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Government Governance (GG) and Inter-Ministerial Policy Coordination (IMPC) in Eastern and Central Europe and Central Asia

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Abstract This paper focuses on the function of Inter-ministerial Policy Coordination (IMPC) and its critical role in governance. Following a definitional section, the authors give an overview of public sector governance in Eastern and Central Europe and Central Asia and discuss the application of governance principles to Inter-Ministerial Policy Coordination in these regions. They conclude with specific examples from the Republic of Macedonia and Central Asia.

Keywords Government governance · Inter-ministerial policy coordination · Eastern and Central Europe · Central Asia

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Background

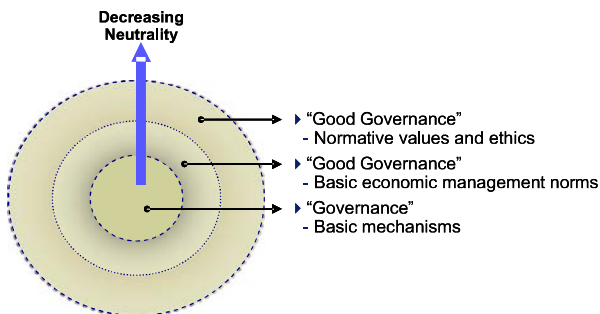
Field reports and the relevant research literature indicate that, despite international support efforts, transition economy countries are often unable to ensure sustainable growth in political, economic and social development due to inadequate “governance.” The manifestations of inadequate governance noted in the literature include, e.g., a lack of administrative coordination and consultation mechanisms, deficient administrative law and procedures, and absence of public management competencies, among others.

As stated by Drechsler (2004), “Governance” as such is a neutral concept that focuses on the steering mechanisms for the management and operation of a certain political unit, emphasizing the interaction of State (first), Business (second) and Society (third sector) players (Drechsler 2004).

However, the use of the notion of “governance” remains an ill-defined concept. Farazmand (2004) lists the most often mentioned concepts of governance or government used during the last two decades as follows:

Good governance, entrepreneurial government, competitive government, market-like governance, economic governance, social and political governance, enabling governance, participatory governance, regulatory governance, interventionist governance or government, steering government versus rowing government, and the like (p. 3)

This is even truer for the notion of “good governance,” which is often used by the World Bank and the OECD which seeks to apply normative standards to define best practices for well-run, responsive, and responsibly administered public sector entities. As stated by Weiland (2006), “In practice, in the vast majority of cases good governance is interpreted solely in terms of economic management, even though the concept itself is far more comprehensive” (p. 8).



Donor countries, for instance, often require the inclusion of ethical notions (combating corruption), rule of law principles, transparency of government decisions and the fulfilment of legal obligations in the Good Governance conditionalities linked to the execution of multilateral or bilateral agreements.

Such “good governance” initiatives by donor agencies often remain without much success since government elites of beneficiary countries at times only pay lip service to donor countries’ request for good governance especially those interest groups tied

to external donors with strong interest to protect their own positions and benefits from such connections. Such government elites try to keep their status quo rather than help develop their own country to serve the common people. Such “lip service good governance” actions end up being pro-forma reforms intended to promote foreign donor’s objectives and values while at the same time trying to insulate their own rent seeking positions from real governance reforms.

While rent-seeking government elites can be seen engaging in pro-forma governance reforms, the opposite can also be observed when transition and developing country officials try their best to improve their respective government functioning and offer their citizens better services at more equitable basis. However, in contrast to the preferred “good governance” priorities of many donor countries, these well intended government civil servants are more intent on improving the efficiency and effectiveness of their government machinery. They are for instance more preoccupied with the basic functioning of their government and how to improve government operations, service delivery, and internal decision making rather than focus only on anti-corruption and ethical objectives.

Frederickson (2005) reviewed and evaluated the evolution and development of the concept of governance in public administration, as treated in the available academic literature. He examined the conceptual interrelation between different concepts of public administration and broader notions of governance and good governance. Frederickson observes:

The term “governance” is widespread in both public and private sectors, in characterizing both global and local arrangements, and in reference to both formal and informal norms and understandings. As a result, when authors identify “governance” as important to achieving policy or organizational objectives, it may be unclear whether the reference is to organizational structure, administrative processes, managerial judgment, systems of incentives and rules, administrative philosophies, or a combination of these elements. (p. 5)

On the issue of defining governance, Frederickson states that “...there are as many definitions of the concept of governance as a synonym for public administration, as there are applications” (p. 6). He adds that “...governance scholars must settle on an agreed-upon definition, a definition broad enough to comprehend the forces it presumes to explain but not so broad as to claim to explain everything” (p. 16).

