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Public Policy Handbook for Higher Education

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Higher Education Evidence Based Policy Making

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Public Policy Handbook for Higher Education

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PUBLIC POLICY HANDBOOK FOREWORD

by Adrian Curaj, General Director, UEFISCDI

Public policy refers to the range of decisions and actions that governments take to address public problems. Some fields, such as higher education, have a long lasting influence over the socio-economic and cultural progress of our recent democracy and thus require carefully designed public policies, based on evidence and existing good practice.

The current handbook aims at providing an appropriate framework for public institutions to raise their capacity (both individual and institutional) of efficient formulation, implementation, monitoring and evaluation of governmental interventions, with the help of evidence-based policy making and a coordinated effort of all relevant stakeholders. Capacity building is an area where the Executive Agency for Higher Education, Research, Development and Innovation Funding (UEFISCDI) has concentrated its efforts during the last few years and focused most of its strategic projects funded by European programs.

Among these, the Higher Education Evidence Based Policy Making: a necessary premise for progress in Romania projects aims to increase the policy making capacity of public administration, thus leading to a more efficient, equitable and modern higher education system. As part of this project, UEFISCDI and the Romanian Academic Society (SAR) put together a team of experts with experience in public policy formulation and implementation and invited them to elaborate a handbook on public policy in higher education. The Handbook was envisaged as a practical, easy to understand, hands-on instrument for the professionals involved in policy making, ranging from those working in public institutions to those perceived as civil society representatives with a particular interest on higher education.

The Public Policies Handbook provides a comprehensive insight into the necessary tools, challenges and success stories of policy making, but also serves as a tool to help higher education professionals in their activity, for solving specific situations. It offers both a theoretical framework for policy making and a set of practical guidelines aimed at helping its beneficiary in their current activities. Structured as a ”how-to-guide”, the handbook is designed in a logical manner, making it easy for the users to find a specific piece of information or advice they need.

The handbook starts with the presentation of an eight-step framework for public policy analysis (Bardach) and continues with a detailed description of each step, aiming to provide the readers with both useful tips and tricks, as well as examples of frequently encountered mistakes they should avoid in the future. Simultaneously, it offers a background presentation for the theoretical framework of policy-making and an image of the challenges the policy makers might face while putting these in practice. The authors suggest ways to tackle these challenges through a less empirical approach. This may lay the foundation for a more conceptualized coherent policy making process.

Furthermore, the handbook presents a short overview of the major international mainstream concepts that drive contemporary educational reforms in the European countries. This way, it creates the proper context for the readers to understand the bigger picture that frames their work.

The handbook also addresses the need for careful consideration of the underlying current trends in policy making through a fresh and constructively critical analysis of the present.

It is worthwhile to mention that the handbook offers alternatives to governmental intervention of different intensities, that practitioners could consider. Last, but not least, it contains five case studies, good-practice examples of public policies in education. Some of them have been initiated by the government, others by NGOs or just individual civil society representatives. All the stories are told following Bardach's framework for policy making, thus putting the usefulness and applicability of each step to the test. The authors intended to help readers understand the importance of following all the steps of policy formulation, as mentioned in the framework, in a logical sequence. The potential trade-offs of eluding any of the steps are analyzed.

Due to its friendly format and easy-to-read language, we hope that the present handbook will become reference among higher education practitioners, either at the starting point in their careers, or for those with substantial public policies working experience, as an opportunity for their further professional development.

We kindly invite professionals to use this handbook as a stimulating experience for exploring new challenges and future opportunities in finding policy solutions to higher education challenges.

Preliminary advice on making the most of this public policy workbook

by Razvan Orasanu
Romanian Academic Society (Research Director)

To give some context around the writing of this workbook, in a Paris conference in 2014 on "The Future of Higher Education", the dean of Stanford University observed: "In 1900, roughly 500,000 students were enrolled in universities worldwide. Nowadays, over 110 million study in the precincts of academe; developing countries now have higher enrollment rates than European institutions had a few decades ago. Surging numbers have eclipsed precepts that universities should be bounded, autonomous communities. New social missions, the changing funding landscape, greater geographic mobility, and emerging Internet capabilities have challenged the bricks and mortar of higher education."

Because all these different factors put tremendous pressure not only on the universities themselves but the entire education system in its entirety(in Romania as well as globally), this book focuses on the challenges of implementing public policy in the higher education sector in Romania. The aim of the book is rather to give a logical framework for addressing the full cycle of a public policy, from inception to public presentation and ex-post evaluation. It will not contain bland definitions, outdated sociological studies or cover any research that is older than 2000. It also vigorously challenges the status-quo by giving options, alternatives and pointing out pitfalls in practical language. It also contains several case-studies where "the rubber meets the road" – or in other words the framework presented is tested out in a variety of specific instances.

For those that have a minimum time (3-4 hours in total) to dedicate to this workbook, the suggested focus would be on chapter 1 (Eugene Bardach's Framework for Policy Analysis), chapter 6 (on stakeholder analysis), chapter 7 (especially the sub-sections on data collection and analysis) and if any time is still left chapter 14 (on implementation). These sections cover enough of the argument to be able to have a complete picture of the core argument. The argument needs, for completion, additional study of public policy instruments (pay particular attention to the 11 categories for public policy intervention).

For those that have additional time, reading one of the key studies is imperative. Key Study 1 is the shortest, but the one that has probably the highest relevance for higher education issues and the transformation at systemic level. Key Study 2 focuses on a society-wide mechanism for bringing stakeholders together in an alliance for change over one aspect of higher education, namely the introduction of internships. The rest of the three studies are near the end of the book because they are important in other important areas of education. Key Study 3 is very relevant because dealing with minorities in education is a key problem for Romania, going forward - readers are advised to exercise caution, parallels with Hungary may or may not apply. Key Study 4 is relevant for transformation at high-school level, in Washington D.C. – but is one of the most developed by way of substance and can always serve as a replacement for Key Study 1 for those that prefer

a real life transformation story with all of the ups and downs and a full scientific analysis of the impact.

Key Study 5 is relevant because The Alliance for Clean Universities is an example of an NGO coalition bringing change through research and "name and shame" tactics. The final case study (Case Study 6) is another example of change through an organization that promotes self-empowerment and learning by doing (or experiential learning).
Finally, managers and directors within the education system will appreciate chapter 14 (on implementation) and the chapter 10 (on using performance statistics when managing entities in the public sector).

One word of caution, though: whilst reading various chapters of the book will give you great insight into the particular issue that you are focusing only, you will get the maximum benefit only by understanding the full breadth of the argument in the entire work book, as a whole. Additionally, the only way to have additional impact is to actually implement change using the framework suggested here and draw your own conclusions and your own study cases.

Last but not least, a word of thanks to Alina Mungiu-Pippidi, SAR President who set up the project jointly with Adrian Curaj, UEFISCDI General Director as well as to Ligia Deca, Delia Gologan and Cezar Haj of the UEFISCDI project team. The 40 public policy professionals which participated in a seminar which was set up alongside the writing of this book have also been a great asset in developing insights in the use of the model frameworks and this book is all the richer for their involvement. The authors are, of course, solely responsible for any omissions or shortcomings of text itself.
The Romanian Academic Society has been involved in policy making in education for very many years, running successful coalitions for improving conditions, challenging corruption and trying to raise standards in a variety of ways in Romania's higher education institutions. Please recommend this book and share it with your fellow peers, as one of the few policy books focused on higher education that are currently on the market in Romania. The ultimate goal is for the higher education system to benefit from better public policy and have better and better results in serving the hundreds of thousands of students which go through it every year. If this is accomplished, the positive externalities of their improved education can be tremendous and in some ways incommensurable.

The great challenges of the future for the higher education system will be many and they will have impact in a variety of ways. The "unbundling" of courses, the "on-demand" nature of most courses, the advent of online platforms of the world's most renowned universities, the rapid changing nature of knowledge and research and the way it is processed and created, the creation of global alliances and global standards – all these will impact Romania's higher education system. Professionals can use the tools in the workbook to better capture these trends, analyze their relevance and create public policies for the 21st century. Whilst challenges cannot all be addressed within the scope of this workbook, the intellectual framework underpinning reforms does contain some useful elements for future success.

Biographical notes on the authors

Răzvan Orăşanu is the Research Director of Romanian Academic Society and holds a B.Sc. in Philosophy and Economics from the London School of Economics. He has studied Public Economics with Professor Nicholas Barr and was a teaching assistant at HEC Paris, the Paris-based business school now ranked in Europe's top 10. He was a Kokkalis Fellow at the John F. Kennedy School of Government at Harvard University and the recipient of the Shorenstein Centre Summer Award for his work on the plagiarism of the Romanian Education Minister, which was quoted by Nature magazine. He has also worked as a short term consultant for the World Bank (Romania) and Main advisor for the President of the Competition Council.

In February 2005, aged 23, Mr. Orăşanu was appointed Senior Advisor to the Prime Minister of Romania, a position that he held for three years, with a one year interruption when he served as President of the Authority for State Assets Recovery (AVAS). During his term, 82 privatizations were completed, among which notably that of the Commercial Bank of Romania (BCR). He also initiated an internship scheme 'Start Internship' distinguished by the OECD as a "Model PPP in Southeast Europe" and he has later contributed to the creation of a business school, Pilkington Ratiu Business School (PRBS). He is a columnist on public policy and current affairs focusing on fiscal deficit and good governance issues.

Corina Murafa holds a Master's in public policy from the Hertie School of Governance in Berlin, with a focus on economic policy and sustainability. An energy policy expert, Corina's current work in Romania was preceded by stints with the United Nations Development Programme, and Deloitte consulting.

She has been engaged with the Romanian Academic Society as a team leader in an international research project on public service delivery modes in education. She is a former Open Society Institute fellow at New York University and is currently an associate fellow for the Aspen Institute Romania, where she also acts as President of the alumni network. In the last two years, she has also published articles on economic globalization and integration for the FutureChallenges project of the Bertelsmann Foundation.

Péter Radó is an Educational Policy Specialist, graduate of Eötvös Loránd University of Budapest in matters of history. He has worked as a Head of department in the Ministry of Culture and Education, developing and implementing educational and cultural policies for minorities. He has conducted research within the National Institute of Public Education, and has worked as an Assistance director with educational policy analysis and comparative educational studies with the Open Society Institute, Institute for Educational Policy.

As a Senior Advisor in the National Institute for Educational Development and Research, Peter has conducted policy analysis and planning in the fields of public financing of education, equal chances in education, systems of quality management, and capacity building in policy analysis and education. As of 2008, Peter Rado has been working as a Senior Consultant, focusing on policy and evaluation programs in the education fields, managing educational development programs.

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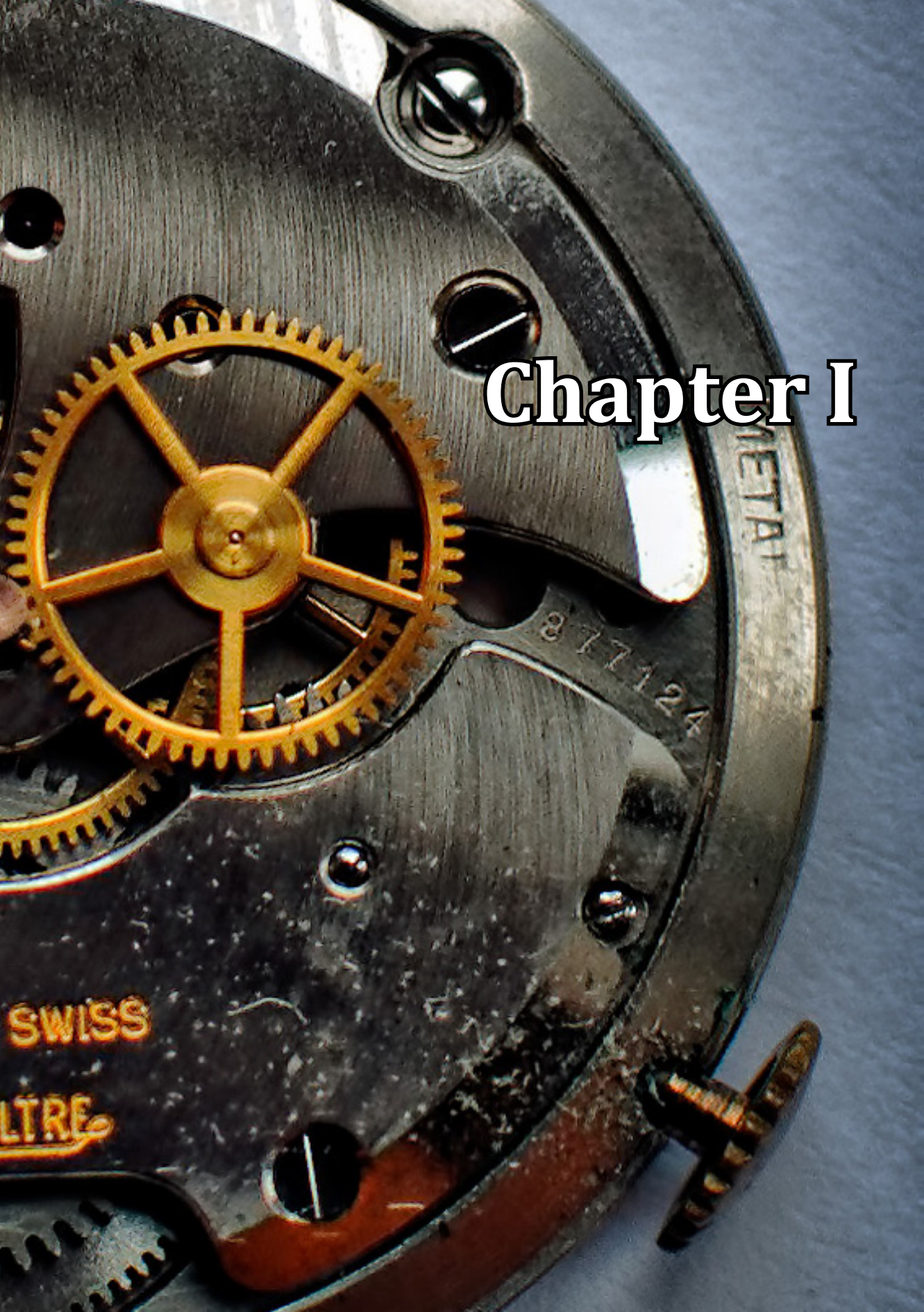

Chapter I

CHAPTER 1. A FRAMEWORK FOR POLICY ANALYSIS, following EUGENE BARDACH

By Răzvan Orăşanu

When thinking of policy analysis and policy change, it is important to have a framework of reference that is always available, a kind of mental map of all the things that make the analysis complete. The authors of this book have looked around for several versions, but we found Eugene Bardach's Policy Framework the most relevant and easy to use. It is also a framework which is applicable in a variety of contexts and this is the reason why we recommend it to public policy professionals in Romania, when they are working on a new initiative. This is in accordance with our self-set mission to primarily address the public policy professionals in the educational area in Romania, in the attempt to offer them an instrument useful for self-development as a policy-maker and aiming for generally improving the public policy development process in the field of education.

The framework presented will be used throughout the book, including in all of the six study cases which are presented to give the readers an idea of the variety of successful public policy interventions in the education area. In addition to this policy, a variety of other mechanisms of interventions will be detailed – in the chapter related to stakeholder analysis, a relevant way of engaging the right actors in the process will be detailed (see chapter 6). When thinking of data analysis, the relevant chapter in the book will give ideas on how to collect and use data carefully. The various chapters focus on all the necessary pieces that are relevant for a policy analyst, when thinking of designing a public policy which will withstand the test of time. In addition, the examples will show how, using the tools provided by the chapters, various public policies can have a real impact on education and more specifically a real impact on Romanian education. When thinking through an issue dealing with policy making, it is vital to avoid a few frequent mistakes. The first mistake is to give the answer to a policy issue before even beginning to investigate its root cause.

The second mistake is to think of the answer to a given policy problem even before the problem is defined in an appropriate way. The third mistake with a great impact is to believe you can get by in your analysis by not really measuring either the original problem or the projected impact of your solution. Fourthly, one has to think through the logic of each step of the eight presented below, but also think of how each step logically follows the previous one. If it does not, it means that either one skipped a really important aspect of the policy or the logic between the steps has to be corrected. The aim of this chapter is not to be prescriptive, but rather to train policy makers in the educational sector to think of all the relevant aspects before a policy is shaped, completed and debated in society, even before it becomes legislation.

The steps below closely follow Eugene Bardach's "Eightfold Path" in his book, A Practical Guide for Policy Analysis, but each step mentions potential pitfalls by referencing a Romanian context, as the authors have observed following a practical Public Policy Seminar with Ministry of Education officials of a diverse background.

I. The Eight Steps in the framework analysis

I.1. Define the problem

The definition of the problem is a pivotal step in the beginning of the process of policy analysis. Policy makers are advised to spend some time thinking and rethinking various ways of defining the problem. The definition provides the reason for this process and is connected to a specific field of interest and a specific reference point in time. The problem must be treated according to its root causes, integrated in the political context and the economic environment, and not by judging its salience or effects. The main purpose of a policy is "maximizing welfare", or there can be other reasons, such as correcting market failure. If the problem is too broad, then it is poorly defined and one should focus on narrowing it or more sharply define points that need to be employed[1]. The definition of the problem must be provided and analyzed by means of related and relevant data.

There are some ways of phrasing a problem definition that can make it more useful to the problem at hand. For example, one useful approach is to explain the issue in terms of what parameter is in excess and what it affects, by using the word "too" (e.g. "too much of this…has as result this") and an alternative approach is to look at what is lacking. In addition to mentioning the parameters, problems need to be quantified precisely, for the sake of a better interpretation – where this is not possible, at least the order or magnitude should be carefully estimated.

Another useful approach is making the definition evaluative and bringing a common ground of approach on the analysis. This is useful as there may be subjectivity due to the various interests of people, actors, and so on, but there are issues in which consensus is more or less attained, such as existence of low living standards, failure of the government to fulfill its basic functions, issues of discrimination in society, etc.[2] The actual causes that stand at the root of the problem must be included in the definition, and these are better portrayed if this approach is used, as they provide a clearer image.

In addition to these suggestions for defining a public policy, an additional suggestion is to define the problem in terms of "latent opportunities" which could improve society and describe ways in which public policy could bring about these "latent opportunities". This signifies that there may also be issues in the future which can be prevented from this moment, with the policy that is currently being worked on. This approach may also be more effective in terms of costs, as two or more issues could be solved within the same context. This involves a pairing of problems (existent or potential), employment of processes that have the potential of bearing more functions. Basically, a great importance must be attributed to the general idea of having a rational and productivity-envisaging approach. [3]

Some final reflections with respect to the initial step of defining the problem have to be stated. Firstly, the problem must overlap neither the cause, nor the solution; there should be a clear-cut distinction between these three instances, so as to clearly portray the cause-effect relationship. Secondly, the causes of the problem must not be assumed or imagined, but must reflect its actual and real origins. Thirdly, there should always be a focus on the causality relations between the same problems and sources, so as to avoid the joining of adjacent problems. Fourthly, one must bear in mind that the conclusions regarding the path to be assumed may be different from the

[1] Bardach, pp. 1-3.
[2] Bardach, pp. 3-6.
[3] Bardach, Box I-1, pp. 8

ones initially imagined.

Finally, a great word of caution: A policy maker should not feel compelled to always „do"something about a problem in the universe of policy, alternative ways (and perfectly acceptable ways, but frequently not discussed) are to do away with legislation, regulations and let the state withdraw from the particular sphere of decision making that is being debated (as presented in detail in chapter 9). In other words, you can recommend doing less. You can also choose to recommend to decision makers to do nothing – which is an equally acceptable path for policy making and analysis, and this is one option (the neutral or baseline option) that you should always include in your deliberations, while analyzing the alternatives.

A third, related problem here is that an analysis of policy should not be piecemeal – wherever possible previous applicable regulation directly pertaining the issue that one is studying should be discussed. Often, the impetus to further regulate or complicate or "solve problems" actually comes from failed outcomes of previous policies – the answer often is not to continue complicating the regulation of some aspect, but to simplify and go looking for the underlying causes why that policy is failing to the deliver the result sought by society.

Two good examples and one bad example of problem definition

Good example 1

1. Problem definition : Europe is lagging behind the United States in tertiary education;
2. Underlying assumption: Europe's lagging behind the United States in tertiary education also impacts the economy and is detrimental to European competitiveness;
3. Object of analysis: What might be the levers to reduce the differences between the two systems?;
4. Options:
    a) Option 1 : Increase the scope for private education;
    b) Option 2 : Adopt the structure of American universities in Europe;
    c) Option 3: Increase the number of students that universities produce.

Good example 2

1. Problem definition: Equal access to education does not happen since rural areas account for roughly 34% of the population by total number represent only 2% in the number of students that finish university[4];
2. Underlying assumption: The idea that access to tertiary education should be equal, or at least that imbalances should be redressed by the state, with a policy intervention;
3. Object of analysis: What are the means of transforming a higher percentage of rural high school students into successful degree holders?;
    a) Option 1- Under "positive discrimination", 10% of university places are subsidized specifically for rural students;
    b) Option 2: A national loan program lends cash to rural students to finish university, offering to write it off completely (or partially) if that student returns to their area of origin, after graduation;
    c) Option 3: Grant program to attract those that have finished universities in the countryside, with a tailored national program (can also be targeted specifically at doctors, agricultural engineers, etc.).

[4] owe this example to Mr. Valentin Lazea, chief economist of the National Bank, shared

One example of incorrect problem definition:

1. Problem definition: "We wish to develop a student centered education system, characterized by innovative teaching methods and by involving students in their own learning process";

2. Underlying assumptions:
   a) Currently, the education is not centered on the students – but how about the teachers or other components of "the education system"?;
   b) Currently the teaching methods are not innovative;
   c) Currently the students are not involved in their learning;

3. Object of analysis : Restricted by problem definition to three narrow fields, other problems might not be picked up by policy, even when the data analysis suggests they should be addressed;
4. Options: Notice how, if the problems are defined this way, all the "solutions" and options really do is transform aspects of the three things, but do not address issues such as whether the curriculum is appropriate, whether universities are linked to other entities, such as the business sector, whether any benchmarks of competencies are to be created or whether beyond the teaching methods and learning process any practical outcome is to be achieved.

The source we used for taking thins example from, declares "transversal" and transcending all other management concepts and needing to be foremost in the mind of policy makers. Simply declaring a concept as "paramount" or "universal" or "crucial" is mere rhetoric – it does not save the analyst from the hard labor of actually going through all of the steps in the policy making cycle. If something is important, it should become evident following some numerical analysis of the relevant data. If it is vital in some way, we need to prove an outcome is not possible without focus on that point, we cannot argue this from first principles. If it is paramount, some important stakeholders should suggest this during analysis.

In the example above, there is no clear problem definition as suggested previously, no clear way to measure this problem to see if the definition is correct, no objective way to measure what is being proposed (in what way can we objectively determine if one curriculum is more student-centered than the other?). Moreover, part of the problem is that the definition already prescribes what should happen, even prior to the steps described below (leading to the description of potential ways of solving the problem), of assembling evidence and even before considering other courses of action.

I.2. Assemble some evidence related to the way the problem is defined

- Data: facts about the world;
- Information: the meaning assigned to the data;
- Evidence: information that affects the beliefs of people[5].

After the step of thinking about the problem and providing a definition for it, collection of data and data analysis is what follows in the process. This step involves reading documents, searching in libraries, analyzing statistics and studies, getting in touch with the relevant database holders. As it is a very time-consuming phase, this data collection must be done in an intelligent and discerning manner, which means a focus on the relevant data, or more specifically the exact

[5] Bardach, pp. 10

piece of data that has the potential to be turned into information and then evidence. The need for evidence comes from the requirement to assess the nature and the implications of the problem, as well as analyzing its particularities and previous steps taken in combatting it. It is also the key to highlight failures in previous, related or similar policies to avoid repeating the mistakes.[6] Evidence is valuable, as the decision taken by analyzing it should produce a better result than one made without the evidence. In this sense, it accounts for an outcome of the policy better than the original one, which was acceptable. Moreover, the difference between the no-evidence decision and the one made with the use of evidence has a different quality, much like the difference between night and day[7].

It is true that this stage of data collection, manipulation, and estimations (and sometimes "guesstimates") is one that takes a lot of time, but this means that it has to be done efficiently, not by-passed just because it may take too long. For this reason, some other approaches may be taken, such as using some analogies, looking for the "best practices" that have provided results in similar problems, and also have an early start in collecting the data, which means that in this way the risk of falling behind diminishes. Making some estimation through assumptions is also a good starting point, because an educated estimation may reduce the time spent focusing on less relevant data[8].

In Romania, within the Ministry of Education, there are various sources for data collection. The Executive Agency for Higher Education, Research, Development and Innovation Funding (UEFISCDI in short) has assembled data on financing, number of students and the trend over a number of years. Universities themselves have this data in the most up-to-date-format. There are other relevant bodies collecting data, such as the Ministry of Finance, the National Institute of Statistics (INS), the Ministry of Labor (for employment data). There is no coordinated body with all the relevant statistics and establishing a common data collection system is regrettably not a key priority for the education sector. There have also been instances, for example at the University of Oradea, of artificially inflating student numbers in order to gain additional funding, which is distributed on a per-student formula.

An additional problem with data is that it is sometimes incomplete, but often conflicting, based on slightly different definitions used for data collection. For example, what qualifies as a "student"? Are students the same if some have a record of truancy? Can we define as "students" those that are part of non-accredited courses?

There are many issues with data, but they are beyond the scope of this manual. Suffice to say that data must be assembled carefully, checked for consistency in some meaningful way, compared across databases if possible and then manipulated in a way that does not distort the way it was created. Wherever possible it is a good idea to check the methodology of data collection and not just ask for pieces of data without this important aid in interpretation.

At this point, those arguing the initiative must be considered. The advantage of so doing is the fact that contrasting views may arise and some ideas that could have gone unheard could get a different dimension and become useful. Moreover, by involving the opponents of the project, they are able to express their arguments or uncertainties from the beginning and may not condemn the initiative at a later stage for not having been consulted. This kind of approach

[6] Bardach, pp. 10.
[7] Bardach, 11-13
[8] Bardach, 12-14.

contributes to a more encompassing solution, and avoids the perils of looking very superficially at the subject matter[9].

I.3. Construct the alternatives

- Alternatives: policy options, alternative courses of action, alternative strategies of intervention for solving or diminishing the impact of the problem[10].

When constructing the alternatives, it is advisable to start from more ideas so as to be able to manipulate them in various ways into different alternatives, which can be altered until one solution is reached. A good starting point may be considering the alternatives set forth by key actors, such as ideas coming from the civil society, proposals of institutions, proposals of politicians. A second step could be inventing a new and creative alternative that is superior to the existing ones.

Take into consideration the social environment, which can be affected by the prospect of elections, changes in the business sector, changes in budgets of institutions or agencies, and also demographic[11] changes. A third step is to include the option of actually taking out, simplifying or increasing coherence of existing proposals, rather than putting forward a new initiative on top of a pile of already mutually inconsistent alternatives. A final, but crucial step is to include the "do nothing" option – no new public policy is often preferable to a badly designed or badly implemented new public policy.

Each alternative needs to be considered by how it may affect the situation, and model a potential cause-effect relation in order to have a better view on what actions gives which result[12]. After these matters have been considered, one should be able to draft more than one alternative, which are to be altered as well until the best fitting solution is reached.

Consequently, if several alternatives are brainstormed in the initial stage, some of them might be discarded, some may have various aspects taken out, and some may be merged with others. It is advisable to have mutually exclusive but collectively exhaustive alternatives. It is also advisable to make a comparison between the alternatives, and after so doing, make a comparison between the variants of each alternative that has been left available. In the end, it is better to be left out with one basic option that has some subsidiary derivations than many options somewhat similar in nature. This means that after a careful analysis, a strategy that is most fit to provide results should emerge. A useful action at this point is to simplify as much as possible, to have a conceptualized version that can explain the methods of implementation, and what agency should get involved at which point in the process[13]. It is also critical to have alternatives that exactly match your definition of the problem.

Problems can be either individual cases or operating in a collectivity. In the stance of individual cases, effectiveness, fairness and helpfulness are criteria that can be taken independently, whereas in a collective approach, all these three must operate in relation to one another. This is why certain trade-offs between agencies can be made, for the sake of a better management of resources and for an appropriate approach of problems according to the scope of each agency. This division of competences must be very well signaled so as to prevent lack of awareness from

[9] Bardach, pp. 12
[10] Bardach, pp. 15
[11] Bardach, pp. 15-17
[12] Bardach, pp. 18.
[13] Bardach, 19-20

the parties involved. The result of such an approach is improving the design of the policy, and also increase of support.

A further approach is to create a static or dynamic model of the situation you are trying to influence as a public policy professional. Sometimes, when the data is unwieldy, a stylized version of a model might be sufficient to understand the basic dynamic of the system at play. There is the so-called "baseline scenario" in which no intervention through policy is applied, but a simple continuation of the status quo. This is compared with the alternative – a situation in which your proposed public policy change starts working its way through the system. Be careful especially in over-estimating initial impact, there is a time-lag until changes you wish to make can work their way through the system. Sometimes, because of inertia, the system might not change at all. Regardless, it is almost always a good idea to build a small model to think through the changes you are trying to implement from a "ground level –up" perspective.

At this stage, a proposal draft has to be neither too rough, nor too polished. If a proposal is too rough, then it may send out the message that the proposal is not thorough enough and that it leaves out the opinions of certain actors, also showing a possible lack of interest in the proposal. On the other hand, if it is too polished, then the involved stakeholders may think that they have not been considered accordingly to their importance or consulted at all, and may oppose the proposal from the beginning[14]. In any case, make sure that the alternative does not imply the fact that one policy option excludes the others.

I.4.Select the Criteria

- Criteria: is used to judge the outcomes of each of the policy alternatives to the most acceptable degree. It involves treating each alterative in terms of its own potential. An evaluative criterion assesses the outcomes of alternatives, not the alternatives themselves[15].

Efficiency is a criterion that looks into the matter in terms of cost-effectiveness and cost-benefit and is one of the most frequently used tools in decision making. This not only analyzes the economic results, but also looks into the welfare of the citizen. This may be considered as something limited to a certain extent, as some may refer to the fact that for the benefits of the policy, people might have to pay, or if it should be a case in which humans do not directly benefit, some may underestimate the positive input. The two-fold approach of the effectiveness criterion is based on the idea that resources and outcomes are fixed and targeted, while cost-benefit analysis uses a scale to portray the outcomes and can be used to transform abstract concepts into numerical values which can be compared[16].

There are other criteria that must be included in the analysis:

a) Legality, namely that the policy must not come in contradiction with constitutional and other legal arrangements;

b) Political acceptability of the policy, which implies the fact that there should be neither a great degree of political opposition, nor a high degree of lack of support targeting the proposal;

c) Conformity with the Romanian specific legislation on public policy formulation and protocols put in place for adopting such a public policy;

d) Capacity to be implemented – namely that the public policy proposals are practical

[14] Bardach, pp. 24.
[15] Bardach, pp. 26.
[16] Bardach, pp. 27-29.

and can be implemented within the bureaucratic, administrative and human resource constraints of the public administration;

e) Flexibility. If one problem occurs, the proposed policy should allow ways in which the conditions that have raised problems are altered in such a manner that they do not diverge from the main goal of the policy, but that they accommodate some opposing demands;

f) Improvability must also be focused upon, as the policy may suffer some alterations due to bureaucratic or administrative aspects that need to be respected in the implementation stage. This means that the policy must provide room for certain improvements and accommodations to be done at the stages that so require[17];

g) Linear Programming – Stockey and Zeckhauser have proposed a variety of computerized techniques (linear programming) in which we have essentially the problem of constrained optimization. The software is designed to select the most effective option in terms of resources and objectives, given a finite budget.

Sometimes multiple criteria are used or the criteria themselves are conflicted. It is beyond the scope of this brief manual to do anything else but note these, but in practice professional judgment is the key to presenting alternatives and presenting them in a fair and balanced way to the decision makers.

I.5.Projecting Outcomes for Each of the Alternatives

When working on a policy, one of the important steps is the outcomes evaluation. As at this stage, certain alternatives for the pursuit of the goal are present and, they should all be analyzed in order to come up with the one that is optimal. In this sense, one must consider that the policy envisages a future improvement and that some aspects may suffer changes after the implementation. Deriving from this, a great deal of realism is to be employed, instead of optimism. This is due to the fact that although the policy should work for the best interest of the stakeholders, there are some perils that may hamper its good functioning. It is also important to consider that the mere fact of 51% confidence in the contribution of the stakeholders does not guarantee their support 100%.[18]

An important step in translating the theory above into practice (while working in educational policy in Romania) is that when the policy maker thinks through all the steps that are necessary for his proposed policy to actually be implemented. This while taking into account the constraint of time, bureaucratic capacity, HR capacity and capacity of the system to “digest” change. Committees, stakeholders, bureaucratic steps, ministerial bureaucratic process, implementation at school/university level all need to be taken into consideration and the implementation steps need to be addressed in a particular sequence, one by one. Inertia or the unexpected need to be considered as potential influencing factors as often change does not happen as planned. Sometimes, there is very weak implementation, sometimes proposals simply “die” or become more diluted over time, sometimes they are implemented, but it takes twice as long as initially anticipated.

In this line of thought, and moving back to an ideal process, careful projections of the policy outcomes of each alternative must be performed. A thorough analysis of trends may be of great use, as they show the manner in which evolutions occur, and point out to certain explanations of problems. One must keep in mind the fact that there is no ideal, clear-cut model, and that different types of consequences might occur in societies. Also, it is important to always go back

[17] Bardach, pp. 31-34.
[18] Bardach, pp. 36.

to the initial conditions of the problem, so as not to forget the root of the problem that must be mitigated or solved[19]. It may be of use to also provide an estimative range to show the magnitude of the changes that the policy will intently produce.

One might additionally think of several techniques commonly employed by management consultants. The first is to have three scenarios - a "high", a "middle" and "low". This is useful in cases where we have a range of outcomes which is to be expected. The second technique is to think of the "downsides" – namely the worst thing that might go wrong with each projected outcome and try to mitigate those risks. Finally, the third technique involves a combination of "top-down" and "bottom-up" approach. When thinking through the possible outcomes of a policy we often stop at the national level and project in some way how this policy will cascade down to each individual school or even each class of students or in rare occasions even each student by himself/herself. We must also try to think back from the micro level to the macro-level: in attempting to estimate the impact a proposed policy change will have on a particular school, we will estimate the national level by aggregating a similar projected impact back to national level. There will be very important discrepancies between the two estimation methods and thinking on how we can reconcile them as much as possible is an important step in projecting outcomes.

Analysis of each outcome in terms of projections can be done in a number of ways that are to be explained below. One may suggest taking each of the existing assumptions as mistaken. Sensitivity analysis is about projecting outcomes from first principles, modifying assumptions to try to understand how big an impact this has on the final result[20]. Another manner to tackle this stage is by writing scenarios in which the proposal may fail to produce the desired outcome and note the reasons for failure[21] . Also, a useful path may be considering the problem from the point of view of the important stakeholders and opponents, and see how they are to be affected by the proposal and, even more critically, how they could marshal support to block your proposed change. Ideas about precisely what unanticipated consequences may arise for a certain preferred alternative is therefore vital when thinking through the possible implications.

Sometimes, it is also useful to construct a matrix of alternatives and criteria, in which each criterion indicates the direction of the alternative's outcome[22]. In management, there are sometimes decision trees that map the entire decision making process and the various alternatives. There is also a variety of methods for deciding outcomes – sometimes an approximation of the value to society which is gained/lost is made, other times there is a complex model with several numerical parameters mapping the effect, often there is a small-scale model of the actual process. All of these tools are relevant, but they need to be applied to the specific instance of the public policy proposal that the analyst or decision maker is working on.

I.6. Confronting Trade-Offs

After the previous step of outcome projection has been completed, it is time to see what alternative would best fit the goal of the proposal. It is rarely the case to come up with an alternative that "dominates" the others because it produces a better outcome on each of the assessed criteria. The more usual occurrence is not this ideal type, but one in which trade-offs are required, one in which what you lose in some parameter is made up by what you gain in a different parameter.

[19] Bardach, pp. 36-37.
[20] Bardach, pp. 41.
[21] Bardach, pp. 42-45.
[22] Bardach, pp. 48.

In this instance, it is useful to determine the action => result relation or the resource =>result relation. This requires an understanding of what is more important to the public, whether it is the action or the use of a certain resource for attaining the desired result, which will lead to learning which criterion is more important. It usually helps to use money as a commensurable metric [23] and papers sometimes transform everything in monetary value for the purpose of having a system of comparison which can take into account all that is necessary. If the trade-off concerns non-materialistic aspects, but more abstract ones, then quantitative estimates may be used instead.

At this point, one should start a process of cleaning up, and narrow in on the best alternative. This can be done by eliminating the alternatives that are clearly dominated by others. Following that, criteria within the alternatives that could be out-weighed by criteria in other alternatives are also to be set aside, or even dropped. The use of benchmarks may come as useful, and comparisons to a baseline can be done[24]. The baseline can be of two types: one comparing the past to the way in which the analyst would want the public policy to change, the other is simply dynamically projecting the baseline forward into the future, as an alternative to compare to the dynamic of the proposed public policy change.

I.7. Making a decision

At this point, a decision should be far easier than those based on sentiment, public opinion or prevailing thinking at the time when the policy is adopted. If the decision is not clear by this stage, then it is obvious that the arguments and trade-offs are not clear enough and need to be revised.

The policy must be plausible enough and have good enough arguments to convince the analyst, in the first instance, so that they are persuaded by the arguments that the chosen alternative has to provide. Furthermore, the one that actually makes the decision must be convinced as well by the alternative. This implies that there is no room left for demanding large amounts of clarifications, uncertainty about the trade-offs, or problems at the level of implementation. If there are such problems arising, then it means that the estimations are not developed and strong enough[25].

The decision also inevitably involves thinking through the financing structure of your proposed decision and whether, in fact, it can save money or whether it consumes additional resources.

I.8. Tell your story

At this point, the project should be ready to pass the test of an audience, be it the client or a vaster one in presenting to the public. Stopping at the seventh step is almost certain to derail a key aspect of reform – because much of the energy of the public manager needs to be directed at explaining the policy, almost as much as creating it. In this case, the level of sophistication and knowledge on the subject must be considered. It is best to start from the premise that the discourse should be comprehensive enough to provide explanations that reach even people that are not familiar with the subject. Furthermore, the explanations should be solid enough so that final conclusion, with no distortions, can get to the public. Moreover, consider the fact that apart from your initial audience, there are others bound to refer to this particular policy analysis, thus the chosen alternative must be supported by useful examples.

[23] Bardach, pp. 47, 48.
[24] Bardach, pp. 49-52.
[25] Bardach, pp. 52.

