

International Seminar (INCT-PPED, PPED/IE/UFRJ, IESP/UERJ and MINDS)

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Public Management, Policy Capacity and Innovation



IE-UFRJ – Av. Pasteur, 250 – Urca – RJ

Session 1: June 4, Monday, from 14h00 to 16h00 (Sala Psicologia 5)

Session 2: June 5, Tuesday, from 10h00 to 12h00 (Reitoria 1)

Session 3: June 12, Tuesday, from 10h00 to 12h00 (Reitoria 1)

Public sector capacities are the holy grail of development. Government's ability to react to changing economic, technological and social phenomena – and to shape these very same phenomena – are often seen as key to development; in other words, governments need to manage creative destruction. Somewhat ironically, most of the debates about public sector capacities to deal with creative destruction remain either on the level of policies (e.g., for or against infant industry protection) or on the level of institutions (e.g., for or against labor unions), little is said about the way public sector is actually organized (public organizations, their routines and practices of recruitment and advancement, their interaction with other organizations both public and private). This seminar series attempts to shed some light on how public sector organizations evolve and how public sector capacities are generated, how they evolve and what are the key factors in these processes, and how public sector capacities relate to innovation and economic development. The framework for the seminars is the wider developmental context where technology, domestic politics and international policy arena generate wide-ranging dynamic forces that in turn influence public sector capacities to deal with developmental challenges.

Seminar I. Defining policy capacity, policy cycle and public management analytical toolbox.

The first seminar looks at different forms of public sector capacities (state, policy and administrative capacity), and their role in policy cycle; and the conventional view about policy capacity and innovation. Further we will take a look at analytical tools to analyze and understand generation and evolution of public sector capacities. We will take closer look at such concepts as trajectories of reform, path dependencies, feedback mechanisms, etc. These will help to develop analytical toolbox to analyze public sector capacities.

Seminar II. Public sector reform and its impact on economic and innovation policy: from Weberian bureaucracy to Neo-Weberian State.

In the second seminar we will take closer look at one of the key forces behind policy capacity evolution: public sector reform. Public sector



reform is a perennial topic and we will take snapshots of the key phases in public sector reform, from the emergence of Weberian bureaucracy in the late 19th century to new public management reforms in 1980s and 1990s to Neo-Weberian State ideas in 2000s. We will also relate this to what is happening in various countries and regions in terms of innovation policy management and implementation.

Lecture III. Using the public management toolbox to analyze policy capacity and innovation: Examples of evolution of policy capacity in Eastern Europe, East Asia and Latin America.

The last seminar uses analytical toolbox developed in previous seminars in the case of few examples from Eastern Europe, East Asia and Latin America. The idea is to see how we can analyze and understand how policy capacities have evolved in these regions over the past decades and how this analytical knowledge could help us to devise better management structures for innovation and economic policies.

Background reading:

Wolfgang Drechsler, "Rise and Demise of the New Public Management", available at <http://www.paecon.net/PAERReview/issue33/Drechsler33.htm>.

Rainer Kattel and Annalisa Primi, "The periphery paradox in innovation policy: Latin America and Eastern Europe Compared. Some reflections on why it is not enough to say that innovation matters for development", available at <http://tg.deca.ee/files/main//2010032209563434.pdf>

Erkki Karo and Rainer Kattel, "The Copying Paradox: Why Converging Policies but Diverging Capacities for Development in Eastern European Innovation Systems?", available at <http://tg.deca.ee/files/main//2009100110090101.pdf>

Erkki Karo and Kattel, "Coordination of Innovation Policy in the Catching-Up Context: Estonia and Brazil Compared", available at <http://tg.deca.ee/files/main//2010110910443737.pdf>

Crisis in the European Periphery: the Case of the Baltic Countries



IESP – Rua da Matriz, 81 Botafogo – RJ
June 11, Monday, from 14h00 to 16h00 (Sala 102)

The Baltic states and the crisis of 2008-2010 is a peculiar story in at least two acts. While the Baltic economies, in particular Estonia and Latvia, were showing clear signs of cooling down already before Lehman bankruptcy in September 2008, the crisis hit all three economies particularly painfully and in 2009 the region topped global charts in GDP contraction. Yet, by 2011, not only had growth returned to the region – cumulative growth of GDP since recovery up to 1st quarter in 2011 has been 3.8% in Latvia, 10.3% in Estonia and 8.2% in Lithuania –, the Baltics are being held in popular press and particularly in policy circles as examples to be emulated for the other ailing economies in European periphery. Whether this recovery is sustainable is hardly questioned and it remains to be seen whether there is indeed a third act in store for the Baltic economies. This talk sets out to explore the following questions: First, what were the causes of the crisis in the Baltics? Second, how did the Baltic states respond to the crisis? Third, is the Baltic experience replicable in other countries of the European Union as well?

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Rainer Kattel is Professor of Innovation Policy and Technology Governance, and head of Department of Public Administration at Tallinn University of Technology, Estonia. He also runs Technology Governance program at Tallinn University of Technology, www.technologygovernance.eu. His main research area is industrial and innovation policies in catching up economies, especially Eastern Europe. He has published extensively on innovation policy and development economics. His recent books include Ragnar Nurkse: Trade and Development (co-edited with Jan A. Kregel and Erik S. Reinert; Anthem, 2009), Knowledge Governance: Reasserting the Public Interest (co-edited with Leonardo Burlamaqui and Ana Celia Castro; Anthem, forthcoming in 2012) and Public Procurement for Innovation: International Perspectives (co-edited with Tarmo Kalvet and Veiko Lember; Springer, forthcoming in 2013).

Rainer Kattel is visiting Professor at the National Institute for Science and Technology in Public Policies, Strategies and Development (INCT-PPED), at the PPED Program (Institute of Economics, Federal University of Rio de Janeiro), at IESC (State University of Rio de Janeiro), and participates as a member of MINDS Board.