In search for a viable explanation of the concept of governance, Frederickson suggests to observe it through the lenses of the international regime theory. Thus, a government, and indeed the entire public sector, can be viewed as a set of implicit and explicit principles, norms, rules, and procedures around which actors’ expectations converge in a particular issue-area. Governance analysis should focus on cooperation among actors in any given issue area of public administration.

Moving beyond the governance and good governance debate, Farazmand (2004) proposes an alternative concept called “sound governance” consisting of several dimensions namely:

- (1) process, (2) structure, (3) cognition and values, (4) constitution, (5) organization and institution, (6) management and performance, (7) policy, (8)

sector, (9) international and globalization forces and (10) ethics accountability and transparency (p. 13)

Building on Farazmand's sound governance concept, this article focuses on one of the crucial governance mechanisms namely inter-ministerial policy coordination (IMPC) which constitutes one of the most important governance mechanisms linking and impacting three of Farazmand's dimensions namely organization and institution, management and performance and policy.

The importance of inter-ministerial policy coordination

The demands of participation in various international regimes make policy coordination across government a key factor determining effective governance at the national level. Governance mechanisms (i.e., standards, rules, and policies and processes and procedures) apply to government functions both on a stand alone basis and in the context of coordination among various public bodies.

Les Metcalfe (2004) discusses the growing trend of internationalization of governance and how it should be reflected and incorporated in the national public management reforms. He states that "There is an increasing need to create public management capacities that will ensure that international governance is conducted effectively" (p. 1). So far the processes of improving the capacity to cope with international obligations have been lagging well behind the reforms focused on the domestic performances of the government. He continues by observing that:

International governance is a multilevel process. It involves increasing collaboration between organizations at different levels of government (p. 4). How do national governments "get their acts together" in order to defend and advance national interests? (p. 6)

Metcalfe (2004) emphasizes policy coordination as one of the key factors for successful participation in international relations and comments: "Coordination enables the whole to perform better than the sum of the parts or at least to prevent disintegration and fragmentation" (p. 9).

Despite the fact that there are many definitions of coordination, depending on the context in which it is to be discussed, Metcalfe clarifies that the "...units of analysis are national governments and the focus is on coordination among ministries where coordination is an inter-organizational process" (p. 9).

To create a method for measuring and comparing coordination capacities, Metcalfe constructed a Policy Coordination Scale. The scale was particularly designed to evaluate the coordination capacities of the then 12 EU member states. It measures the coordination capacity across nine coordination levels: independent decision making by ministries, information exchange, consultations, avoiding divergences, seeking consensus, conciliation and mediation, arbitration of inter-ministerial differences, setting limits for ministries and establishing government priorities. The scale provides ranking of countries based on their qualitative, rather than quantitative coordination capacity.

Peters (1998) provides a comprehensive study of the issue of coordination, as one of the crucial aspects of governance and public administration. "If coordination is an enduring problem of government, it now appears more central to the concerns of many people in government than it has been in the recent past" (p. 9).

Peters examines the incentives that lead government institutions and public servants to make efforts to work better horizontally, some of them being: reduction of financial expenditures through optimization of government procedures, proliferation of cross-cutting issues that require simultaneous action by several institutions, internationalization of many policy areas, and participation in the work of various international fora.

What remains unclear is whether it would be more useful to isolate different dimensions of coordination and to differentiate coordination issues from other closely related questions of policy and administration. Peters hence raises several dilemmas: Should we focus more attention on policy coordination or on the coordination of administration? Should the coordination be imposed by the centre of government or be developed and owned by the actual participants, i.e. institutions that create or implement a specific policy measure? What are the models and techniques for achieving coordination? Finally, the author raises the issue of the relationship between coordination and accountability.

Accountability, at least in its *ex post facto* sense, depends upon the capacity of politicians and the public to identify who is responsible for any failures in a program, and complex coordination programs can reduce that capacity. (p. 23)

The quality and efficiency of governance and policy-making processes grow in importance for the countries that are or intend to become members of the European Union. Membership in the Union requires the enormous task of working on two tracks that must be perfectly coordinated: creation and implementation of national policies and participation in the complex EU policy-making process. To achieve this, members and candidate-countries need to devote serious attention to putting in place or improving the organizational, functional and human capacity of their governance and policy-making mechanisms.

In 1992, the OECD and the EU launched the SIGMA Project as a joint initiative whose main objective is to assist the improvement of governance and public administration reforms in EU candidate countries.