When the entire public policy is ready to be presented in public, publishing the official version of the proposed law a week from the suggested adoption date is hardly a good way to go about the thing. Public consultation, presentation in a cascaded fashion inside the education system and outside it takes up considerable time and must be done systematically and professionally. Public policy professionals who focus excessively on the framing of the policy and then have very little energy for defending it in public might find that their proposed public policy change gets "killed" in 24 hours by the media cycle.

The bottom line here, at least as suggested by Eugene Bardach is that the story should contain all the relevant points, but be enough for a grandmother to quickly understand in two minutes or so. The public policy professional is also bound to also consider a short two-page memo for explaining the policy in technical language inside the ministry, a press release for explaining it to journalists and the wider public as well as public consultations to get their points across, but also hear feedback from stakeholders of the proposed public policy change.

II. Practical Problems with the Framing of Public Policies

More generally, in practice we have noticed the following problems with problem definition and, with the overall public policy process:

II.1.The problem is defined in a very complex way

If the problem definition refers to more than one or two fundamental aspects, carries on for more than two lines or is very complex and unwieldy, you should either restate it more generally or consider narrowing it down.

Example: "The overhaul of education management in the tertiary sector needs a cooperation platform and a novel strategy in which stakeholders agree to frame, develop and implement improvement solutions and create a community and a network of practitioners to improve management matrices, development of management solutions and resolving day-to-day professional challenges".

We see here actually NO problem definition. Is the problem really the management of universities? Or is it the way in which the subject of management is taught? Why management is a problem and what impact does it have? Why is it a problem for society?
Alternative (and better, but still imperfect way of defining the problem): According to a study by consultancy xyz, 50% of universities fail the simple test of having management systems that are ISO9001 compliant.

II. 2. Mixing problem definition and solution

"In order to address the implementation of education reform of the baccalaureate exam, Romania needs to look at all aspects of the exam and reform them completely".

The statement is vacuous and empty, from a policy perspective, because the problem cannot be defined by way of a problem with some aspect of the exam: an exam might be a problem in itself, but the underlying issue is that there are problems in the system or the sector that are fundamental to the outcomes required to be produced.

Therefore, problems with the exam – or with a different functional aspect of the education system always need to be thought of from first principles – what problem are we defining and what

outcome are we actually trying to achieve? An alternative way to phrase the problem definition above could be: "According to a survey of employers, 55% of employees with a baccalaureate joining the labor force are not financially literate".

II.3. Vague statement of problems

"Too many students graduate from university without having the necessary skills for real life". This statement, if carefully considered, is meaningless, even though it is often repeated. Terms need to be defined practically. "Graduating from university" means that they studied necessary skills at some point but are not able to practice them? Are those skills simply not being able to be derived from the knowledge given by university? "Real life" means what, exactly – skills applicable to the labor market?

In practice, what we saw during our seminars with practitioners is a tendency to say: "too little" without exactly quantifying in numbers, percentages, but also without giving a benchmark. For example, it makes very little sense to say that "10% of the population having a university degree in Xyz County, that's too little!" You can judge something by giving a benchmark – the national average, the European average, the stated aim of some European project. Also notice that some parameters of quality are equally important. If you just increase student numbers without other interventions, the quality of education might actually decrease for most students in the education system.

II.4. European regulations

We have often heard statements like: "But regulation xyz from Brussels clearly tells us to do this". Even where European regulations are compulsory in every aspect for member states (and in the education sphere this is hardly the case anywhere), it is generally a good idea to think of the purpose of the European regulation. The purpose contains the problem definition, but also some theory around the problem and how it can be
, or at least how the proposed changes will impact the problem. Mindlessly taking and copying across concepts, definitions and problem implementation tools without understanding their fundamental starting point is a key reason why the failure of a policy is already sometimes written in the original intent.

II.5. Absence of Data

In the absence of any data on some subjects (or frequently just patchy data), practitioners rely on their own "common sense" and "experience". This is often a very wrong way to go about things. The number of instances we have met in our lives of problem xyz might not even qualify for a statistic sample for a start. Experience might also tell us a great deal about how to go about implementing a policy, but little about choosing between policy options. We have a few suggestions to make:

a) Any data is always better than no data - real effort should be made to get hold of real data.

b) In the absence of precise data, thorough "guesstimates" of the problem can help you think of a framework for resolving it;

c) When making "guesstimates" you need a double check on your data: for example, at national level you could estimate some % of the total student population, but in an actual university you could have an actual number vs. the total student population. You can then reconcile the two numbers, especially if there is an order of magnitude by way of difference;

d) Be very careful about international benchmarks and numbers coming from a different

education system – they can be used as a guide but may or may not be appropriate for the situation at hand.

II.6.Absence of a link between problem definition and suggested solution

Problem definition (wrong): The education system is not practical enough and does not give scientists the possibility to engage in real-life experiments. Public policy solution (wrong): The physics exam will include a compulsory practical experiment. By now, careful readers should be able to point to why the definition is wrong. Also, addressing a flaw of the entire system by merely addressing (or tweaking with) the exam – which is one aspect of the education process - is a fundamentally flawed and very partial way of making public policy, even if this is often how changes get implemented.

II.7. Trying to mix the decision on policy with the implementation steps

We often see a prescription and, in addition to the solution of the public policy problem some prescription on implementation. This should be omitted insofar as possible, and the example above (point 6) is also reflective of this.

In the example above, the solution to a specific problem should be thought out as a general guideline, but implementation needs to be devised together with those actually implementing the policy on the ground (ideally, the original idea itself would have been discussed with these practitioners). Nevertheless, what is critical is that detailed arguments about the implementation do not enter the discussion of the public policy options and the decision on the feasibility of a public policy proposal. Civil servants sometimes serve up a litany of detailed reasons why a preferred option cannot be implemented, only to suggest that their preferred alternative is really the only one implementable – this is trying to hijack the entire decision making process via the back door and it should be recognized as such.

II.8. "Oh, but it will never work because we need new…"

Some of the strongest obstacles to reform are the idea (mostly raised from the technical, rather than the political level) that in order for some proposed new policy idea to take hold, you need a number of new things, whether equipment, the creation of a new department, additional people, etc. Often, public policy proposals can be, in the main, implemented through a small restructuring of existing resources and by freeing up resources that are currently not well deployed inside the bureaucratic system. Public policy proposals sometimes need to come alongside a plan of how to free resources (financial, human resources or time capacity inside the education system) from an area where they are not producing the desired results and moving them to areas where they could make a large impact.

II.9. "Flavor of the month"

Michael Barber, a former advisor to Prime Minister Tony Blair and a leading global thinker on education would always complain that the ministers and prime minister would always ask for the results of a new policy or the potential of implementing a public policy change, without measuring or asking about the implementation of existing policies. Cynical bureaucratic types sometimes think the reverse, that the system always stays the same, but typically there is a new boss coming up every few years to implement some new change, which then disappears after the person itself leaves the government department.

A good way to fight this is to have detailed implementation plans of your proposed policy and verify relentlessly that the policy is implemented in the way it was designed.

II.10. Opaque, non-transparent decision making

In the Romanian system, there have been some decisions which are taken behind closed doors, by a reduced number of people close to the decision makers and are announced hastily to the general public, without much justification, then promptly turned into legislation that they are forced to respect. Some other times, when the public uproar is such that it cannot be contained, policies are shelved or reversed in an equally abrupt way. Walking people both inside the agencies of the Ministry of Education and inside the educational system, through the entire reasoning of public policy changes, from the foundation up to the final decision might be a key way in lessening their opposition to the public policy put forward.

III. KEY POINTS

1. An eight step framework

This framework of policy making can act as an intelligent guide to the process (to which each manager will add their experience and knowledge on the matter. At a minimum, we should have a good definition of the problem, some solid evidence, some credible and well thought alternatives, selecting appropriate criteria for decision making, projecting outcomes, then we are ready to confront trade-offs. Finally, we are ready to make a decision and then to communicate it to the public.

2. Typical mistakes are bound to be familiar to readers

There are some typical ways in which problem definition can fail as a framework, most notably by mixing problem definition and the definition of alternatives.

3. Selection of the criteria for decision making is the trickiest

Typically, a contentious decision involves a great deal of trade-off between criteria for making decisions. Some particular public policy might be more appropriate given one criterion.

4. Most decision makers stop (at their peril!) at step number eight

Making a good decision based on rational assumptions and clear data is insufficient if the public manager does not have an appropriate plan to communicate their public policy proposal and to cascade communication of that in a joined-up media plan. Step 8 is a critical success factor in the implementation of policy.

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Chapter II

CHAPTER 2. KEY STUDY1. HIGHER EDUCATION GOVERNANCE REFORMS IN AUSTRIA

By Péter Radó

Using the framework developed by Bardach in chapter one, this key study analyses a full-scale education reform in higher education, namely in Austria. The reform was selected because of the relevance to the current stage of higher education in Romania and the further steps that will be required in order to make Romanian education compatible with the rest of the EU's education systems. Autonomy of the universities has been a critical area of reform and its implementation will continue to be disputed in future reform waves – which is why looking at Austria's approach of resolving this issue will be beneficial. This study is the first in a line of six case studies presented in the handbook from a dual perspective: as „applications" of the public policy framework developed by Eugene Bardach in real-life policy-making and as six very different initiatives that have either had impact in Romania or have tackled some key issues which are very relevant for future public policy design for the Romanian education system. And this is the case of the present chapter. The studies deliberately include examples of public policies created by a variety of actors and not just public actors, to underline the notion that a variety of initiatives can serve the public interest in education and these can come not only from the Ministry of Education or government agencies, but from NGOs, corporations or ad-hoc coalitions.

I. Bardach's Eight Step Framework applied to the governance reform in Austria

I.1. Defining the policy problem

The policy problem that emerged in the Austrian higher education sector in the nineties was the combination of four specific and connected problems:

1. The public budget crisis. At the end of the 1980s, Austria, like most European countries, suffered from a financial crisis that led to financial cutbacks in the university sector. As a consequence disputes on funding and strains in the usually consensus-oriented relationship between government and the HE sector emerged, relations between the representatives of the government and the higher education community deteriorated. The former had no interest in being engaged in the ugly details of executing cuts and became quite sympathetic to the arguments for increasing the autonomy of higher education institutions. Emphasizing self-government, competition and increased efficiency New Public Management (NPM) became rapidly important for higher education policy.

2. The organizational crisis of the universities. Austrian universities – like many other HEIs – suffered from inefficient decision-making structures. Since self-administration bodies tended to avoid decisions that were likely to lead to conflicts they passed them over to the Ministry. As a consequence the need for new management structures increased which corresponded to the size, complexity and diversity of responsibilities.

3. The crisis of academic mass education. Apart from scientifically oriented study programs at universities, the Austrian HE system did not offer alternative options e.g. for vocational training. In addition to that universities suffered from a capacity overload of mass education. However, many Austrian politicians were afraid of possible negative effects of establishing

new types of HEIs, because any kind of diversification would lead to the re-introduction of elite structures with the unavoidable consequence that students from the lower social strata would be excluded from the prestigious university sector. It was mainly a result of international competition, that Austria established the Fachhochschulen sector at the beginning of the 1990s. Like in other European countries, the Austrian Fachhochschulen offer study programs that can be completed within shorter periods of time than is needed while undergoing a higher education program inside an university, and which show an explicit relevance to a profession.

4. Increasing international competition. Over the past ten years, the Austrian economic and educational sector underwent a process of internationalization, which made the Bologna Declaration increasingly important for Austria. The implementation of the Bologna objectives is considered an independent reform process, which focuses firstly on the implementation of bachelor's/master's degrees linked to a systematic quality assurance of study offers, secondly on the introduction of ECTS, and finally on the promotion of the mobility of teachers and students. In this context Austrian HEI are obliged to introduce quality assuring measurement, and to increase the internationalization of teaching and research.

I.2. Assembling some evidence

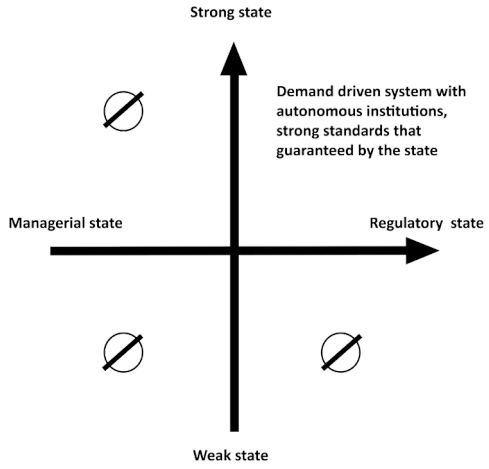
The introduction of comprehensive financial autonomy made universities creditworthy and gave them the right to have incomes and earn profits. The money still comes from the Federal government as lump sum budgeting but this is now split into 80% funding via contract management and 20% indicator based funding. The previous numbers available were analyzed before the reform was undertaken.

I.3. Construct policy alternatives

The problem called for policy solutions that have the potential to ensure two - partly contradictory - outcomes:

1. Greater autonomy and responsibility of higher education institutions with strengthened management structures.
2. State governance that strengthens the strategic steering capacities of the government.

Fig 1: The required pattern of state governance of higher education in Austria



Options for strengthening institutional autonomy and responsibility:

- Creating strongly autonomous legal status and institutional frameworks for higher education institutions (e.g. creating new types of legal statuses, transforming HEIs to public or private foundations or public corporations);
- Removing the economic/financial management of HEIs from the government system (e.g. transferring property rights over real estates, allowing for borrowing, deregulation of financial management, autonomous management with own revenues, etc.)
- Deploying employment related decision-making competencies and human resources management in general to HEIs.
- The development of internal institutional management (e.g. small and strong governing bodies/boards with the involvement of external actors);
- Creating the position, or strengthening the authority of strong, often appointed executive managers (president, vice-chancellor, rector, etc.);
- Increasing and developing of internal management capacities and competencies.

I.4. Selecting the criteria. There were no criteria decided during the debate and no starting points, the reform was put together through a managerial and negotiated package, which created a near-consensus of the policy makers and the stakeholders.

I.5. Projecting outcomes for each alternative

There were several previous examples that the Austrian reform looked at when it tried to create the best program of reform:

- Governance reform in Sweden (1993): creating independent institutional status for HEIs, governance by objectives and outcomes;
- Netherlands (1997): university governance reform (introduction of "enterprise type" management models in universities, gradual introduction of NPM type management instruments);
- „Quality Reform" in Norway (2003): HEIs establish their own internal management structures independently, ceasing the autonomy of faculties within HEIs (there are no faculty councils anymore), deans becoming appointed leaders;
- University reform in Denmark (2003): establishing governing boards with external members;
- Japan (2004): transforming public universities to public corporations, strong governing boards and presidents, universities became owners of their infrastructure, ceasing the public employee status of the teaching staff;
- Portugal (2008): certain universities are allowed to become foundations.

I.6. Confronting trade-offs

There were financial trade-offs as well as trade-offs between the various stakeholders to consider, however a consensus was obtained by progressive refinement of the piece of legislation.

I.7. Decide

A decision was taken to have fully autonomous, financially stable universities and to give them specific legal status which could create more agility, but also more dynamism, by strengthening local decision making powers.

I.8. Tell your story

There are no specifics at this step.

II. Options for strengthening government strategic steering of higher education

- Improving national decision-making and consultation frameworks and procedures;
- Explicit, regularly updated national strategy for higher education;
- Applying the repertoire of indirect management tools and instruments (e. g. financial incentives, performance standards, contractual relationships, strong quality assurance and quality management regimes, strong quality evaluation, etc.);
- Evidence-based decision-making, monitoring (e.g. improving HE information systems, national information management, regular empirical research, etc.);

All of this repertoire of reform could be adapted to local conditions, within the framework of Romania.

III. Options for successful reform in other countries around the world

- France (1990): introduction of financing HEIs on a contractual basis;
- Australia, Canada, the Netherlands, Ireland, United Kingdom (through the nineties):
  - Government strategies emphasizing the competitiveness of the economy;
  - Performance standards, performance related financing, contract bargain between the state and universities;
  - Supporting the "entrepreneur university" model (management, institution marketing, competition strategy making, non-public external financing, etc.);
- New Zeeland: connecting national and institutional strategy-making (state strategy in every five years, guidelines for individual HEIs in every three years, all HEIs prepare strategic documents that is discussed by a national body (Tertiary Education Commission), the approval of the strategy of HEIs is the precondition of public funding).

IV. Policy measures and instruments

The key elements of the higher education reform in Austria in relation to universities were the following: (The Fachhochschulen sector differs considerably from the Austrian university sector, their regulation occurred according a "market-based" model earlier.)

- Full legal autonomy transformed universities into independent entities under public law. Similar to a broadcasting corporation a university is still subject to national supervision (limited to the question of legality of administrative activities), but is entitled to carry out business activities and is authorized to conclude contracts to its benefit;
- Organizational autonomy. The organizational structure of universities is no longer determined by law, but has to be established by the institutions themselves in a statute;
- University councils were created as supervisory bodies for the rectorates. They are composed of members appointed by both the university and the government. Depending on the individual statute of each university the council consists of five to nine members. Half of the members are elected by the senate, the other half are appointed by Federal Government; an additional member is appointed by the members by mutual agreement. University councils represent comprehensive decision-making authorities. Among other duties, they select the rector, conclude the rectors' service agreement, and approve the strategic plan, the organization plan and the draft performance contract between the university and the Federal Ministry;

• Rectorates received more decision-making authority and the senate's sphere of competence was reduced from strategic to academic affairs;
• A performance contract is concluded for a period of three years. It is a contract in public law. (For the first time it has been negotiated in 2006.) The money given on the basis of performance contracts is discussed without transparent criteria for the calculation of the amount of money but in a negotiation process between the Ministry and the universities;
• On the one hand a performance contract gives the university freedom to define how to perform its task with a fixed budget. On the other hand this autonomy is limited to the criteria laid down in the contract between the public authority and HEI. The Federal Ministry in charge of higher education developed a pattern that defines eight fields of activities for which contractual management is applicable;
• In addition to the performance contracts, 20 percent of the university budget will be awarded in accordance with performance indicators. The performance-oriented allocation of funds consists of three indicator groups:
• Teaching;
• Research and development/ appreciation of the arts;
• Social goals;
• The overall assessment of the universities' activities and of their impacts on their quality of performance is provided by an "intellectual capital report" (Wissensbilanz). This instrument is unique in European HEI system and covers comprehensive information on at least three fields of university activities;
• On the basis of self-obligation universities are required to develop their own quality management systems. This comprises the evaluation of the entire spectrum of performance in the fields of research and teaching. In order to support the universities during the establishment of their internal quality management systems, the Austrian Agency for Quality Assurance (AQA) has been created, which is under the authority of the Federal Ministry, the Austrian Rectors' Conference (Österreichische Rektorenkonferenz (ÖRK)), the Austrian Fachhochschulen Conference (FHK) and the Austrian student association (ÖH: Österreichische Hochschülerschaft).

V. KEY POINTS

1. Governance reforms in the Austrian university sector were usually implemented in a top-down method by law. The 2002 University Act was developed in a communicative process between the Ministry and university rectors. It offered the possibility of participation of academic and administrative staff in session debates and workshops.

2. However, the University Act of 2002 included a strict implementation plan, that gave a detailed description of instruments and time schedules for the implementation at universities. Although the Act has been developed in a participatory bottom-up process the reforms were carried out through strong top-down legal processes. Austria did not further develop governance mechanisms on the basis of evaluations.

3. The accreditation councils have played an important role in implementation. Since each of the new study programs and the new institutions must be approved by the accreditation councils, universities had to design their programs according to certain criteria, e.g. standards of the quality of teaching.

4. Accreditation is granted for a limited period of time and needs to be repeated after a certain period of time. The findings imply that a consistent and coherent implementation of quality assurance procedures for study programs was possible because of a strong role of university councils.

5. With reference to Romania, a top-down reform proposal is possible, but will have to involve some stakeholders which hold significant political and informal power in the education system

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Chapter III

CHAPTER 3. KEY STUDY 2. START INTERNSHIP ROMANIA, A MODEL PUBLIC-PRIVATE PARTNERSHIP IN EDUCATION

By Răzvan Orăşanu

The purpose of introducing this study here is three-fold: first, it shows a model action with respect to creating a partnership between the public sector, the private sector and NGOs with respect to a national program in higher education. Second, it is relevant for the missing link in much of the planning which is done in higher education curriculum, namely the link with businesses and the attempt to offer employability to those which graduate from university.

Third, it is unique by its underlying structure – a partnership started with an initiative from the Prime Minister's Chancellery, by-passing the Ministry of Education to a large extent, but being run in conjunction with an NGO, Junior Achievement, and with much support from a business association, namely American Chamber of Commerce (henceforth, AmCham). The program was run for two years, in 2008 and 2009, two years of great contrasts – the first was the last year of the „boom years" for Romania, when GDP growth reached 7,1%, and the second year while Romania was going trough the recession, it felt at -7,1% and it suffered somewhat from the results of this transition. Nevertheless, there are still some interesting lessons to be drawn from this program, particularly as a nation-wide transformative process. Whilst public authorities are involved in this public policy, they are instigators and initiators, but form a broad coalition of support – NGOs and the business sector. This is in contrast to Key Study 1 where Austrian education officials are initiators of the reform process.

I. Background of the program and its original supporting coalition

The program had its original design as a response to a meeting held by AmCham in December of 2007. At the time, a number of important CEO's, such as Calin Dragan the CEO of Coca Cola and the CEO of General Electric, as well as government representatives (like Senior Advisor on Economic Affairs to the Prime Minister Razvan Orasanu, but also a Secretary of State Ministry of Labour) met for a working session on the Labour Market Committee. The Committee structure of the American Chamber of Commerce is a gathering of around 20-25 professionals in a working group session of about two hours where the biggest problems of the sector are represented and some creative solutions are put forward to the authorities. In attendance and crucial to the future support of the program was also Mrs. Anca Harasim, Executive Director of AmCham as well as Mr. Robert Tate, Third Secretary at the US Embassy in Bucharest from 2006 to 2009.

As AmCham had over 120 American companies represented in its membership at the time and many companies had a greater interest in the Labour Market Committee when compared to most other internal committees in the chamber, the feeling was very clear that "something had to be done about the labour market". First, „some noises" were heard in the direction of the Ministry of Labour and the Ministry of Education. The first responded that companies do not participate in the programs set up by the Employment Agency , especially those set up at county level. The Ministry of Education similarly complained that the committees where curricula are adjusted never get top-level participation from employee, especially none at management level. The friction points in the system are particularly acute and many of these same conversations are going around today, in Romania.

The actual suggestion for the program came in an off-the-cuff remark made by Robert Tate, Third

Secretary to the US Embassy, mentioning that in the US the program was overcome by summer internships for students – and he gave the example of "American Experience", an educational program which took Romanians for the summer in the US and paired them up with employers, so that they could earn money and then come back to Romania with additional experience. The example was taken up by several of those present, including the representative of the Prime Minister's Chancellery at time. As a follow-up to AmCham's Labour Market Committee, a larger meeting at the Prime Minister's Chancellery was called up in January of 2008, which more closely defined the program proposal. The suggestion, modified by some structural events, became the foundation stone for a national program. In doing this, the American Embassy benefitted from having Mr. Nicholas Taubman, a former Virginia-based businessman himself as a political appointee who believed strongly in education.

The problem translated in several different ways compared to the particular viewpoint it was looked at. For the employers, they declared in their majority that they had to "retrain" students for almost two years after they graduated from college and would join the company. Since 2007 was still the year when the labor market was very tight, competition was rampant leading to higher and higher salaries against what was perceived to be lower and lower quality of work from the students. There was very little analysis, but there was plenty of anecdotal evidence of graduates not finding their way in companies.

There were also computations by most of the multinationals present of what it would actually cost to train a graduate for two years in the company – a sum that most would have been happy to divide by a fraction and re-invest in the education system, provided this education system could guarantee better quality employees. However, the companies themselves could only provide money, they were uninterested in getting in the running of specific educational programs, they just wanted to be stakeholders on board such a project and have some say over the way in which it was run. Furthermore, they were willing to provide a small subsidy for the students doing an internship program, provided that they selected these students and that the subsidy was minimal, since the output anticipated from these students was forecast to be minimal, too.

More specifically, from the perspective of the multinationals involved, many were willing to get practically involved in what would later become the internships program. Companies such as Coca-Cola had an obvious commercial interest in engaging youth and would have been willing to dedicate time and resources to this project which was unparalleled. Several other companies such as consumer groups had the desire to get involved because they were anticipating a large amount of hiring at this particular entry level – their policy was to reduce the amount of top-level and mid-level employees, which were expensive and get more entry level employees – even if this created the difficulty and expense of training. If some of this expense (and time) could be shifted in a program external to the companies themselves, they were willing to contribute. Finally, there were some IT companies, a field for which there were internships created which matched the specificities of the field – young programmers (especially selected from the elite Polytechnic schools in Bucharest, Iasi, Timisoara and Cluj) were given the opportunity to interact with local IT companies, as well as multinationals. In the end, all these programs brought something to the program.

From the perspective of the students, the lectures they were getting in university were seen as "out of touch", "theoretical", "having no practical bearing" in most of the surveys that the program ran. However, the student's desire to participate in training programs was somewhat

tempered by the notion that they wanted to spend some of their summer (at least one month was a consensus for more than 25% of the students polled) at the seaside or on holiday, they did not particularly want to use their summer vacation to do work.

This reflected in the relative imbalance which became obvious later in the internships program – the ratio of those selected over those who applied was 1:4 and in some cases 1:3, much lower than in the case of actual jobs. The reflection of the students on an internships program was conflicted in the beginning – spanning from complete lack of interest which was manifested in several Bucharest-based universities to complete confusion over the career that they wanted and the amount of work they would be prepared to put in, should they be selected by an employee, which was met in other universitary centers. The very notion of "internship" was very vague.

From the perspective of government, the program was a way to show, in a definite way, willingness to change and improve labor market conditions. As unemployment at the time was small and the curriculum changes would take 3-4 years to implement, a practical internships program supported by the private sector was an ideal way in which a partnership between the Prime Minister's Chancellery and the private sector could be effectively created. In the background, there was for example the recent privatization of Automobile Craiova with Ford and a wave of privatization transactions such as the privatization of the Commercial Bank of Romania, so there was some good will built in other public-to-private transactions which could be spent on this particular program. Also, the cooperation between the Prime Minister's Chancellery and AmCham had been very close and formed the bedrock of support for this program.

There was one more crucial perspective to the entire program, which came from Junior Achievement, an NGO with American roots where the Executive Director of AmCham, Anca Harasim, was a board member. They had devised and were about to launch an on-line tool for the multinationals that they were working on – an internships platform which was developed and adapted from a similar platform in the US. They had originally planned to lauch this platform only to companies affiliated to Junior Achievement Romania, but were willing to open up, via the Steering Committee, this platform to all those involved. Also, Junior Achievement had a great capability and proven capacity to run educational programs cost-effectively, so a decision was taken for Junior Achievement to work as executive agency for the program, under the guidance of the Steering Committee. This would prove crucial later, as the program was developed. Junior Achievement also benefitted from exposure to the program, as several multinationals which had sponsored Start Internship Romania being affiliated to it.

II. The Founding document

Putting all these different perspectives together, the Prime Minister's Chancellery put forward a proposal to have a national program happen that summer. The lead-time, since the matter was discussed in January would be very brief. The kick-off meeting organized symbolically in the Cabinet where the Government meetings typically take place had as a foundation a 9-page document which suggested the broad outlines of an Internships program at national level. In attendance, there were representatives of chambers of commerce (beyond AmCham, as more were called on board), the Prime Minister's Chancellery, but there were yet no NGO's or Students' Associations involved. An appeal was made for supporting the program and this was followed through and accepted by all those present, with the exception of a representative of the Foreign Investors' Council, an umbrella organization which differs somewhat from AmCham – this organization did not participate in the creation of the program.

The actual foundation document was presented on January 10th, 2008, to all those companies in attendance and all the business representatives. The Tariceanu Government was in its last year in office – and elections were planned for late December of 2008, therefore a one-year horizon for the program was an acceptable one to all those involved. The document contained issues regarding strategy, legal affairs, issues surrounding the organization of several events surrounding this program, but also the creation of an executive body which would deal with the program. There was a mixture of elements, but the most critical success was the adoption of the suggestion of setting up a Steering Committee for the program which would contain the original stakeholders which devised the idea for the program, but also two new additions which were critical for the success of the program – the National Association of Students' Organization (ANOSR), one of the most important students' organization in the country as well as Junior Achievement, one of Romania's biggest youth NGO's.

III. The Program analyzed following Eugene Bardach's Eight Steps Framework

III. 1. Define the problem

In 2007, there was a severe disequilibrium in the labor market, between supply and demand of experienced professionals, in particular. The shortages were particularly acute in several domains – like banking, which had expanded their retail branches significantly and rapidly, to grab as much market share as possible, generating problems of internal training, retention, but also costs associated with these issues. The companies were noticing that the graduates that they were integrating had, due to the highly theoretical curriculum, little practical skills in the beginning. What was lacking was not just content and knowledge of things like economic analysis or computing skills, what was absent was more behavioral – a difficulty to adapt to the rigors of having a job, due to very little practical training prior to graduation.

This problem was so large and experienced at national level, that a national program needed to be created to redress it. Various previous attempts to work on this difficult problem had failed – the EU-funded programs in specific universities to assist with labor market skills or the creation of Career Centers at most universities was a failure. Some companies had to go as far as to create an internal "University" (Oracle Corporation Romania was a relevant example) to deliver internally the kind of curriculum that they could not obtain by hiring from the external, available labour force market – especially as these companies were hiring hundreds of employees annually and were, at the time, working under the assumption that they would be expanding their business, their export structure and their operations, needing suitably qualified people, because the quality of their products or services needed to be maintained.

The only visible measurement of the problem came from two headlines in a local financial newspaper (Ziarul Financiar). The first noticed that 80% of those graduating found jobs in a different fields than their HE specialization. The second noticed that one in two of those graduating were either economists, lawyers or had studies political science, pointing out an obvious under-representation of engineering and graduates with more technical skills. The inference was that there was a big mismatch between the needs of these companies and what the supply in the labor market was offering– and the perspective of a quick fix to this problem appealed to several companies.

III. 2. Assemble some evidence

This step was basically skipped, because participants all felt that the evidence was overwhelming in the direction of proving that this problem existed. With hindsight, it might have been wiser to commission a quick study to sample this problem and to target internshipstowardsthe most pressing problematic areas in the labor market. There was an attempt to involve the three agencies which were dealing at the time with problems of youths, but their availability of evidence was close to non-existent. The second attempt was made to contact the Ministry of Labor. The data which this ministry had was related to the demand of work and it contained all the jobs available, which were dominated by lower skilled job offers, which we had excluded from the design of the program in the beginning, thus making the information irrelevant. The dataon higher-skilled jobs was either non-existent or difficult to quickly extract from the vast amounts of data relayed to the central office by the Employment Agency.

We tried to supplant the absence of evidences by getting a panel of 20 students together, provided by the program partners which were the national umbrella organizations for students' associations ANOSR. The results were fed back to the Steering Committee and were particularly startling, even when the program name was concerned, as itwas therefore discussed at length. The whole concept of "internship" sounded "cool" to the main stakeholders, but was related to the concept of going abroad, so we had to call the program Start Internship ROMANIA. Similar names in Romanian had less impact with English-fluent teens, heavily influenced by MTV and general culture to enjoy everything which was inspired from America or the U.K. This is why Romania was put in caps, to avoid the inevitable question "So, are we going abroad with this program?".

III. 3. Construct the Alternatives

There were at least four alternatives which were discussed at the time and all proved to have some validity to the future life of the program.

The first alternative was to construct a national program which would have its pilot in Bucharest, but in subsequent years would have been rolled out to all the major cities in Romania, doubling real-life interaction in the form of face-to-face internships fair with the existence of an online database. This was quickly deemed to be the preferred way to go forward, but practically difficult to achieve in the four to five months that the program had in order to perform. The idea was to build a „marketplace"would create a bridge between the online and offline promoted job opportunities to correct the imbalance in the labour market.

The second alternative was to build a pilot based in Bucharest, in the first year, which would then gradually expand to other places. As Bucharest represented a university centre and the economic centre of Romania, it was hoped that in the first year the idea could be adopted here and then exported to other cities in Romania. The advantage for this option was the existence of a specific place where to hold the Internships Fair, namely Romexpo, which had rather close links to the government, at the time. The advantage was that nearly all the major companies represented on the board (although interestingly not all) had a very large scale operation and frequently their headquarters were placed in Bucharest and in the surrounding areas.

The third alternative was to have only an online component to the program, without the face-to-face meeting. This option had as a disadvantage the fact that without a physical meeting with the candidate, the whole selection program by employers would be more difficult, but as an advantage the entire program would suddenly become much cheaper. At the time the corporate packages were not created and it was not clear what financial support this program would generate in its first year of operation.

The so called "hybrid" option was to have an internship fair in Bucharest, but to allow online access from all other locations in Romania, especially coming into Bucharest. This created complexity around marketing to these locations, which could be done with great difficulty and only through partner organization ANOSR. This has created later some important instances of success, such as several University of Oradea students who found satisfactory internships in Bucharest and later continued their careers here.

There were, additionally, in practice, a different set of alternatives regarding the actual legal placement of students, because at the time there was no legislation regularinginternships in Romania. The Junior Achievement offer of "student bursaries" was taken up by nearly 1/3 of all companies, because it was tax-efficient. A different optionchosen by other companies, was to integrate the students on "apprenticeships" which had been poorly defined by the law and required academic supervision that was not easy to find during the summer. Yet others selected a different, third option, of minimum-wage temporary employment, but which created tax liabilities and processing difficulties. None of these options were perfect, because this large-scale problem had never been defined before – internships were never done in a national program in such a large scale.

III.4. Select the criteria for decision making

All the stakeholders involved were interested in something practical, which would work rapidly. The summer period which was targeted was only 5 months away, so all the criteria were practical – creating something which had a quick impact, but could be made to work and could have results in a relatively short period of time.

Therefore, the decision making process, in the end, was rather short (even if it was somewhat difficult to arrive at a decision), as there was not much time. The first option would have been ideal, but was quickly deemed too risky, too complex for the available time – there were voices which said that creating only a Bucharest event was difficult enough as it was, without involving all the country. The second option was regarded as practical, even though it was leaving open the implications on how the Bucharest option could be built upon in outer years – this was not, in the end, specified. The third option, supported largely by Junior Achievement, to base the entire program around the software which they had created and adapted, was voted down, as face-to-face interaction was deemed important by several HR Directors from multinationals represented in the Steering Committee. The fourth, hybrid option, also had advantages – like leaving the online option open for a larger pool of students, but the main disadvantage was related to costs, as marketing nationally was deemed too large a commitment for the program which had uncertain finances, especially in the beginning. The risk would have been fragmentation and having no impact in any of these places if the organizational effort was spread too thinly.

III.5. Project some outcomes for each alternative

This step was completely taken out, because no national internships program had been done before. We tried to model with some students their practical interest in any of these offers – and we quickly understood that there was poor awareness and a significant risk that there would not be enough enrollment to match the pool of companies which were offering internships. In other words, there was a great deal of fear at some point that the companies which joined the program would not have a significant enough pool of students to select from. This is why a more targeted approach was deemed better able to be calibrated on the needs of current students. Additionally,

a great deal of attention was moved on the marketing side and significant additional resources were shifted to that particular work area. However, on the whole taking out the projection of the outcomes of any of these alternatives made the decision taking a little bit more complex.

III. 6. Confronting trade-offs

The main trade-offs were related to the budget the program had, scaled against the national ambition it had from the start. A managerial decision was taken to focus on Bucharest alone, to create important awareness within all universities which would hear of the program, through ANOSR but also directly at the leadership level of universities. Whilst the platform was allowed to be openly accessible, as it had minimum additional cost and some benefit in the signing up of students from other university centers beyond Bucharest, the marketing costs involved in other locations was prohibitive, that is why a decision was taken to focus all the attention and resources on Bucharest, and in particular on the main universities, such as the Polytechnic and the Academy of Economic Sciences, which had seen examples of internships before.

There were also trade-offs related to the reach of the ANOSR network, which was vital in getting a pool of highly qualified graduates. The Romanian - American University was one example of a private institution which supported the program from the start, created a forum event to present the program and greatly participated online, but other private universities from Bucharest were more difficult to reach and working there proved more difficult. The beginning assumption was that the leadership of universities would work enthusiastically to promote such a program to their students – what we found out in practice was that the leadership of universities was not very well networked and could not get together a large amount of students, even for events where they would have an obvious benefit. We furthermore found out that with the exception of ANOSR and the Association of Economic Students in the Academy of Economic Sciences, the fragmentation of the student associations themselves was very significant. In the end, the program groped along, attempting various alternatives, but not confronting these trade-offs early enough meant a significant waste of resources along the way, as alternative ad-hoc solutions were attempted to drive up participation – through the general media route, the banners (which were put up, with corporate sponsorship in Union Square and in Roman Square in Central Bucharest), the flyers (which were handed out in over 10.000 copies in universities), the newspaper announcements or the online announcements and those done through the Junior Achievement databases.

III. 7. Decide

In the end, the decision was framed by the opening document, but somewhat modified. Whilst the Steering Committee did agree to focus all expenses on Bucharest, as originally planned, the online platform also became a dual-track which supported the program. All the Cv's and company offers were put online, so that the meeting face-to-face helped with some of the interviews, which were done on the spot for some of the companies. Also, it helped with respect to companies which joined the program very late, like the Commercial Bank of Romania (BCR), which could take advantage of the Internships Fair participation.

The decision, therefore, was to focus on Bucharest (option 2), hold a Start Internship Romania Fair, at Romexpo, but also (in picking elements of option 4), allow students from throughout Romania to participate in the platform and to join in the program. A picture documenting this option can be seen just below. This decision was instrumental, in the end, because, unforeseen by the program founders, 12% of the students actually came from the University of Ploiesti, particularly following a partnership by Petrom, who was offering 50 internships in this particular

instance, 12 of which were in OMV- Vienna headquarters. The decision was a typical hybrid decision because this program was run more by a committee with some important actors such as Junior Achievement representatives, the AmCham Executive Director and the representative of the Prime Minister's Chancellery.

Fig.2. – Images from Romexpo (May 23rd, 2008), where students participated in the Fair;

III. 8. Write up your story

Because we wanted the communication strategy of the program to be done professionally, it was decided to commission a PR company which agreed to work on reduced fees for the program. BDR Associated (a local division of Hill & Knowlton Romania) had longstanding links with AmCham – as the communication partner for several of their corporate initiatives and also some links with the Prime Minister's Chancellery, namely company founder Catalina Stan was appointed for six months as a Secretary of State working on Communication in the Prime Minister's Chancellery, in 2006.

The company created several elements, the most important one being the original logo of the program, which is shown below, suggesting the growth that the students would experience through the internships proposed and underlining the "Romania" element, even as the entire communication was based on English, which, much to the surprise of Steering Committee members, was seen as more effective on this particular type of program, following several focus groups with students who were interested in the program. Professional PR has contributed to the success of the program.

