIA

- one of the CEE countries closest to NPM models
- this development was possible because a large segment of the politico-administrative elite is (neo-) liberal or technocratic in outlook
- and those administrators (with a German-legal background) who have promoted the career system shared this basic world view
- Finnish model (without considering traditions and money spent) aided this tendency
- "Governance", if at all, used by active NGO's in order to foster involvement in political decision-making and contracting-out

A wide, flat, sandy landscape under a clear sky. In the distance, a few small figures are visible, possibly walking or standing. The overall scene is desolate and open.

So far, the greatest fortune of Estonian
PA reform has been that hardly anything
has worked out...

... and it is strongly to
be hoped that the same is true with
the current Civil Service Law draft!



**The key to good
Governance in Estonia is
to strengthen the
Administrative Capacity**

**and thereby to bring
Public Administration
reform in line with the
NATIONAL PRIORITIES**

Estonia has opted strongly for the LISBON STRATEGY and for INNOVATION as the bases of National Development, i.e., on the dynamic economics of Joseph A. Schumpeter, but these approaches are not possible without a strong (effective and capable) State – see the following presentation by Rainer Kattel.



Joseph A. Schumpeter
(1883-1950)



Study by Evans and Rauch of 35 developing countries (1999):

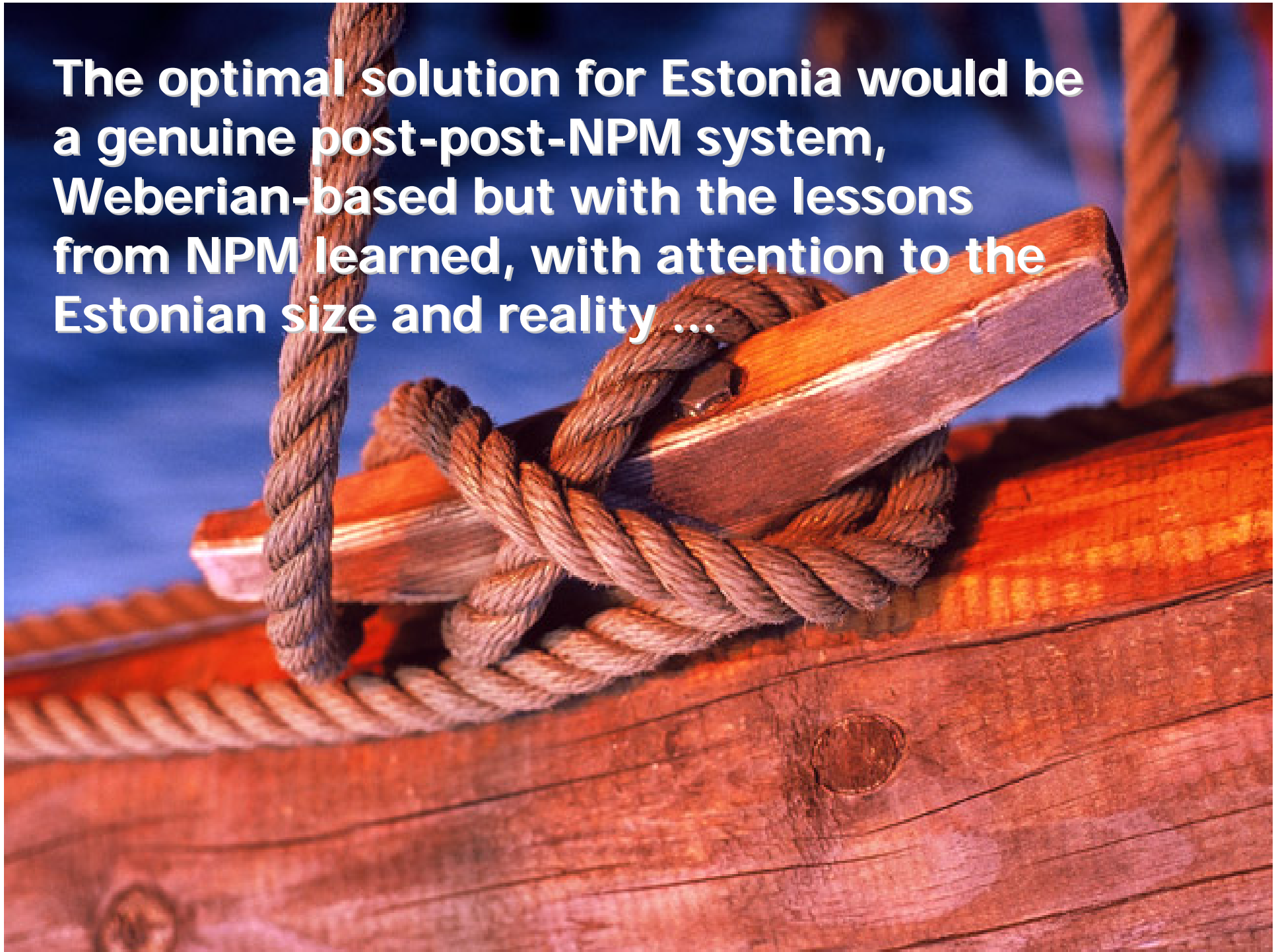
"Weberian" characteristics significantly enhance prospects of economic growth.