Under the project, and with a purpose of monitoring and evaluating the progress made by countries, SIGMA developed a set of baselines for six key areas of public management: civil service, external audit, financial control, public expenditure management systems, policy-making and coordination machinery and public procurement management systems.¹ The baselines reflect the standards of good practice in the countries that are already members of the EU and are set to serve as a

¹ Control and Management System Baselines for European Union Membership (OECD SIGMA 1999), SIGMA Project (p. 1)

tool for conducting assessment of central management and control systems in the observed countries, particularly ones in various stages of EU integration.

IMPC in ECE and SEE countries

Countries covered in this section are classified into two categories, East Central European (ECE) and Southeast European (SEE) using criteria that are more political than geographical in nature. The main common characteristic for all of them was that up to 1990, they all belonged to the so-called “communist block” and as a consequence had regimes that lacked basic democracy and market principles.

East Central European Countries (ECE)	Southeast European Countries (SEE)
Poland	Romania
Czech Republic	Bulgaria
Slovakia	Croatia
Hungary	Macedonia
Slovenia	Albania
Estonia	Moldova
Latvia	Bosnia and Herzegovina
Lithuania	Serbia and Montenegro

During the first half of the 1990s, the former communist countries split into two categories and, from then on developed with significantly different pace. The eight countries of East Central Europe, i.e. Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Estonia, Latvia and Lithuania achieved impressive success in the speed and quality of their economic and political reforms. Their progress resulted in EU membership that all of them obtained in May 2004.

The second group, known as SEE countries comprises Romania, Bulgaria, Croatia, Macedonia, Albania, Moldova, Bosnia and Herzegovina, Serbia and Montenegro.² Most of these countries had very turbulent first transition years. Turbulences varied from severe political instabilities to devastating wars. Such political turbulence seriously hampered the development of viable democracy and market institutions in the region.

Progress made in the SEE countries mostly depended on their internal strength and capacity to overcome the obstacles. As of 2007, SEE countries have had varying degrees of success in their effort to reform their economic and political legal frameworks, as well as in their efforts to improve the efficiency of their governmental institutions. As a result, they are in different stages of EU integration: Bulgaria and Romania are members of the EU, Croatia started negotiations for membership, Macedonia obtained a candidate status for membership, Albania, Bosnia and Herzegovina and Montenegro joined the process for stabilization and association. Moldova does not participate in the EU integration processes and Serbia still lags behind due to internal political problems.

² Although now members of the EU (since 1 January 2007), Bulgaria and Romania were part of all analyses and reports on governance and public administration reforms prepared for this part of Europe

Development of governance mechanisms in ECE and SEE countries

The ability of ECE and SEE countries to overcome the problems of the initial transition years is directly reflected in their varying degrees of success in developing stable and efficient governing mechanisms. As a group, ECE countries were relatively more successful than the SEE countries in creating new and reforming their existing government policies and institutions. General review of political systems established in the observed countries shows that both ECE and SEE countries developed parliamentary systems after the fall of communism, with the Parliament as the main legislative body and a Cabinet of Ministers led by Prime Minister as the central executive body, the exception being some SEE countries with strong presidential regimes like Serbia.

Ben-Gera (2004) identifies the main challenges that the countries of ECE and SEE faced and had to deal with immediately after their coming into being (Table 1):

There is an almost infinite variety of subject matters concerning government, from human rights to economic development, from environment to transport, education, agriculture, police, and pensions. Government and administration deal with the immediate and the long-term, values of individuals and aspirations of collectives, local and global issues, citizens, groups, religions, ethnic minorities, nations and the international community. (p. 12)

Policy-makers had to deal with these aspects within the context of their political and economic transition and had to do this quickly in order to respond to the aspiration of their citizens who were anxious to “catch up” with the West, while at the same time maintaining and building their own unique cultures and institutions.

Table 1 Governance indicators, comparison across countries 2005

Country	Government effectiveness	Voice and accountability	Political stability	Regulatory quality	Rule of law	Control of corruption
Albania	35.9	49.8	27.4	45.0	21.3	27.6
Bosnia and Herzegovina	33.5	43.5	24.5	31.7	30.4	46.3
Bulgaria	62.2	65.7	50.9	69.3	48.8	55.2
Croatia	67.5	61.4	58.0	65.3	53.6	59.1
Czech Republic	76.6	77.8	68.4	79.2	70.0	68.0
Estonia	82.8	84.1	67.5	91.1	75.4	79.8
Hungary	75.1	85.0	71.2	82.7	69.6	70.4
Latvia	73.2	72.0	74.1	78.7	61.4	66.0
Lithuania	76.1	73.4	76.9	83.2	63.8	64.0
Macedonia	47.4	48.3	19.3	48.5	43.5	40.4
Poland	71.3	83.6	54.2	72.3	59.9	61.1
Romania	56.9	56.5	46.2	58.4	45.4	51.7
Serbia and Montenegro	45.5	50.2	20.8	32.2	24.6	39.4
Slovak Republic	77.0	83.1	67.9	85.1	60.9	68.5
Slovenia	78.5	84.5	80.7	74.8	74.4	80.3