Fig.3. Original logo of the program, constructed by BDR Associates;

IV. Results of the program and replication

The story became national, as the Business Review article below documents (this is an article from early May 2008). The US Ambassador, Nicholas Taubman became a fervent believer in the program and helped its launch on May 23rd,2008, when the Romexpo Fair was held. Subsequently, in 2009, Start Internship Romania was called a "model Public-Private Partnership in the field of education" by the Organization for Economic Co-operation and Development. Nearly 2.000 students participated in the Internships Fair, with nearly 5.000 students filling at least partially their online profile (although, for nearly half, this profile was never completed and constituted a big learning point for the Steering Committee). 845 internships were offered through the online platform, although for some positions companies complained about a lack of adequate choice in selection – especially as hiring managers would often select from 10-20 people, sometimes even more, for a permanent position.

A professional study of the student experiences was captured via a professional study done by GfK, as a pro-bono support for the program. For 50% of the sudents, the program matched their expectations, for 38% of them it surpassed their expectations. Altogether, 94% of students had a positive evaluation of the program. The students who did do the internships mainly valued being involved in projects (62%), dealing with practical activities (55%) and participating in intensive training (37%).

A follow-up study done by GfK has shown, using a small sample of 123 students that the experience was very positive (40 students of 123 liked everything about the program, 24 students liked everything, 18 students considered that the internship was well run). For the dislikes, again 34 of 123 students had no dislikes of the program, which is a very high percentage and the highest in this small group. 15 of 123 students mentioned the low involvement by the companies (which could be explained by the fact that the concept itself was new and this program was run for the first time), but also 7 of the 123 mentioned that they would have liked more companies to be involved, over the 62 companies which offered internships. This was something very much that came out of the feedback, but unfortunately for the follow-up to the pilot edition, 2009 was the year when all the corporate budgets froze and this program became much smaller as a result, with only half of the number of companies present in 2009, compared with 2008.

To conclude, from the small sample of 123 students, 94 students would recommend the program

to others. 86 of the 123 students were satisfied or very satisfied with the program. The same number again, 94 of the 123 students declared in 2008, after their internships had finished, that they would participate again in the following year. Broadly, the program succeeded in its aim, to encourage companies to build in-house internship programs – and these efforts bore fruits for years later, even as companies chose to go their own way, rather than through this program to build their internal programs.

Over 2,000 students keen to get Started

MEDAFAX

The program offers students the chance to gain work experience in large companies

More than 2,000 students have already signed up for the program Start Internship Romania, a month since it was announced. The program offers them the opportunity to undertake a paid internship during their summer holiday in reputed Romanian and local branches of foreign companies, most of them in Bucharest. Currently over 60 firms from IT&C, FMCG, retail, consultancy and the construction field are willing to take on interns who will gain practical experience to complement their theoretical studies.

Internships will be offered to students at the Internship Fair 2008, which will take place on May 23 at Romexpo. In total, the Start Internship Romania program comprises 700 internships that last up to three months.

Start Internship Romania, the first edition, will be a pilot program for students in the capital. However, the program will later be rolled out to students throughout the country. Students in Bucharest who wish to gain experience in their future profession can sign up for the program at www.startinternship.ro.

Start Internship Romania is the result of a public-private partnership between the Romanian government, embassies, student associations and associations of business communities in Romania as well as large companies.

Otilia Haraga

Fig.4. Business Review, a business magazine reviewing Start Internship Romania;

Start Internship is an example of creating a tripartite, national level coalition of a type which has not been attempted before, leading to an internationally recognized best practice, which unfortunately did not have the financial substance, in full economic crisis, to continue beyond the two model years when the practice of internships was generalized. The framework suggested by Bardach is not all-encompassing; aspects of this project go well and beyond the public policy framework. Policy makers are invited, however, to consider how coalitions can underpin long term efforts to change the education system or to implement public policies to improve the current system and to reduce the divergence from other EU nations.

V. KEY POINTS AND TAKE-AWAYS:

1. By not moving through all the steps, the "vagueness" built into the educational program will inevitably lead to wasted resources;

2. Not doing any measurement in the beginning is almost never a good idea – even when the problem seems obvious;

3. Sustainability in the long run should form part of your thinking – here the program was successful for two years, but then it ceased to exist, as the economic crisis made priority allocation of funds elsewhere a priority;

4. "Decision by committee" is not always in the best long-term interest of the program, particularly where the make-up of the deciding committee has a heavy component of people which have a particular view point on the program (e.g. HR Directors);

5. Using professional PR can be of a great help when implementing an educational program, especially when setting up an entirely different concept to what was present before;

6. Not having a professional, dedicated executive team can be a disadvantage, the Steering Committee operated more or less as a collegiate body. When a project manager was brought in in the second year of the program which came from outside, the program disintegrated.

VI. Bibliography and further reading:

Much of the program is explained on the program website: www.startinternship.ro. There, the full interactive component can be witnessed;

OECD Framework document – Better Skills, Better Jobs, Better Lives – A Strategic Approach to Skills Policies, can be found here: http://skills.oecd.org/documents/OECDSkillsStrategyFINALENG.pdf.

Chapter IV

Chapter 4. WHAT ARE THE MECHANISMS CAUSING PUBLIC POLICY PROBLEMS?

By Corina Murafa

Chapter 1 gave a broad framework leading step-by-step from problem definition to the decision making process and to the public presentation (Eugene Bardach's eight point framework) – the full cycle of policy work to be used by a public policy profesionist during policy-making processes. The next chapter will look at many policy instruments that can be selected when attempting public policy change. More specifically related to education Chapter 11 will look at public policy issues that are particularly pertinent to the education sector, while Chapter 12 will relate to modern concepts in the practice of public policy in education, at EU level. This chapter looks in more detail at the cause and effect mechanism of public policy and introduces some broader principles (such as the Kaldor-Hicks principle) that are particular relevant when the public policy envisaged is complex, difficult to implement and gives national direction to policy in education.

While practitioners would probably find most useful in their day to day lives a very simple, step-by-step method for designing a concrete public policy (and they can refer to Chapter 1 of this guidebook for this purpose), when it comes to systemic reform – e.g.: privatization in education, school vouchers, making private tutoring illegal – it's probably also worth pondering on the bigger, theoretical pictures as to why public intervention is needed in the first place. Sometimes, the best policy option is "no change at all", meaning that stakeholders and so-called market forces are left to work, in the hope they will deliver the best possible results.

Economists have been systemizing for quite a long time the root cause of so-called public policy problems that require state intervention.

I. Theories of Resource Allocation

Usually, economic theories start from a simplified world-view, in which we can say there are just two stakeholders allocating resources in the public space – markets and governments. Let's see how the two function.

In face of scarcity, there are four ways resources can be allocated as presented in Table 1.

Type of System	How it works	Big winners	Disadvantages
Price system (market)	Resources are directed to their highest-valued use, so that whoever is willing to pay the most (either in terms of other valuable goods or in currency) gets to control the resource.	People with lots of money, or with talents or resources the society values highly.	(a) Poor people may get too little, creating ethical problems of equity. (b) Independently of their basis in justice, market allocations may be politically untenable, if democratically-based authority is in a position to impose redistributive or confiscatory taxes.
Queuing	A queue is a line. Queuing means a system of allocation based on waiting your turn. So, first in line is first in priority. If all the resource is used up before your turn, you lose out.	People with lots of time (actually, a low opportunity cost of time spent waiting in line).	(a) People standing in line incur lots of "deadweight losses," or time wasted, for no gain in consumption or productivity. (b) There is no reason to believe that resources are directed to their highest valued uses: "black" markets
Chance	Lotteries, drawings, or other random selection processes mean everyone has an equal chance of winning.	No individual is a winner from the process, because in terms of expected value everyone is treated the same. From an ethical perspective, however, this may be an advantage.	By definition, allocation is random. The person who actually gets the resource may value it at only a fraction of its worth to someone else. Opportunity cost is explicitly ignored in random processes.
Authority/Discretion	Allocations can be made by experts, party officials, elected leaders, or central planners. This sort of allocation process is also called a "command" system.	'Networked' people-party officials, their friends, and family! Alternatively, the beneficiaries of the policy may be those targeted by the policy, if discretion is used to avoid corruption and follow the rules.	(a) Lose the information inherent in prices. (b) Corruption is irresistible.

Table 1: Resource allocation models according to system types;

In education, think of various processes that employ any of the means above to allocate scarce resources. For instance, "chance" is sometimes used to allocate children in the first grade, knowing that otherwise, skimming would happen, so better schools would be able to attract people with more resources. "The queue", or the first come, first served principle is used for instance when reimbursing students for their public transport monthly plans.

However, a question remains. Why do we need public policy in the first place? What are the characteristics of markets that render public policy necessary?

Markets are not the absence of other sources of authority. "Markets do not just happen. On the other hand, unless the other sources of authority actively prevent market development, then at least some rudimentary market processes will nearly always spring up. Active markets tend to drive prices down toward production costs. Corporations and firms prefer profits go up, not down. So the self-interest of firms is generally to try to suppress the workings of markets. Fortunately, markets are robust enough that they are not easily suppressed, without the active complicity of one or of the other sources of authority (Munger, 2006)".

In order for a market to be formed, some preconditions must be met. Firstly, diverse preferences are needed (i.e. differences in goals, tastes or desires must exist). Secondly, there must be diverse endowments (in other words, productive resources or personal talents must be different). Thirdly, economies of scale represent another precondition for a market to exist – average costs must be declining, as more output is produced. Finally, specialization and a division of labor must also exist – as the scope of action of one producer is decreased, average costs must be declining. (Munger, 2006)

II. The Pareto Criterion

In principle, markets should create social welfare, as they are "uniquely powerful mechanisms for organizing enormous quantities of capital and labor" (Munger, p 101). Social welfare refers to the overall welfare of society. With sufficiently strong assumptions, it can be specified as the summation of the welfare of all the individuals in the society. To decide whether this result is delivered, some benchmarks for evaluation are needed. Welfare may be measured either cardinally in terms of "utils" or dollars, or measured ordinally in terms of Pareto efficiency. In addition, there are other evaluation procedures widely used in policy analysis and economics in order to assess the performance of markets (e.g.: the Kaldor-Hicks compensation principle, consumer surplus, etc.). The Pareto criterion remains however, the most widespread.

Pareto efficiency refers to either production efficiency (we cannot produce more of one good without diminishing another) or allocation efficiency (goods cannot be reallocated across people so that at least someone is better off and no one is harmed). A Pareto optimum implies there is "no waste or unrealized gains from trade or group action" (Munger, p 102). In other words, an allocation where the only way to make one person better off is to make another person worse off is Pareto Optimal. If there is any way you can make a change that makes one person better off without making anyone else worse off, then you can do a Pareto improvement, as the allocation of resources is not (yet) efficient.

III. Kaldor-Hicks Principle

The Kaldor – Hicks principle, on the other hand, is the theoretical ground for cost-benefit analysis, a widely used public policy tool. If, for instance, there are two situations (states of the world) that

are Pareto optima, meaning that there are no other situations that people prefer as alternatives in each case, which one do you choose? You need to add the gains and losses to all citizens from choosing each alternative, and then you select the policy that maximizes the difference between the gains to the gainers and the losses to the losers. "The Kaldor – Hicks criterion allows redistribution that increased net welfare such that those who gain from the distribution could compensate those who lose, restoring the losers to their prior level of well-being, while the winners retain enough of their gains to be better-off than they would have been without the redistribution" (Jenkins-Smith, 1990; p.22).

A classic example from real policy-making comes from Raleigh, North Carolina. In this municipality, local authorities, having wide support from the population, decide to build a new children's museum to celebrate multiculturalism and educate youngsters about other nations. The County Council managed to accumulate all the land it needed, except one parcel, which belonged to a family that was running on that plot of land a nonprofit store whose proceeds were going to war veterans. The museum was estimated to cost approximately USD 25 million, while the store was valuated at about half a million USD. The city hall offered 20.000 extra USD on top of the estimated value of the store, yet the owners refused to sell the land. In the end, the government had to make a choice – they evicted the family and relocated their nonprofit business in the name of public interest. If we decide to operate under the Kaldor – Hicks principle, then the city hall can simply take the land from the current owner (paying them, as compensation, the result of the evaluation), in case the benefits to the society of the public activity (i.e. the children's museum) are high and if the costs of moving it elsewhere are also high. In this case, the compensation principle holds that "the losses and gains can be measured and balanced, even if they are imposed on different people" (Munger, p105).

Another benchmark by which markets can be judged is represented by the first and second theorem of welfare economics. The first theorem postulates that any competitive equilibrium (i.e. in which there is no inherent tendency to change) is Pareto efficient, while the second theorem claims that any Pareto-efficient equilibrium can be obtained by competition, if resources are allocated appropriately and if the behavior on the part of the citizens is optimized. In other words, social welfare can be attained if there is perfect competition.

IV. Competitive markets and externalities

Therefore, to figure out the mechanisms for problem formation (and subsequent policy intervention), one needs to answer a very specific question: do markets deliver perfect competition?

As a matter of fact, markets are efficient only as long as they function under these three major assumptions:

1. Perfect and free information: In other words, all market participants have access to the same type and level of accurate information (on prices, quality of the products, etc.). As Munger (2000) puts it, "all consumers can be assumed to know the implications of choices for their welfare, to be aware of all prices and products available in the market, and to be capable of judging the quality of those products costless." (p115). If the seller has more or better information than the buyer, than we can talk about a situation of so-called asymmetric information; in principle, at a macro level, to ensure that transactions are carried out, it's preferable that no buyer spends too much time on researching about the product, or discovering If the products is wholesome, usable, effective.

2. Perfect competition and Price taking: No market participant is powerful enough to affect transactions to such an extent as to become a price giver and not a price taker. Any firm must accept the price set by the aggregate market demand. In close relation with the assumption of perfect competition, price taking means that any monopolistic market structure produce deadweight losses and thus are inefficient.
3. No market failure: In other words, there are no externalities and no public goods (no good has zero marginal costs of production and costly exclusion). An externality can be defined as the – positive or negative – external consequence on the welfare of others produced by the choice, in consumption and production, of a single market participant. An individual will take into account, when making an economic decision, his or her own internal costs if there are other external effects for which no compensation is made, and then the effect is an externality, or market inefficiency. Pollution is the classical example given by policy analysts and economists.

The case presented by Munger (pp120-121) is exemplary: an individual has a large quantity of toxic liquid wastes, stored in barrels on his property. The barrels start to leak, thus damaging the individual's property. If there is a river close nearby that he could have easy and cheap access too, the individual may decide to simply dispose the barrels into the river, as the resulting polluting will not affect his own property, but those of people downstream. In this case, the use the river, which many people (except the polluter himself) value, as a waste dump, is a typical example of a negative externality. While the polluter gets big benefits from his actions, he imposes costs on others, who do not have any say in his actions. The polluter is not forced to consider all the total, "social" costs of his actions.

The table below (Table nr.2) presents an useful classification of externalities:

	Positive	Negative
Producer to Producer	Hotel built near a restaurant	Toxic chemical pollution harming downstream fishing
Producer to Consumer	Private timber forests view for passers by	Air pollution for neighboring houses
Consumer to Consumer	Immunization against contagious disease	Cigarette smoking on HSOG terrace
Consumer to Producer	Unsolicited feedback on products	Game hunters disturbing domestic farm animals

Table nr.2: Externalities' classification (Source: Weimer and Vining, 200);

There are various public policy mechanisms that can address externalities, which we will present shortly.

One other type of market failure needs however to be examined closer, namely the issue of public goods.
In a market system, so-called public goods will be either under-produced, or not produced at all. There are two characteristics of pure public goods: they have zero marginal costs of production and excluding non-payers from consuming them is costly. However, depending on the value of their marginal cost and how costly (for technical or efficiency reason) it is to exclude non-payers, public goods can be classified in a four-box matrix.

	Exclusion is costly	Exclusion is cheap
Negligible marginal costs	Pure public goods	Movie theaters Airplane seats
High marginal costs	Common pool resources	Pure private goods

Table nr.3: Public Goods Matrix (Source: Munger, 200);

A classic example of a pure public good is national defense. The cost of defending a country is unaffected by an increase in the country's population, and you cannot withhold the benefits of national defense to those not paying taxes, for instance.
Typical common pool resources are fisheries, forests, lakes. It's difficult to prevent non-payers from consuming those goods (they cannot be fully fenced or guarded at reasonable costs), yet any unit they consume (e.g. timber, fish) has a significant marginal cost. This lack of clear delineation of property rights will cause in most cases what economists call "the tragedy of the commons", i.e. overutilization (e.g.: overfishing, deforestation, overgrazing, etc.)

In the case of movie theaters or airplane seats, the marginal cost of accepting one more viewer in a half-empty theater hall or one more passenger in a half-empty airplane is negligible, yet the owner of the resource can easily deny access to non-payers.

Finally, pure private goods are, in reality, almost all merchandise that we find in grocery stores, and in other classical market setups. The goods are finite, as they have high marginal costs of production, and since property is clearly delineated and the owner has the technical conditions to exclude non-payers from accessing those goods, then exclusion becomes cheap.

Education and road infrastructure as public good?

It is worth to reflect whether public education or road infrastructure (public roads) qualify as public goods. In theory, the marginal cost of allowing one extra pupil in class (a non-payer in the classical sense of the term, that is a pupil whose parents do not pay any taxed to the state budget, which is responsible for financing public education) is quite small. Likewise, on a high-way, the marginal cost of allowing one extra, "non-paying" car is small. It is debatable how high or low the cost of exclusion is (barring children from entering the school, barring cars from entering public roads), yet it is clear that, despite low marginal costs, allowing a high number of non-payers to enjoy the good of public education or public roads without handling and avoiding overcrowding can lead to lowering the quality.

In each of the market failure situations described above, governments need to intervene and to fix the problem.

For instance, in the case of imperfect competition (monopolies, oligopolies), governments

intervene by administrative decisions to restore the market to a situation of perfect competition, where all actors are price-takers (in other words, the price is influenced solely by the market equilibrium – the "natural" intersection between supply and demand). In most countries, competition authorities are some of the most powerful independent regulatory institutions in charge of restoring the competitive characteristics of markets whenever these occur (maximization of rents through monopolies, oligopolies, or other cartel-like arrangements).

However, there are cases of so-called "natural monopolies". In these situations, because of technological constraints and also economy of scale, efficiency is maximized if one single firm is producing/ selling a certain road or service. Imagine a railroad or an electricity grid – all producers and consumers can access that railroad or grid, and it would be inefficient to duplicate this infrastructure. In these cases, governments intervene by allowing the natural monopoly to exist, while fixing a reasonable cap on its revenues/ profits. In other words, the natural monopolist will never be able to charge usage tariffs which are prohibitive and not justified by its actual costs of production.

In case of externalities, the governments have different options for intervention. One of them is a classical fiscal mechanism – taxes or subsidies. For instance, if the externality is negative, then the producer gets taxed ("polluter pays" principle); while, if the externality is positive, the producer could be rewarded. Some economists however, believe that such measures create market distortions themselves, so the cost of government intervention might actually exceed the cost of market failure. Instead of intervening to change the allocation between market participants, governments should make institutional choices ("rules of the game"). The theory of New Institutional Economics is claiming that the choice of institutions will determine the "right" distribution without government intervention. There are of course compliance costs that arise due to the existence of institutions ("institutional costs"), but they are external to the firm. One such vital institution for the functioning of markets is represented by property rights. Transactions are thus the resources necessary to transfer, establish and maintain property rights. There are several transaction cost types:

- Search and information costs are costs such as those incurred in determining that the required good is available on the market, which has the lowest price, etc.
- Bargaining costs are the costs required to come to an acceptable agreement with the other party to the transaction, drawing up an appropriate contract and so on.
- Policing and enforcement costs are the costs of making sure the other party sticks to the terms of the contract, and taking appropriate action (often through the legal system) if this turns out not to be the case.

Under this different system of thinking, new institutional economists believe that externalities cannot exist. For instance, economist Ronald Coase is claiming that if property rights are clearly specified, if the legal system functions properly and if there is a method of reducing transaction costs (for instance, if affected parties can be easily organized into a structure to sue against the polluter, in case of a negative externality), then externalities do not appear. In other words, government action to tax or regulate, in the case of market failure in the form of externalities, may be replaced by a simpler solution: „facilitate private action by reducing transaction costs and ensuring clearly specified property rights." (Munger, p123). In case of asymmetric information, another typical cause of market failure, government interventions occurs quite often in real life, for instance by licensing and labeling requirements for products, so that buyers are fully informed

on the characteristics of the product they intend to purchase.

In case of public goods, governments often have to deal with the free-rider problem, by punishing the offenders. Pareto defines „free riding" very rigorously: „If all individuals refrained from doing A, every individual as a member of the community would derive a certain advantage. But now if all individuals less one continue refraining from doing A, the community loss is very slight, whereas the one individual doing A makes a personal gain far greater than the loss that he incurs as a member of the community." Take CO2 emissions regulations, for instance. If all market participants cap their emissions, then everybody benefits. If one market participant breaks the rule and free rides by not contributing to the emissions reduction, the overall benefit for the community is still quite high. However, if more and more market participants decide to free ride, then the general welfare decreases, so there is need for government intervention to stop the free riders.

Finally, government sometimes intervenes to enact certain social preferences – for instance, by choosing progressive taxation instead of flat taxation.
Lastly, regular boom and bust economic cycles also require macroeconomic government intervention, by pro-cyclical or anti-cyclical policies meant at promoting competitiveness and restoring growth.

When trying to elaborate a public policy from scratch, it is worth thinking in terms of markets vs. government intervention. For instance, in the case of MBA Programmes, should we allocate public resources for this type of instruction (in whichever format this might happen from credits to actual budgetary support) or can the market do it? Should we do a government programmer for improving teacher trending or for getting experienced professionals to teach, or can we expect NGOs to self-organize in this direction?

When evaluating whether a government intervention is needed, think whether the existing setup delivers a Pareto optimum equilibrium, i.e. a situation with „no waste, or unrealized gains from trade or group action". In some cases, the costs of public intervention might deteriorate the existing equilibrium.

Various public policies in education, and education itself, can be perceived from the perspective of externalities – described above. In a famous 1962 essay, Milton Friedman was arguing that government intervention in education is justified on the grounds that there are positive externalities that education brings. For instance, education increases civic engagement, so thus contributes positively to a stable and democratic society. An educated workforce in turn helps businesses, drives innovation and is a more likely user of technologies. Of course, there are many researchers who, in light of subsequent research, criticized Friedman's argument, claiming that market arrangements can also deliver education (Hall, 2006).

The concepts in this chapter are relevant to discussions of broad national reforms and are specifically pertinent when systemic change is attempted and in places where dramatic overhauls of existing legislation happen. Thinking of externalities, allocative efficiencies and the pricing system for allocating resources are particularly relevant concepts for the provision of education in Romania. Furthermore, refinement through modelling and careful implementation is necessary, but these concepts are discussed in later chapters.

V. KEY POINTS

1. When trying to solve something that you regard as a public policy problem, always ask yourself first: Can't the market do it instead of government intervention?;

2. When enacting a reform involving some form of distribution of scarce resources, remember the four ways resources can be allocated: market mechanism (price), queue, chance and discretion;

3. By the Pareto criterion, an allocation of resources is efficient or optimal unless there exists another allocation of resources that everyone else prefers. Always try to reach a Pareto equilibrium when designing a public intervention;

4. The Kaldor-Hicks compensation principle is useful for comparing two states of the world that are both Pareto optimal. This principle entails choosing the policy from the set of Pareto optimal states that maximizes the difference between the gains for the winners and losses for the losers;

5. Markets are efficient only if they meet four criteria: perfect and free information; perfect competition and price taking; no market failure (no externalities, no public goods). Governments must intervene if these criteria are not met;

6. An externality is the effect of one's individual's actions on the welfare of other individuals. These effects can be positive or negative;

7. When dealing with a monopoly, governments intervene either by reinstating competition or by fixing a profit/ revenue cap for the monopolist;

8. When dealing with imperfect information, government enforces communication and transparency rules or communicate the info themselves;

9. Most often, in case of an externality, governments react through fiscal means: taxes or subsidies;

10. In case of public goods, governments must intervene to avoid free-riding.

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Chapter V

CHAPTER 5. TOOLS OF GOVERNANCE AND PUBLIC POLICY INSTRUMENTS

By Corina Murafa

In the previous chapter, we took a look at why government intervention is sometimes needed and other times can be avoided, as well as to why markets alone do now always deliver maximum welfare. In this chapter we will examine the public policy instruments (in short, the tools) governments have at their disposal to increase welfare and to correct misallocations of markets. The importance of the chapter is derived from the proposition that a given effect which is desired in the policy process can be obtained by a multitude of avenues – and the chapter below attempts to explore most of them. Equally important is to bear in mind that sometimes keeping the status quo or choosing not to have government intervention is a perfectly acceptable alternative to the policy instruments below.

I. Background concepts related to governance and policy instruments

One of the most often cited annual reports of the World Bank was the one released in 1997, which reviewed the role of the state in modern economies, arguing that strengthening its capacity to carry out its key functions would benefit the economy more than its "withdrawal" towards the minimal state (World Bank, 1997).

In the report, the World Bank experts classify the different tools which states can use to solve either problems of market failure or to improve equity. These state functions can be placed on a continuum from minimal functions to activist ones.

For example, in order to address cases of market failure, a minimal state intervention would mean providing pure public goods (e.g. defense, law enforcement, public health). A more advanced state involvement would imply addressing externalities (e.g. primary education, environmental protection), regulation of monopolies (e.g. utility regulation, antitrust regulation) and overcoming barriers caused by asymmetric or imperfect information (e.g. the administration of a social security system or health system; the regulation of financial markets, consumer protection). Finally, the state can also have so-called activist functions, such as the coordination of private activity, for example by administering economic clusters or by stimulating markets.

As mentioned above, the state may aim not just to correct market failures, but also to ensure justice. This can be achieved, in turn, either at a minimal level or in an activist way. The World Bank report mentions as a case of minimal state intervention the social programs addressed to the poorest segments of the population or public aid programs in case of natural disaster. Intermediate functions to ensure justice could include distributing family allowances, unemployment benefits, and a redistributive pension system. Finally, an activist intervention for promoting justice would target the redistribution of goods, or fiscal redistribution.

Finally, the report notes that states with low management capacity must take up only the minimal and basic functions, both in correcting the market failures and for the promotion of justice. This argument is also reinforced by the political scientist Francis Fukuyama. As soon as the state strengthens its management capacity, it can assume more complex functions, such as the regulation of monopolies.

Fukuyama places all the countries of the world in a matrix, with the horizontal axis representing the extent of the functions exercised by these countries (on the continuum of minimal - activist state interventions), and the vertical axis showing the power of institutions within those countries. He refers to these two elements as "dimensions of statehood". Over time, states can migrate on the two axes, as a result of the change in political regimes or by adopting certain reforms (Fukuyama, 2004).
When, in the cycle of public policy development / analysis, the analyst / governmental expert must build a sequence of policy alternatives, it is useful for him/ her to know the tools / traditional means of intervention available to governments when having to correct certain market errors or to solve other distributional issues. Most times, solving a problem requires a mix of tools.

II. Eugene Bardach's 11 categories for public policy intervention

Eugene Bardach (2005) groups these tools into 11 categories, which are to be thought as possible venues for public policy intervention. In each policy, the projected results of one intervention should be compared against a different alternative – and of course there will be situations in which intervention in a particular way may not be feasible (politically) or may be difficult to enact (technically).

1. Taxation

When the public policy problem to be addressed is the lack of funds for achieving a particular goal, or when market prices fail to convey the true opportunity cost, taxes may be a useful tool. At the same time, excessive taxation may inhibit economic activity.

A fiscal policy does not necessarily imply the introduction of a new tax. There are also other approaches: the elimination of a previous tax, a change in toll rate, a change in the tax base, improving tax collection, taxing an externality. At the same time, the government can charge the beneficiary of services, not universally (as in the case of excise duty or VAT), but only in certain well-specified circumstances, as it is the case of the tax for fire department, ambulance, and police which organizers of events must pay.

In the field of education, taking into account our national context, could the state regulate the issue of private tutoring through taxation instruments, or for example, to prohibit private universities to operate as non-profit foundations, and thus oblige them to pay taxes? Would the taxation of private tutoring be an optimal public policy? Who would be the beneficiaries and who would be opponents of such a measure? Would this reform solve the problems of equity in the education system?

2. Regulations

Bardach (2005) divides regulations into three subcategories. The first of these is the regulation of the price or quantity provided for natural monopolies (e.g., transmission of electricity, natural gas transportation, use of railways). A second type of regulation is the so- called "social regulation", most commonly observed in the areas of public health and public safety. Such regulations aim to solve the problem of imperfect information in the market and also to prevent certain cases from reaching the courts of law. The norms applicable to the area of food safety and pharmaceutical sector (such as the requirement to list the side-effects of drugs on their packaging) are examples of such regulations. Finally, the third type of regulation can be encountered in public sectors

generally subject to oligopolies, such as transportation. This kind of regulatory intervention sets the conditions for entry, exit on the market, as well as the pricing and quality of service. In recent years however, there has been a strong tendency towards deregulation, following the reasoning that encouraging competition, and limiting the entry and exit barriers will automatically generate quality services.

In the field of regulation, the measures that can be adopted are of the following types: new standards or improving the existing ones, banning a certain type of action/ product, improving the standards of control and implementation, changing the regime of sanctions, etc.

In day to day life, often without realizing, we find ourselves in situations and benefit from services that were heavily regulated by the government: public transport fares, the price of gas, electricity and other utilities, mandatory insurance, the ban on tobacco advertising, etc.

In the educational field, the entire curriculum is regulated, at least for primary and secondary education, through the teaching standards applicable to most teaching subjects.

3. Subsidies, grants and vouchers

Subsidies and grants are public policy tools employed when neither markets nor nonprofit organizations and voluntary action manage to provide certain activities in the necessary quantity or at the optimum level of quality. The government intervenes in this way and reduces consumer prices or the costs faced by the industry. On the one hand, subsidies raise the income of those benefiting from them, but also stimulate certain activities that are in deficit. Of course, any action based on this type of measure can have several varieties: the introduction of a new subsidy or cancelling an existing one, changing the level of the subsidy, changing the awarding or eligibility criteria, etc. Economists view both taxes and subsidies as types of interventions that must be weighed carefully in order not to distort market mechanisms and not to encourage undesirable behaviors. In the education sector, subsidies in the form of vouchers are used in some jurisdictions to stimulate competition among schools and to encourage parents to have a greater involvement in the educational process. Grants and benefits such as the guaranteed minimum income or disability aid, are not awarded in connection to a specific type of service, but strictly related to the ability of persons who are entitled to them.

4. Direct provision of services

Sometimes, the state interferes in the market as a direct provider of services or subcontractor to third parties providing services (in some cases, beneficiaries may choose among several service providers via the voucher system). When choosing the steps in the provision of services, they may be of different kinds: the provision of a new service or expanding an old one, extending the range of beneficiaries, changing the service provided as to better address the needs of the target group, introducing a vouchers system, merging different services in order to create synergies among them, reducing the difficulties faced by beneficiaries in accessing the services through measures such as digitization, simplifying the bureaucracy, facilitating questions coming from beneficiaries, diversification of the methods of payment, etc.

The education field is, at least in continental Europe, one in which states typically employs this

substantial policy instrument, of direct provision of services. Meanwhile, states often subcontract some of these services (e.g., school transportation, the "Croissant and milk" program, schools security, etc.).

Bardach (2005) divides public services in two groups: "desired service" (parks, schools, etc.) and "paternalistic services" (not necessarily desired by most of the beneficiaries, but necessary to improve the welfare of all, such as shelters for homeless people, counseling services to finding employment for those receiving unemployment benefits, etc.).
In general, there are certain services that are provided directly by the state in most countries, such as the police or public order, as well as services which in most jurisdictions are leased / subcontracted for reasons of efficiency and capacity, such as the construction of highways and public roads.

In the case of subcontracted services, although there is a transfer of the risk from the state onto the private agent, "principal-agent" type problems can substantially complicate contractual arrangements.

5. Budgeting

Smaller or larger cuts in the budgets of government agencies, as well as reallocations between different budget lines are the most visible signals of satisfaction or dissatisfaction with the performance of an agency. They themselves can serve as measures to streamline the agency's activity and thus to solve a public policy problem, when the difficulty lies in the implementation.

6. Provision of information

One of the most cost sensitive interventions in the field of public policy can also be one of the most effective. Thus, the states can adopt measures such as: implementation of requirements related to the provision of information, standardizing the format in which information is provided, simplifying the information to be provided to the general public, subsidizing the creation or dissemination of information.

One must also take into account that the delivery of information involves certain "transaction costs" for the natural or legal persons providing that information. In some cases there may be legal objections to the right of public authorities to request that information in order to protect civil liberties.

In general, the measures pertaining to this category are to be adopted to the extent that they do not involve high costs and there is a high chance that they will lead to a positive change in the behavior of beneficiaries. Their effectiveness could be seriously diminished if the public does not perceive that information as useful or is not educated enough to make use of it, in which case there may be a need for more sophisticated measures and a greater degree of interventionism (e.g. regulating the quality and cost of public services, etc.).

Some examples of measures belonging provision of information:

- Statistics on criminal activity;
- Results of national tests or baccalaureate exam;
-Requiring all state universities to publish their annual report, which shall include, at the

minimum, certain information considered useful for beneficiaries;
- Public communication campaigns on domestic violence, school dropout, or various public health topics;
- Publishing of the financial information regarding private companies;
- Labelling of products (food and for household use);
- Establishing offices for providing counseling to citizens;
- Representation services for citizens (e.g. Ombudsman).

7. The structure of private rights

Through the different structure of the right to private property, or through other changes in laws (e.g. labor law, contract law, criminal law, etc.) institutions can be reformed in order to increase social welfare. For example, through legislative changes, the risk can be transferred to the party that can bear it, with the lowest social cost (e.g. either the producer or the consumer). The Learning Agreements currently used in Romanian universities represent such a tool for structuring the rights and obligations of the parties. Additionally, resources can also be redistributed in this way.

8. The general framework of economic activity

Actions such as encouraging competition, discouraging the concentration of capital, controlling prices and wages (or deregulating this area), controlling the level of production or decreasing the amount of public positions are essentially measures aimed at loosening or strengthening the state control over the economy. They have a strong impact upon the economic activity. Although it is disputable whether education as a public good, belongs to the category of, what we call “general framework of economic activity”, certain wage policies (including those relating to staff ranking, merit-based rewards, other benefits) are some of the state’s most powerful tools in regulating the education system. Schemes such as “pay for performance” have sparked controversy in all the countries where they have been introduced in the public sector, including the field of education. Nevertheless, in our opinion, they remain a relevant policy instrument for improving the performance of the educational process.

9. Education and consultation

This type of measures is necessary because oftentimes people are not aware of the existence of a problem or a certain opportunity. At the same time, some people may have low levels of education, which limits their direct access to information. Actions in the area of education and consultation include: warning on the dangers and risks, awareness raising campaigns, providing technical assistance, improving skills or competences, etc. Educational policies such as “lifelong learning” or career counseling
offices operating within universities are examples of public policy instruments pertaining to education and counseling.

10. Financing and Contracting

At times, capital or insurance markets work in a suboptimal fashion, while the public procurement system can be flawed, too rigid, too corrupt, or too slow. Measures in the area of finance and

contracting available to the government include: creating a new market (in which the government can operate), changing reimbursement rates or changing the base for reimbursement (cost plus, price per unit, variable scale depending on quantity, bonuses for performance, etc.) leasing resource exploitation or licensing radio and television frequencies, changing the tender system, state guaranteed or subsidized loans, the dissolution of a public enterprise or establishing one, privatizations, etc.

Some of the most popular instruments recently employed by governments are the transferable permits and quotas. These are systems that create both the right to produce a good or service (or its externality), and the market where companies can buy and sell these rights. The European system of granting and trading carbon emissions certificates is the best known example in this regard. In theory, this kind of intervention is much closer to the normal rules of the free market and poses a lower risk of distortion than taxes and subsidies. In reality, however, the implementation of such a scheme is often challenging and requires a high degree of administrative complexity.

11. Political and bureaucratic reforms

Oftentimes, administrative reforms at the level of ministries or government agencies themselves, such as new appointments in key positions, salary adjustment, changing work procedures, and so on, have a great potential of improving the way in which a public policy is implemented.

Put simply, these tools can be grouped into four main classes:

ADVOCACY	REGULATION	TREASURY	ORGANIZATION
Monitoring and provision of information	Regulation and deregulation. Control and prescription	Grants, loans, tax incentives	Direct provision of goods and services. Public companies
Convincing	Commanding	Spending	Organizing

Table nr. 4: Tools of government classification;

In most cases, the public policy issues in the field of education are complex, involving social and economic elements and issues related to the quality / equity of the educational act itself. Also, there are multiple stakeholders with divergent interests. Therefore, solving a problem (e.g. university dropout) can be achieved through a mix of instruments and measures - from public information campaigns to changing the rules on reporting university dropout, and even adopting financial instruments encouraging universities not to lose students.
In brief, there is no universal solution in the field of public policy. The implementation capacity (broadly speaking, the state's capacity) is one of the main factors to be taken into account when selecting an instrument of public policy

III. KEY POINTS

1. The many perspectives of successful interventions

When thinking about policy change, it is useful to think through implications of addressing a particular problem through one particular means – like direct public provisioning – versus other, indirect ways – like creating a subsidy or creating quasi-markets or some

other instruments like permits and quotas;

2. Baseline scenario

Always remember that the option of doing nothing or keeping the status quo must always be present in your analysis and must be computed as an alternative (with all the implications by way of costs, direct or indirect, as well as potential effects);

3. Having success in implementing policy does not always require a large budget

Providing mandatory and abundant information is one of the cheapest and often most effective ways of intervening. Sometimes careful and light regulation combined with stringent regulations regarding open access to data can have the same impact as spending public funds with a particular public policy issue;

4. Sterile debates

Even if the endless debate about "less government intervention vs. more government intervention" will likely never be settled with respect to any specific policy, a country such as Romania needs to look not only at "right-sizing" government, it needs to look at ways in which the public policy intervention is well implemented and is not distorted from the beginning by overlooking some important parts set out in this chapter or in chapter 1. The way of the future is to look at effective and cost-effective government intervention that is carefully targeted and does not distort in important ways the free functioning of society.

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Chapter VI

CHAPTER 6. STAKEHOLDER ANALYSIS

By Corina Murafa

We have seen in Chapter 5 what practical tools governments can use when enacting a public policy intervention. This chapter, on the other hand, focuses on the most frequent reasons why public policies fail in practice – often it is not their design, effectiveness or cost - prediction, it is the fact that they have not considered the relevant stakeholders, especially if any of those stakeholders can veto down the public policy proposal made by the education policy-maker. Typical stakeholders who are not consulted in education are parents' associations, unions and local and regional representatives, but sometimes even students' or academics representatives are not fully involved in the process. Analysis of the stakeholders' positions is necessary and a framework is provided below, however the most important point is to engage relevant stakeholders right from the start, from the design phase of the public policy, to avoid the situation of having a very intricate proposal that has been put together and then having it vetoed down or strongly contested by some relevant stakeholder.