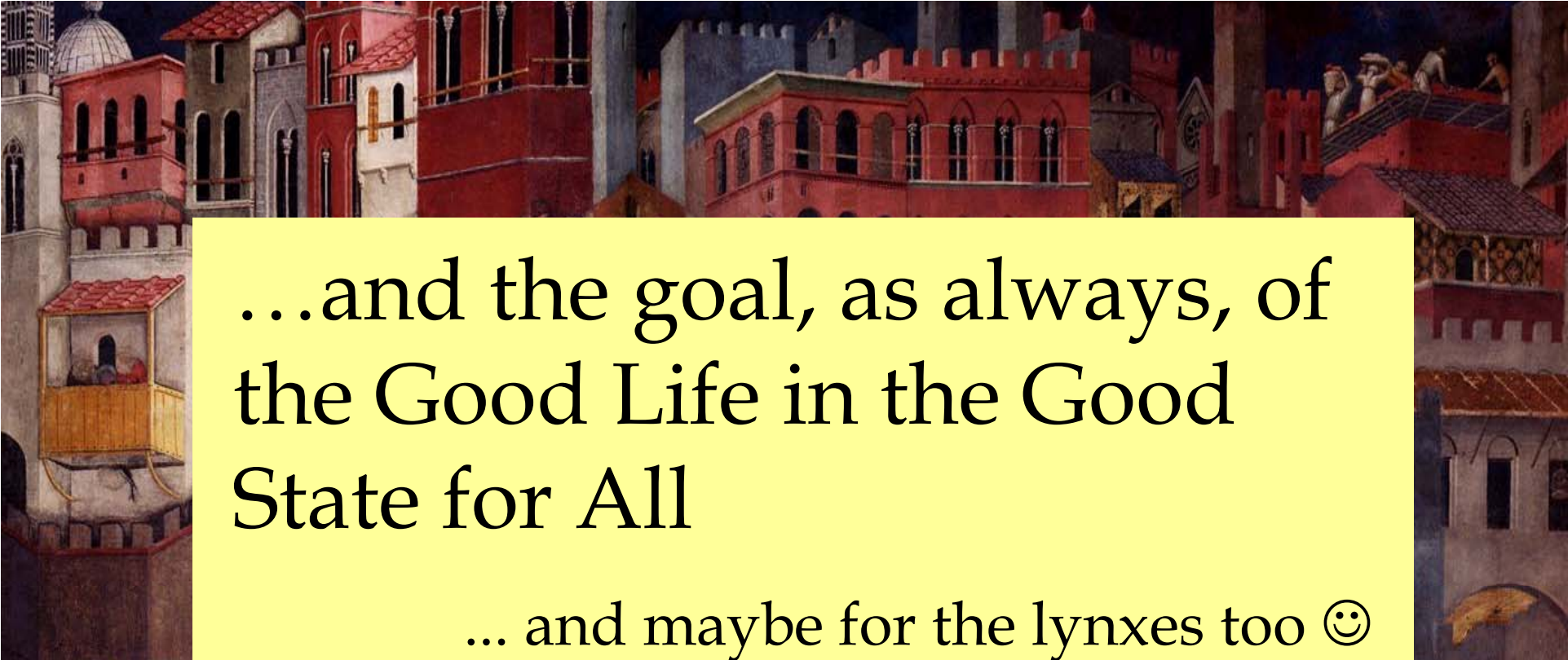
These tensions and clashes between

**The need of a capable State
for Economy, EU, and
Society** **‘Neo-Liberal’
and/or
& Technocratic
world view**

are left open
and unresolved in Estonia

The optimal solution for Estonia would be a genuine post-post-NPM system, Weberian-based but with the lessons from NPM learned, with attention to the Estonian size and reality ...





...and the goal, as always, of
the Good Life in the Good
State for All

... and maybe for the lynxes too 😊



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