Table prepared by authors. Data source: Kaufman et al. (2006) “Governance Matters: Governance Indicators for 1996–2005”, World Bank http://info.worldbank.org/governance/kkz2005/mc_indicator.asp

Moreover, they had to do it within a democratic political setting which differed substantially from the rigid form of governance of the previous communist regime (Saner and Yiu 1996). The above description, although not exhaustive, gives an idea of the complex challenges that confronted the governments of these countries; and they still continue to confront them today. The evolution of governing mechanisms that took decades in Western Europe to emerge had to be developed virtually overnight in EU transition countries in order to avoid severe policy deadlocks and to provide suitable conditions for the required economic and political developments.

The success of managing the policy-making and implementation processes in ECE and SEE countries depends on their ability to simultaneously manage the multiplicity of issues and juggle between various interests, individual and collective, local and international. The large number of tasks ranging in character from simple to complex requires the establishment of sophisticated organizational structures that are able to combine various governmental entities, such as ministries, departments, agencies, commissions, etc. To effectively cope with the activities of all these administrative bodies, ECE/SEE governments had to develop sound and constructive coordination mechanisms that were expected to result in an effective and efficient decision-making process.

The evolution of the governing mechanisms in the EU transition countries was strongly influenced and affected by their individual aspirations to join the European Union. The processes of complying with the EU *acquis communautaire* and of conducting and successfully completing the membership negotiations required that enormous efforts be put into the creation of new and the strengthening the capacity of existing institutions.

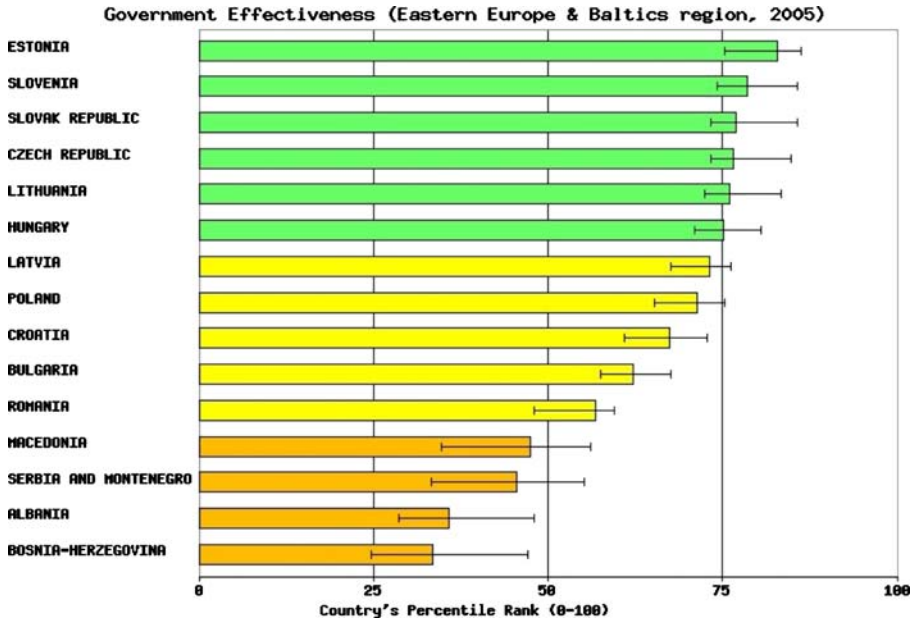
In this context, one of the crucial issues was the functioning of the cabinets of ministers, since they happen to be the ultimate decision and policy-making entities. Like in any other democratic country, their success was dependent on the ability to find an equilibrium between the principles of “representativeness” and “efficiency” (Blondel and Malova 2005) In other words, the decision-making in the cabinets had to reconcile various political interests represented by the coalition parties, interests of different ministries and institutions, and yet be efficient and effective.

The ability to the making of collective and consensual decisions that are also efficient is dependent of three issues. First and foremost, it is necessary to have appropriate instruments of coordination, and their development is not an easy task. Second, is the development of substantive and procedural capacities for the planning and execution of long-term strategic objectives. Finally, it is imperative that all of the interested sectors, i.e., business, public and academic, are included in the policy-making process.