I. What is a Stakeholder?

Probably one of the most straightforward definitions for a stakeholder, especially from the perspective of the policy-maker or the policy analyst is the one given by the World Bank: "A stakeholder is any entity with a declared or conceivable interest or stake in a policy" (Source: The World Bank Public Sector Governance Stakeholder Analysis website).).

In broader terms, stakeholders are people or organizations who either (a) stand to be affected by the reform or (b) could 'make or break' the reform's success. They may be winners or losers, included or excluded from decision-making, users of results, participants in the process.

In most cases, stakeholders fall in one of the following categories:

- International actors (e.g.: donors – The World Bank, The International Monetary Fund, The European Commission);
- National or political actors (e.g.: members of Parliament, ministers, regional or local elected officials);
- Public sector agencies (e.g.: regulatory agencies);
- Interest groups (e.g.: unions, professional associations);
- Commercial/ private for profit or nonprofit organizations (NGOs, foundations, firms);
- Key opinion leaders, including civil society leaders;
- Users/ consumers.

I.1. What is the Stakeholder Analysis?

The most comprehensive definition for this instrument is available on the World Bank Public Sector Governance Stakeholder Analysis website. Stakeholder analysis is defined as "A methodology used to facilitate institutional and policy reform processes by accounting for and often incorporating the needs of those who have a "stake" or an interest in the reforms under consideration. With information on stakeholders, their interests, and their capacity to oppose reform, reform advocates can choose how to best accommodate them, thus assuring that adopted policies are politically realistic and sustainable." (The World Bank)

I.2.Why does a Stakeholder Analysis?

Policy analysts, civil servants, ministerial experts and other persons entrusted with policy-

making tasks must do a stakeholder analysis for each of the alternative policy options they are considering. Thus identifying which individuals or organizations to include in their coalition for supporting a particular policy option they will be choosing. (although its composition may evolve during project design and implementation). A solid stakeholder analysis enables you to spot what roles various allied stakeholders should play and at which stage will they offer you guidance on whom to build and nurture relationships with and also on whom to inform and consult about the project.

I.3.When to do a Stakeholder Analysis (SA)?

In most cases, SA should precede the finalizing of reform proposals. In early stages of policy formulation, it can help to gauge the likelihood of acceptance and sustainability of anticipated policy reforms and avoid potential obstacles to implementation. Ideally, it should be combined with a socio-economic impact assessment.

There are various ways for doing a stakeholder analysis and summing up graphically the results of this exercise. One of them is the so-called "Analysis Sheet":

Stakeholder group	Nature of interest in policy decision (salience)	Position on reform	Relative importance of interest	Importance of group	Influence (power) of group
1.					
2.					
3.					
…					

Table no. 5: Stakeholders' Analysis Sheet;

The policy expert is asked to evaluate every stakeholder's salience with respect to its interest in the policy decision, its position on the reform, and also its relative importance. Not to be missed is, of course, an evaluation of the influence power of the respective stakeholder group.

I.4. Stakeholder Analysis Matrix

A clear assessment of each stakeholder's power and likely interest in/ impact on the policy making process is conducted through several steps. The World Bank recommends, as a first step, to map stakeholders on a continuum indicating support for the reform on a scale from 0 to 100. This helps illuminate the clusters that support, oppose or are indifferent to reform.
The next step (see below) is to organize stakeholder data according to relative power/ influence and salience (interest) of each stakeholder to understand their support or opposition to the proposed reform.

INFLUENCE

Box A Stakeholders who stand to lose or gain significantly from the project AND whose actions can affect the project's ability to meet its objectives The project needs to ensure that their interests are fully represented in the coalition. Overall impact of the project will require good relationships to be developed with these stakeholders.	Box B Stakeholders who stand to lose or gain significantly from the project BUT whose actions cannot affect the project's ability to meet its objectives The project needs to ensure that their interests are fully represented in the coalition.
Box C Stakeholders whose actions can affect the project's ability to meet its objectives BUT who do not stand to lose or gain much from the project They may be a source of risk; and you will need to explore means of monitoring and managing that risk.	Box D Stakeholders who do not stand to lose or gain much from the project AND whose actions cannot affect the project's ability to meet its objectives They may require limited monitoring or informing of progress but are of low priority. They are unlikely to be the subject of project activities or involved in project management

INTEREST

Fig. 5: Stakeholders' matrix;

The "interest" – "influence" matrix is, according to our experience, the most widespread graphic depiction of a stakeholder analysis exercise.
Based on this type of matrix, the World Bank recommends the classification of stakeholders in four categories:

- Promoters: Stakeholders who attach a high priority to the reform policy and whose actions can have an impact in the implementation of the policy;
- Defenders: Stakeholders who attach a high priority to the reform policy, but whose actions cannot have an impact on the implementation of policy;

Latents: Stakeholders whose action can affect the implementation of the reform policy, but who attach a low priority to this policy; Apathetics: Stakeholders whose actions cannot affect the implementation of the reform policy and who attach a low priority to this policy.

Another type of matrix/ scheme, more simplified, is the livelihood analysis, which basically ranks stakeholder groups depending on how "close" they are to the proposed policy options, or how

affected they are by it.

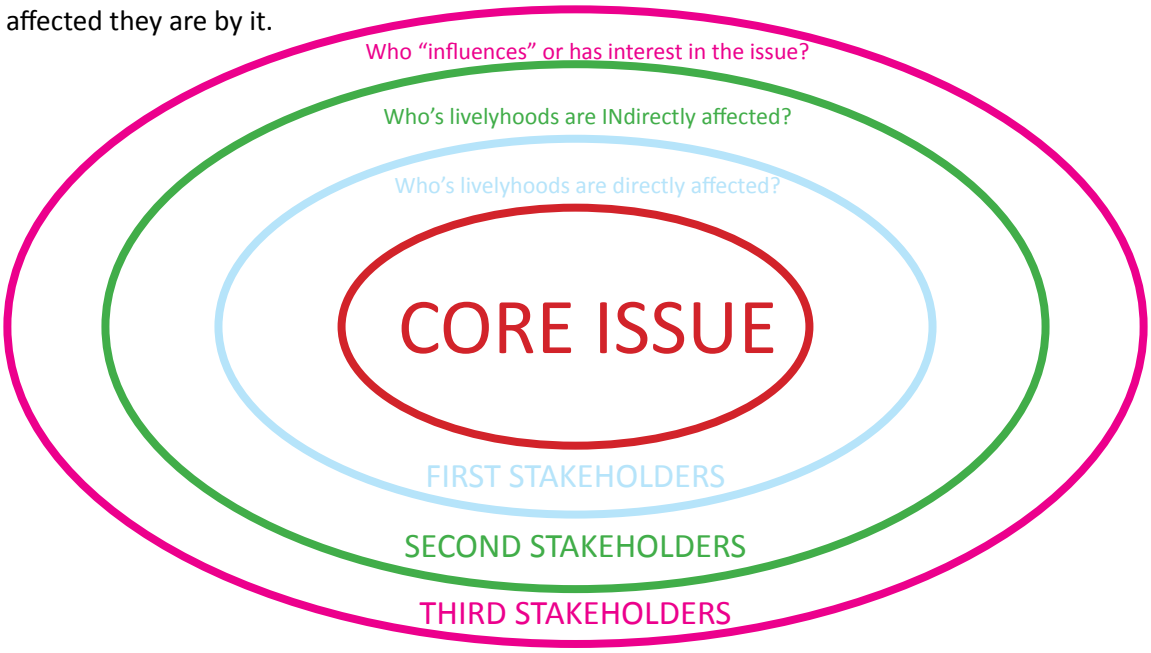

Fig. 6: Livelihood Analysis of stakeholders;

II. How to Manage Complexity?

In reality, the way stakeholders impact policy reform is more complex than any of these matrices can capture, and it involves not only identifying the stakeholders, but also understanding their roles and at what stage of the policy process they operate - their incentives, opportunities and constraints.

For instance, informal local elites or interest groups, academics or policy networks do not often fit the classical stakeholder typology, yet their position regarding a reform can be very significant. At the same time, not all stakeholders are equally influential and/ or salient at every stage of the policy process. It might be worth mapping them also based on what stage in the policy process they operate:

- Knowledge generation/ research;
- Agenda setting;
- Option identification;
- Prioritization of options;
- Policy formulation;
- Policy legitimization;
- Planning for policy implementation;
- Review and evaluation;
- Review of policy and policy implementation.

Understanding the roles of each stakeholder in the policy process can be done by asking the following questions:

- What are their rights? – To livelihoods, to work, to security, etc.
- What are their responsibilities?
    - to themselves, to their households, to the community at large, to the state;

- decision-making, implementing policy;
- What are their relationships with other actors – informer, influencer, dependent, antagonist, etc.

When seeking stake-holder buy-in for a certain reform, identifying the incentives or forces that are likely to influence each of them is very important. Some of these forces might be: political pressure, international pressure/ persuasion, bilateral pressure/ persuasion, bureaucratic pressure, evidence from action in the field, private sector pressure, pressure from interest groups (e.g.: NGOs), policy networks or academia, and, of course, grassroots pressure (protests, etc.).

Obviously, the degree of buy-in will depend on a set of opportunities and constraints each stakeholder faces, such as past policies, policy complexity, feasibility, rent seeking, cost, patronage, institutional constraints, etc.

III. New trends – Social Accountability

Stakeholder analysis and subsequent stakeholder management, when undertaking a specific policy reform, has been increasingly embedded with more and more innovative practices for citizen engagement and empowerment. The World Bank sums up this new approach as "social accountability". Thus, while "accountability" can be properly defined as "a pro-active process by which public officials inform about and justify their plans of action, their behavior and results, and are sanctioned accordingly" (Ackerman, 2005: 1), "social accountability" can be defined as "an approach towards building accountability that relies on civic engagement, i.e. in which it is ordinary citizens and/or civil society organizations who participate directly or indirectly in exacting accountability" (Malena et al, 2004, p.3).

Some of these novel trends are:

- Citizen participation in public policy-making;
- Participatory budgeting;
- Public Expenditure Tracking Surveys (PETS);
- Citizen monitoring of public service delivery (such as Community Based Performance Monitoring - CBPM & citizen report cards);
- Citizen advisory boards; citizen's juries;
- Citizens Charters;
- Social auditing;
- Monitoring procurement.

As an example, CBPM is a complex action for stakeholder involvement, which uses participatory Monitoring and Evaluation principles – communities generate the data on a specific public service, they understand it, review it and use it to, ultimately, influence reform. CBPM is not applied at national level, but at community level and several developing countries have had notable successful stories in using this tool. Usually, data is generated at community level through focus group interactions and takes the form of immediate feedback to service providers. This enables an immediate response on behalf of authorities and also joint decision-making and agreement to implement specific reforms to improve public service delivery quality. The scheme below sums up a CBPM process.

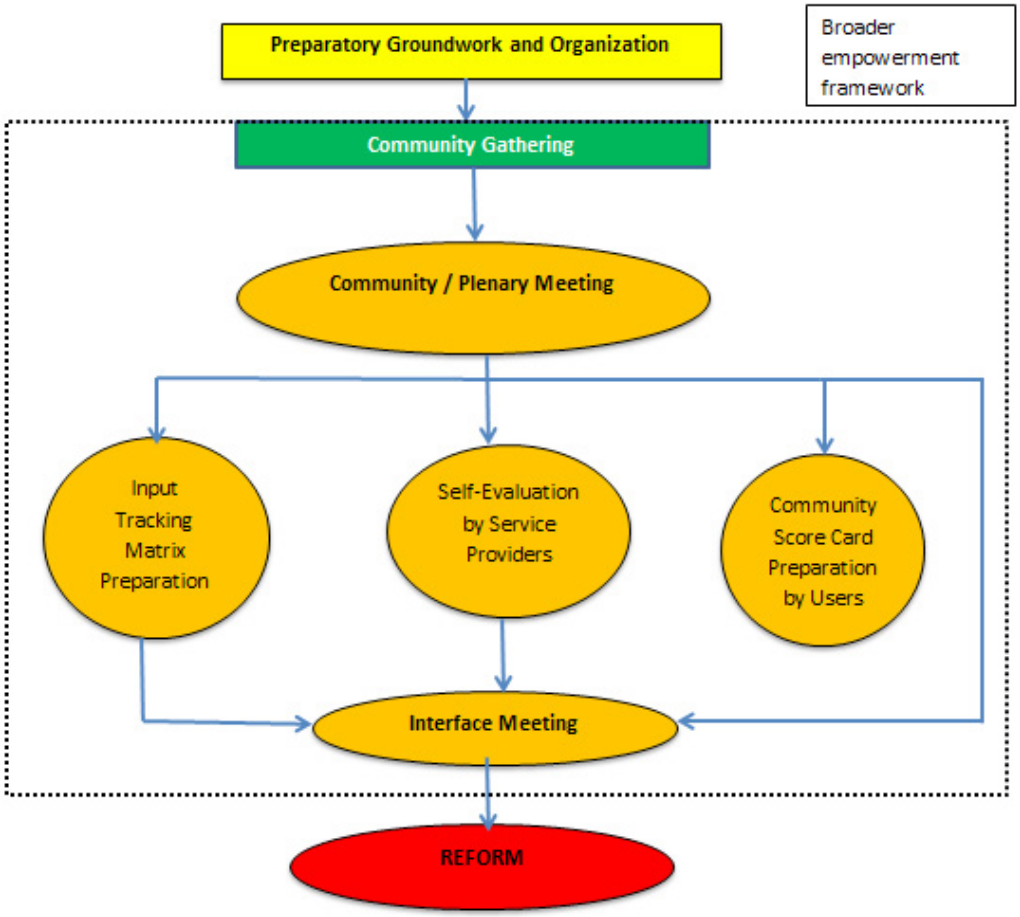

Fig. 7: CBPM process ((Source: Thindwa J., Edgerton J. & Forster R, 2005);

Undoubtedly, some of the strongest stakeholders (in terms both of influence and salience) can be found in the educational sector. They are strong with respect to various policy issues, from curriculum reform, to funding schemes, are teachers/ professors and teachers' unions. Their interests, incentives and objectives must carefully be taken into account and these aspects must inform and determine the stakeholder management plan. Assuring early buy-in from influential stakeholders in case of delicate policy reforms is crucial.

More recently, with the rise of social and online media, the key beneficiaries of the educational system – i.e. students or their parents – have gained more and more prominence as stakeholders. For this reason, but also because of (social) accountability considerations, this is why, especially in the framework of quality assurance both in basic and higher education, stakeholder involvement is particularly important, and processes such as the CBPM might be worth being piloted. Ensuring public consultations on any policy initiative/ legislative changes are carried through thoroughly and time can ensure greater legitimacy of the reform and stakeholder buy-in. Very often, a good collaboration between think-tanks and the academia in general as a stakeholder and policy-makers/ policy experts in governmental bodies, can create legitimacy for change and implicitly roll out even greater stakeholder buy-in. Last but not least, stakeholder analysis is a very useful tool to make sure that good, cost effective policy initiatives/ reforms doesn't get "killed" by a

certain stakeholder groups whose interest/ influence was underestimated or not analyzed at all. Unfortunately, policy initiatives with genuine game-changing potential sometimes simply cannot be implemented (and thus, a second best alternative ends up being preferred) because of the opposition of one or more stakeholder groups.

Of course, in any stakeholder engagement strategy and public consultation process, a carefully chosen set of data must be used to ground the proposal you will be making to stakeholders in evidence. Chapter 7 will take a look at the type of data that can be used for this purpose and also at evaluation indicators, which are useful when delivering impact assessments – important tools in stakeholder engagement.

IV. KEY POINTS

1. Key stakeholders involved early
If you do not involve key stakeholders in the design phase of a public policy, it might be too late to prevent their attempt to block the public policy proposal, especially if they have something close to veto power over the domain or particularly if they can have a public show of strength.

2. Preparing the groundwork
Whilst it is very useful to have an institutional mapping of the situation, often key influencers inside each institution need to be approached directly. Also, uniquely, you need not assume that presentation to a few key stakeholders inside a particular institution means that they will disseminate the information inside that institution – often the information stops at the very low level ranks and does not travel hierarchically the way it is supposed to in order to gain the stakeholders' support.

3. Participatory strategies and modern policy making
A more advanced form of participatory democracy in action with respect to the formulation of public policies calls for involved civil society elements and even Citizen Charters. Whilst this is some way from implementation in Romania, where there is still a need for a rigorous legislative process and for basic information given in a timely manner to the public, there are small ways in which this will be possible to implement in the near future.

V. Bibliography and Further Reading

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Chapter VII

CHAPTER 7. DATA COLLECTION, DATA ANALYSIS AND EVALUATION INDICATORS

By Răzvan Orăşanu

In order to have accurate policy proposals it is critical to think of relevant data collection points and a careful analysis of the data that public institutions hold. Consulting stakeholders can be done either prior to the data collection or afterwards – to share results, and both alternatives are beneficial. Furthermore, once data has been collected and selected, it is critical to think of constructing benchmarks, indices and other indicators for the system, in order to assess the past performances, but also to project the future and to translate reform in several indicators that need to be achieved system –wide. All this data collection of course requires a specialized network and sometimes specific software which analyses data and is able to centralize all the available sources of data. Rational decision making structures require a great deal of effort in setting up, maintaining, continuously monitoring and finally analyzing their output regularly. Without updated available data and without a common data collection infrastructure the decision making process is often not taking key relevant factors into consideration – like major demographic trends, the changing preferences of the population to whom the policy is addressed, issues surrounding financial sustainability and implementation etc. – thus affecting the entire policy-making process.

Why do we believe this point to be fundamental for education in Romania? Because sometimes, there are still initiatives which are simply put forward without much data analysis, simply because somebody in power or with the requisite authority thinks up the problem (usually doing a superficial analysis) and the solution in a "package" deal. This is prematurly announced as such to the public – and then the problems usually come up during the phase when legislation is being drawn up, or worse, once implementation is actually being planned. Inevitably, then there are important problems of measuring accurately the effect of the public policy, problems of implementation and of targeting it towards the right subset of students based on governing principles. When dealing with national policy over a lengthier period of time and when we do not have the right data to analyze carefully various scenarios, the success of public policies becomes a hit-and-miss process.

I. Data Collection

An evidence-based policy platform is always based on strong collection of data, but this is a problem in itself in Romania, specifically because the law authorizes changes in the budgets of universities based on the data collected – a classic example is the per –capita formula for the budget which creates gaming incentives. This leads some universities to deliberately put forward inflated numbers, in the quest for additional funding. An example in this respect was the University of Oradea during the deanship of Mr. Maghiar, who was convicted in a court of law for reporting higher value than the real number of students in order to obtain additional funding for the University.

A simple problem of numbers is first and foremost a problem of definition. For example, it is very difficult to define and count currently the number of all students in Romania. The first problem is that data is collected inconsistently, at many different points in the year – therefore there is arguably too many collection points to have consistent data (or even a useful snapshot in time) and too many collection channels. The second issue is the difficulty to define precisely who is and who is not a student at any moment in time, since there are people who interrupt their

studies, drop out, simply stop coming to class and sometimes are improperly accounted in the recorded systems (in the absence of an unique national students' record system to track them in relationship with the system). This is not a mere problem of definition – since the budget usually follows the number of students, creating an in-built incentive to have a number of students which is as high as possible. Finally, data from the National Statistics Institute (like census data, for example) does not match the national register of students or the data which is sent from the universities themselves to the Ministry at any given point in time. This is compounded in several places by stringent legislative provisions, like article 9, section 5 of the National Education Law :

Art. 9, section 5 of the Law on National Education
"The basic financing of pre-university education is done on the principle of "the financial resources follow the student", on the basis of which the buget allocation which is awarded to a pupil or a pre-school child is transferred to the education unit at which he/she learns, following provisions in the law. "

A simple problem which can be given as an example is a database counting the number of students. There are many national institutions that collect data reffering to this number at different times in the academic year, thus making the data incomparable (one cannot compare the number of students enrolled at the 1st of October with those enrolled at the 1st of January, since obviously there is a different cohort each September). Furthermore, different institutions use different definitions and methodologies, which makes once again the data obtained inconsistent. In practice, this means some do not count foreign students, some do not consider PhD students as students, some exclude the drop-out students, some count all the enrolled students as the budget is allocated based on the number of students, creating an in-built incentive to have the number of students as high as possible. What is more, different institutions have different procedures to validate their data, ranging from simply trusting what universities are providing to complex cross check processes. There are no effective mechanisms to determine universities in releasing that data (especially for those institutions that are publicly financed).All this creates important problems for policy analysts, which must use this data as an input into their public policy process.

Even if the number of students was fully accurate and comparable across all these different institutions, there are various databases which are mutually incompatible where this number can be found, following various initiatives to collect data. And any analyst knows that data must be made consistent and comparable before it can be analyzed carefully. Firstly, there is data gathered by the National Institute of Statistics which until 2010 did not count Masters students as being „students". Secondly, there is a database compiled by the National Council for Higher Education, one of the agencies operating somewhat independently of the Ministry, but financing public universities and receiving in return data from those institutions.

Thirdly, there is a different set of numbers compiled by the Universities themselves, which sometimes have more up-to-date and accurate numbers. Finally, there are different numbers being compiled by the National Institute of Statistics once a decade (like those self-declared by students when interviewed by census monitors). Making this data consistent in itself takes a long time and a lot of effort (for census data the process takes nearly two years) – but comparing them across databases can only be done if a central unit is created to analyze data carefully. Currently, all the institutions in the data collection field have very different results regarding the number of students in a certain academic year – something to be expected if the collection points of the various data are not mutually compatible. Furthermore, there are issues around "data cleaning".

Often where there are missing sets of data or the data is incompatible. We have to sometimes take the average of two given values or create assumptions, in order to be able to fully model the data. When making such assumptions, it is useful to state them explicitly in spreadsheets and to mention their existence at the bottom of any table that is produced using such data. When comparing later effects that are very similar in magnitude it is essential to re-trace our steps and look again at the many assumptions we have made in translating numbers across domains or in making them comparable. It is often, also, useful to consult manuals of data collection and to actually speak with the people that collected the data, because they will give an exact description of where they feel the data is closer to the truth and where they have doubts about the data compilation. “Data cleaning” is slightly beyond the scope of this working guide, but it is just worth pointing out that it can be crucial to the work that we do.

After collecting data, there is a great deal of processing that goes on, using or not specific software packages that help us crunch the statistics behind the reality. Neverminding whichSPSS, E-views or more modern software packages is chosen, it is essential for any public entity to create a small working unit that is versed in using primary data, that analyses them proficiently and that has the requisite statistical training. There are professional modelling initiatives, in which the reality of a particular public policy or the provision of results can be experimented in a “lab” environment.

This is necessary to do even before public consultation is done on a specific public policy, or sometimes even earlier, at the stage where the policy is put together. Whilst social phenomena are complex in their nature and it is unlikely that any artificial model will fully replicate reality, the battle is to include most of the major trends and to see most of the critical success factors in implementation. All this effort of crunching the numbers helps us first focus on the most essential trends when building up the policy, second to understand the magnitude of events to a degree of precision which is in direct relationship with data quality and finally to evaluate, going forward, what are the likely effects of the proposed public policy proposal.

II. Three Examples in Working with Three Sets of Data

II.1. Romanian data on a sample of universities

The figure below contains just raw data, but with the data we had we were able to start computing various composite data, such as the student/staff ration, or the expense/ student or total expense/ total teaching staff. We can also see if there is a healthy ratio of undergraduates to Masters students which is comparable with EU benchmark data. In addition, if we had additional data on employment, for example, we could have traced the “efficiency” of public expenditure on education, in a rudimentary way. Whilst we can never just use one set of data when deciding major shifts in university funding, for instance, it is possible to start thinking of the magnitude of the effect.

We can also start thinking through how many places are funded by the national budget, out of the total number of students vs. how many places are funded by the students themselves. The main point here is that regardless of the numerousways in which analysis can be done, at some point we focus on some relationships that we observe in the data and use them as foundation for our proposed public policy changes. If the numbers do not validate in any way the work we are doing with respect to the public policy, we need to go back and re-think our assumptions, even before that policy is put to the public, in the consultation process.

	No of students		Teaching staff		
Universities	Undergraduate level	Master studies		Total number of taught students	Expenses
U02- Technical University of Civil Engineering Bucharest	4086	1447	797	5413	90,321,347.00
U03- „Ion Mincu"University of Architecture and Urbanism	1427	126	631	1651	34,911,439.00
U04- University of Agronomic Science and Veterinary Medicine - Bucharest	3883	1183	701	3963	128,639,968.00
U05- University of Bucharest	13360	6448	2517	14432	284,342,295.00
U06- „Carol Davila" University of Medicine and Farmacy -Bucharest	4450	100	2606	4484	151,866,932.00
U07- Academy of Economic Studies, Bucharest	8192	3680	1959	8050	186,477,441.00
U08- National University of Music Bucharest	546	155	204	645	22,608,521.00
U09- Bucharest National University of Arts	636	289	230	612	19,004,882.00
U10- Caragiale Academy of Theatrical Arts and Cinematography, Bucharest	466	182	212	460	22,347,646.00
U11- National University of Physical Education and Sport, Bucharest	582	234	127	535	13,104,155.00
U12- National School of Political Science and Public Administration, Bucharest	1721	1252	276	3274	39,502,417.00
U13- "1 December 1918" University -Alba Iulia	1934	311	242	1883	27,389,321.00
U14- Aurel Vlaicu University of Arad	1911	408	340	5736	28,067,850.00
U15- University of Bacau	2149	419	332	1985	35,254,082.00
U17- Transilvania University of Brasov	9222	2416	1430	20420	155,842,184.00
U18- Technical University of Cluj-Napoca	11485	3711	1762	12796	168,435,480.00
U19- University of Agricultural Sciences and Veterinary Medicine Cluj-Napoca	3478	865	494	4833	76,361,195.00
U20- Univ. "Babes-Bolyai" Cluj	14856	6901	2620	15292	303,240,947.00
U21- Iuliu Haţieganu University of Medicine and Pharmacy Cluj-Napoca	3057	198	1423	2749	117,736,056.00

Table nr. 6. Comparison using data for the 2012 school year (across universities); Source: National Council for Higher Education Funding (CNFIS) database

II. 2 – Academic Ranking of World Universities (Shanghai Index)

Criteria	Indicator	Weight
Quality of Education	Alumni of an institution winning Nobel Prizes and Fields Medals	10%
Quality of Faculty	Staff of an institution winning Nobel Prizes and Fields Medals	20%
	Highly cited researchers in 21 broad subject categories	20%
Research Output	Papers published in Nature and Science*	20%
	Papers indexed in Science Citation Index-expanded and Social Science Citation Index	20%
Per Capita Performance	Per capita academic performance of an institution	10%
Total		100%
* For institutions specialized in humanities and social sciences such as London School of Economics, N&S is not considered, and the weight of N&S is relocated to other indicators.		

Table nr. 7: Composite criteria used in World Rankings (indicators and weights);

The index above has created another set of debates of methodology and applicability to the Romanian context – however it is important to bear in mind, again that it is a crucial set of data which companies, investors and educational professionals alike, around the world, use when taking decisions. Most importantly, potentialstudents themselves use rankings to decide which university to go to and this creates a signaling mechanism in the market, akin to the price mechanism for many products. For example, the entry of the Mathematics and Computer Science Faculty of the Babes Bolyai University (Cluj) in the Shanghai 500 index was seen as an important milestone for the Romanian education system. Regardless of our thought on the validity or otherwise of such measuring mechanisms, it is very useful to look at its components and see what applicability it would have in a Romanian context.

Whilst the PISA scores are specific to instances which arguably are not directly related to the university environment (although this is the cohort of student which will, in due course, become undergraduates), they are included here because they are an international benchmark which is much used around Europe to justify changes in the curriculum, following particular results.

The data collection is trusted in all the countries which are surveyed and the particular international comparison creates the urge to reform parts of the curriculum or change aspects which seem to have a bearing on these particular results. It is beyond the scope of the working guide to go into all the controversy of why the numbers might be important or miss important elements of education – the fact is that this set of numbers is deeply meaningful for educational professionals around the world, when designing their own policies. Additionally, there is a great

deal of missing data when we get to the analysis phase and specifically in relation to the PISA scores, which are sometimes not available or not available in time. We can conclude by saying that in Romania, very little causal analysis and data analysis was performed on these numbers, even though the rhetoric has been very powerful, and in particular very powerful against using these numbers to guide analysis of potential reform.

II. 3 – PISA Scores

Snapshotofperformance in mathematics, reading and science

Countries/ economies with a mean performance/ share of topper formers above the OECD average Countries/ economies with a share of low achievers below the OECD average

Countries/ economies with a mean performance/ share of low achievers/share of top performers not statistically significantly different from the OECDaverage

Countries/ economies with a mean performance/ share of top performers below the OECD average Countries/ economies with a share of low achievers above the OECDaverage

	Mathematics				Reading		Science	
	Mean score in PISA 2012	Share of low achievers in mathematics (Below	Share of top performers in mathematics (Level 5 or 6)	Annualized change in score points	Mean score in PISA 2012	Annualized change in score points	Mean score in PISA 2012	Annualized change in score points
OECD average	494	23.0	12.6	**-0.3**	496	**0.3**	501	**0.5**
Shanghai-China	613	3.8	55.4	**4.2**	570	**4.6**	580	1.8
Singapore	573	8.3	40.0	**3.8**	542	**5.4**	551	**3.3**
Hong Kong-China	561	8.5	33.7	**1.3**	545	**2.3**	555	**2.1**
Chinese Taipei	560	12.8	37.2	1.7	523	**4.5**	523	-1.5
Latvia	491	19.9	8.0	0.5	489	**1.9**	502	**2.0**
Luxembourg	490	24.3	11.2	-0.3	488	**0.7**	491	0.9
Norway	489	22.3	9.4	-0.3	504	0.1	495	1.3
Portugal	487	24.9	10.6	**2.8**	488	**1.6**	489	**2.5**
Italy	485	24.7	9.9	**2.7**	490	0.5	494	**3.0**
……	448	42.0	5.9	**3.2**	475	**4.1**	463	**6.4**
Romania	**445**	**40.8**	**3.2**	**4.9**	**438**	**1.1**	**439**	**3.4**
Cyprus[1, 2]	440	42.0	3.7	m	449	m	438	m
Bulgaria	439	43.8	4.1	**4.2**	436	0.4	446	2.0
United Arab Emirates	434	46.3	3.5	m	442	m	448	m
Kazakhstan	432	45.2	0.9	**9.0**	393	0.8	425	**8.1**
Thailand	427	49.7	2.6	1.0	441	**1.1**	444	**3.9**

Table nr. 8: Numbers come from OECD's PISA Study;

The annualised change is theaverage annual change in PISA score points from a country's/ economy's. Parliest participation in PISA to PISA 2012. It is calculated taking into accountall of acountry's/economy'sparticipation in PISA.

Note: Countries/economies in which the annual change in performance is statistically significant are marked in bold.

III. Data Analysis and spotting important trends

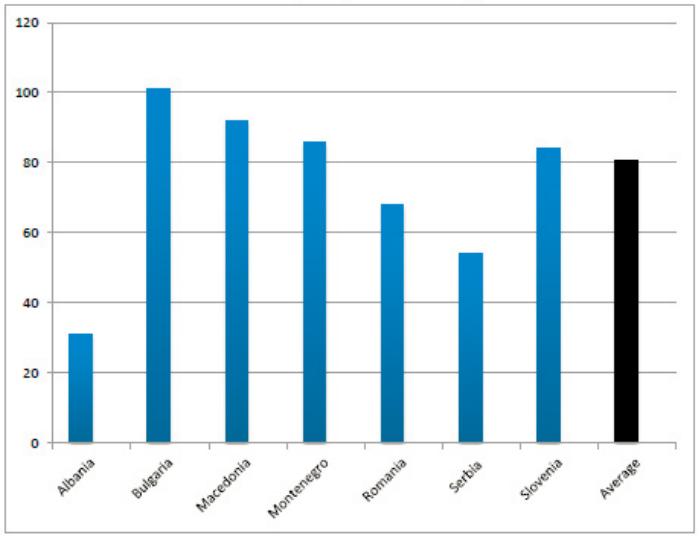
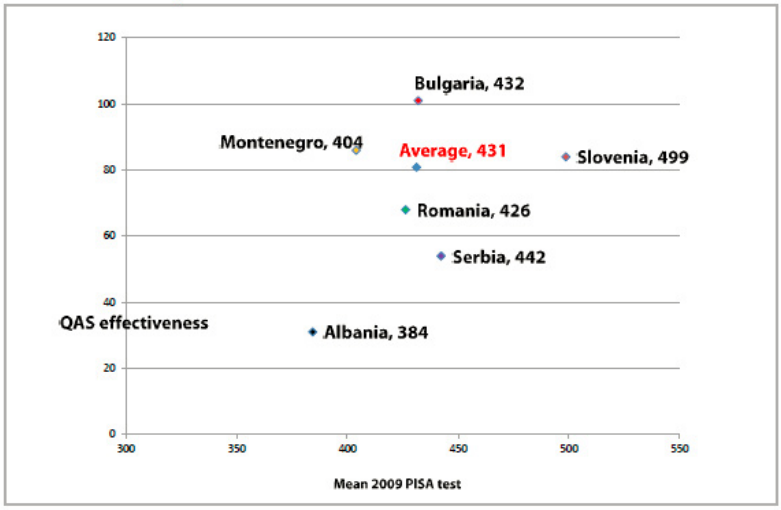


Fig 8. Quality Assurance systems compared in 7 states (South East Europe);



Source: own analysis, PISA test scores

Fig.9. Public policy professional computes, using his own analysis, an index;

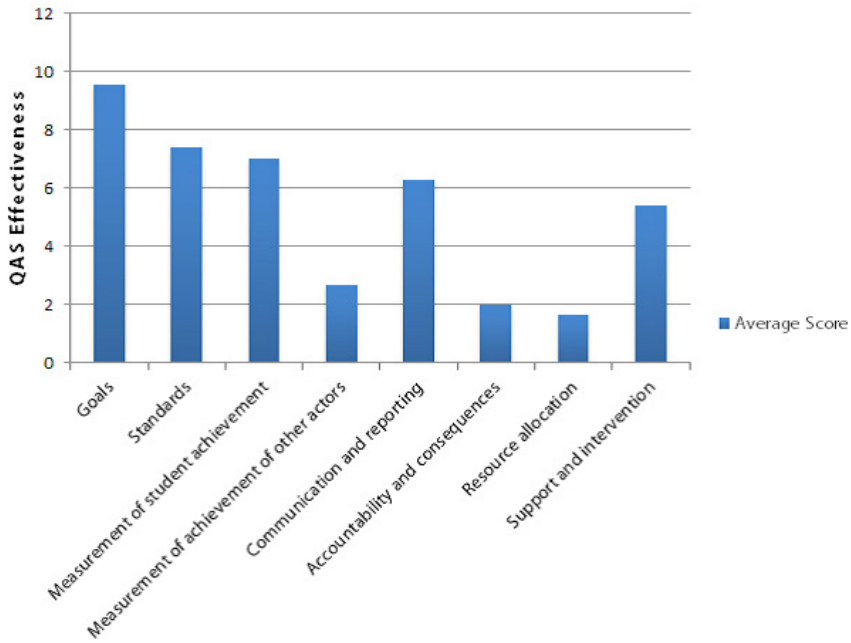


Fig.10 Quality Effectiveness measured in detail, across a spectrum of interventions;

A SAR study on Quality Assurance Systems in Basic Education in South East Europe (performed by several authors including Corina Murafa) has partially used methodology developed by the World Bank. The methodology is called SABER (System Assessment and Benchmarking for Education Results) and this was coupled with a different data set, namely the PISA tests for seven countries in South East Europe. An index capturing the extent to which quality assurance systems address the real needs of beneficiaries was also built and it was used as a vehicle for effective analysis by those involved in the project. The index was built using expert interviews and case studies and involved some debate on methodology.

A comparison on the effectiveness of various systems in South East Europe, a result of the study, can be found in table 8 on the previous page. Furthermore, a so-called rank correlation between PISA results and the effectiveness of the quality assurance system (measured by the index mentioned before) was performed through a basic regression. This is shown in Table 9 above – it was created by the analysts to test the hypothesis whether there is a clear correlation between an effective quality assurance system and high PISA scores. It is important to point out that more recent PISA results exist (2012) and that one main issue of international policy work in education is the lack of comparable data (for example, not all countries participate in PISA tests consistently).

Sometimes, available data is only of qualitative nature and in this case, the creativity of the policy analyst and his/ her ability to build for instance indices is highly useful. It is easy to see that the same principles could be applied in a variety of situations and that similar computation of data could be applied in a variety of instances, on a variety of datasets. Of course, the same data could be computed in a different way by different analyst, the essence is having clean data and using it to draw relevant, usefull conclusions.

By correlating two data sets – in this instance the score related to the quality assurance systems and the data obtained via the PISA study – we can study in a rigorous way (using statistics) to what extent the two sets of data are connected and could be explained one through the prism of the other. It is relatively easy to see that if panel data is available for a higher number of years, causation can also be indirectly inferred– i.e. if you have better quality assurance you can observe positive results when you look at test scores.

Once we notice this causal link, we can start modelling various ways in which we could improve quality assurance systems. Once that is also done, we can think about cost – and we can then have the full theoretical connection to start generating and tracking real impact. We would then have the complete chain that could fundament a public policy – we could assess, on average, how much we would spend to improve quality assurance in education and what the likely result would be. Of course, the caveat here is that in complex policy issues such as education, further isolation of variables across several years is necessary to discern what intervention is best suited to generate a particular desired result. Nevertheless, creating policy indices based around the notion of what is informally called in the United States "bang for the buck", i.e. the incremental, measurable change that each unit of funding can create in the education system is likely to be valuable for the reform process in any educational system in the world.

A short review of the ground covered thus far is necessary for better understanding issues from the most simple to the most complex. First, the availability of data and the way of collecting it is fundamental – without some data, making policy decisions is done in an arbitrary way, based on heuristics (judgment calls, rules of thumbs, simple estimation techniques or other loosely applicable ways to control problem solving). Second, once data is obtained it needs to be manipulated in some way – first to make it "clean", i.e. optimized based on gaps in data collection or potential systematic inaccuracies which are compensated in some way by the analyst.

Third, the comparison across databases for the same number, e.g. the total number of students in Romanian universities is likely to give us a better capture and accuracy for the data we have. Fourthly, correlating the various data sets we have and proving the impact of our policy on any one of the indicators which in turns creates a change in some other indicator (like change in quality assessment which produces change in the quality of universities, or changes in the funding formula for universities which creates different incentives). Finally, the next step is constructing indices which serve as support for continuous monitoring of reform – benchmarks could be given to underpin public policy reform (such as zero or low illiteracy or some minimum standard of performance expected from the system), but data collection could be performed at each step in the reform process.