During the 16 years following the fall of communism, the ECE countries, for some of the reasons mentioned above, were much more successful in grasping the concepts of coherent and efficient policy-making than the SEE countries. The latter, although more or less having all institutions and mechanisms in place, still struggle to achieve the desired results. The success of the individual countries from the two groups can be seen in the results of governance performance in six areas represented by the World Bank Governance Indicators for 2005. As discussed earlier, the numbers support the statements that ECE countries are more

successful in creating and strengthening governing mechanisms and institutions than the SEE countries.

The indicator that is most relevant in describing the functioning of the policy-making bodies and the coordination of their activities is the one on Government Effectiveness, selectively demonstrated in the following chart:



Source: Kaufman, D., Kraay, A., Mastruzzi, M (2006) "Governance Matters: Governance Indicators for 1996-2005", World Bank, http://info.worldbank.org/governance/kkz2005/mc_indicator.asp

The case of Macedonia

Macedonia may be a good example to demonstrate the typical governance challenges in Southeast European countries. The capacity of Macedonian institutions to formulate and implement policies in virtually all areas of the society is still fairly weak.

In their study "Understanding Reform in Macedonia" (2004), Petkovski and Bishev make an attempt to identify some of the reasons for the underperformance of governing institutions in Macedonia:

During transition, Macedonia has not been successful in creating efficient institutions, due to several reasons. Firstly, as a newly independent state, it had to build many basic institutions virtually from "scratch". Secondly, it has traditionally been an underdeveloped region. Therefore, it is logical that its inhabitants do not possess any "institutional memory" on market based institutions (for example stock exchanges) which existed in more developed

parts of Yugoslavia and in advanced transitional economies between the two world wars. Thirdly, to date, Macedonian policy makers have paid relatively little attention to the importance of the institution building process, which is typical for less successful transition strategies. (p. 19)

In view of the above comments it is not surprising that Macedonia did very poorly in policy developments during the first decade of its independence which resulted, among other things, in a significant foreign trade imbalance and a high level of unemployment. It was the beginning of the new century that brought the first signs of improvement. Policy-making slowly began to improve under the pressure of the need to comply with several extremely important international initiatives, namely the accession to the World Trade Organization, the reforms necessary for NATO membership, and above all, the process of integration with the European Union.

However, the impression is that, instead of being recognized by the policy-makers as the only way towards progress in the country, most of the improvements in the decision-making process were introduced as means to fulfil specific international requirements. It would be unfair to state that this was done intentionally; it was much more a result of the inability of both the politicians and the bureaucrats to understand the importance of the principles of governance and the need for comprehensive, coherent and competent processes of policy-making.

Nevertheless, in an effort to demonstrate progress in the management of multiple policy issues in a comprehensive, organizationally sound and competent manner, the governance mechanism of Macedonia has recently seen some improvements. The Cabinet of Ministers, chaired by the Prime Minister and comprising all ministers, has become the main decision-making body. There is a General Secretariat that deals with all organizational, administrative and logistic issues in support of the decisions of the Cabinet and the Prime Minister. Last but not least a net of committees has been established in various areas and at various government levels to meet the needs for policy coordination.

With regard to the latter, the Macedonian government institutions are increasingly more willing to establish coordination bodies, either working groups or committees, in order to increase the effectiveness of mutual consultations and information-sharing or reconciliation activities. For instance, the very complex and organizationally complicated process of accession to the World Trade Organization was successfully handled by two such multi-agency bodies established at different decision-making levels: the Coordinative Body of Experts and the Coordinative Body of Ministers. After Macedonia became a WTO member in 2003, the two bodies continued to play an important coordination role in the elaboration of foreign trade policy.

However, despite all legal requirements in place, the system still has significant shortcomings that translate into fragmented and sometimes contradictory policy decisions, weak support mechanisms for informed decision-making, unsatisfactory institutional capacities for policy implementation, staffing changes which result in discontinuity due to election cycles, etc. In the light of the upcoming negotiations for EU membership, and if it wants to complete them in a timely and competent manner, Macedonia will have to try harder to improve its governance procedures. It is perhaps even more important for Macedonia to change its existing thinking on institutional and political issues in order to understand the needs of proper governance better.

Government governance in Central Asia

After the break-up of the Soviet Union, Central Asian republics³ faced three different issues of transition: economic shock, transformation to market based economy and political transition (Linn 2002). All republics have chosen their own ways to reform their countries and this has had an impact on their current economical, political and social situations.

The basic socio-economic indicators of the Central Asian countries are presented below. The leader in the region, according to the size of GDP per capita, is Kazakhstan with its abundant mineral resources. GDP per capita in Turkmenistan, with its huge gas resources, is also relatively high. The level of poverty is mirrored by the patterns of GDP per capita, and the poorest countries in the region are Kyrgyzstan, Tajikistan and Uzbekistan⁴.

Socioeconomic indicators of the Central Asian Republics⁵

	GDP per capita, PPP	Poverty headcount ratio at \$2.15 a day, PPP (% of population)	Population, mln. People	Population density per square kilometer, people
Kyrgyzstan	1935	70	5	27
Kazakhstan	7440	21	15	6
Tajikistan	1202	74	6	46
Turkmenistan	5860	44	5	10
Uzbekistan	1869	47	26	62

Source: World Development Indicators 2006

Geographically the region is also very diverse, ranging from deserts, steppes with huge resources of oil and gas in some countries to high mountains and abundant water resources in others. In addition, Central Asian countries have heterogeneous populations which vary in size and population density.

Reforms in the region also have varied during the transition period. The most active reformers are Kazakhstan and Kyrgyzstan, followed by Tajikistan, while Uzbekistan and Turkmenistan lag behind with the former administrative-command system of economy still very much in place (EBRD 2005).

In spite of the differences in territory, population, economic wealth and the progress of reforms, all countries continue to be influenced by their common Soviet legacy. They also have many common problems, such as an adequate access to the world markets, environmental issues, deteriorating social systems, difficult political situations and problems of governance (UNDP 2005).

Governance indicators in the Central Asian Region

The issues of governance have become the key concerns of Central Asian governments and international organizations helping them ever since the countries were deemed to have reached relative macroeconomic stabilization. According to

³ Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan

⁴ Civil war in Tajikistan severely affected economic and social performance of the country

⁵ GDP per capita is given for 2004, poverty headcount for 2003, except Turkmenistan–1998. Population and population density are presented for 2005.

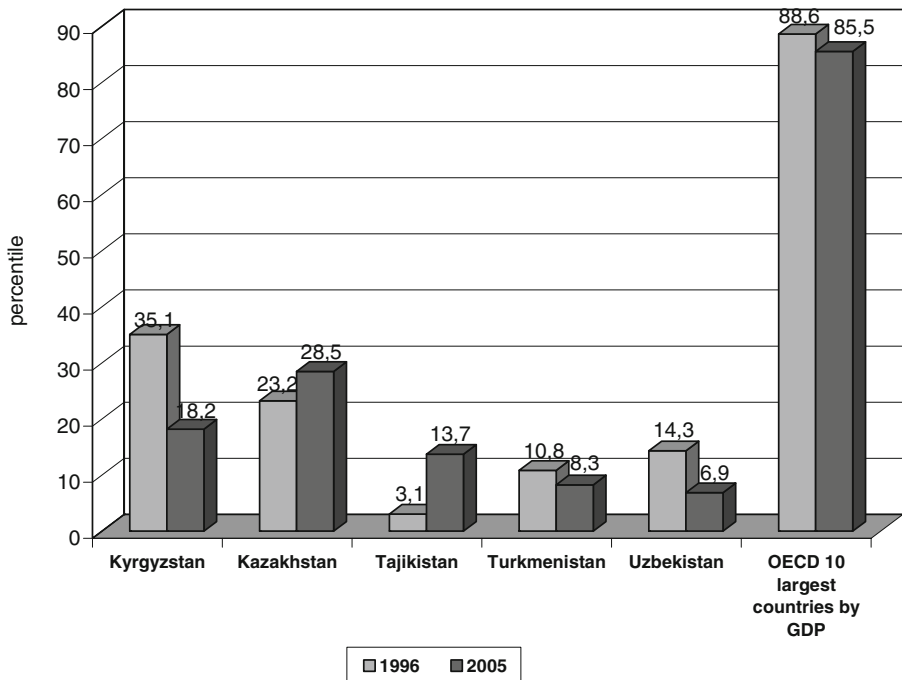


Fig. 1 Average percentile, according to governance indicators in 1996 and 2005

World Bank data on governance indicators, only Kazakhstan and Tajikistan were able to move their governance⁶ rating from what it was in 1996 to a higher percentile rank in 2005.⁷ The situations in Kyrgyzstan along with Turkmenistan and Uzbekistan have worsened (see the Figs. 1 and 2). For comparison, average ranks of the tenth largest (according to GDP) OECD countries are also presented.⁸

In general, Turkmenistan and Uzbekistan have ranked in the tenth lowest percentile in 2005 thereby signaling significant problems with governance. The situation in Kazakhstan, Kyrgyzstan and Tajikistan is also far from satisfactory in spite of some improvements in Kazakhstan and Tajikistan.