IV. Modelling different policies given the data we have

Again, looking at the various ways in which data can be manipulated is beyond the scope of this working guide. Setting up samples that are relevant and statistically significant, drawing sub-sets of the data and trying to model their relevance for a particular reform proposal or even picking a pilot university to model reform all have to be measured carefully, by statisticians or people versed in dealing with large data sets. Public policy cannot be done using inference alone, in the absence of relevant data or in the absence of a capacity to usefully work with this data.

Some useful tips are relevant to point out: first, correlations between various indicators can be tested out to see which particular pair of indicators are relevant to focus on. Second, where data

is absent assumptions need to be built and sometimes estimations need to be given based on the available data (or on historical data). Third, by having all the datasets in one place greatly aids the effort to construct this infrastructure for evidence-based policy analysis. Fourthly, a sensitivity analysis needs to be run when we are attempting to model the future reform caused by some change in the system that we seek. All these steps are necessary when dealing with large data sets at national level and when doing professional analysis based on a specific policy. If this crucial step is skipped, the policy analysis is very much incomplete and the distortive effects will be evident at the implementation stage.

V. Evaluation indicators

Hard data is used when analysts are putting together policy options for decision makers. The same is needed when you need to justify (sometimes publicly) choosing one option over the other. However, data is very often used during the implementation phase of various public policy initiatives. During this step in the policy cycle, data usually comes in the form of evaluation indicators, which are used throughout.

Program and policy evaluation, performed in a solid and independent manner, offers valuable information as to what is working properly and what is not working so well in any type of policy intervention, during the implementation phase. This is a more complex concept than mere data gathering or data analysis – it defines entire data systems that guide policy making on a continuous cycle. The databases and data support systems serve as a dual function – as a mechanism of collecting data from which trends could be summarized and as a pool of data which can serve as "testing ground", by modelling various policy interventions.

The World Bank more formally defines "evaluation" as "a systematic and objective measurement of the results achieved by a project, a program or a policy, in order to assess its relevance, its coherence, the efficiency of its implementation, its effectiveness and its impact, as well as the sustainability" (Source: Monitoring and Evaluation Definitions)

As such, evaluation is a very important cornerstone in the public policy process, and helps decision-makers to decide whether to continue, discontinue or change a certain pathway. Evaluation is not a good in itself, although there are evaluation experts employed for specific projects and programs, but is just a supporting tool in the policy implementation process. It ensures a learning framework for both civil servants in charge with policy design and implementation, as well as decision-makers – and it gives an indication of where the programs are going, even before full roll-out of a policy is set in motion. An honest evaluation, whose results are communicated to the wider public and to the beneficiaries of a public intervention (i.e. the citizens) also serves as a tool to strengthen the accountability of decision makers and to ensure the transparency of the decision-making environment. It can also significantly strengthen implementation where the policy is a proven success, but it can obviously have hugely negative effects when the policy is judged to have diverged significantly from the intended outcomes.

In the policy-making cycle, depending on the type of evaluation (ex-ante or ex-post), it intervenes at two different stages. Firstly, ex-ante evaluation is done after the policy option has been chosen and before the policy is actually implemented. Ex-post evaluation, on the other hand, takes place after the implementation of a specific policy and serves for agenda-setting of further policies. It usually takes place several years after the implementation of a policy to monitor the effectiveness and impact of that intervention. Sometimes the so-called intermediary evaluation

is also used, with the aim of re-tailoring certain implementation coordinates. All this assessments require a significant amount of data and a significant amount of analysis, but also the intellectual foundations of a framework, of a system of analysis.

The scheme below sums up the role of evaluation in the public policy process. The basic function is to measure and verify, via a coherent set of data the outcomes which were forecasted, identify the outcomes following the implementation of a reform (or of the pilot), in order to feed back into the public policy mechanisms and determine them to undergo the necessary adjustments. If this is not properly done and the feedback is not integrated back into the policy mechanisms, significant design flaws which are minor to begin with (or appear to a very small extent in pilot programs) can become large and potentially crippling design flaws when the program is rolled out nationally.

Indicators normally measure the degree to which a certain objective or effect is reached. The information offered by an indicator is quantitative (most often expressed in percentages), and the information it renders must be simple and accessible. To the greatest extent possible, indicators must measure something very specific, and must exclude other effects. To be meaningful, an indicator must vary over time (as a consequence of the intervention).

When proposing indicators, policy analysts should make sure that the indicators are, ideally:

1. measurable (meaning they can be measured at fixed time intervals);
2. comparable (to allow comparison between programs or between countries, etc.);
3. valid (there must be a consensus between stakeholders that the indicators are actually measuring the same issues);
4. sensitive (a public intervention must be able to influence a certain indicator);
5. feasible (the data collection expenses must not be very high).

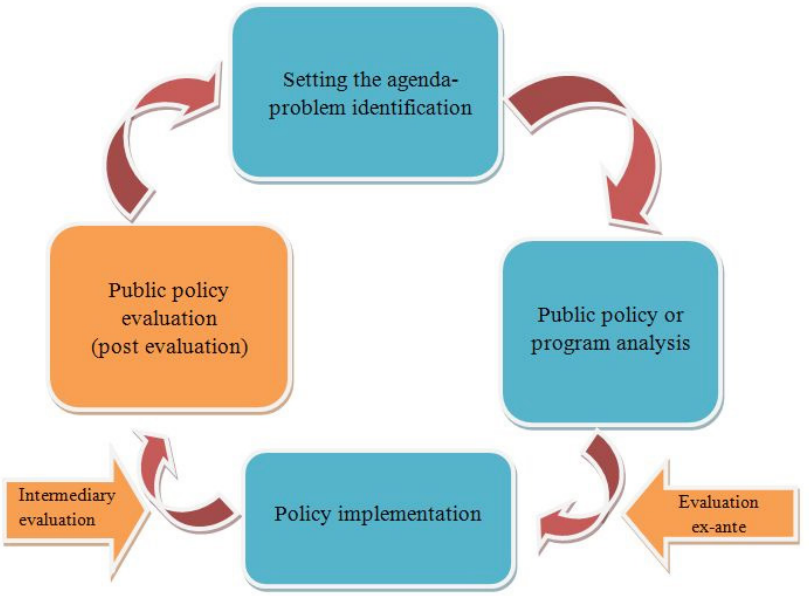


Fig.11. Interplay between the policy process and evaluation;

In general, there are three types of indicators most used in policy and program evaluation:

1. Input indicators

They are useful in measuring the efficiency of a program. Some examples comprise annual budget absorption; absorption of EU funds (expressed as percentage); the number of employees working in a certain program, etc.

2. Output indicators

They are useful as well in measuring efficiency and they measure the concrete, tangible achievements of an intervention/ public resources expenditure. Typical examples are: the number of conferences organized, the number of people trained, the number of highway kilometers built, etc.

3. Outcome indicators

These indicators measure the effectiveness of public intervention (to what extent is the original wider scope/ objective attained). They are measuring changes in welfare, whose initial levels determined the public intervention in the first place. Some examples are: the time/ money saved by road users after a road is built; the increase in literacy rates after schools are built, the reduction of the duration between graduation and first employment in the case of a career counseling program for students, etc.

The scheme below sums up where indicators are usually positioned in the logic scheme of the public policy process. Here the map is done on a macro-level looking at thematic priorities and intended outcomes vs. actual outcomes. Both of these measurements require a significant amount of data gathering and performing heavy-duty data analysis, since there are several parameters of "success" typically in a public process. Looking at "inputs" (such as funding) and looking at "output measurements", but also outcomes is a key way in which this public policy process can be looked at. Each step of the process (which is drawn schematically below) has some organic link to the rest of the mechanism – and where there is a a break in the logic, the public policy reform process suffers as a result.

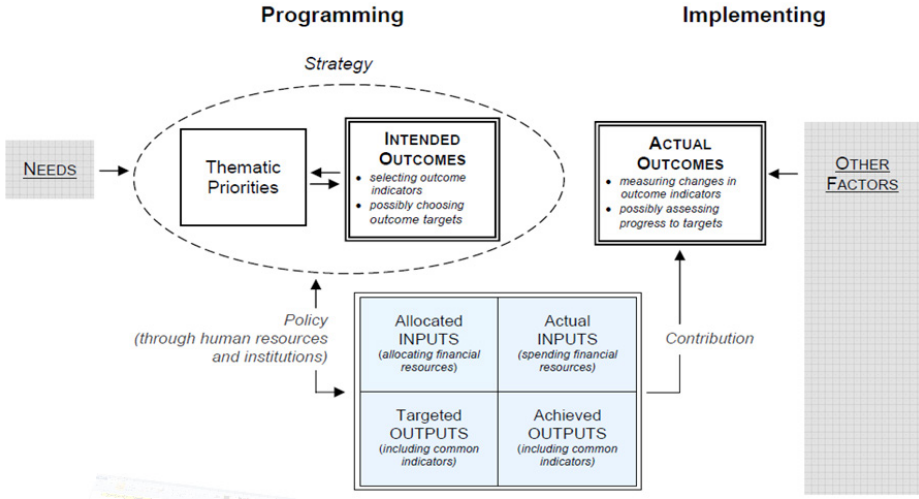


Fig.12. Split ("programming" vs. "implementation") in the policy process;
Source: European Commission, Source: EC, 2011, Towards a new system of monitoring and evaluation in the new EU Cohesion policy

A different way to see the same point is offered by the World Bank through the logical project framework. Going through this process one goes through the logic of gathering resources in order to effect change, through the policy process and during implementation.

First, the resource mobilization efforts are looked upon, which are very important for the education sector in Romania –setting the right people to work on the strategy, having the right amount of financial resources put behind the public policy plans, etc. Second, inputs into a public policy process, whether it is data or a variety of preparatory activities, are checked-out. Third, there are some outputs that are obtained. They are commensurate with the inputs and thus facilitating measuring them using the same system of data that is described above. Fourth, the outcomes are measured using the outcome indicators described above. And finally, policy professionals measure the outcome against the original goals and against the inputs – so as to have an idea of the success of the programs. Any failures are used to inform the policy process next time a similar reform is attempted.

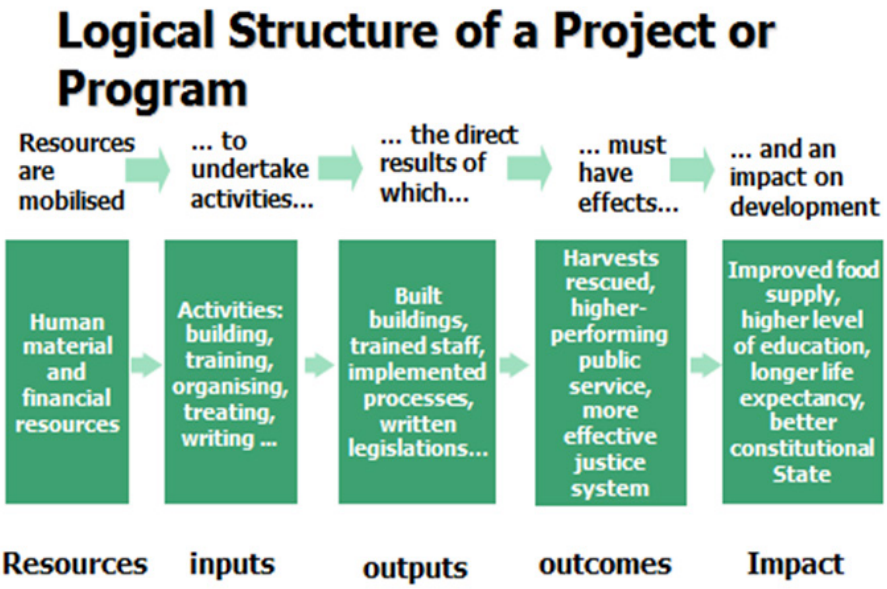


Fig.13. Different (World Bank) vision of the public policy mechanisms;[1]

In conclusion, collecting data and analyzing existing data to better inform the public policy process should be regarded as key in all instances in the education sector in Romania. Once this process is completed, internal benchmarks, indices and other frameworks can be built up, alongside internal databases and mechanisms to correlate data – to monitor education indicators on an on-going basis. In places where relevant data about the current policies is missing , data on past policy outcomes should be collected and this data should be analyzed thoroughly and without bias, because one of the best pieces of advice given by consultants is that "any data is better than no data" – and this is as true about education public policy in Romania, as it is elsewhere. Building long-lasting reform in the absence of clear data, which is still sometimes done in Romania, means piloting a national system without a key source of information and without analyzing this information in a pertinent and time-sensitive manner. This is why this absence is, arguably, one of the determining characteristics of failed public policy reforms.

[1] This slide is taken from a presentation of the World Bank which can be found here : World Bank, Module 2 - Monitoring and Evaluation Definitions, PPT available at info.worldbank.org/etools/docs/library/103082/English_Module2.ppt

VI. KEY POINTS

1. Attempting to put forward proposals for changing the national educational policy in the absence of data is to be avoided at all costs. Even some data is better than no data – and collecting data from any place where it is available is very useful;

2. Analyzing the data should be done carefully and professionally, without using the "filter" of a predefined theory and extracting data that supports/refutes that theory. The trends in the data should be observed with an open mind to new interpretations;
3. When attempting to model potential future change, past data needs to be modelled and additional explicit assumptions need to be made in order to make this possible. All assumptions should be stated and carefully examined, especially when the results are finely balanced;

4. To make sure you are on the right track before, during and after the policy intervention is finished, the policy analyst needs to design the right evaluation indicators: measurable, comparable, valid, sensitive and feasible.

VII. Bibliography and further reading

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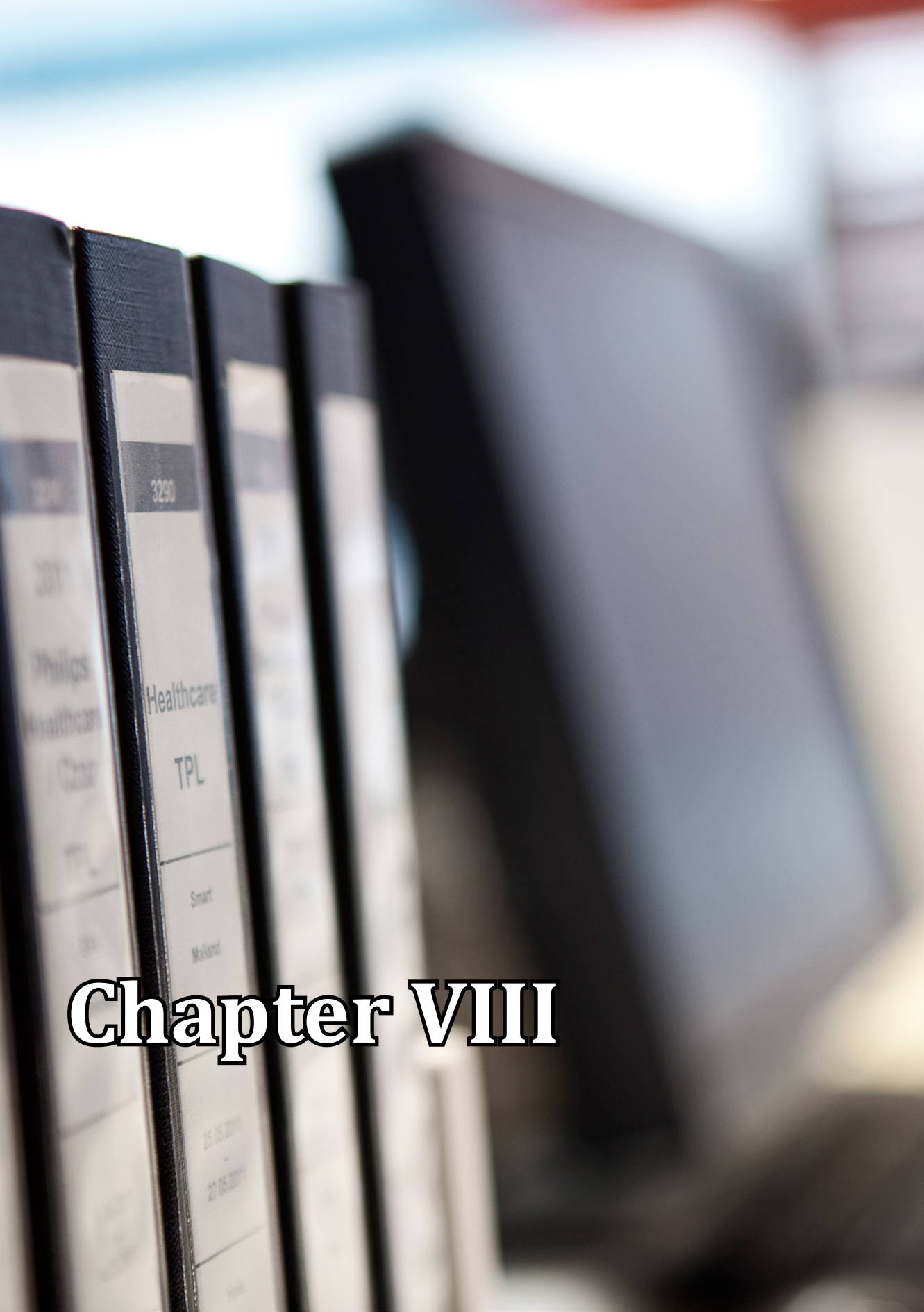

Chapter VIII

CHAPTER 8. COSTING ALTERNATIVES: TRADE-OFFS, COST-EFECTIVENESS, RISKS, UNINTENDED CONSEQUENCES, TIME TO OBJECTIVE

By Corina Murafa

Once stakeholders are consulted (as described in Chapter 6) and once all the needed data is collected (as described in Chapter 7), analysts can use the policy tools at their disposal (alone or in some combinations, as described in Chapter 5) to devise policy alternatives that they can compare and from which later on, they may choose one. The basic comparison between policy alternatives, in terms of costs, is called "costing". You can only cost some policy alternatives after carefully defining them and making sure they are mutually exclusive and collective exhaustive. You can also have costing alternatives set up in the right way only when the problem definition is correct and all the options are responding to the policy question that was set up from the beginning. Once the public policy options have been defined, identified and listed, the next steps towards decision-making are the following:

1. Evaluating outcomes of your proposed options for decision-making;
2. Evaluating the costs and benefits of your options;
3. Comparing your options.

There are two major methods for evaluating the costs and benefits of proposed alternatives: the cost – benefit analysis (CBA) and the cost effectiveness analysis (CEA).

I. Cost – Benefit Analysis (CBA)

- Cost-benefit analysis is used to improve decision making by systematically comparing the social costs and benefits of government policies, with the emphasis on valuing them (to the greatest possible extent) in monetary terms;
- It provides decision makers with quantitative information about the policy's likely effects and encourages them to take account of all the positive and negative effects and the linkages between them;
- Quantifying the impact of government policies in a standard manner promotes comparability, the assessment of relative priorities, and consistent decision making.

As useful as it may be for systematically assessing the efficiency impact of policies and for fostering rational decision-making in the public arena, its success depends on the degree to which costs and benefits can be monetized.

II. Cost – Effectiveness Analysis (CEA)

- Compares options in terms of cost of achieving a given result;
- Makes programs with identical types of outcomes comparable;
- Shows which program yields the greatest outcome per dollar spent;
- DOES NOT indicate whether a particular policy has positive net benefits overall.

For instance, applying such an analysis, you would be able to tell which of the two options is more cost effective in preventing heart attacks – medication or diet. You would not be able to tell which has more positive benefits for society overall (for instance, opting for medication would also bring clear monetary benefits to medical companies, and you'd need to factor this net positive effect

in a regular CBA). Because CBA compares the welfare among stakeholders, methods to translate welfare into a common denominator (i.e. money) strike many as artificial. For this reason, CEA is conceptually and operationally simpler. It is also more applicable to evaluation and performance measurement of public programs.

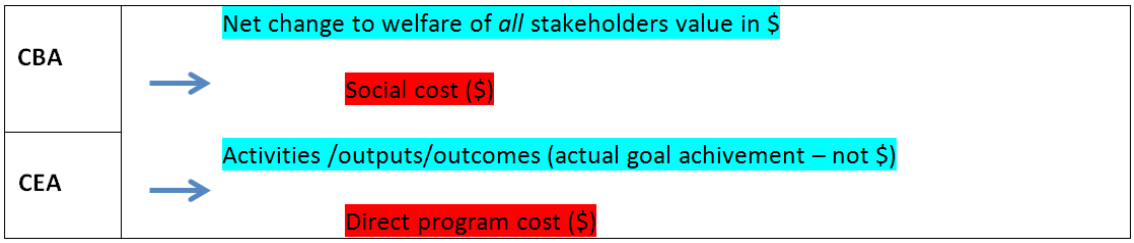

Fig. 14 The difference between Cost-benefit and Cost Effectiveness Analysis;

While the CEA takes a short (in terms of time) and narrow (in terms of the range of effects) program view of program outcomes, the CBA is totally opposite. It takes a long and wide view of program costs and outcomes.

A step by step application of CEA can look like this:

1. Does the option achieve the desired goal?;
2. Is the option acceptable to stakeholders? Are there no veto players? Are there any groups needing buy-in?;
3. Calculate the direct costs of the option;
4. Calculate the indirect costs of the option discounted (against time and risk);
5. Report goal to cost qualitatively (e.g.: Option A would solve half the problem instantly for a cost of …).

Further, the range for desirability can be portrayed in a summative table for all options:

	Outcome solves problem % or years until solving (Benefit - not in monetary terms)	Stakeholder veto or compensation (if vetoed, don't calculate further costs)	Unintended consequences cost	Direct costs eventually multiplied by years until solving, deducting unintended consequences, stakeholders compensations, etc.	Total cost if option viable (not vetoed)
Option 1					
Option 2					
Option 3					

Table nr. 9: Criteria for comparing policy options;

Understanding the concept of discounting is mandatory both in CBA and in CEA.
Literally, discounting means to count at less than face value. As mentioned briefly above, there are two possibilities to discount: to discount based on uncertainty/ risk (or expected value) and

to discount over time (Munger, 2000, Chapters 9 and 10).

III. Discounting based on uncertainty/ risk

Evaluating risk in policy analysis is very important for rational decision-making.
Uncertainties will always accompany possible decisions, yet converting these uncertainties into measurable risks allows us to make informed choices. Firstly, one needs to estimate the expected value of potential outcomes, and then to assign probabilities to outcomes of alternative options. Risk discounting means multiplying the value of each outcome by the probability of it occurring.

In other words, "the expected value of an event is the value of the event, discounting by its likelihood of occurrence". The expected value is "the average value or the amount you would win on average" (Munger, 2000, Chapter 9).
In policy analysis, we rarely have enough facts to eliminate alternatives, or policy choices, beyond the shadow of a doubt. Therefore, we must use statistical inference, or conclusions based on probabilities to decide on an alternative.

Munger (2000) presents the following decision analysis process map that includes risk discounting:
Step 1: Convert from "uncertainty" to "risk", by assigning probabilities to outcomes, or to the results from intermediate steps between choices and outcomes;
Step 2: Identify a set of outcomes that are (a) mutually exclusive, (b) exhausting the set of possibilities, and (c) correspond to the model of cause and effect to be employed in the decision analysis;
Step 3: For the policy to be evaluated, or the decision to be considered, estimate the value of the outcome if it came to pass (value of outcome is measured by the quantity of consumer surplus it captures);
Step 4: Assign probabilities to each of the mutually exclusive outcomes using the appropriate "intersection" or "union" of events to specify the sequence of intermediary steps which lead to that outcome;
Step 5: Multiply the estimated value of each outcome by the probabilities of the sequence of events which could lead to that outcome to obtain an "expected value" for each possible course of action (you may choose among alternatives based on expected values, but this ignores potential risk aversion in the preferences of the people).
An example given by Munger is telling for how risk is incorporated practically in day to day cost benefit analysis performed by policy analysts.

He takes the real example of a municipality having to take a decision on how to store its low level radioactive waste (LLRW), a substance dangerous enough for human health and safety. At that particular moment, there were three possible technologies to store LLRW: augured holes, shallow land burial, and aboveground vaults. Each of these technologies has a known probability of failure. In case it will fail and leakages will occur, then remediation costs will be involved. So, for each of the alternatives, the policy analyst must calculate the expected value of the total cost – this will be, of course, the sum of the construction plus the expected cost of remediation.

The table below summarizes this calculation:

Technology	Construction costs (mil. EUR)	Expected Repair (probability of leakage * cost of remediation in mil. EUR)	Total
Holes	5	0.6x40	29
Shallow land burial	15	0.4x27.5	26
Aboveground vaults	25	0.1x10	26

Table nr. 10: Probability based on discounting – an illustration (Source: Munger, 2005);

To understand the abstract notion of "expected value of total cost", one must understand the event mechanism: there are only two possible outcomes for a technology choice: if augured holes were chosen, the expense for the municipality would be either 5 million EUR (if no repairs are required) or 45 million (if the device leaks, so they'd need to pay 5 million for the construction plus 40 million for the remediation, in case leakage occurs, which is an event with a probability of 60%), but we use the expected value of total costs, 29 million, as the basis for comparison even though there is no possibility that exactly 29 million will be spent.

Thus, the cheapest technology in terms of construction costs is the most expensive in terms of expected total costs, so must be dismissed. The other two have the same expected total costs, yet shallow land burial costs less for construction and possibly more for future remediation. Thus, there are two possible recommendations and it is difficult to make a choice between them. The proponents of one technology over the other differ in a very subjective matter: their attitude towards risk. Proponents of aboveground vaults are risk averse: better to pay more up front than to take the chance of incurring large costs in the future.

The relationship between risk and expected value is summarized below (source: Munger, 2000):

1. Risk neutrality: the chooser is indifferent between a sure pay-off x and a gamble (lottery) whose expected value is equal to x;
2. Risk acceptance: the chooser is indifferent between a sure pay-off x and a gamble (lottery) whose expected value is less than x. Alternatively, the chooser always prefers a gamble with expected value x to a sure payoff x;
3. Risk aversion: the chooser is indifferent between a sure payoff x and a gamble (lottery) whose expected value is more than x. This means that the chooser always prefers a sure payoff x to a gamble with expected value x.

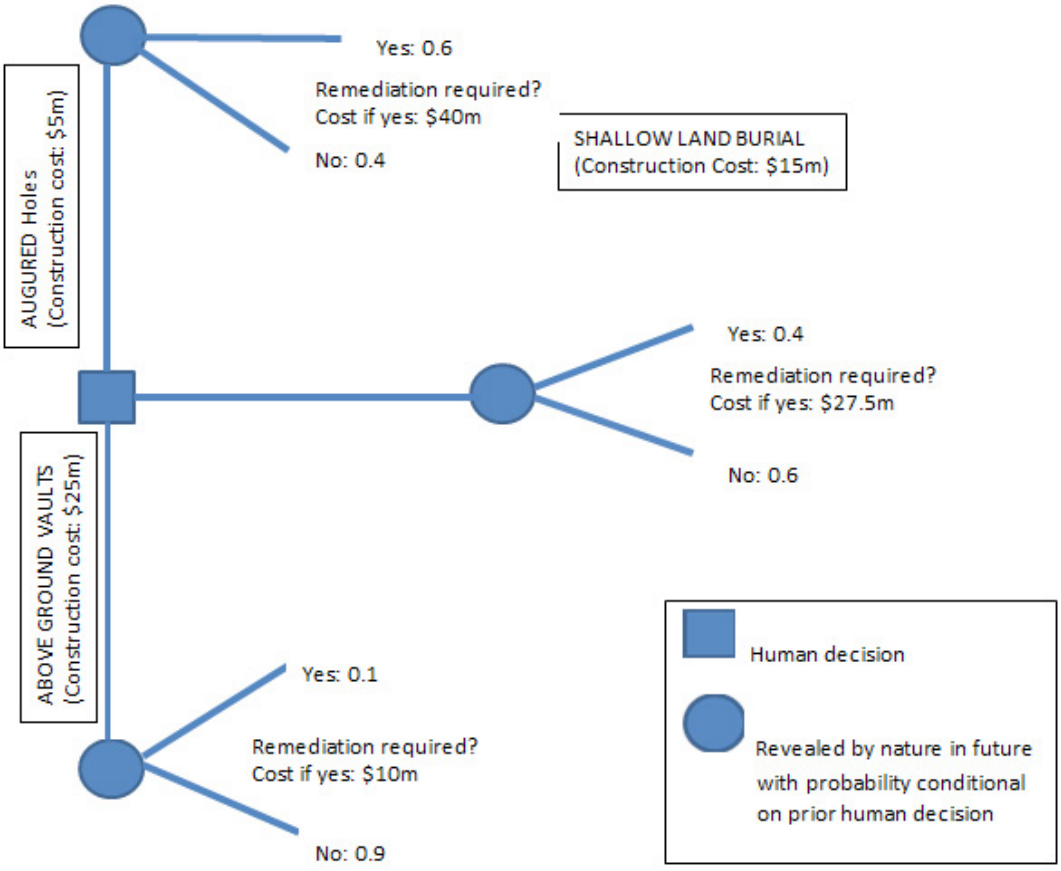

Fig.15. Simplified decision analysis tree in case of probability based on discounting (Source: Munger, 2005);

IV. Discounting based on time

A different discounting technique which values outcomes based not on their likelihood of occurrence, but rather on the time when they occur (Munger, 2000).

The key concept for understanding discounting based on time is so-called "present value". Present value allows the comparison of a benefit today and a cost incurred in the future, or a cost today and a stream of benefits spread out over many years in the future. (Munger, 2000)

Another key pillar of this theory is the proposition that "a dollar tomorrow is worth less than a dollar today" (and its corollary, a dollar in the distant future has very little value). There are several causes for this erosion of the real value of money over time, such as:

- Uncertainty: the future is unknown - will you even be around to spend the dollar?;
- inflation: it erodes the buying power of a dollar;
- utility gain from consumption today versus future consumption (which varies from individual to individual, based on their preferences, incorporated in the so-called discount rate);
- Investment opportunities: invest today, earn interest, and have more than a dollar to spend in the future.

How much does each unit of time reduce the value of a promised payment? Well, this depends,

as mentioned above, on individual utility functions and preferences.

In any case, the difference between the value of a dollar in one period and the value of a dollar in the following period is the so-called discount rate. Munger (2000) makes the following classification of people based on their discount rates:

1. High discount rate = you value payments or services today much more than anything that happens in the future (you discount the future heavily and prefer to consume today)
2. Low discount rates = you consider payments or services today to be only slightly (or not at all) more valuable that what happens tomorrow
3. If within a population there are people of both values => people with low discount rates are probably willing to lend money to people with high discount rates, provided they get more consumption in the future

Discounting, as the process to obtain the present value of future dollar (or any other currency amounts) is based on the following formula:

$$PV = FV * \left(\frac{1}{(1+r)^t} \right) where$$

PV = present value
FV = future value
r = discount rate
t = the number of periods into the future

You will often hear in policy analysis discussions on nominal vs. real values. The distinction between these two types of values relies on the concept of discounting – "nominal" refers to value in current terms (not discounted), whereas "real" refers to the dollar discounted to some base dollar value.

The value of a project in the public sector depends almost entirely on the discount rates we are using for calculating its PV. Munger (2000) gives a very clear example from day to day policy analysis of how to calculate the value of a project today (the PV) if we expect benefits and costs to occur in the future.

Let us assume the decision-maker needs to choose between three projects.
Project 1: Build a road. Delivers benefits of $1000 per year for 20 years.
Project 2: Build a dam. Delivers benefits of $500 per year forever.
Project 3: Fix up a brownfield site, and sell it immediately. One time benefits of $15.000.

PV = value in year x/ (1+d)t, where d = discount rate and t = number of years the project will deliver benefits. Thus, the calculation goes the following way for each of the three projects:

Project 1: This road project will yield $1000 per year for twenty years, after which the road will have to be replaced.
PV1 = $1000/(1+d) + $1000/(1+d)2 + $1000/(1+d)3 + $1000/(1+d)4 + … + $1000/ (1+d)20
In reality, doing this type of calculation in policy analysis nowadays is much simplified by the use of the PV function in an Excel spreadsheet.
Project 2: This dam project will yield $500 per year forever (dams last a long time). The series determining the PV of the project is infinite:
PV2 = $500/(1+d) + $500/(1+d)2 + $500/(1+d)3 + $500/(1+d)4 + …

Math helps us address the question of dealing with infinite series. Without entering into further details, the simplified formula (and also the one which Excel uses) is:

PV = B (annual benefit)/ d (discount rate)

Recommending one project over the others depends on the discount rate we decide to use. Project 3 has a clear advantage if the discount rate we use is very high, because it delivers an immediate $15.000 benefit. In contrast, project 2 is the best if we have a very low discount rate. It is also worth mentioning that, utilizing the PV calculation, one valuable conclusion that we can have is that Project 1 should never be chosen, irrespective of the discount rate we employ. The table below compares the PV of the three projects under different discount rates:

Present Values for Project 1 ($1,000 benefits per year, for 20 years) and Project 2 ($500 benefits per year, forever), under Different Assumption for Discount Rates			
Discount Rates	Project (Shaded Means „Best"		
	1	2	3
100%	$1,000.00	$500	$15,000
50%	1,999.40	1,000	15,000
25%	3,953.88	2,000	15,000
10%	8,513.56	5,000	15,000
5%	12,462.21	10,000	15,000
3.52649%	14,178.40	14,178.40	15,000
3.33333%	14,429.15	15,000	15,000
2%	16,351.43	25,000	15,000
1%	18,045.55	50,000	15,000
0%	20,000.00	---	15,000

Fig.16. Calculating net present value – Discounting based on time (Source: Munger, 2005);

But what is the discount rate generally used in public projects? "In practical terms, the interest rate at which the government can borrow is the de facto discount rate for many public projects", says Munger (2000). The discount rate used reflects the opportunity cost of the resources used in the project (how much money could be made if the initial capital would be used in the private sector). However, accounting for risk in public projects is complex and elected decision-makers have artificially short time horizons (artificially high discount rates). Thus, it has been observed that governments generally tend to make a compromise, a mix between high risk projects with high social benefits, on the one hand, and low risk projects with low social benefits, on the other hand.

US federal agencies, for example, are required to use a real rate of return of 7%, on the assumption that this measures the before-tax rate of return in the private sector. Some use 2% real return instead, thought to measure the after-tax rate of return. The World Bank works with rates between 10 and 12%, the European Commission with 6% and the German federal government with 3-4% (roughly the rate Germany benefits from if borrowing on the international markets).

All in all, to make alternatives comparable, they need to be cost. In general, although the CBA method comprises with greater accuracy the welfare effects of a given project, it is less practical,

because the streams of both benefits and costs extend over a very long time horizon and they also have countless spillover effects that cannot be effectively counted. CEA, in contrast, compares the costs of two given alternatives that achieve the same goal. In both cases, the public policy analyst needs to take into account risk (the probability of a certain externality happening) and time (a dollar today is not worth a dollar in the future).

V. KEY POINTS

1. There are two major methods for evaluating the costs and benefits of proposed alternatives: the cost – benefit analysis (CBA) and the cost effectiveness analysis (CEA);

2. CBA systematically compares the social costs and benefits of government policies, with the emphasis on valuing them in monetary terms;

3. CEA compares options in terms of cost of achieving a given result, showing which alternative yields the greatest outcome per dollar spent;

4. In practice, it's easier and more straightforward to use CEA instead of CBA;

5. There are two possibilities to discount: based on uncertainty/ risk (or expected value) and based over time;

6. Discounting on risk, means converting uncertainties into measurable risks. Firstly, one needs to estimate the expected value of potential outcomes, and then to assign probabilities to outcomes of alternative options. Risk discounting means multiplying the value of each outcome by the probability of it occurring;

7. Discounting over time means calculating the present value (PV) of a project. Present value allows the comparison of a benefit today and a cost incurred in the future, or a cost today and a stream of benefits spread out over many years in the future

8. The difference between the value of a dollar in one period and the value of a dollar in the following period is the so-called discount rate;

9. In practical terms, the interest rate at which the government can borrow is the de facto discount rate for many public projects.

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Chapter IX

CHAPTER 9. DECISION-MAKING

By Corina Murafa

As the previous chapter indicated, one of the essential steps in the public policy cycle is formulating alternative policies. This process is also the back-bone leading to the decision-making step and taking them properly. As a matter of fact, one could imagine that getting to the shortlist of options is the first step of the decision-making process, followed by a good understanding of them (of the options), an estimation of the probability that each options fulfills the goal (in other words, "fixes" the problem), and then a costing of these options will lead to an easy decision making moment. Finally, the ratio between the estimation of the probability of each option fulfilling the goal and the costs associated to each option gives the policy analyst a basis for the final step before the decision-making itself, namely comparing the options. Any option may have unintended side effects, which reduce/increase its desirability. The policy analyst needs to think primarily of two types of side effects.

Firstly, there is the case in which the intervention produces a market failure or exacerbates the existing ones. For example, raising taxes on goods such as cigarettes may lead to an increase in activities to avoid or evade the tax, and smuggling. Similarly, in the field of education, deciding to curb the practice of private tutoring by taxing this activity (depending, of course, on the tax rate) might lead to a persistence of illegal tutoring instead of a fix of the situation. Secondly, the intervention might have an impact on other policy objectives or produce externalities. For example, excluding disruptive pupils from school may increase the educational attainment of the remaining pupils, but may increase juvenile offending. (Source: Ledbury et al, 2006)

I. Criteria for decision making (other than costs)

Apart from the clear and straightforward costing aspect, explored in great detail in the previous chapter, there are several other criteria which need to be taken into consideration when deciding between alternative policy options. These criteria are always, to some degree, about efficiency in meting goals (i.e. about costs), but also about fairness and equality, feasibility, and sustainability. The decision-maker or the policy analyst needs to think about the hierarchy of these goals and about their relative importance to each other, as to be able to compare between options. In any case, any valuable option must focus on the mechanism of the solution, and must be clear, as to have a measure if the goal is to be reached or not.

At the same time, the analyst must try to identify tradeoffs between options, and they must be quantifiable. Last but not least, as mentioned in the previous chapter as well, the alternatives must be together exhaustive (i.e. they must be complete, no alternative should be left out) and mutually exclusive. The table below compares between policy options, along various criteria defined in the first line of the table.

	Outcome solves problems %	Stakeholder veto or compensation	Risk and unintended consequnces costed	Direct costs discounted for time	Total cost
Option 1					
Option 2					
Option 3					

Table nr. 11: Comparing various options using other criteria than costs;

Along the same line of thought, that of comparing between alternative options, more criteria can be introduced in the decision-matrix, to determine the range of desirability of options:

Criteria	ALTERNATIVE 1	ALTERNATIVE 2	ALTERNATIVE 3
1.			
2.			
3.			

Table nr. 12: Decision-matrix;

II. The public interest in decision making

Policy analysis literature enumerates several other criteria – except for feasibility, sustainability, fairness, equity and costs – that must be taken into account when opting for the preferred solution among several policy alternatives on the table. Of course the basic criterion is public interest. There are many definitions as to what public interest represents and they cannot be broken apart from a set of normative values that decision-makers embrace, as we will examine later on. However, very briefly, "a policy is considered to be in the public interest if the benefits to the public exceed the costs, taking into account that enjoys the benefits and incurs the costs." (Ledbury et al, 2006). When applying the other set of criteria, the first assessment should anyhow be the so-called "likely effectiveness against objective" – in other words, whether the intervention is going to meet the desired objective or not. To give the right set of answers to this question means having a very thorough understanding of the original problem and of its causation mechanisms.

III. Other criteria for rational decision-making

Other criteria apart from those already mentioned might be the impact on competitiveness (i.e. does the measure aid or hurt the country's economic competitiveness), additionally/ deadweight (i.e. the government must enact those policies/ measures that wouldn't have happened anyhow because of citizens' actions), distribution (i.e. the intervention must not hurt disproportionately some groups in society, especially vulnerable ones) and uncertainty (i.e. to any of the alternatives we must apply a sensitivity analysis; in other words, if we vary some assumptions, the probability of an alternative fixing the problem might increase substantially).

Some practical considerations that policy-makers take into account when proposing alternatives are: legality (however, this criterion should be weighed against the high likelihood that some policies require changes in legislation to start with); enforcement (for instance, tax measures might be avoided by firms, if there are channels in place that allow tax avoidance); public acceptability (going back to the normative issues mentioned above, in case a certain measure goes against

mainstream public beliefs, decision-makers must make sure they bring on extra evidence to justify the opportunity for intervention as to ensure acceptance); capacity (in case a measure requires specialized resources that cannot be obtained in the short run, most likely the policy will end up as failure, so policy-makers must also consider interim solutions until implementation capacity is improved); last but not least, there is sometimes the issue of affordability, not in the sense the measure is too costly or has costs that are higher than the benefits (in this case, it wouldn't have been chosen anyhow), but in the sense there might be, for instance, temporary departmental budget constraints that prevent the implementation of the decision, at least until the next budget revision. (Ledbury et al, 2006)

In their book on policy analysis, George M. Guess and Paul G. Farnham (2000) elaborate on the importance of quantitative analysis in informing decision-making, yet also underline the validity of alternative criteria: "Economic evaluation is an important dimension of public policy analysis because it forces decision makers to logically consider program outcomes and costs and the alternative uses of resources. However, none of these quantitative techniques are a substitute for the decision-making process itself. There are always values and criteria that must be considered in that process and that cannot be adequately incorporated in any quantitative tool."

This rational philosophy of decision-making/ policy-making uses so-called decision analysis, "an explicit, quantitative and systematic approach to decision-making under conditions of uncertainty" (Haddix et al, 1996, quoted by Guess and Farnham, 2000). In this process, the policy analysts resorts to a tool named "the decision tree", by means of which he/she explicitly outlines the various policy options and identifies the costs, benefits and consequences (potential risks) associated with each option. For each alternative, "the expected outcome is calculated by multiplying the value associated with that outcome times the probability of that outcome occurring" (Guess, Farnham, 2000) as detailed above.

However, the issue of values remains inherent in policy analysis, and is vital in decision-making, despite the prevalence and wide use of all these economic evaluation tools. For instance, the criterion of economic efficiency, which underlines the cost-benefit analysis tool, is based on judgments about what improves social welfare. Applying it systematically, policy analysts have noticed significant conflicts for instance, between two fundamental values: equity and efficiency. The ranking system we presented above helps in making these issues and tradeoffs explicit, thus helping the decision-maker in his/ her task. For several decades now, policy analysis has devised different weighting and scoring model using multiple criteria that allow the ranking and trading of policy options based on stakeholder values. However, in our opinion, there will always be a note of subjective, value-specific understanding as to the best policy alternative that should be pursued.

In any case, any alternative that seems right after performing a cost benefit analysis or a cost effectiveness analysis must be re-examined through stakeholder analysis by trying to foresee any difficulties in its implementation (any potential risk of unwanted side-effects or backfiring i.e.).

In his policy analysis handbook, Bardach makes an interesting proposal on dealing with these obstacles (Bardach, 2005). He advises the policy analyst to propose the decision himself/ herself and to be convinced about it: "Unless you can convince yourself on the plausibility of some course of action, you probably won't be able to convince your client – and rightly so.". In this case, if the final decision doesn't seem convincing enough to the analyst, the previous steps in

the policy-making needs to be redone. Perhaps the stakeholder analysis wasn't thorough enough or perhaps the trade-offs have not been sufficiently clarified, or perhaps the implementation pitfalls haven't been sufficiently anticipated (so, in the end, the decision seems unfeasible). The most common source of failure on this test is neglecting the resistance of some stakeholders or the lack of a policy entrepreneur in the right place in the bureaucracy that can carry on with the decision made.

> The Twenty Dollar Bill Test
>
> Two economists are walking down the street. One of them shouts: „Look, a twenty dollar bill on the ground!"The other reacts: „it couldn't be. Had it been one, somebody would have picked it up already". Similarly, when examining whether the final decision is correct, the policy analyst must ask: „If my favourite policy alternative is such a great idea, how come it's not happening already?.
>
> The answer to this question might shed light on hidden difficulties related to implementation, stakeholder opposition, etc.
> (Source: Bardach, 2005, page 53)

Guess and Farnham (2000) go in the same direction when elaborating on the need for forecasting the agency's implementation capacity before deciding on the preferred alternative. They refer in this sense to three important questions. Firstly, how will the new policy work within existing organizational structures, and how will implementation be affected? Secondly, how do rule systems facilitate effective management? Perhaps organizational roles and job descriptions must be changed to fit the preferred alternative. Thirdly, there needs to be an examination of functional issues before deciding. "For effective policy implementation, institutions must generate, process and transmit useful information to managers responsible for delivery", believe the authors.

IV. Less rational criteria

John Kingdon wrote a policy analysis book ("Agendas, Alternatives and Public Policy") from the perspective of the bureaucrat/ policy analyst. For this purpose, the large number of interviews conducted with these policy specialists have led him to conclude there are sometimes less rational criteria for pushing on the agenda alternatives, and that experience plays a great role. For instance, Kingdon concludes, specialists develop in time a sense for the right type of policy direction and for the technical characteristics that make a proposal viable. Sometimes, an alternative fails the test of technical feasibility, because it is not worked out, staffed out etc. Also, the value acceptability within the policy community matters a lot: proposals that don't fit with specialists' values have less chances of survival than those that do.

The policy community, in any given country, shares a more or less similar body of values, either more towards the conservative ideology or more towards the liberal ideology, with all the shades in between depending on the policy area at stake. The components of this value-based ideology are reflected into specialists' believes about what needs to be done in a specific public policy circumstance, about how interventionist the state should be etc. For instance, there is a great difference between the body of values shared by the Anglo-American policy community and

the one of the European one; the former are usually much more prone to leaving the markets fix a certain problem on their own, rather than requiring public intervention. Very importantly, some policy areas are more emotional than others, so formulating policy options is in some cases very sensitive. For instance, education policy is by far more emotional than transportation policy, so the specialists must be very careful with some inborn sensitivities of the beneficiaries before proposing changes. The series of interviews conducted by Kingdon revealed that indeed the bureaucracy is more and more receptive to economic evaluation tools, not because of the inherent adherence to rational policy-making, but because the public is increasingly concerned with efficacy issues.

As one interviewee put it, "people are starting to ask what they're getting for the cost". Last but not least, one important criterion that policy analysts/ civil servants revealed is important to them when proposing a decision is whether it has reasonable chance for receptivity among elected decision makers. Kingdon also talks about the so-called "diffusion process" in the policy community. Some policy issues and also some specific alternative linger around for decades within the policy community, and get diffused to the wider public as well, so that, depending on the window of opportunity which opens at a certain point in time, they can be pushed through decisively for adoption by policy entrepreneurs and elected officials. (Kingdon, 2010).

V. Critique to rational choice theory

There are of course critiques to the rational choice theory when it comes to decision-making. Wegrich and Jann (2006) sum them up nicely in the chapter they authored in the "c" edited by Frank Fischer , Gerald J . Miller , and Mara S . Sidney. They quote for instance demonstrations by Lindblom (1968) and Wildawsky (1979) in saying that decision-making comprises not only data gathering and policy analysis, "but foremost consists of conflict resolution within and between public and private actors and government departments (interactions)". Other authors go further (Mayntz and Scharpf, 1975) by saying that the "patterns of interdepartmental coordination usually follow the type of negative coordination (sequential participation of different departments after the initial policy program has been drafted) rather than ambitious and complex positive coordination (pooling suggested policy solutions as part of the draft)".

Thus, the chosen pathway ends up being less the result of economic evaluation/ rational calculation, but more the "irrational" consequence of internal politics, power play, etc. In other words, the result is determined by the constellation and power resources of the involved actors and by the "processes of partisan mutual adjustment". A term to describe this phenomenon often encountered in practice, and which goes against the conventional rational choice theory, is "incrementalism". Furthermore, the dense web of stakeholders and interests within bureaucracies is further complicated by the fact that governments and society interact regularly on various issues, in so-called "policy networks" or "policy communities", and solutions often emerge as desirable from these interactions, without necessarily being backed by rational economic evaluation of cost effectiveness, cost and benefits, etc.

To conclude, the starting point for decision-making in public policy should remain the so-called economic evaluation tool, in which policy alternatives are weighed against different objective or value-based criteria. In any case, a very clear analysis of tradeoffs, implementation barriers, feasibility and sustainability must be made, in addition to the straightforward costing detailed in previous chapters. Although policy analysts would like to do away with them permanently, values and subjective interactions of policy-makers within a given constellation of power and interests

also shape decision-making.

VI. KEY POINTS

1. To get to the preferred decision/ course of actions to be recommended to the policymaker, one policy analyst needs to systematically compare between options. First get to a shortlist of options, then estimate the probability of each option fixing the problem, and then do a costing of the options;

2. Besides cost, examine options in an analytic table against other criteria as well: public acceptance, risk of producing undesirable/ adverse consequences, feasibility, capacity for implementation;

3. Understand tradeoffs between options and highlight them to the decision-maker;

4. If possible, one could draw a decision tree;

5. One should be convinced about the plausibility of the decision;

6. Develop a feeling for the right type of policy direction and for the technical characteristics that make a proposal viable;

7. Besides the economic evaluation, understand the environment in which you are trying to "sell" the proposal, i.e. the constellation of actors and power, and develop a strategy for decision buy-in accordingly.

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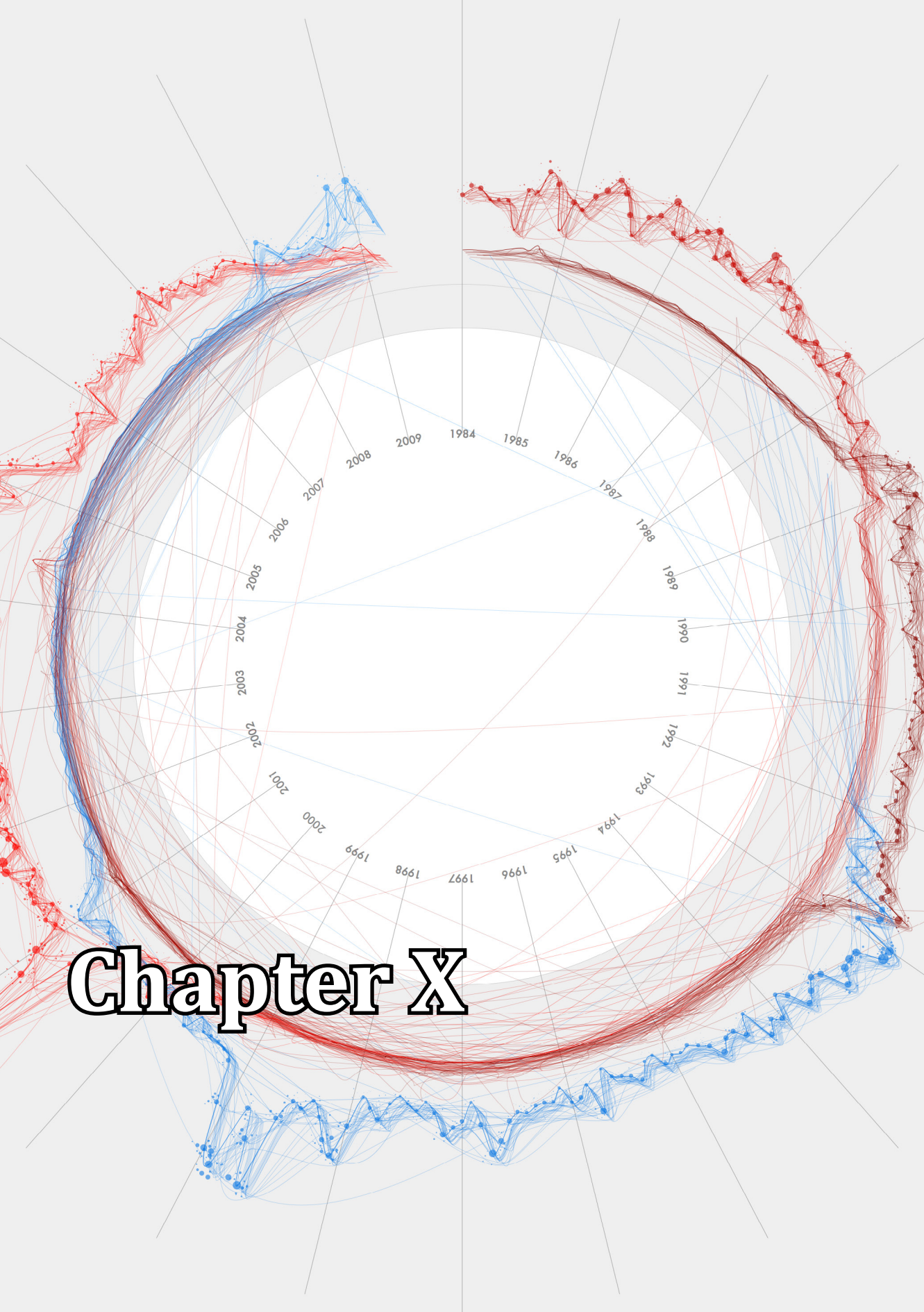
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Chapter X

CHAPTER 10. USING PERFORMANCE STATISTICS TO MANAGE THE PUBLIC SECTOR

By Răzvan Orăşanu

The best way to understand this chapter is to go back to the chapter on data analysis (chapter 7) and evaluation indicators and think more deeply about ways in which the public sector can be managed using performance indicators. Whilst this is a common practice in the private sector, the same kind of thinking is just starting to be applied in the public sector. Performance statistics can work as an indicator of current performance, as a benchmark for some future improvement in public policy and as a reference point for external and internal stakeholders of ongoing progress. Dexterity in using performance statistics can greatly simplify, in practice, the life of a policy analyst. Whilst using some sort of data is preferable to not having any data at hand, once this data exists and is analyzed, the best use for it is as a constant indicator of managerial efficiency. Building this process into bureaucratic mechanisms is not easy and is always an iterative process – it improves through trial and error and it can never have a linear implementation in existing mechanisms. However, once it is developed and operational, the efficiency gains can be immediate and the improvements can be very rapid.

The practice of involving performance statistics in public policy issues a key way in which public sector managers can define, benchmark and improve the functioning of their agencies or some parameters linked closely to the definition of a public policy change that the actor in the system wishes to make. A more elaborate definition of the same thing comes from Professor Bob Behn, of Harvard University, one of the world's leading authorities on this subject. He defines it thus: "A jurisdiction or agency is employing a PerformanceStat leadership strategy if, in an effort to sustain specific public purposes, it holds an ongoing series of regular, frequent integrated meetings (...), it use(s) current data to analyze specific (…) performance, to provide feedback on recent progress (…); to identify and solve performance deficit problems and to set and achieve the next performance targets." However they are defined, performance statistics have been linked to significant and fundamental changes in public policy and they could have an important role in education (see the case of Michelle Rhee later on the application of such a concept).

Performance Statistics and its importance are derived from modern features of our present economic climate. Forced to deal with the huge public debts following the financial and economic meltdown of the past few years, governments, ministries and local jurisdictions are trying to achieve the delivery aspect of public sector reform and the implementation of new public policy in a different way. Firstly, practitioners in the public sector management focus on a closer link between objective and financial resources utilized to achieve that aim. Secondly, standardization came forth as an idea, namely that if you spend a sum of money on delivering a certain public good, spending an exact additional amount should produce a commensurate gain by way of results.

Thirdly, the idea of benchmarking was introduced – namely that across a number of jurisdictions if the exact same public policy costs more to deliver the same results, one could look at the component parts and figure out a more efficient way to deliver that public sector reform. Fourthly, performance budgeting was introduced – linking the spending of each additional unit of funding to specific milestones that the public agency must produce in order to receive the cash. Finally, in the future, people are increasingly looking at stylized data, computerized versions trying to

mimic different aspects of society, so as to better predict the likely impact of a public policy, using dynamic modelling. All of these attempts are about trying to obtain better and more predictable results, given the budget restrictions operating everywhere in education, but also in other core public sector services.

I. Origins of using performance management in 1980's New York City

Performance Statistics was developed in the late 1980s and beginning of the 1990s in the New York Police Department and it has gradually been transformed and adapted for various purposes by other public sector departments. It focuses on an architecture revolving around data analysis so as to achieve public purposes. At first, the target is defined in a quantifiable way. Then, the main target of the Performance Statistics Strategy is solving existing problems, improving performance, with the ultimate goal of continuous development. Thereafter, the gains in productivity of one department are implemented across the organization and the entire organization must become a learning organization. The implementation of Performance Statistics in any given domain is a formal way of increasing performance of all actors involved, by relentless focus on progress, a focus which is certainly needed in education.

First, a database was created in New York by using crime statistics and using a map to make sense of the data. Similarly, the measurement of hard data can be applicable to any domain, including education. With the goal of "reducing crime, disorder and fear[1]" , William Bratton orchestrated the creation of CompStat[2] , which was an overlapping of crime statistics on a map of New York, so that crime hotspots could be identified and resources focused on the areas with the biggest crime rate. Organized data reflecting crime was delivered by every small unit covering a specific area of town to the headquarters on a weekly basis. Following this, patterns of criminal activity started to be observed in accordance with specific areas. With these clear data at hand, Bratton was now able to hold commanders accountable for their actions on a weekly basis, and also devise a plan for the entire city. The result of this was a drop in criminality, achieved by the use of the Performance Statistics Strategy (six weeks after the implementation, a drop of 16.8% was seen, compared to the previous year[3]). In other words, linking data points in a specific way and creating a database to base decisions on can improve the quality of the public policy process by a very large margin. Service delivery becomes consistent, cost-effective and responsive to the emerging needs of citizens, as well as to changes in circumstances.

The key to performance management is to start looking at the data completely devoid of any bias. This means starting with no "theory", but actually collecting data and starting to look systematically at the story that the data "paints". Patterns of data need to be collected and analyzed. No "thoughts, preliminaries or frameworks" need to be put forward in the beginning. Key data also needs to be looked at objectively and focused on from the beginning. What is required is a completely objective look at the data and very careful, sensitive analysis of how it can be translated into actionable advice. Taking out the "noise" from the data, and maintaining only crucial elements requires careful judgment and attentive calibration. Adapting strategies and looking at data in a variety of different forms has the capacity to give additional insights as public policy professionals. In the field of education, looking at data sets and setting up relevant parameters to follow, and then giving specific benchmarks allows for the deployment of scarce resource exactly in the places where they are mostly needed. Public policy professionals in this

[1] Jack MAPLE, The Crime Fighter. Putting the Bad Guys out of Business,"Assertive Policing, Plummeting Crime: The NYPD Takes on Crime in New York City", Broadway Books, 2000, pp. 148.
[2] CompStat stands for "computerized comparison crime statistics".
[3] MAPLE, The Crime Fighter. ...", pp. 169.

field, however, can improve significantly on existing policy by using the performance system management; even a rudimentary use of these tools can often result in significant improvements at systemic level.

After the data is collected, performance indicators or improvement benchmarks can be discussed with high-level managers in the system. Performance indicators, when set up, must thus be related to the goal, after rigorous selection. By extension, the interpretation and use of data that is not related to the field in question is not appropriate, because the results will not focus on what needs to be improved. Furthermore, it is also noteworthy that the process does not end at a given moment, but is a relentless process of self-improvement, based on results. Often, performance indicators can change or be reframed, following results. After a specific target of the greater process has been achieved, new challenges might emerge, and need to be answered. For this reason it is paramount to keep in mind the fact that attention should always be given to keeping data current and up to date with the progress achieved in the process. Nevertheless, the old saying that "what gets measured gets done" is usually validated in such a process and this was noticed in education as well as in a variety of other public services throughout many countries and throughout many jurisdictions.

Jack Maple, the deputy to NYPD chief Bill Bratton, used four principles to distinguish the use of performance management from any other temporary effort in the past. First, he claimed that accurate, timely intelligence is the key, noticing that some collections of data would be 3 to 6 months out of date and therefore not actionable. In education, a similar principle of having real-time data could be applied, having data on performance a year later, after you can no longer change service delivery might not be very useful. Secondly, Maple looked at rapid deployment of his human resources in a way that was synchronized and focused on results. "Silo thinking" and rivalry between various agencies and parts of the bureaucracy does not only happen inside the police department, it happens throughout the education sector, as well.

Thirdly, Maple would focus on effective tactics and dissipating responsibility, and then holding people accountable. In the same way as a police chief "owns" the crime in his part of town, i.e. is responsible for it, a school principal or the head of a university "owns" the performance of the entire organization. Finally, relentless follow-up and assessment is going after the goals of that particular department – whether it is about police or education; the milestones set at the central level need measurement and constant watch over how they are implemented. This means that every educator, every director of a department in every government department should have a system to measure their own progress and the progress of each employee. All these four principles are very useful when thinking of public policy change and especially the deployment of a public policy reform.

The results obtained with this strategy are visible in the FBI Crime Statistics compiled for the years Bill Bratton was working with Jack Maple at NYPD[4]. The headline figure is a 40% drop in crime over 27 months that they were in charge, a greater reduction in crime in 1994 and 1995 than the next four years combined and all this was achieved with 3.000 fewer cops and half of the overtime budget. Achieving such a great success is also applicable across any government department – schools attempt to reduce the failure rate of students, make the achievement rate higher, put pupils up one grade level or two in specific core subjects such as Math or Reading. Universities attempt to lower drop-out rate, increase student achievement and all this can be

[4] Jack Maple, The Crime Fighter – Putting the Bad Guys out of Business – p.47

measured. Failures can be measured and targeted through public policies, carefully. Success in one department can be set as an institution-wide benchmark and success in implementing a public policy can be spread to all departments. The variety of the tools used by NYPD is beyond the scope of this chapter, but the essential lessons can be drawn.

One final important point is to look at data analysis as a catalyst for closer departmental cooperation. When, for example, the data related to drugs and crime was super-imposed on a map, the conclusion jumped out immediately – those two areas coincided almost perfectly. By implication, to resolve this issue, Narcotics Division and Street Patrol needed to co-operate very closely. Social issues, for example (lack of funds, parents that do not care for their children, absent parent etc.) have an important influence on educational achievements. The capacity to correlate across programs, across departments is very important, and joining up social programs and educational programs is a perpetual struggle for implementing public policy reform when doing education reform.

II. A second example – the City of Baltimore

The advantages of Performance Statistics are attributed to its concentration on results. For example, a development that was observed in the city of Baltimore after implementing a strategy similar to the New York Police Department was a growth in accountability for spending and management of contracts[5]. Moreover, there is also a financial improvement to be seen, that derives from the reorientation investments towards the priority areas. Actual results can be seen, because having specific time-limits for solving issues proves more effective. In Baltimore, Performance Statistics under the name of CitiTrack was used and it allocated a certain amount of time (48 hours) for fulfilling certain tasks (filling a pothole or removing graffiti[6]). This could easily function as a dashboard for school repairs, cutting the maintenance bill of schools and universities.

Priority Service Request	Target Resolution Times in Days					
	Jan 7, 2002	Jul 1, 2001	Jul 1, 2003	Jul 1, 2004	Jul 1, 2005	Jul 1, 2006
Exterior Water Leak	15	5	7	4	4	2
Water in Basement	3	3	5	2	2	2
Debris collected after construction	14	14	14	7	7	4

Table nr. 13: Example of a dashboard for school repairs (Source: CitiTrack Statistical Reports, Bureau of Water and Wastewater (created on 01-07-2002, 07-06-2002, 07-05-2003, 07-17-2004, 07-16-2005, 07-16-2005, 07-15-2006) and CitiStat staff);.

III. The Application of Performance Statistics to Public Service Delivery in Education

Performance Statistics can be used in any type of service, providing tangible results when applied in the right way. Be it city service, local service, or even national service, it can be considered as such, if the data is used efficiently. As an example, city services can have their output measured by studying existing data. Baccalaureate scores can be used to measure improvements in the Education system. The percentage of high-school children reaching university level can be a proxy

[5] Ibid, page 38.
[6] Robert D. BEHN, "Designing PerformanceStat. Or What Are the Key Strategic Choices That a Jurisdiction or Agency Must Make When Adapting the CompStat/ CitiStat Class of Performance Strategies?", in Public Performance & Management Review, Vol. 32, No. 2, December 2008, pp. 211.

for measuring the quality of schooling. By looking into this, short-term goals such as weekly targets can be implemented in order to generate a rise in the efficiency of the administrative process. On a larger scale, improvements will thus be able to follow in the areas where needed. As a result, Performance Statistics is useful in making the commitment to issues tighter, while also being able to expand the list of responsibilities[7].

In time, after seeing initial results, CompStat became popular and interest rose towards developing it or similar instruments for other fields, particularly for Education. For example, a former Harvard Kennedy School professional, Michelle Rhee became the Chancellor in Washington DC, and developed a stastical tool focusing on each teacher's performance according to the results of students in the class, and used it as a tool to improve the entire education system in the city (see chapter 16 on Michelle Rhee).

As a result, statistical measurement of the performance of each student could be done in the system and this could anchor performance benchmarks for each teacher and each school principal. Gaps in performance were also quick to be identified, thus leading to a better and more time accurate representation of what was missing, by the use of knowledge derived from the analysis of data contained in the database. This led to a better strategy, city-wide, focused on the results of the teaching process. What we are advocating in this manual is not the introduction of this particular mechanism, but the fact that there should be a system devised to measure internally collected hard data, monitor changes, and in the end highlight the achieved results. An internal system of data collection needs to feed continuously a managerial focus on results in implementing particular public policies.

The targets must be very specific and envision a certain type of service. Targets must also be ambitious, but achievable i.e. realistic. Firstly, the purpose of the public policy needs to be established according to the SMART scheme (Specific, Measurable, Attainable, Realistic and Timely). This leads to a narrower and more careful definition. Secondly, the goal must have a specific time-frame in which it can be achieved. Here, the forecast must also be ambitious but realistic, given the capacity of the institutions which translates into action the public policy written in the law. Thirdly, the fact that the goal is the benefit of the general public needs to remain the top priority in action. In order to use the performance management, we would need to specifically state a goal in the most precise way possible and a few examples are written below.

- For example, the objective of increasing the quality of education or increasing the number of students that reach university within a certain time-frame can be taken as a goal. Let us suppose that by 2017 we propose to increase higher education graduation by 15%, without registering a drop in the quality of the grading system. The combination of quality and quantity is an interesting use of Pareto-improvements, attempting to make something better without overall making something we care about, equally worse.
- In order to fulfill this objective we set the following milestone. By the end of the 2014 school year, an increase of 3% may be set as a benchmark. Following that, the end of the 2015-2017 school years shall each have to register a 4% increase. This gradual process shall reach its goal by the end of 2017, namely the increase in high-school graduation, while at the same time making it possible to capture the key points for this success and the key levers of change.

[7] Robert D. BEHN, What All Mayors Would Like to Know About Baltimore's CitiStat Performance Strategy, IBM Center for The Business of Government, pp. 41.

- We would then need to think precisely about how to reach the benchmark we have set up for each year and to ask who is responsible for what.

Another use for the Performance Statistics Strategy in the education system is described below. By virtue of the statistics that are present nowadays, usable reports make the study of results accessible. As an example, the Bologna process enjoys a great deal of monitoring, which can be used in assessing the mobility and the results that were produced in accordance to it. This process is also useful for study as it is part of an imposed literacy rate and other basic, measurable skills (understanding information, using it in examinations, speaking a certain language etc.). The data that is thus collected in regard to this process is useful for conducting the research and understanding the dynamics of the outcomes as results of different approaches. Based on this field of interest, one may be able to make comparisons in terms of performance to other nations, and understand what has been done right, and where there is need to focus on progress. In other words, performance statistics could be started from the careful interpretation of data that we have already collected and is available.

IV. Third Example - Open Method of Coordination adopted by the EU

Probably the most well-known and influential example of using performance statistics in education is the practice of benchmarking within the framework of the Open Method of Coordination (OMC) in the EU.

EU member states adopt ten year work programs in which they set rather general long term common educational policy goals. The long-term strategic objectives of EU education and training policies for the period till 2020 are:

- Making lifelong learning and mobility a reality;
- Improving the quality and efficiency of education and training;
- Promoting equity, social cohesion and active citizenship;
- Enhancing creativity and innovation, including entrepreneurship, at all levels of education and training.

All EU level activities are being developed to address actual concrete priority areas in each of the different levels of education and training, thus based on these overall aims. For the sake of monitoring the progress of individual members, as well as the EU as a whole, various indicators were determined and a series of benchmarks were set for 2020. (While most data are collected by Eurostat on a regular basis, some of them are provided by the PISA assessment surveys or OECD). The benchmarks for 2020 are the following:

- at least 95% of children between the age of four and the age for starting compulsory primary education should participate in early childhood education;
- the share of 15-years olds with insufficient abilities in reading, mathematics and science should be less than 15%;
- the share of early leavers from education and training should be less than 10%;
- the share of 30-34 year olds with tertiary educational attainment should be at least 40%;
- an average proportion of at least 15 % of adults (age group 25-64) should participate in lifelong learning.

OMC being a “soft process” with limited consequences for the individual member states its

main instruments are reporting the results of the monitoring of progress itself, the exchange of good practices and continuous peer learning. However, within the newly established framework of the „European Semester" national governments develop National Reform Programmes that are assessed by the Commission against common EU policy goals and especially, against the benchmarks. The country specific recommendations of the Commission based on these assessments are important references for educational policy-makers at national level, especially because they are connected to financial incentives: planning for the use of EU structural funds incorporates the results of progress monitoring as "ex-ante conditionalities".

V. How to practically set up a performance system in a state institution?

Performance Statistics have some characteristics that need to be considered as fundamental, and that can be adapted according to the needs of the unit. It is important to understand that it is not only a matter of copying a model[8] , but also adapting it to specific circumstances. There are no ready-made recipes. First of all, the performance purpose must be stated clearly. Furthermore, the decision on what performance data needs to be collected and analyzed needs to be carried out by a small number of people. The infrastructure must be set up, as well as the general framework defining how the meetings will be conducted.

The required operational capacity must be built, and a comprehensive follow-up mechanism must be set up. If the public policy does not produce the desired results, it is essential to trace back the assumptions and check them against results that can be demonstrated to be different in the actual application of the policy process. A very important aspect of the process, overall, is thinking about how the general guidelines for implementing this strategy can be adapted to the precise requirements of the area of activity[9]. Broadly speaking, while there is no specific recipe, the important elements in producing a successful performance statistic and a performance improvement embedded in a public policy are all above and need to be carefully considered.

In particular, the collected data needs to reflect the condition of what needs to be improved. The used data needs to be up to date, even if it is difficult to have uniformly collected data, because it is the narrowness that was explained above that bears part of the responsibility for efficiency. Moreover, the type of the collected data is also important for the measurement. Output data is to be analyzed, as a stress on the actual actions is needed. This is important as the output data is the one providing the information related to what has actually been achieved, but outcome data are also needed as which stresses the impact of what was achieved and how it benefits society[10]. An example of such analysis of output might be provided by focusing on the number of students that have achieved results over a specific reference point. Another example might consist of measuring the percentage of students that graduate from high-school and continue their education in university. Consequently, it becomes clearer that the goal of the implementation of the Statistics is not only of measuring past achievements, or identifying problems, but also encouraging individual and institutional performance with the main goal of providing for the public.

Performance Statistics, as a system, analyses data by means of comparison, either between past and present data, or between data belonging to similar agencies. Sometimes, there might be a number of aspects that are present in the strategies of similar agencies, that have come up with an innovation, and that may be of use to the purpose or the target. It is important to bear in

[8] Ibid, pp. 207.
[9] Ibid, pp. 207.
[10] BEHN, What All Mayors..., pp.17.

mind that even though it is better to avoid a "piggy-bank" attitude (in this case using data that is not entirely related to the scope of the matter); it is advisable to make use of as much data as possible, because it provides analysts with more material to work with. Consequently, they have more chances of coming up with innovative angles to look at a problem. Hence, the analysis of data is another paramount step in the use of Performance Statistics, as it provides not only insight, but it may also generate useful additions.

Performance Statistics is the key point of the discussion, but in order to be able to develop it, infrastructure related to the performance mechanism itself needs to be considered as well. Part of the required infrastructure consists of a room in which meetings can be held and by setting up a predictable rhythm those institutions can follow in a lock-step. Furthermore, the room where institution representatives meet must be equipped so as to permit the use of technological means that illustrate the analysis, and that facilitates discussion between the people involved[11].

There is no need for a new space to be constructed to fit the demands, as certain rooms may be converted for the purpose of meetings[12], and then returned to their original purpose after the meetings . However, the allocation of a permanent room for the purpose of meetings may send the message that the initiative is one of importance and a long-lasting one[13]. Technology is not used only in these instances, but before them as well, when analyzing the collected data. This aspect is of importance because data bases must be created and consulted at all times. Thus, it is of great importance to focus on some basic infrastructure, as to have the elemental prerequisites for carrying out the work. Overall, however, the analysis going into the discussion is the most important element in this process.

The Performance Statistics meetings are one of the key elements of the whole process, also being the most visible part. The meetings are held with the participation of both department and general managers that take turns in explaining their status. This gives the chance of agents to have their turn during which they may speak, and also be asked about their performance or under-performance, if it should be the case. They must focus on manifold aspects, which need to be discussed in the meeting. But for each such event, the leadership body needs to appoint a precise individual that is to chair the meeting. The time elapsed between two meetings must not be too long, as people may not remember what happened in the previous one. Another aspect for which meetings are important is avoiding looseness and falling behind on schedules[14]. Performance Statistics meetings must be held according to the frequency of the data-collection cycle[15], as well as keeping in mind the previously-set benchmarks.

Benchmarks must be set by the organization, after the data is analyzed and after drawing the conclusions necessary from that analysis in a full meeting with all the top decision makers in the organization. One may say that the process of setting and following benchmarks could be paralleled with the process of improving a business from a small shop to a standardized factory. Instead of working on individual goals that may be attained at a sometimes loose time, organizations have to implement the practice of working in bulk up to a specific date. Thus, a series of similar problems must be solved until a given moment in time. Based on the accomplishment of this task, the measurement of performance and the quality control can be done in assessing the process. Explicit targets must be stated for the reason that it provides for the definition of the

[11] Ibid, pp. 25.
[12] BEHN, "Designing PerformanceStat…" pp. 216, 217.
[13] Ibid, pp. 216,217.
[14] BEHN, "Designing PerformanceStat…", pp. 219.
[15] Ibid, pp. 219.

issue, and the priority given to it. Stating the targets from the beginning mobilizes the people into treating the problems with their needed urgency. These goals must be conceived by making use of their reality and visibility[16]. Thus, by stating what needs to be done, the internal solving of matters is commenced, while bearing in mind the finality of the target achievement.

There is also the need to point out the importance of "stretch-targets". These are performance benchmarks that cannot be achieved only by more work, but also by means of innovation and changing the dynamics of the system leading toward achieving those results. These "stretch-targets" must be treated as challenges both in terms of effort, and in terms of approach. Another positive outcome of imposing a stretch-target is the fact that even if it is not met, there are still better results that have been achieved, and more creative ways found in regard to dealing with problems[17]. An issue that may rise from creating a stretch-target, but not being able to meet it, is that the institution may attract criticism for having failed the target. Sometimes, financing may be given in accordance with benchmarks as a kind of "public service agreement" between the people and the service. This may act as an incentive to meet the proposed targets so as to receive financing. However, the benefits of a stretch-target outweighs its disadvantages, as it mobilizes capacity and energizes people into producing results and coming up with useful strategies[18].

The Performance strategy does not deal with data analysis, benchmarks, meetings and creating enthusiasm. The permanent monitoring of whether benchmarks have been attained is important because it allows for different departments to compare and contrast their activity. The transfer of knowledge is a critical component to the process that can take place with the use of the Performance Statistics strategy. If there are agencies that have failed to produce the desired results until the specified time, they can ask for advice from the ones that have met the requirements, or that have over-achieved, and implement similar strategies.

The advantage of this knowledge transfer is that useful advice is provided from inside the institution, thus by agents that are confronted with problems in the same area of activity and in similar working environments, having to deal with the same parameters. In another note, this type of management is useful for its ability to transfer certain resources (both material and human) in an intelligent way. This reinforces the mechanism under which the institution operates. By making use of this management technique, some bureaucratic processes might also be restructured, as it may be discovered that the current functioning manner needs improvement. Conclusively, the Performance Management is not focused on a single scheme of functioning, thus its adaptation to various situations may also result in the resolving of some other previously neglected aspects. Inevitably, improving performance also means delving deep into the organizational structure of the institution through these regular meetings.

The Performance Statistics meetings are held internally (not open to journalists, stakeholders and citizens), as they focus on the internal management of responsibility and action. Before the meetings, the analysis of data must be summarized in memos, which should also contain a draft of the agenda of the next meeting. Analysts must also keep track of the progress. During the meetings, each issue on the agenda must be considered and must enjoy a Q&A section, in which clarifications and interventions may be done on a friendly and productive tone. The purpose of the meetings is to be up to date with the requirements and the progress, so as to have a growth in efficiency and productivity[19]. Furthermore, previously mandated changes must be monitored

[16] Robert D. BEHN, „Performance Targets", in Bob Behn's Public Management Report, Vol. 1, no. 1, September 2003.
[17] Robert D. BEHN, „Stretch Targets", in Bob Behn's Public Management Report, Vol. 10, no. 4, December 2011.
[18] Idem BEHN, "Stretch Targets".
[19] BEHN, What All Mayors..., pp. 29-33.

and evaluated – how do the new fact measure up against the benchmarks and against promised change? Operational capacity is driven up by constantly demanding excellence and having the mechanisms to drive it institutionally.