Analysis of government effectiveness⁹, as one of the governance pillars, shows a very similar picture in all of the countries. Kyrgyzstan and Kazakhstan are the best

⁶ Governance indicator consists of 6 sub-indicators: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption. Database with indicators for separate countries is available online including absolute values and countries' ranks (http://info.worldbank.org/governance/kkz2005/mc_indicator.asp). For more details see Kaufmann et al. (2006), "Governance Matters V: Governance Indicators for 1996–2005 (p. 4).

⁷ Percentile rank (0–100) indicates the percentage of countries that rank below the selected country.

⁸ These countries include: Australia, Canada, France, Germany, Italy, Japan, Netherlands, Spain, UK, and USA.

⁹ Government effectiveness measures the quality of government services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of government's commitment to such policies. Kaufmann et al. (2006), "Governance Matters V: Governance Indicators for 1996–2005 (p. 4).

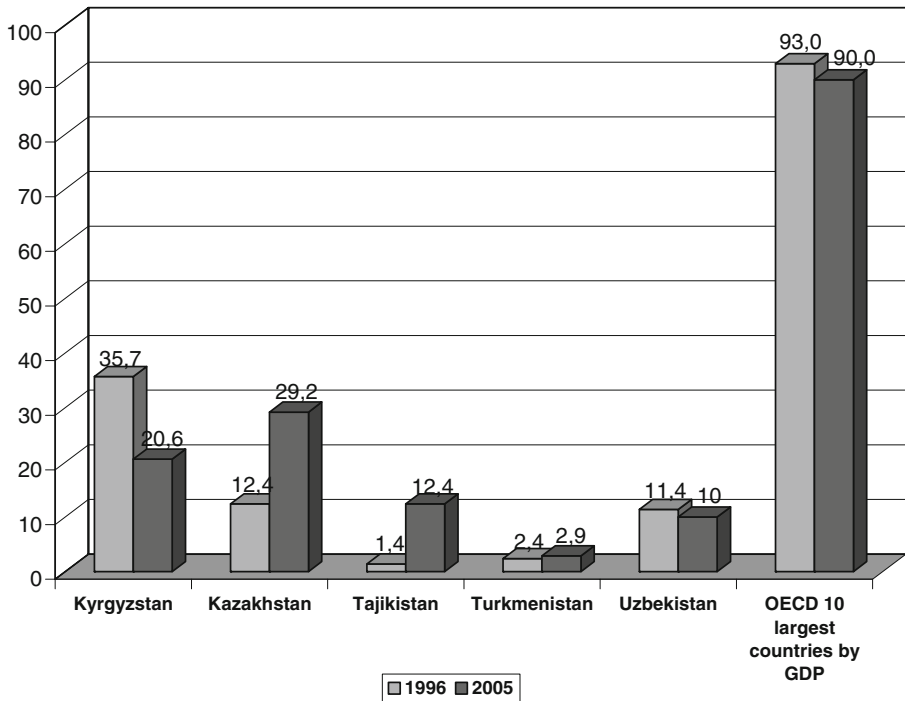


Fig. 2 Average percentile, according to government effectiveness in 1996 and 2005

performers in this field, but government effectiveness in Kyrgyzstan decreased significantly since 1996, while Kazakhstan moved from 12.4th percentile in 1996 to 28.5th percentile in 2005.

In Turkmenistan and Uzbekistan nothing has changed and they stay in the lowest 10th percentile in government effectiveness. Tajikistan after the conclusion of the civil war moved from 1.4th (only 1.4% of countries in the world were in a worse situation) percentile in 1996 to 12.4th percentile in 2005.

Analysis of the governance indicators in Central Asian region reveals that the situation is very different among the respective countries. There are leaders and there are countries that lag much behind. Yet it is possible to discern general issues that are common to them all.

Common issues with governance effectiveness in the Central Asian Region

The first common feature is that at their independence all of the countries inherited the old Soviet problems related to the establishment of new institutions. As it was mentioned above, all countries chose their own individual development paths. The same can be said about the setting up of structures, functions and mechanisms of executive power. However, in all countries in the region the role of president turned out to be superior to the other institution. Strong presidentialism had its roots in the Soviet system and in the role the first secretaries of the Communist Parties of the individual Soviet republics played in that system (UNDP 2005).

Presidential elections were held in all Central Asian countries at the beginning of independence. Later all changes in the Constitutions, as well as the supporting elections and referendums, strengthened and consolidated the powers of the heads of state. By 1996 all Central Asian states have had super-presidential systems with the presidents controlling all political decisions and maintaining absolute power (UNDP 2005). In the most hypertrophied form this situation took place in Turkmenistan, where the late President Turkmen Bashi became a lifetime president. The supremacy of the presidential office may not be as evident in other Central Asian countries, with the exception of Kyrgyzstan but there too the political system has been restructured in such a way that no serious contenders for presidency remain. They are either in prison or in exile.

The second common feature of all republics in Central Asia is centralization of power in the center. Even Kyrgyzstan, where substantial decentralization reforms have taken place, still can not be considered a decentralized country because local self-governance units are not provided adequate financial resources and there is no clear division of responsibilities between the center and local bodies.

The third common feature is in the role of clans and elites, based on family, kinship, business and other types of relationships. These groups have substantial influence on policy decisions inside the countries. They may put significant obstacles in the way to reforms when they feel that the particular reforms threaten their positions.

There are also common issues in the effectiveness of public administration and civil service which are mainly based on the legacy of the Soviet command-administrative system (UNDP 2006). They are:

1. Overstaffed and underpaid civil service with complete absence of managerial skills and very often unqualified. There is no merit-based competitive recruitment of civil servants.
2. Lack of horizontal coordination and reliance only on vertical decision-making with the dominant role played by the president's administration;
3. Strong resistance to change in the top-level groups which have captured the resources and enjoy monopoly positions. They are reluctant to introduce any changes which may endanger or weaken their positions.
4. Almost all countries suffer either from lack of legislation aimed at establishing an efficient system of civil service or from poor implementation of laws.
5. Lack of mechanisms to enforce accountability of public officials for improper implementation of their functions. This leads to inefficiency in government and more so to corruption.

Again, as in the case of economic reforms, the scope and extent of problems varies significantly among the Central Asian countries. For instance, Kazakhstan has made significant progress in setting up a stable professional civil service system. Appropriate legislation has been enacted and sound institutional mechanisms to manage the system have been established (World Bank 2005a). It is important to mention that the success of the reforms in Kazakhstan was partially based on favorable economic conditions based on the exploitation of significant mineral resources.

The situation in other countries is not as optimistic. For example, Tajikistan has to establish all institutions and the system of public administration literally from the

bottom up. The reforms of public administration and civil service are so far of a “stop and go” nature with limited real change (World Bank 2005).

In Uzbekistan problems with public administration are closely related to the general problems with authoritarianism. According to Ergashev (2003: 5), there is no unified and systematic normative basis for the functioning of executive bodies, which is further aggravated by the existence of powerful internal hierarchies (formal and informal). There are many different interdepartmental commissions in Uzbekistan. Their functions duplicate the functions of ministers, agencies etc. The role and authority of different executive bodies are not clearly defined and the decision making process is not transparent. An additional problem is the deep intrusion of a bloated public administration into the economy. This leads to a predatory administration where state power and business are closely interrelated and interdependent.

The leader in economic reforms and liberalization of the economy—Kyrgyzstan—also faces problems with governance and the effectiveness of government in spite of all reforms in this sphere. During recent years numerous efforts, supported and promoted by international donors, have been made to establish new institutions to improve the situation with the civil service. A law “On the Civil Service” has been enacted. A Civil Service Agency has been established to oversee implementation of the Law “On Declaration and Publication of Income and Assets of Political and High Civil Service Officials and Their Close Relatives”. Functional reviews of most ministries have been undertaken to start reorganization and restructuring.

In spite of all these efforts, the situation has not improved. All attempts to reorganize and restructure the existing executive bodies has not been successful. The main problem is in implementation of the existing laws and lack of political will for real change. In addition, the issue of incentives and of a merit-based recruitment, which is crucial for the performance of public service, has not been solved yet. This negatively affects prestige of public administration and discourages competent and skillful employees who leave in growing numbers.

The most difficult situation among Central Asian countries is in Turkmenistan where all power was concentrated in one person—President Turkmen Bashi who passed away in 2007. Election of the new president may change the situation slightly, but only in the long run.

Summing up, governance of governments remains one of the most important problems in the Central Asian republics. All countries in Central Asia still rely on strictly hierarchal methods of governance with the concentration of power located around the president and the presidential administration, while the quality and capacity of public employees remains one of the main impediments to effective governance. Only Kazakhstan has so far managed to reform the civil service. Other countries still have low-paid, unqualified employees not recruited on the basis of merit and competence which significantly limits the effectiveness of governments in Central Asia.

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