The operational capacity of a Performance Statistics Strategy consists of rational delegation of managerial responsibility. This means that, in order to obtain the most adequate results, managers of specific areas need to be in charge with administering the resources, motivating their staff and organizing their operations[20]. The managers in discussion can be trained to respond to these challenges, while at the same time collaborating with newly-recruited individuals that may bring forth new and creative proposals[21]. Whatever strategy is pursued, the principles of Performance Statistics must be the guidelines by which matters are operated. This action also implies the use of an additional budget that needs to be used specifically for training the people in accordance with the above-mentioned principles.

Ultimately, the results of a thorough training in this sense, corroborated with implementation of the strategy, will reach a point at which it is known what actions trigger performance, and the manner in which investments affect results[22]. Finally, the result of any improvement should multiply the original investment in training and in changing internal structures (whether by saving money, time or creating additional capacity inside the institution).

The follow-up must be done so as to keep track of goals reached, and to make further recommendations. By focusing on one of the key elements of the Performance Statistics definition, which is "an ongoing series of regular, frequent, periodic, integrated meetings, […] to follow up on previous decisions and commitments to improve performance, to establish its next performance objectives[23]" , too look at prevention mechanisms[24], as well as to continuously make improvements towards the benchmarks set up internally.

VI. How to avoid common pitfalls?

The major guidelines of Performance Statistics can be adapted to the demands of any specific field, but the definitions of benchmarks need to be done by seasoned professionals with long experience in the delivery of the particular public service, in our case, education. Additionally, one of the major requirements is institutional commitment. The team that decides to implement this course of action needs to focus on efficiency and the development of an appropriate version for their service, but also work as far as possible as a team can, both defining new performance indicators and following up their implementation. There needs to be consensus on the data that is to be collected, analyzed, and there must be constant follow-up. Scholars advise that patience and flexibility are needed, because the process of implementation requires experimentation, adaptation, and a great deal of learning. A proper use of Performance Statistics shall begin to show results, and shall serve as a model for other services in need of such strategies. However, a pilot project is necessary in some areas and inevitably some original parameters will need to be changed throughout the process.

There are several important errors that must be avoided in implementing the Performance Statistics Strategy. First, the lack of a clear purpose, of an agreement on common formulation and

[20] Ibid, pp. 224
[21] Ibid, pp. 224.
[22] It requires the leadership to be responsive when a subunit manager declares: <If you give us $N more, we can produce X more results.>", in BEHN, "Designing PerformanceStat…", pp. 224.
[23] Ibid, pp. 207.
[24] Ibid, pp. 226.

answers to the questions need to be shared by everyone involved in the process otherwise such efforts may fail[25]. The second reason is the lack of specific responsibilities inside an organization, once benchmarks are decided. The responsibilities that are thus divided have a better chance of becoming outcomes, as it allows for a better monitoring of results according to the person responsible and the changes in strategy if it should be the case[26]. The third mistake may be holding meetings at irregular and unpredictable intervals or not having the meetings organized by the leader of the organization[27]. Fourthly, the lack of follow-up is a constant in some state institutions and this may impede the development of the performance system outlined in this chapter. Fifthly, continuity needs to exist in order to generate efficiency, so it is better to keep track of developments rather than discuss matters all over again[28]. Overall, each one of the mistakes must be avoided, and consequently, each of the steps must be taken seriously. If one of the links of the chain of action is broken, then the finality of the action is not the desired one, and the whole process has been a waste of time, energy and resources.

Sixthly and more importantly, the performance management strategy must avoid taking the form of a "Gotcha Game". This is something paramount to keep in mind, as it makes the leaders look like they point fingers to the ones in sub-units, and use other departments as examples of improvements[29]. It is counterproductive to use these meetings as a way of firing undesirable employees or sapping morale by changing personnel via this performance mechanism – although accountability is important if no improvement is noticed within a reasonable timeframe. Nevertheless, even when the personnel is shifted following new benchmarks, the explanation for the lack of performance must be very clear and broadly communicated inside the organization. If this is not done carefully, the system will quickly transform into a personal vindication mechanism for the leader of the organization, something that poisons like nothing else the performance of the human resources inside the organization.

Seventhly, to escape from being pointed out as lagging behind, the ones in subunits may focus more on avoiding certain subjects, where they have not performed to the task, and the whole process transforms to a hiding-things-from-the-superiors type of activity. For this reason, the leadership team must be attentive and identify weaker performance and proceed in such a way to encourage improvement[30]. The main point is thus that matters must be pursued in such a way as to avoid the defensive character of people, and focus more on problem-solving and collaboration – if possible learning from your best peer on how to improve. By using a friendly and professional approach, the discussions will be more about fruitful strategies, than about shirking responsibility and laying the blame elsewhere.

All these common pitfalls speak of implementation difficulties that seasoned experts in the education field (and indeed, many other related fields) will be all too familiar with. Elements of the strategies mentioned above fit better with some environments than with others, some parts of the strategy might already exist in a different form and under a different name. However, we have seldom seen progress without measuring precisely the performance deficits and without a clear strategy on how to implement better performance measured against commonly accepted benchmarks. We have also hardly seen any progress without some relentless follow-up at regular time intervals of the progress made towards achieving some benchmarks (which typically come

[25] Robert D. BEHN, "The Seven Big Errors of PerformanceStat", Rappaport Institute for Greater Boston, Taubman Center for State and Local Government, February 2008, pp 3.
[26] Ibid, pp. 3-4.
[27] BEHN, "The Seven Big Errors…", pp. 5.
[28] Idem, pp. 6.
[29] Robert D. BEHN, "The Gotcha-Game Debate", in Bob Behn's Public Management Report, Vol. 6, no. 2, October 2008.
[30] BEHN, "Designing PerformanceStat…", pp. 222-224.

in numerical form and are accurately measured).

Some concluding remarks may be drawn after having considered the advantages and the challenges of implementing the Performance Statistics Strategy. Firstly, it is important to understand that applying such a strategy would generate results so valuable towards improvement that they cannot count as "the latest initiative" or "the latest fad" or "the latest trend", things that come and then quickly disappear or become diluted and reduced in importance. Secondly, however true the fact that it requires some considerable amount of work and exposure to novelty is, such a strategy is certain to enhance the performance of services and public service delivery. A third aspect to consider is the fact that once Performance Statistics is in place and has had some time to develop, its use will become very helpful, habitual and a mechanism for sustained and continuous improvement. Taking everything that has been stated altogether, we suggest that a performance strategy centered on data and driven by benchmarks set by professionals inside the organization is critical for development and progress. Finally, by having a structured follow-up, progress is not guaranteed, but it is far more likely. That is why we recommend setting up Performance Statistics nationally for the education system, as a whole.

VII. KEY POINTS

1. Performance mechanisms do not need to be very complicated – one or two clearly communicated indicators (benchmarks) can energize institutions to perform better;

2. Managers can benefit greatly from introducing benchmarks and having an internal mechanism which lets all employees know, in real time, how the institution is performing;

3. Performance indicators must be produced locally; they cannot be imported from outside the state entity which is trying to implement them;

4. Adaptation is the key once the first order priorities have been improving – a new set of indicators (or refined indicators targeting the same areas as before) can be developed;

5. In the absence of a clear purpose (or a multitude of conflicting objectives) performance indicators will not help;
6. If the data is not so accurate, extreme caution needs to be exercised with respect to taking major decision based on that data set;

7. If a new benchmark is announced, guard against the possibility that employees would try to rework the numbers in order to make themselves look better internally, without really improving the performance of the state entity.

VIII. Bibliography and further reading

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FELSINAE
THESAURUS
CONVERSE
SHOES ARE BORING
WEAR SNEAKERS

Chapter XI

Chapter 11. THE KEY UNDERLYNING CONCEPTS OF CONTEMPORARY EDUCATIONAL POLICIES

By Péter Radó

The purpose of this chapter is to provide a short overview of the major international mainstream concepts and underlying considerations that are driving contemporary educational reforms in the European countries. These concepts are rather theoretical but entail very practical consequences both in terms of the alignment of educational reforms, and in terms of the way how they are designed and managed. Educational policies, and particularly the problem definition of those policies, as shown in chapter 1, need careful consideration of these underlying trends. Careful evaluation is necessary to determine if any of the major trends of lifelong learning, cost-effectiveness or other parameters of effective learning is applicable to the particular public policy that educational professionals are considering.

I. Reconsidering the labor market relevance of education: Lifelong learning

The expansion of general secondary and higher education in most European countries changed the patterns of participation in education that resulted in a new educational overarching approach to education: the lifelong learning paradigm. This approach became a prevailing international educational policy paradigm in the middle of nineties, not only because it well responded to changes, but also because of its potential to contribute to the emancipation of education to labor policies and because it opened new space for the further expansion of the education sector. Lifelong learning has four major characteristics:

- A systemic and holistic approach to learning. Learning occurs in various settings at various times, formal education has no monopoly in providing learning opportunities. Therefore, we should not frame learning opportunities in terms of standardized types and levels of formal education. Rather, the point of departure should be the question: what kind of options can the learners consider at different stages of their lifecycle and what kind of learning pathways can be built up by the choices that learners make. As a consequence, the traditional supply driven isolation of general, vocational, higher and adult education can't be sustained anymore. Also, formal settings of learning should be connected with other (non-formal, informal) learning opportunities; that is, formal education should not compete with any other forms of learning, (e.g. media, internet, hobbies, etc.), they should be considered as complementary learning opportunities.
- Reconsideration of the relationship between supply and demand, strong focus on learning. Learning should not be based exclusively on the agenda of the education service providers, the later should adjust to the needs of the learner. Therefore, instead of operating teacher and teaching centered education systems, learner and learning centered educational services should be built. This shift of emphasis from the supplier to the client (that is a trivial requirement in any services with the exception of education and health) has major consequences for governance: weakens the legitimate basis for standardizing processes. The other consequence is the requirement that any educational services provided for learners should be quality assured. In addition to these, if our assumption is that the primary decision maker is the learner (to a certain age his/her parents) they should be well served with the necessary information.
- Tailor-made approach: emphasis on autonomous and motivated learning. A service

that has a strong drive to adjust to the demand is also interested in generating demand. In theory, no other services are that lucky as education: generating demand for further learning, that is, strengthening the motivation to learn is a legitimate goal in education. What is already a practice in private language schools, that is, the measurement of the results of prior learning and adjusting the programs to it, is not necessarily a daily practice in formal learning settings. Being formal schooling a big machinery of mass education, several educationalists think that education can be tailor-made only by individual teaching. However, by the enrichment of learning opportunities and the teaching methods even formal education can be made much more responsive to the individual needs, learning styles and interests of the learners at any levels of education.

• Reconsideration of goals: connecting internal and external effectiveness. The external social, economic and technological references of the design of concrete educational targets are getting more and more important. Focusing on the learning needs of the learners puts even greater emphasis on the labor market and social relevance of education. If the invested time and effort of the learner does not return, autonomous, motivated and active learning remains an illusionary expectation. As far as primary and secondary education is concerned, learning to learn must be a goal of outstanding importance.

It is still often heard that by referring to lifelong learning people simply mean participation in adult education. It is a serious mistake; as the above shortly described characteristics of the lifelong learning approach indicate, they all have serious implications for all levels of education from pre-school education till "third generation" learning (i.e. learning during the retirement).

II. The conditions and forms of effective learning

The shift of emphasis from teaching to learning based on the lifelong learning approach and – as a consequence – from educational supply to the decisions of the learners drove the attention to the conditions of successful learning and to the interplay among the various forms of learning. These considerations play an increasing impact on policies aiming at improving educational services. Although, in rather different ways during and after the mandatory school age, this shift of emphasis applies to all levels of education. The key terms in relation to the conditions of successful learning are indicated in the following figure.

II. 1. The transition from learning to work

There is a specific new phenomenon at later stages of the learning pathways of individuals that deserve attention because of its potential implications on higher education: the "transition from learning to work". Earlier the exit from the education system and entering the labor market was a specific moment of someone's personal career. Recently it became a – sometimes decade long - specific period of life for young adults. The individual pathways became extremely diverse within which the "learning then working" logic very often reversed.

Many of the young adults interrupt learning with a period of work or very often learning and work are done parallel. "Double dipping", that is, going for two different qualifications at the same level and at the same time or staying much longer in higher education is becoming more and more typical. Also, experiencing unemployment under the age of 30 is already a mass phenomenon. The diversification of the pathways of individuals calls an ever greater flexibility on the institutional side of education. Especially, higher education should adjust to this by offering flexible entry and exit points of studies with ever greater offer of various programs. One of the underlying reasons for the Bologna process is this flexibility challenge.

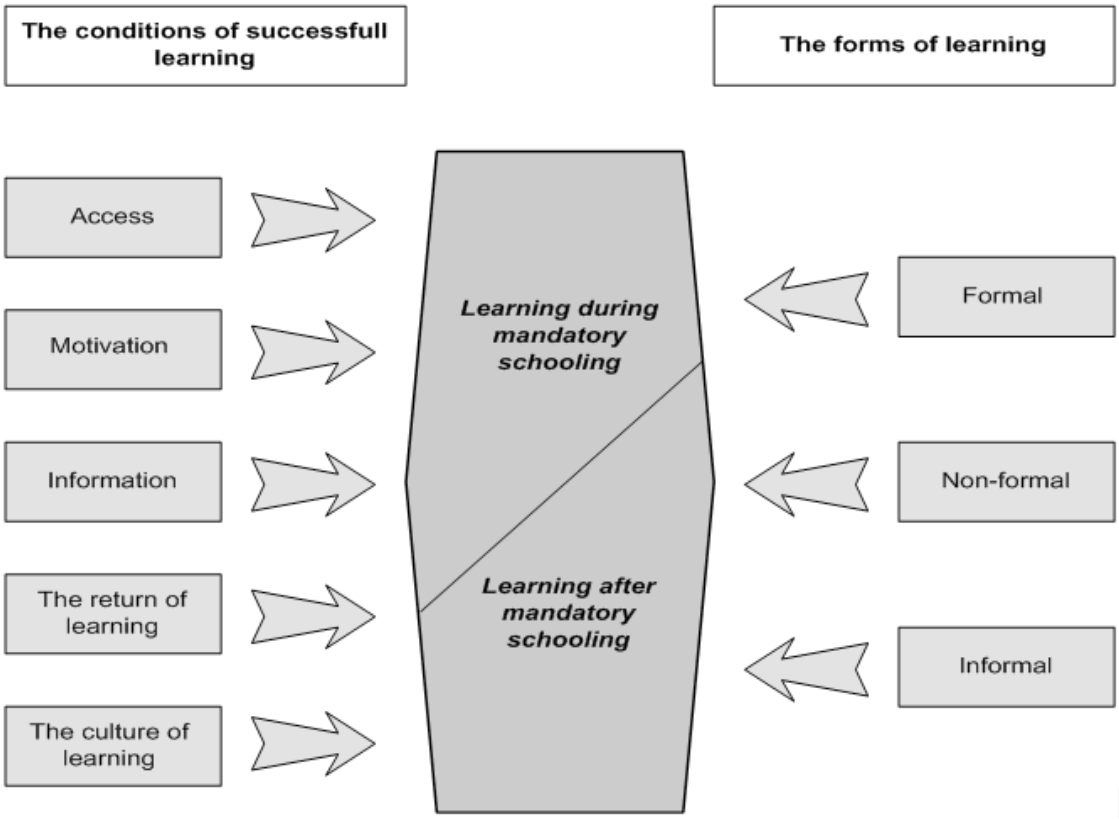

Fig.17. The conditions and forms of learning (CEPA 2005);

II.2. The transformation of relevant knowledge in education

One of the basic underlying questions of educational programs of any kind is how to select the pool of knowledge that is relevant. In other words: how to determine the knowledge that should be taught and learned till the end of a specific level or program. "School relevant knowledge" was and still is - under the pressure of the accelerated accumulation of knowledge. However, the crisis of the traditional way of selecting "relevant knowledge" was not caused by the too large amount of knowledge; it was rather the underlying logic of setting goals for education that was increasingly questioned. This is the result of several parallel processes; a few of them were already indicated. The most important ones are the following:

- The dissolution of traditional consecrate knowledge codes by emerging and diverse subcultures in "postmodern" societies.
- The accumulation of knowledge and the transformation of the structure of sciences that led to the diversification of the structure of sciences mainly by the birth of new independent disciplines and by the emergence of others that are multidisciplinary ones.
- The pragmatic and instrumental approaches that turn into dominant, that is, the ever greater emphasis on practical and applicable knowledge. (Being application by definition contextual, the huge variety of possible contexts devaluate those pieces of knowledge that are not constructed with bearing applicability in mind.)
- The openness of the future. "Preparing students for work and for life" that is traditionally considered to be the main purpose of education is more and more a hopeless endeavor, because the professions the learners will practice, the technology they will use, the means

of entertainment they will enjoy, the work organizations within which they will cooperate with others, etc. are not even existing yet at the moment of their teaching, training. Therefore, instead of transmitting knowledge that becomes obsolete very fast, education should concentrate on the development of the capacity of students to adjust to changes.

• Knowledge that becomes more an economic resource than ever. Knowledge always been an asset; however, knowledge became the most important asset: in the so called knowledge economies it became the most important source of economic added value. Therefore, human resource development considerations overwrite the old liberal tradition of education.

• The termination of the knowledge monopoly of schools and universities. The amount of knowledge taught in schools and universities is increasing in spite of the fact that this increment is not comparable to the billion-fold increment of information that can be reached on the internet in minutes.

• The accumulation of our knowledge about knowledge. During the last two decade brain research and cognitive psychology accumulated a great deal of understanding how effective learning occurs, while traditional ways of teaching very often handle the head of the learners as black boxes that simply replicate the knowledge input.

As a cumulative impact of all these reasons, goals for educational services are set in terms of the ability to apply any knowledge acquired from any sources, i.e. in terms of competencies.

II.3. The learning outcomes: competencies

The complex ability – i.e. the competence - to do something for specific purpose in a specific context is constructed by knowledge, skills and attitudes. Emphasizing each of the three key components of competencies is the appropriate way to balance the two extreme traditional approaches to the desired learning outcomes: the strong focus of general education with the acquisition of knowledge on the one hand, and the scope of vocational training on practical occupational skills on the other. Nevertheless, there are many who consider the emphasis on the development of competencies as “vocationalization” of general and higher education, while others are sharing the suspicion, that it is nothing else than a new attempt to further strengthen general education in vocational training. However, during the last decade competence became the prevailing underlying concept of setting goals for education. As a consequence, learning outcomes and competencies are often used as interchangeable terms. In very general terms, learning outcomes are “statements of what a learner knows, understands and is able to do on completion of a learning process.” (CEDEFOP, 2009.)

This career of competencies is originated in the effort of the mid-eighties to make vocational education and training more relevant by the functional analysis of occupations. Being vocational training always much more oriented towards the application of knowledge, it was almost a natural development. However, due to the needs generated by the reconsideration of relevant knowledge in education, in the second part of the nineties determining goals in terms of competencies started to spill-over to general education, too. The DeSeCo (Definition and Selection of Competencies) program of OECD launched in 1997, (that provided the framework for the PISA surveys from 2000) played a very instrumental role in the “expansion” of competencies. Since competencies in general can vary along with the number of diverse possible contexts within which knowledge is applied, there was a need to select those “key” competencies on which education should focus. The selection of key competencies in the DeSeCo Program was based on three criteria: (Rychen, 2006.)

- The competencies that are playing a part in the achievement of those learning outcomes that are highly valued for their contribution to a successful life and a well-functioning society at the levels of the individuals and the whole society;
- The competencies that contribute to performing serious and complex requirements within a wide range of contexts;
- The competencies that are important for all.

II.4. The learning outcomes based approach to education

The prevailing underlying concept of international mainstream educational policies is already based on the learning outcomes oriented approach. This approach is the combined result of the above described two parallel processes: the growing emphasis on learning and learning pathways instead of emphasizing teaching and school structure (lifelong learning) and the gradual reconsideration of relevant school knowledge, i.e. the growing focus on applicable knowledge (competences).

Determining goals for education in terms of learning outcomes opens a wide range of opportunities for the governance of education and curriculum development. First of all, the focus on learning outcomes instead of inputs and teaching processes makes possible to create a direct interpretation chain that connects external social and economic references of education with concrete educational goals.

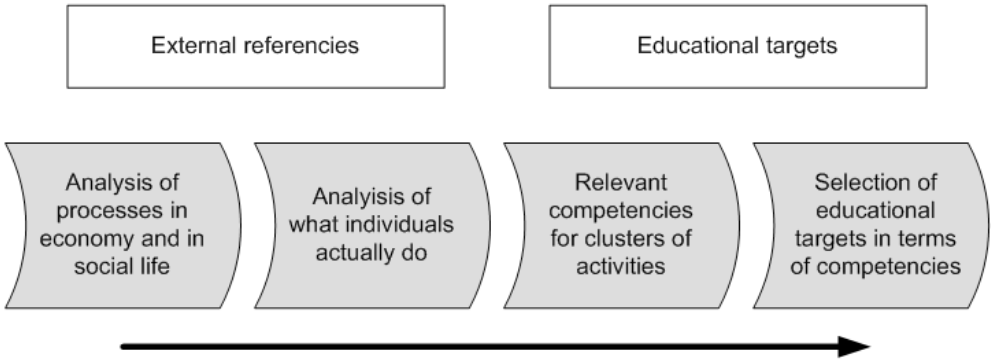

Fig.18. Connecting goals with external references: the interpretation chain (Radó, 2010);

The second impact of the new approach is that labor market relevance is not a question that applies only to the design of vocational and certain higher educational programs. Due to the shift of emphasis from employment to employability, that is, to the potential of the individual to get, hold on and to be successful at the workplace, general education's contribution to labor market relevance at all levels is more and more considered. Also, the learning outcomes based approach weakens the monopoly of professional educators in determining goals, because focusing on competencies makes possible the involvement of lay stakeholders, too. (No surprisingly, the involvement of stakeholders into the identification of emphasized competencies in certain countries was even more important than the conceptual work done by experts.) As a consequence, it is not considered "perverted" anymore to involve employers even into the discourse on the goals for the initial phase of primary education.

An additional advantage is the much easier translation of determined goals in terms of learning outcomes to teaching. For example, certain social policy goals, such as the integration of minorities, sustainable development or promoting democratic civic attitudes are becoming interpretable for

pedagogy; therefore, they can be broke out from extracurricular ghettoes and can be integrated into the mainstream of education as expected transversal outcomes. In general, detaching the issues of participation and qualifications from the actual outcomes of learning makes much easier the interpretation of participation related matters, too. Focusing on learning outcomes instead of inputs and processes allows better policy planning for certain lifelong learning related goals, such as connecting the sub-sectors of education (i.e. general, vocational, higher and adult education) by connecting the required competencies to be developed at each level or the recognition of non-formal and informal learning.

III. Consequences: the changing meaning of quality, equity and cost-effectiveness in education

The learning outcomes based approach by departing from subject knowledge and from process orientation is a paradigm shift; as such, it has major implications for the content of all other major public policy expectations towards educational services, such as quality, equity or cost-effectiveness.

Quality. Sometimes we use the terms quality and effectiveness as exchangeable concepts. In fact, quality is less and less the feature of the results and increasingly that of processes. As a consequence, - as it is demonstrated by a possible taxonomy of the aspects of quality bellow - effectiveness is one of the components or aspects of quality that is a much broader concept. For example, from the point of view of the quality of education, the satisfaction of the clients (e.g. that of parents in primary education or of students in higher education) is equally important as the outcomes of educational services. However, due to the prevailing learning outcomes based approach, the process related aspects of institutional quality are gradually reconsidered and assessed on the basis of their potential to promote high learning outcomes. For example, it is not simply the overall quality of management of higher education institutions that should be the concern, but its potential to strengthen an intense focus on student learning within all operations of the whole institution (see fig. 19.).

Equity. The learning outcomes based approach imposed a rather radical impact on our perception and relation with educational inequalities, too. In contrast to the traditional approach that focused very much on equal access to education, contemporary policies emphasize the need for reducing disparities among various student groups in terms of educational – especially learning – outcomes. Therefore, equity in education is not only a matter of equal access and standardized processes (“the same for all”), it’s much more about the reduction of outcome gaps that are considered to be illegitimate.

Of course, inequities of learning outcomes at early stages of education cause inequities of access at the point of entry to general secondary or higher education. However, this approach of equity set new expectations even towards higher education institutions to create the capacity to compensate for the impact of social disadvantages on learning. (It is even more emphasized due to the expansion of higher education that results in the increasing enrollment of students with non-privileged family backgrounds.) This new approach to equity is summarized in the following definition: “Educational equity refers to an educational environment in which individuals can consider options and make choices based on their abilities and talents, not on the basis of stereotypes, biased expectations or discrimination. The achievement of educational equity enables females and males of all races and ethnic backgrounds develop skills needed to be productive, empowered citizens. It opens economic and social opportunities regardless of

gender, ethnicity, race or social status." (OECD 1997)

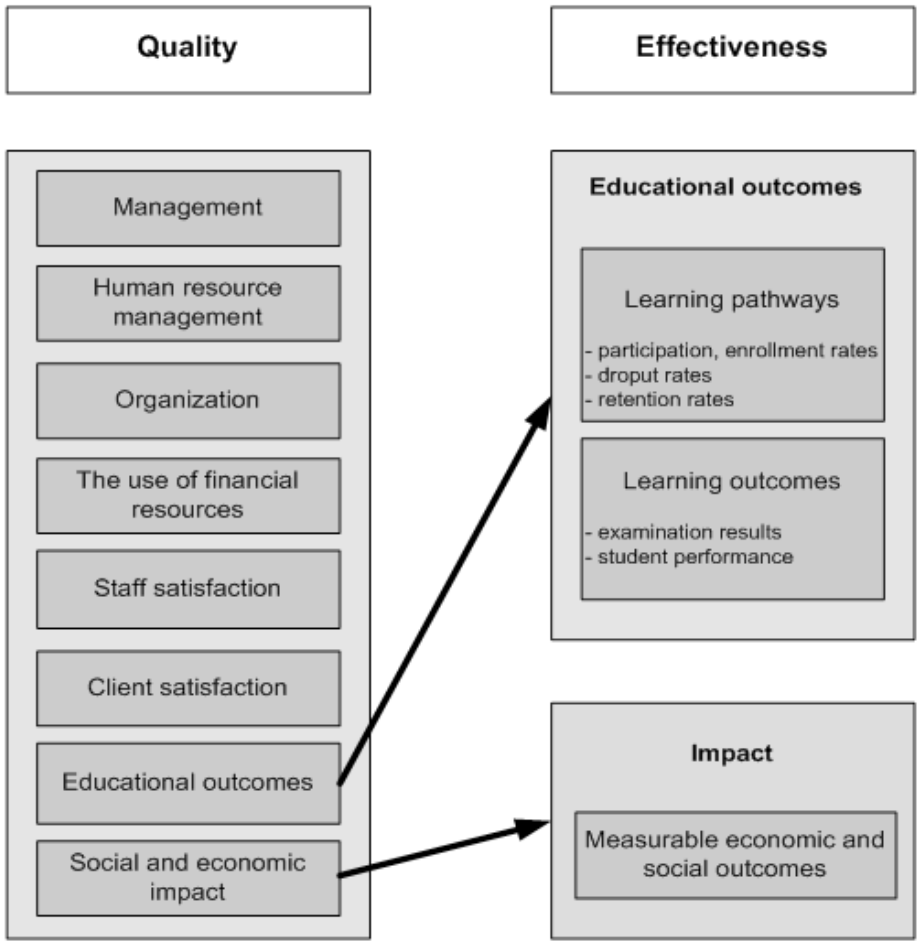

Fig.19. Quality and effectiveness of educational services (Radó, 2010);

Cost-effectiveness in education means the relationship between all sorts of expenditures and educational outcomes; in other words, cost-effectiveness refers to the extent to which the principle of "value for money" prevails. The relation between the two can be improved either by reducing expenditures, or by improving educational outcomes. Also, cost-effectiveness is largely determined by the efficiency and equity of funding.

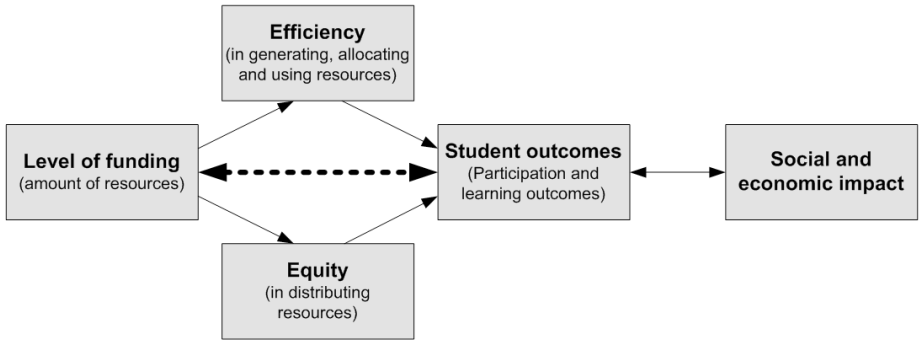

Fig.20. Cost-effectiveness of educational services (Radó, 2010);

As far as the impact of the learning outcomes based approach is concerned, it resulted in a shift of the underlying principle of funding. The traditional approach to financing, called categorical equity, focused very much on inputs measured by unit costs and strived to standardize inputs by eliminating differences among per pupil/student expenditures. In contrast to the equalization of inputs the contemporary prevailing principle of fiscal neutrality emphasizes learning outcomes and choice. It also strives to adjust inputs to the various specific costs required to ensure a certain level of educational outcomes for different student groups. In other words, funding must serve the attainment of a minimum level of standardized learning outcomes that may call for tailor-made content and processes at different costs.

For a long time, quality, equity and cost-effectiveness were widely considered as contradictory requirements that forced policy-makers to consider trade-offs; for example, strengthening equity at the expense of quality or cost-effectiveness. The above described changes in our understanding of quality, equity and cost-effectiveness of education on the basis of a greater emphasis on effectiveness allows for an integrated view of the basic public policy requirements, within which their harmonization becomes much easier. (This integrated approach determines the design of various regulatory instruments in education that will be discussed in the following chapters.)

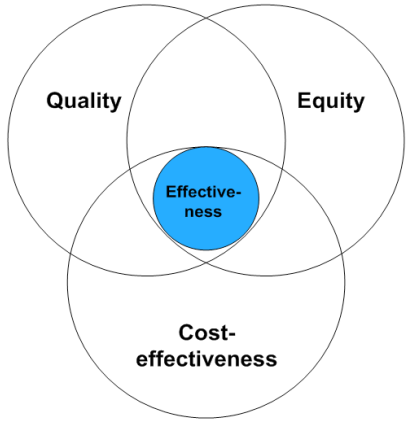

Fig.21. Relationship between cos-effectiveness, quality and equity;

IV. The application of the key concepts in the course of educational policy-making

The most important implication of the above described contemporary educational concepts to policy-making is determining problems to be addressed in terms of educational outcomes. It happens very often that policies address issues such as “poor quality curricula”, the “unpreparedness of teachers” or “low level of funding”, instead of focusing on unsatisfactory educational outcomes. Placing issues on the policy agenda that are related to inputs or processes may prevent from identifying and understanding of real policy problems that are related to the ultimate goal of education (i.e. the learning of pupils and students) and may cause confusion in relation to the underlying causal relationships. In other words: curricula, the professional competencies of teachers and the actual level of funding are to be addressed if they are clearly linked to educational outcomes that do not meet legitimate expectations.

Educational outcomes related problems can be identified in terms of the two types of effectiveness indicators:

- Learning pathways: all sorts of statistical indicators on the progress of students in the

educational system, such as years spent in education, enrollment and participation rates, drop-out rates, etc.;

- Learning outcomes: the knowledge, skills and attitudes of students, as they are measured by standardized examinations or by various domestic and international assessment programs.

The expectations, against which we judge the extent to which educational outcomes are satisfactory, might be those set by standards (e.g. qualification or examination requirements), by comparison (e.g. participation in higher education in Romania compared to other European countries), and by confronting them with the expectations of the clients (e.g. parents demanding more English language lessons or applications far over the available seats in certain higher education programs). An example for a possible problem statement that is based on a progression related indicator in international comparison: the proportion of early school leavers in Romania is too high.

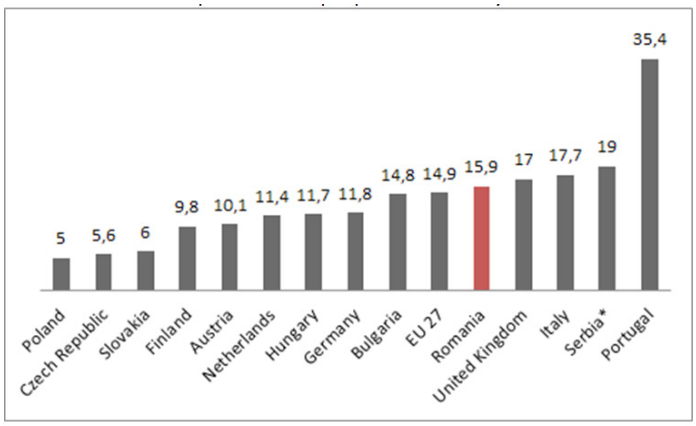

Fig.22. Early school leavers: the proportion of 18-25 years olds without completed upper-secondary education and not in learning 2008 (Source: Eurostat);

An example for a possible problem statement that is based on a learning outcome related indicator in international comparison: "The proportion of functional illiterate Romanian 15 year olds is extremely high."

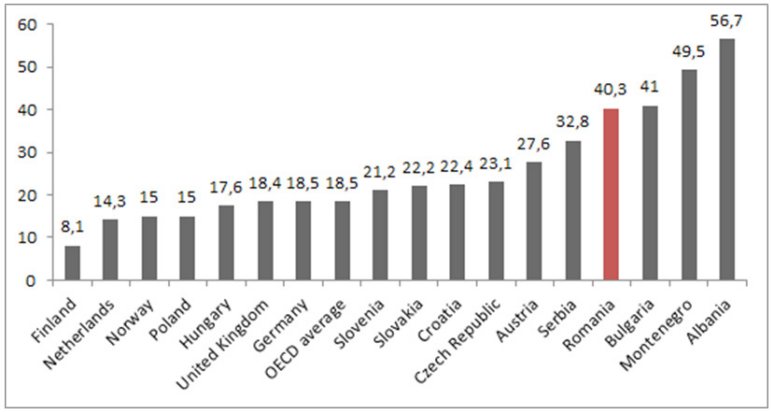

Fig.23. Proportion of students performing at level 1. or bellow in reading (functional illiterate students) in selected European countries (PISA 2009) (Source: OECD PISA 2009);

V. KEY POINTS

1. Continuous learning
Rather than thinking, like in the past, about provision of particular university courses and having a rather set curriculum which was not frequently updated, the EU knowledge economy requires something fundamentally different. Therefore, policy makers are invited to consider modularity when designing educational policy programs and to consider how low-cost replication of educational programs is possible;

2. Culture and ethos
Whilst this is slightly beyond scope for a public policy manual, the provision of education has many influencing factors which must be carefully considered when a significant change in public policy reform is made.

3. Cost effectiveness
Cost and efficiency are concepts which, in a shrinking public budget environment caused by demographic, financial and political factors, will be pre-eminent. Policy proposals need to be designed with cost-effectiveness in mind – and designed to be resilient in the medium run, regardless of the budget environment

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Chapter XII

CHAPTER 12. THE EVOLUTION OF EU POLICIES IN EDUCATION

By Péter Radó

The practical nature of policy change determines intervention, sometimes, by the supra-national bodies such as the EU, particularly for newer member states. There are very few directives that are mandatory in the field of education, however labor market pressures considering the common EU market and a friendly competition amongst peers to attract capital and to make the education system react better to changes in specific countries. This chapter aims to give a brief flavor of the impact of EU policies, and it is the final chapter looking at influences on national policies in education. It will be contrasted with the following chapter (chapter 13) which deals with the Romanian education system and the principles guiding the application of the existing legal system.

I. Changing patterns of educational governance in the EU member states

EU policies and priorities in the field of education and training are playing an increasingly strong influence on national education policies. However, this linkage is not one-sided, most of EU initiatives and instruments were extracted from the practice of individual countries and were scaled-up at the European level. Therefore, the evolution of EU policies, as well as the interplay between EU and national policies can't be understood without an insight of the direction of change regarding educational governance systems in the EU member countries.

The development of the educational governance systems in Europe were determined by two parallel, mutually reinforcing processes: the educational paradigm shift described in the previous chapter as the learning outcomes based approach to education and the impact of the acceptance of the New Public Management principles and techniques in the management of public services.

New Public Management (NPM) became the prevailing approach to public management in the early nineties. It is based on the assumption that strengthening "consumer" influence and expanding choice – that is, the stronger enforcement of individual interests – will solve the weaknesses of the so called "long route of accountability", that is, the indirect enforcement of public interests through national governments and local self-governments.

This school emerged from the crisis of the welfare state in the eighties and incorporated various business mechanisms that were considered being much more effective than the operation of public institutions. Since new public management preferred flat and autonomous organizations it gave a momentum to decentralization of public services. New Public Management brought various reforms both at the level of organizations by introducing instruments for greater efficiency, and at macro-level by modifying the borders between public and private sectors, by making tendering compulsory, by reducing public funding and by deregulation.

The most important and typical instruments of NPM in the governance and management of education are competition (e.g. privatization of certain services, sub-contracting), simulating market relations (e.g. free choice of schools, demand driven in-service training systems), more demand side financing (e.g. per capita funding, vouchers), managing by objectives (e.g. performance standards), "market" incentives (e.g. performance-related pay of teachers), customer services (e.g. student services in higher education), strategic planning, performance management (evaluation against performance standards and intervention in failing schools), deregulation, as well as reducing and modernizing public employment. (Radó, 2010.)

The governance pattern evolving from the above mentioned two sources can be described as governing education by objectives. This model of governance reshuffled the instruments of governance and policy making:

- Expectations towards education and, as a consequence, the way of regulating educational objectives were reconsidered and diversified. There was a firm shift from regulating processes to regulating outcomes by performance standards.
- The reconsideration of the relationship between state and educational institutions. Due to decentralization in pre-higher education and the strengthening of the autonomy and the empowerment of higher education institutions, management and policy functions were separated.
- There was a shift of focus from individual teachers/educators to whole institutions (the "whole school approach").
- Professional accountability related concerns were strengthened that led to the establishment of performance management systems in education.
- There was a growing need for better policy coordination across public service sectors and among levels of education.
- Formal education systems were made more and more open to non-formal and informal learning that – together with the diversification of learning pathways within the formal system – generated great demand for services provided to individual learners (such as guidance and validation of non-formal learning).
- The basis of the legitimacy of policies has changed with an ever greater weight placed on measurable outcomes (e.g. the use of the PISA results and the data provided by domestic standardized assessment systems in policy argumentation).

II. The stages of the evolution of EU policies in education

The evolution of the educational policies of the European Union can be described by distinct stages: (1) educational objectives within the framework of labor and social policies, (2) the emancipation of education as a separate policy field and (3) EU initiatives aiming at harmonizing the learning outcomes produced by educational systems and a stronger effort for harmonizing national policies along common objectives.

The early beginnings of educational policies at the European scale

One of the most important driving forces of the European integration is the goal of ensuring the conditions of the free movement of capital and people among European countries. This goal called for educational measures at the European level from the very early stages of the integration, even if for a long period of time education was fully regarded as a matter of national competence. There were three policy fields for which EU had a certain "constitutional mandate": employment policies for human resource development, social policies for fighting poverty, social exclusion and strengthening competitiveness by the development of new technologies and the „knowledge society". In this period the main instrument applied was funding multilateral development projects aiming at the harmonization of curricula, especially in vocational training. However, due to the great diversity of the curricular foundations of different education systems - that were largely determined by different cultural and educational traditions - these projects failed to generate the expected convergence.

The First stage

The relative failure of the early initiatives resulted in a rather dramatic policy shift: efforts invested into the harmonization of processes and content were closed down and the

"principle of mutual confidence" was introduced instead by the 1991 Directive on the mutual recognition of qualifications. In order to strengthen mutual trust a strong focus emerged on the quality guarantees of the provision of educational services. At the European scale it resulted in launching a big number of experimental quality assurance projects. On the basis of the knowledge and experience that was accumulated through these projects, various guidelines and recommendations were issued by the Commission for the different levels of education in 1998, 1999 and 2001. In 1998 the development of European quality indicators was started.

The most influential EU policy instruments developed during this stage is the adaptation of the 1991 European Foundation for Quality Management (EFQM) to quality management in education institutions. School based quality management systems in most of the member states are founded on the adaptation of this instrument.

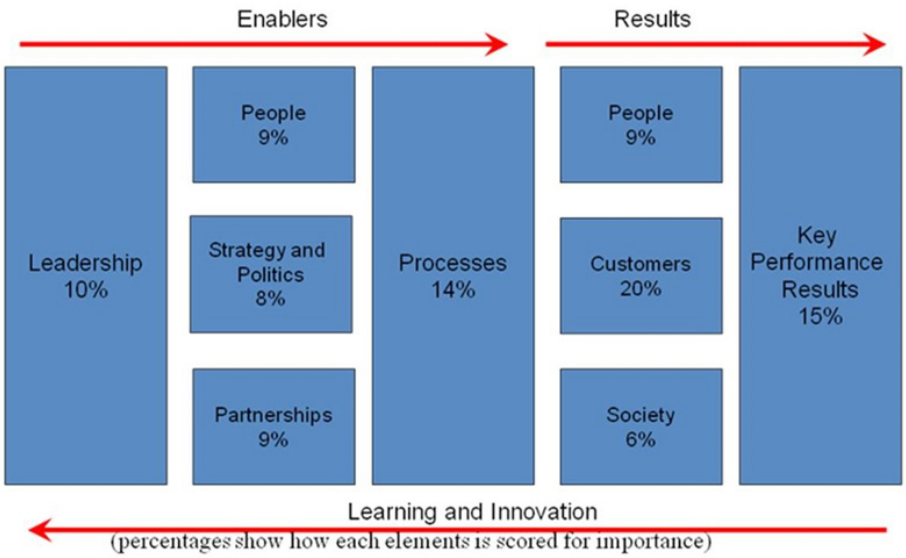

Fig.24. The EFQM model of quality management;

In the mid nighties - still under the umbrella of employment policies - another strand of community policies emerged aiming at harmonizing national educational policies: the lifelong learning policy. (See: Chapter 2.) The major instrument of this policy consisted of introducing national planning for lifelong learning.

The second stage

The "emancipation" of education as a separate policy area occurred within the framework of the Lisbon process. In 2002 the Open Method of Coordination (in fact: "governing without government" by setting common goals and monitoring national policies against these goals) was expanded to education.

The process of OMC is based on the following algorithm:

1. Guidelines for the Union – timetables with short, medium and long term goals („Work Program");
2. Determining quantitative and qualitative indicators and benchmarks by task groups and political bargain;

3. Translating the EU guidelines to national policies with specific targets and adopted measures;
4. Periodic monitoring, evaluation and peer review combined with mutual learning (exchange of best practices and "what works" know-how).

The majority of the objectives set for education and training were related mainly to the effectiveness of the education system with a big emphasis on access to educational services. However, out of the 16 core indicators determined for EU level monitoring several indicators already referred to learning outcomes (literacy in reading, mathematics and science, language skills, ICT skills, civic skills, learning to learn skills). The five benchmarks against which the performance of national education systems was assessed are the following:

1. No more than 10% early school leavers;
2. Decrease of at least 20% in the percentage of low-achieving pupils in reading literacy;
3. At least 85% of young people should have completed upper secondary education;
4. Increase of at least 15% in the number of tertiary graduates in Mathematics, Science and Technology (MST), with a simultaneous decrease in the gender imbalance;
5. 12.5% of the adult population should participate in lifelong learning.

Beyond promoting common educational policy objectives through the open method of coordination, EU policy initiatives of this period were organized around two major processes. One of them is the Copenhagen process launched in 2002 aiming at strengthening cooperation in the field of vocational education and training. A wide range of policy instruments were developed within this framework, such as Europass, ECVET, EQF, and various guidelines and recommendations. (See the section on policy instrument below.)

The other relevant process is a major initiative of this period for higher education: the Bologna process. In the narrow sense the Bologna process is not an EU initiative, because it goes beyond the mandate of EU. The cooperation aiming at the structural harmonization of higher education systems in Europe is a "bottom-up" initiative proposed by the academic elites of four countries in 1998 through the Sorbonne declaration. It was spread to 29 European countries in 1999 by the signing of the Bologna Declaration that in fact established the European Higher Education Area and that was followed up by regular ministerial meetings. The Commission did not launch any major parallel initiative for higher education; rather, it invested serious efforts in order to promote the Bologna process and to adjust its own higher education related policy instruments to it.

The third stage

The following period of the evolution of educational policies of EU is not a distinct stage in terms of any changes of the "constitutional mandate" of the Commission in education or that of any major new initiatives beyond the still ongoing Copenhagen and Bologna processes. The new stage is much more marked by the changing alignment of EU policies: an ever greater emphasis on the harmonization of expected learning outcomes in line with the already prevailing learning outcomes based approach underpinning national policies.

The key elements of this policy are (1) the adoption of a list of key competencies to be promoted by the education systems of all member states in 2005, (2) the adoption of the competence-based "Bergen descriptors" for higher education qualifications in 2005 that is the foundation for

the European Credit Transfer and Accumulation System (ECTS), (3) the adoption of the European Qualifications Framework (EQF) in 2008 that integrates competence-based qualification descriptors for all levels of education, (4) the European Credit Transfer System for Vocational Education and Training (ECVET) that has been approved in 2009, and (5) the adoption of the Recommendation on the validation of non-formal and informal learning in 2012. All these instruments capitalize from the advantage of the "governance by outcomes" pattern of policy-making by connecting and influencing national regulatory systems at the outcomes of education without even trying to intervene into curricular regulation of content and processes. (In fact, this a soft replication of the educational governance model of various member states at a European scale.)

The European Union developed its Reference Framework of Key Competencies partly on the basis of the results of the DeSeCo Program in the first part of this decade. (As learning outcomes moved to the center of EU educational policies the work of OECD in this field became one of the most important inputs of the EU.) EU key competencies are grouped into eights groups of competencies: (European Commission 2006.)

- Communication in the mother tongue;
- Communication in foreign languages;
- Mathematical competencies and basic competencies in science and technology;
- Digital competence;
- Learning to learn;
- Interpersonal, intercultural and social competencies and civic competencies;
- Entrepreneurship;
- Cultural expression.

All the detailed descriptors of the key competencies refer to the "abilities to …". The EU key competencies fall into three categories: (i) measurable cognitive competencies (e.g. mathematical competencies), (ii) competencies that require a high degree of cross-curricular organization (e.g. learning to learn) and (iii) certain underpinning transversal competencies (e.g. problem-solving or creativity) (CEDEFOP, 2008). The EU reference framework provided the basis of the revision of curricula in several member states, as well as the development of the European Qualifications Framework.

The European Qualifications Framework (EQF) implemented in the member states till 2012 is a "translation device" that allows for connecting individual qualifications awarded in different countries by their connection to the different descriptor levels of EQF. The eight levels of descriptors are determined in terms of knowledge, skills and competencies. In order to ensure the easy connection of outcome regulations of various qualifications to the different EQF levels all member states engaged in adopting – or revising already existing – National Qualification Frameworks (NQF).

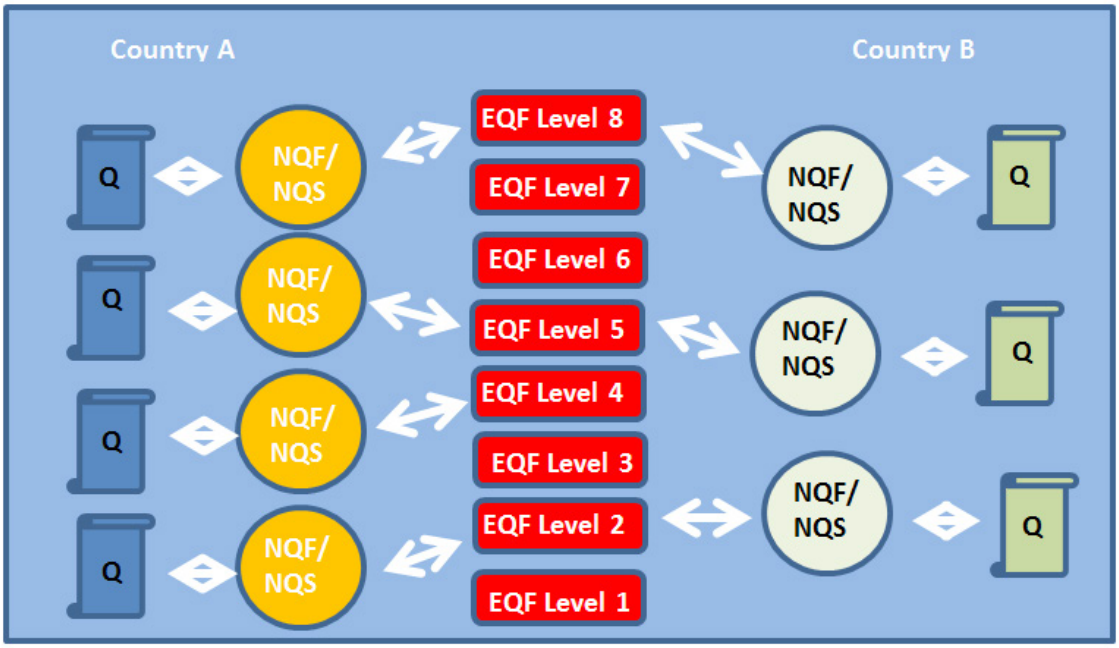

Fig.25. The function of EQF

On the basis of the evaluation of the 2000-2010 work program within the Lisbon process the benchmarks for the next ten years work program were revised. The new education and training benchmarks to be achieved by 2020 are the following:

1. an average of at least 15 % of adults should participate in lifelong learning;
2. the share of low-achieving 15-years olds in reading, mathematics and science should be less than 15 %;
3. the share of 30-34 year olds with tertiary educational attainment should be at least 40 %;
4. the share of early leavers from education and training should be less than 10 %;
5. at least 95 % of children between 4 years old and the age for starting compulsory primary education should participate in early childhood education.

Monitoring progress and ensuring the active involvement of EU countries are key elements of the overall 2020 strategy. This is done through the European Semester, an annual cycle of macro-economic, budgetary and structural policy coordination. In fact, the European Semester supplemented the already existing OMC procedures with new one within which the harmonization of EU and national policies became much more intensive. The key stages in the European semester in each year are the following:

- January: the Commission issues its Annual Growth Survey, which sets out EU priorities for the coming year to boost growth and job creation.
- February: the Council of the European Union and the European Parliament discuss the Annual Growth Survey.
- March: the European Council issues EU guidance for national policies on the basis of the Annual Growth Survey.
- April: member states submit their plans for sound public finances (Stability or Convergence Programmes) and reforms and measures to make progress towards smart, sustainable and

inclusive growth (National Reform Programmes).

- May: the Commission assesses these Programmes.
- June: the Commission provides country-specific recommendations as appropriate. The European Council discusses and endorses the recommendations.
- July: the Council of the European Union formally adopts the country-specific recommendations.
- Autumn: the Governments present the budget draft to their Parliaments.

The last major development in the ongoing stage of educational policy-making at EU level is the ever stronger use of structural funds for policy implementation in the following (2014-2020) budgetary period. In the period of 2006-2013 structural funds were partly mere reallocation mechanisms to the less developed regions/countries of Europe. Although, all operational programs had to be connected to employment, educational and social cohesion related to EU policies, in fact their implementation instrument character was rather weak.

Therefore, planning for the next period incorporates certain new procedures that aim at strengthening the linkage between EU policies and the use of development funds. The most important ones of this kind are the ex-ante conditions (such as national planning and policy measures for specific problematic areas, the annual country specific recommendations, regulations for more focused resource allocation along specific priorities and the opportunity of suspending resource allocation if interim conditions are not fulfilled. All these changes have the potential to strengthen the influence of EU policies on national policy-making through the stronger use of financial incentives.

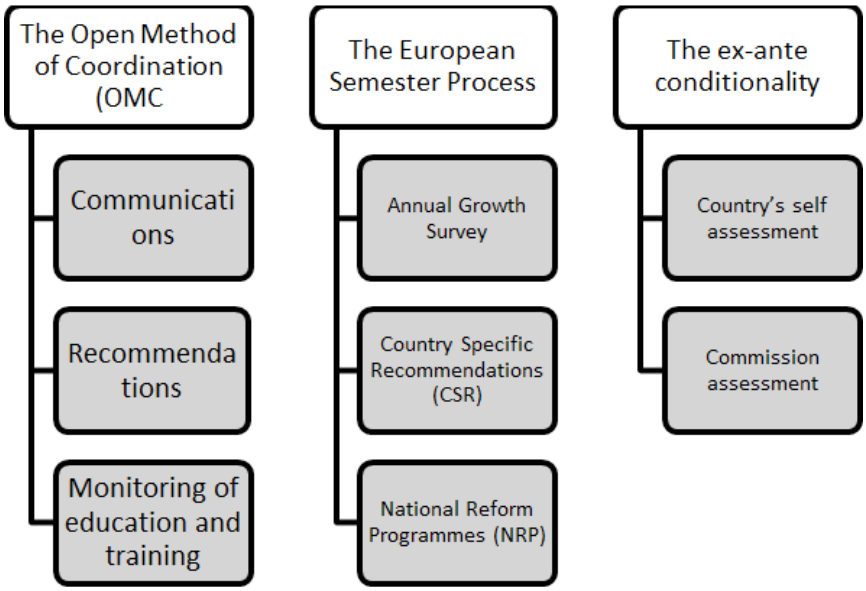

Fig.26. Key EU processes of policy-making;

III. Policy brokerage: the interplay between national and EU policies

The relationship between EU and national policies is based on the coexistence of a push and pull effect. On the one hand EU policies are imposing a more and more decisive impact on educational policy-making at the national level (i.e. "push effect"). On the other hand, the huge majority of EU initiatives and instruments are based on scaling-up of already existing instruments of

governance and policy in certain member states. The soft cooperation frameworks within which policy-making occur with the active participation of the representatives of national government are transmitting "policy messages" and ideas on both directions.

The potential of individual countries for influencing EU policies, as well as their capacity to implement EU policies in education are determined by four contextual factors:

- Procedural compatibility: the closer the way how educational policies are developed and adopted in an individual country to the soft procedures of the EU that are very much based on institutionalized consultation, the easier is to connect national policy-making with participation in policy formulation at the EU level.
- Structural compatibility: the extent, to which mainstream international governance patterns applied within a certain country. For example, if governance in education in a given country has been shifted from strong focus on curriculum and teaching to output regulation by learning outcomes, the implementation of "third stage instruments" of the EU occurs rather smoothly.
- The maturity and internal weight of institutions and procedures that are mediating between the national and EU level. For example, the direct participation of the staff of ministries of education in international cooperation activities at EU level, the international activities of institutions providing the knowledge basis for policy-making at the national level, the number of experts and specialist of various fields active at both levels, knowledge management agencies transmitting international experience into domestic policy discourses, the quality of strategic planning at the national level etc.
- The perceived relative weight of problems addressed by EU policies within the national context, the compatibility of policy agendas.

Bearing in mind all of these four conditions, there are countries – mainly at the eastern periphery of Europe – that have smaller influence on policy-making at the community level and have difficulties to absorb EU initiatives. In certain cases connecting policy-making at the two levels in these countries remains the matter of mere "administrative adjustments" or verbal conformity.

IV. KEY POINTS

1. A good understanding of the European dimension of educational policies among government actors, the representatives of various organized stakeholder groups and experts supporting policy-making at the national level. It requires continuous dissemination, and institutionalized information and knowledge management.

2. Strong focus on educational outcomes and the use of the methods of evidence-based policy-making that ensures grasping the special national characteristics of the education system within an international comparative framework.

3. The quality of mid-term and long-term strategic planning in the education sector that is well connected to planning at regional, local and institutional levels. Especially, strengthening intersectorial communication and better connecting educational, social, labor and cultural policies are very important.

4. Investment into the modernization of system regulation instruments, that is, into the governance of education. For example, a shift from process regulation (e.g. curricula

and accreditation of higher education programs exclusively on the basis of program curriculum) to outcome regulations.

5. The improvement of the information systems of education and ensuring the compatibility of the underlying classifications of national and international information system (especially with that of the OECD and the EU).

6. Strong and intensive participation of experts and key institutions in international cooperation processes and projects, especially within OECD and EU frameworks. Also, breaking through informal "information monopolies" by ensuring the exchange of knowledge and experience that is accumulated in international cooperation at the national level.

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Chapter XIII

CHAPTER 13. ROMANIA'S LEGISLATIVE FRAMEWORK VERSUS THE PUBLIC POLICY MECHANISMS

By Răzvan Orăşanu

The purpose of this chapter is to harmonize and map the most important provisions in place in Romania, relevant when drafting legislation on education. The framework established by the Government of Romania as far back as 2006, in order to rationalize decision making and create various filters for public policy proposals is still operational. Its application on education policy is done in precisely the same format as for any other legislative proposal which is put forward, regardless of the domain. This chapter draws together all the lessons learned in previous chapters trying to effectively help public policy professionals deploy the skills which have already been learned in order to draft a legislation. The drafting of legislation can be greatly aided by all the processes which have been described before, whether it is the Eight Step Framework by Eugene Bardach, or the engagement of stakeholders and the analysis attached to that process or whether it concerns data and data evaluation.

The various suggestions are not coming out of any theory book – we have sometimes come up against problems when they were not followed in a variety of contexts in dealing with public entities, whether as managers running policy change ourselves or as outside consultants advising from the outside. The problems always seem to center around familiar topics: whether it is the clogged internal mechanisms that are supposed to drive the policy change, or the human resource strategy which is serving the institution poorly, or the absence of any data indicators on performance – and there are countless other issues listed below. There is no "silver bullet" to cure all these ills, but institutions (seen as developing organisms) and institutional mechanisms (like social systems) can be optimized by looking at the list below and trying to make an adjustment to fit a particular public policy intervention.

The contents of this chapter will be split into several parts: the first one will discuss the "normal" frameworks for Government Decisions, Draft Laws and Emergency Government Ordinances, established by the present legislation guiding the public justification, a component which every piece of legislation must have. The law is sometimes followed by the letter, but not by its spirit – most of the justification pieces accompanying the legislation (in Romanian: note de fundamentare) are not very precisely filled in. The second part of the chapter will describe a different framework established in 2006 to encourage rational and data-driven decision making and to increase the transparency of the policy process, with mixed results. The purpose here is only to state some of these legislative efforts, going deeper into governance issues, the success of specific legislation in addressing it being beyond the scope of this book.

Part I – Present day requirements for the legislation as a whole

All the eight steps presented below appear in the preamble as well as the justification part of every piece of legislation – be it law, Government decision or Emergency Government Ordinance. Whilst the framework is there to strengthen the justification for particular pieces of legislation, this framework is followed by untrained civil servants in a superficial way and the essence of evidence-based policy making is lost in the presentation of a particular piece of legislation. What is vital is not responding to all the points stated below – although this is compulsory by law – but responding in such as way in which we ensure that the requisite steps have been taken (see previous chapters) so that the public policy proposal will be strong, carefully thought through,

and sustainable both in financial terms and in the implementation phase. All these eight steps are carefully analyzed below and we added a full mapping of the process – in places where additional information is needed, we pointed out previous chapters of this book.

I. Synopsis of the compulsory sections of the law and comments on their relevance in view of previous chapters in this book

I.1. The title of the law

This must contain, by law, the full spectrum of changes in the law (and the full name of any legislation which is already in the books and is being modified). This creates sometimes a title which is 3-4 lines long, but it helps somewhat make some of the legislative provisions within it quite explicit.

I.2. Describing the current situation

I.2.a) Current state of affairs (including normative provisions which guide it)

In this section, public policy professionals should normally look closer at the data chapter and try to select relevant facts that paint the story. As much data as possible that supports the policy change should be brought forward. Analysis of the entire subject – matter should be put forward, in a broad, detailed and coherent picture of what the situation looks like.

By contrast, a common practice (and a common fallacy) is giving a mere definition of where the perceived problems are. Worse, if there is no independent measurement of the problem, or if an attempt is made to conflate the definition of the problem with perceived elements whichare intended to make it better, the premises are set for a less successful public policy initiative.

Another common practice (and a different fallacy) is to merely give legal and technical arguments for changing or amending previous legislation. This is sometimes a dry piece written by legal professionals which looks into some detailed mechanisms concerning the functioning and implementation of a specific piece of some previous legislation. Very little synopsis is given to higher-order problems regarding the functioning, in some important aspect, of the entire domain. Very little analysis is sometimes put forward concerning the social functioning of some public policy, the way in which it serves stakeholders and the way it is measured to actually perform in practice. That is why the best thing here is to look for evidence and to create an evidence-based policy initiative, because nothing describes the current state of some policy process better than the careful use of a summary of statistics.

I.2.b) Predicted changes (following the proposed reform)

This is another key section where data analysis can come to be very useful. It is essential to have a good data source and to model proposed changes in several ways, using several different assumptions. There are several factors to include: first, how sensitive various key intended results of the policy are in view of the inputs. Second, how have you modelled the likely changes following the policy reform – are there any key assumptions that have been made? Are there any uncertainties in the scenarios you present – are some more likely than others?

I.2. c) The purpose of new legislation

In this section, there is hardly any talk, ever, of performance statistics, of some benchmark or data point towards which the reform is moving. Very rarely do we have a sector-wide analysis and an impact analysis of some cross-cutting aspect of the education system. The purpose of

the legislation alsoshould not be confused because the same piece of legislation cannot have multiple purposes– since implementation becomes difficult.

The most successful pieces of legislation are those that, having engaged stakeholders, come up with a purpose which is easy to follow, measureable and important to attain. This underpins reforms in important ways – it helps underlines the broader goal of the draft law, it enlists people's support and becomes very easy to communicate. It also points out that there is a broader systemic change which is targeted by the law. If the law itself is written in a coherent form and is discussed with the appropriate stakeholders, then the public policy changes can be major.

I.3. The socio-economic impact of the envisaged draft law
Whilst typically this section could be widely used to point out the impact calculated in previous chapters, or to state precisely how the tools of government are applied to particular problems – impact (and outcome!) estimates can be expected, typically this section of the law being filled in a rather perfunctory way.

It is vital to think of the number of people involved, to try to measure them as precisely as possible and then to estimate the impact. If this is difficult, you can take a combined "top-down" and "bottom up" approach. In education, you can attempt to estimate the effect that the policy would have at a nation wide level, given the data you have. Then we can go to a particular university and try to estimate the effect of the policy using the data that we have (and we can pick an "average" institution, or one that has a close to the average number of students). Aferwords, in order to reconcile the two numbers we are going to try to do an estimation by using the models that we have at our disposal and the likely impact. Inevitably, regarding education there are broad implications with respect to sociological aspects, but also to related economic aspects. Refering to the social impact, there is very little surveying of the end-users and of the beneficiaries of the education system and the data is hardly ever fed in the drafting process used by the law. With respect to the economic impact, there are very few instruments which measure the "social and economic value" of education – since the return of investment to society is a rational data point used to decide how much is invested in a particular public policy. If the state is spending much more on implementing a particular public policy than it is receiving from it(this can be in the long-run, it cannot typically happen immediate), then the policy needs to be revised.

II. State aid and competition law

As the framework on how to put together the rationale for drafting a particular piece of legislation was put together in 2006, as Romania was just joining the EU, this section does not include the broader topic of competitiveness, defined in a European sense. The problem of state aid and its impact on competitiveness was foremost in the mind of those which drafted this piece of legislation, as it was a so-called "red flag" in Romania's entry path to the EU and it continues to be a subject of close monitoring. There are few incidents of state aid with respect to education, but there have been incidents where a state aid scheme for training, for example, was diminished after examination by the European Commission. Such an incident was the state aid scheme following the privatization of Automobile Craiova to Ford Motor Company. Wherever there is a scheme related to training, the 50% intensity of state aid needs to be taken into consideration.

III.1. The impact on the business environment
There is a crucial link missing in most of the education policy – it seldom takes into consideration the options put forward by the business community. There are several problems here. One is

the inter-temporal problem: the business environment should define its future needs 3- 4 years before accepting graduates and post-graduates as employees of companies. This forecast would then need to be fed into specific documents and translated into the curricula. Furthermore, an increased participation of business leaders in the universities would need to be encouraged. This is currently done in a non-systematic way. Curriculum change is the key place where chambers of commerce can give a critical input. For an illustration of the healthy role the business sector can play in education reform, you can turn to the chapter detailing the set -up of "Start Internship", an internship program developed in partnership by an NGO, the Government and the private sector.

III.2. The Social Impact

The magnitude of the social impact should be computed carefully. It is beyond the scope of this manual to dive too deeply into this particular field. The social impact can be computed in several ways, but long-term studies should be done to track the effect of major public policy initiatives over many years. Currently, these issues are largely absent from the debate on university education output. The social impact of a variety of dimensions would need careful measurement – for example there are no studies to date that track the impact of the Law on National Education from 2011, a major reform effort. This is why we cannot accurately track the progress or absence of it which follows after the enactment of major pieces of legislation. There is also a lag effect – major legal initiatives take a while to permeate through the system and the education system as a whole has a time gap before it adapts, particularly in the cases where implementation was not carefully thought out from the beginning.Sometimes, another difficulty arises – in cases where primary legislation is passed, but secondary and tertiary legislation to enact the provisions in the law are delayed significantly, completely changing the original timetable given by the law. Furthermore, both short-term and long-term impact need to be carefully considered and the mechanisms through which the law is enacted need to be constantly monitored.

III.3. Impact on the surrounding environment

Often this section of the law draft is simply not complete in any way – but the long term impact of education has been tracked by a variety of ways. "Learning by doing" has been proven – again and again – to create an accelerated learning curve, community projects and participation to national programs

IV.1 Impact on the general budget, short term – the current year – and long term (5 years on)

This section which is related to the rationale for putting forward legislation is generally completed in a superficial way, but public policy professionals can make an effort to greatly improve it while making better estimates regarding the full life-time costs of a particular public policy.

There are several problems regarding accurate estimations. The first is relying on heuristics (like so-called "rules of thumb") and badly estimating the requirements necessary to see a public policy project put intro practice. This happens because there is almost never any concrete dialogue between public policy professionals at national level and the people actually supposed to implement reform. The second problem regarding estimations are that they almost never look at the cost of training for the policy to be implemented, the extra administrative burden, the budget for internal and external communication and the cost of monitoring that particular policy – because in the absence of monitoring there is no way of knowing if the policy is successful or not in the long-run. The third problem is that budgeting by project is not developed in Romania, which

still has a cash-based accounting system, one which looks at costs split by various expenditure classes (in a school, there are salary costs, investment costs, ones related to stipends etc.) All these problems can be found in national programs or national public policies which change, in a major way, the education system.

IV.2. Modifying expenses against the general budget

For an official from the Ministry of Finance, everything proposed by the Ministry of Education is regarded from the expenditures point of view. This happens because sociological models and accurate computations of how extra schooling, decreases expenses later – for example in the prison system, in unemployment benefits etc. – are almost absent from the current public policy discourse in Romania.

IV.3. Financial impact on central/ local budgets

Again, because education is often seen from the prism of "what is invested today", the financial impact calculated is quite large and there is hardly any cost-benefit analysis to show, dynamically, what the impact of these expenses would be in time.

IV.4. Proposals for covering the deficit or the additional expense

Since this section is frequently filled in by educational experts and not financial experts, this is not a section that is very easy to fill in. However, many universities have their own generated funds and a key strategy in strengthening the education system in the future will be permitting many funding sources to be routed to the school system. A proposal was made to set up the schools (see the Austrian higher education case) with a specialized legal entity status which allows streams of funding to come in from private donations and from the 2% of salaries which is routed now to NGO's only. A different proposal is the French "taxe d'apprentissage" a tax which is compulsory for companies, but which the companies can direct to the university which best suits their training needs (or to a collective organism such as a Chamber of Commerce, which does that on their behalf), creating a system of competition and better links with the private sector. For now, few imaginative reasons can be given here, in the current legal framework applicable to the Romanian education sector.

IV.5. Proposals to compensate for the drop in revenues

Currently, there are hardly even proposals to compensate the drop in revenues, but if the state would work closer with NGO's or with representatives of the tertiary sector which are already active, for instance in working with orphans, or creating social entrepreneurship programs for high school pupils or, on the contrary, working with university students, than the budgetary funds could be matched by community fundraising, by fundraising done for the local schools/ universities or by corporate partnerships.

IV. 6. Computations related to justifying expenses and revenues from the budget

In this case, a detailed estimate of expenses requires thinking public policy programs from the ground up ("bottom-up"), but also from the top level and cascading down to the various ministries, agencies, universities etc. ("top-down"). If the two numbers are diverging significantly, then a more careful estimate and perhaps a pilot program is necessary.

IV. 7. Other information

In this section, the most relevant are indices that have been compiled, any data which makes the connection between various parameters of the education system (such as quality, accessibility) and the budget. In other words, describing what an extra unit of budget can do to create additional

results is likely to fundament the public policy proposal in such a way that it can be approved.

V. Effects of present legislation over the body of legislation already applicable

This section is also seldom completed in the way it should be. A thorough, ongoing review of past legislation should be applicable here. If the law proposed changes any provision in a different law, this should be made clear in the preamble. The opportunity of passing new legislation should be taken to retire or obviate the need for sections of previous legislation. In general, the effort put in the new legislation should be matched by a similar effort to take legislation which is not being used off the books.

V.1. Legal dispositions which are changing and subsequent acts following the enactment of legislation

An additional concern is the surveying of all applicable pieces of legislation which are moved. Often, just the narrow confines of the changes are tracked in the applicable legislation, without thinking of the impact of the education system as a whole. For example, modifying the baccalaureate exam in itself should have consequences on the way universities adapt to this national change in the exam – adapting in the way they accept prospective students and adapting in the way the teaching in the first year is done. Yet, there are few reforms which are fully tracked with all their implications.

In addition to the way legislation is being modified, often there is a need for laws to be accompanied by secondary legislation and sometimes tertiary legislation (ministerial orders). These are almost never prepared in tandem, so various problems happen – the most frequent of which is the late operationalization of some changes required by the public policy proposal in the way it is originally framed. Public policy professionals should, insofar as possible, prepare a good part of the implementing legislation as a package, when this is sent through to the decision-making level. Also, once there is a provision in the law which requires action by some point – say, giving an order by the Ministry of Education to operationalize some aspect of the law – this should be prepared in advance and the deadline should be followed closely, even though, typically, there are no sanctions in the law in case such important deadlines are missing.

V.2. Conformity of the law with EU legislation

This is a section that is slightly beyond its scope to explain in detail and could have many different components, from applicable EU legislation (E.g. the Bologna process or the EU's Lisbon Agenda) to recommendations and "best practices" at EU level. The trans-national level should be seen as a guide for best practices where the local need justifies following such guidelines, but the logic of "EU action" should not be taken as guideline thoughtlessly, without a careful analysis of the compatibility with existing systems and of the coherence of the education system as a whole.

V.3. Measures to implement EU legislation directly

In the case of education, there is arguably less transnational legislation than in the areas of free movement and free markets, as well as distortion through subsidies. Where there is compulsory EU legislation, extreme care should be applied when directing it through. The worse possible situation is to just take a translation of the applicable EU directive and try to implement it in the Romanian education environment without going through the steps which this book recommends: namely, doing a stakeholder analysis, gathering data and thinking of implementation, amongst other things.

V.4. Decisions taken by the European Court of Justice
Sometimes, decisions by the European Court of Justice need to be applied in the Romanian context. Frequently, these do not refer to education (most are on property rights and personal liberties), but if they did, the full rationale behind the decisions would need careful studying before implementation. Structurally, applying a decision as it is, without filtering it by the intermediary of the rest of the pieces in the system – and not reaching the outcome which is required is a superficial reading of the law.

V.5. Other international treaties and documents
Romania frequently signs a number of documents on education exchange with many states across the world, but the implementation is very complicated. There is a patchy implementation of these accords and there is very seldom an analysis on all these agreements and their various stages of implementation.

V.6. Any other information
Normally, this would be the space where ordinary citizens could be informed, in plain language, of the aims and expected benefits that this legislation would have, of the changes necessary in order to make it operational and the likely impact of public policy proposals.

VI. Consultations leading to the adoption of this piece of legislation

Here, the chapter concerning stakeholders comes in very usefully. Before any legislative proposal is made, a careful consultation of the stakeholders should take place. This is not the consultation where the piece of legislation is considered "ready to go" and then various institutions are asked what do they think of it – the consultation should normally take place when the law is about to be drafted, so that its evolving shape incorporates into the design phase the considered judgment of several stakeholders and in particular those who will need to implement it or those that are most affected by the changes proposed through this public policy process.

VI.1. Consultation of NGO's, research institutes and other involved organisms
The writing of policy without specialized input and considered judgment coming from specialists in their particular domain can lead to unintended consequences. In Romanian education, the link between research and current policy, as well as the link between the Ministry itself and organizations researching policy is sometimes not very strong. It should become common practice that an elite group of researchers and active think-tanks on education should be brought together to discuss most of the legislative changes that are going on. Without their considered opinion – and not at the end of the process, when little can be done and the mood is one of damage control rather than thinking of progress and implementation – public policy suffers from a lack of clarity, quality and precision which can be detrimental to those who are involved in its application. The corollary of all this is that a community of public policy professionals can greatly help the policy process, in relation to any draft legislation.

VI.2. Explaining the choice of stakeholders consulted
The stakeholders need to be the most relevant, those with the most knowledge, those already implementing mechanisms similar to the proposed law and those that have a very large say on its application – even something close to a "veto" on proposed legislation. The common practice of following just Government Decision no.314/2001 and setting up a Commission for Social Dialogue at the level of the Ministry often fails to include relevant NGO's or relevant organizations, or even agencies that could have an appropriate input into the draft legislation.

Public policy professionals should do their best to contact the relevant stakeholders – even in cases where their opinion is likely to be contrary to the proposed public policy reform. The mere act of consultation modifies opposition and results in several solutions – of making the proposed draft law more implementable or of at least understanding the arguments that will be made against it when it is about to become law.

VI.3. Consulting with local administration

Often, the entire policy dialogue, on a variety of national issues is merely done in Bucharest and does not involve in any way local decision makers. This is a mistake that can be rectified by a careful process of informing all levels of the administration of likely changes and asking for their input or to discuss them at a local consultation.

VI.4. Consultations through Inter-ministerial committees

These committees and councils went through an appropriate reform process, but sometimes pieces of legislation related to education still need the input of the Labor Ministry, of the Justice Ministry etc. Councils. Consultations with other ministries are useful, as long as they do not delay indefinitely the process of adopting the public policy reform. Opening several communication channels with other institutions whilst developing a public policy reform is the current best practice.

VI.5. Other bodies that need to approve legislation

Often, the Legislative Council gets involved and the Economic and Social Council on education and social issues. This is not enough to root out all the inconsistencies in the law – since there is no system linking all these institutions together – and the Economic and Social Council discussions are often disregarded, since they only have the right to be consulted, so even if they oppose a public policy formally, this can still go on.

VII. Activities of public information regarding the drafting process and the implementation of public policy

This section refers to informing civil society in an active way. This is done because just posting the draft piece of legislation without background or explanation on the website of the public agency is not enough. Normally, this should entail consultation, detailed breakdown of the rationale for the public policy, giving the opinion of several stakeholders (see the chapter on stakeholders) and presenting permanent data that supports the argument (see the chapter on data and data analysis).

VIII. Implementation

As a rule of thumb, at least 20% of the time spent thinking about legislation should be taken up by mechanisms of implementation. This has several implications: first, mapping the full process of reform and the departments and key personnel that needs to act, second, mapping the sequence of trainings, presentations and acts necessary which need to get done to ensure successful implementation. Planning for the collection of feedback at the beginning, in the middle and at the end of the process also allows flexibility in the way in which public policy is implemented.

The purpose of this chapter and of this particular section is not to go again through all the details which the relevant chapter on implementation looks at, but to highlight again the importance of tracking implementation by intermediary of some data set which can point to specific changes which are being done. If implementation is not done sequentially and not carefully followed

up, if there is no data which can track progress, the implementation of our policy, no matter how carefully thought out in the beginning, will probably fail. A recent controversy here was the change in policy regarding school books for pre-university pupils, which will have a given validity of four years and not unlimited as before – after some wrong or obsolete information was put into some of these school books. This was a fix following implementation problems observed by the Ministry of Education in the mechanisms for commissioning and accepting school books. The first section of this chapter is concluded by observing that, whilst the legal framework of policy making is somewhat different in the strict sense than the international framework presented before through the intermediary of Eugene Bardach, there are important similarities and there is a great deal of application regarding what was mentioned before.

A thorough policy process, as described in the previous chapters, will enhance the process of justifying a particular draft law, which is usually necessary to enact a major reform in some aspect of the public policy process in education. It will also make the requisite explanations required by the law more pertinent, more easy to be understood, it will make the draft law more coherent and will also give it a higher change at the implementation stage.

Part II – Governance indicators and public policy mechanisms in Romania

II.1. World Bank indicators

The World Bank (see figure 27) has measured the effectiveness of the governance mechanism in Romania through a variety of instruments. One instrument is the global governance indicators summarized below, where Romania is a chronic underperformer. A different instrument is the professional survey of six institutions in Romania and having a capability review of their main functions – the changes requested there are still very relevant. Globally, the bureaucratic mechanisms can be seen through their outputs vs. inputs (and lack of performance), through their outcomes and by surveying the population at large (which is perennially dissatisfied with the policy mechanism and the dialogue between citizens and various state institutions.

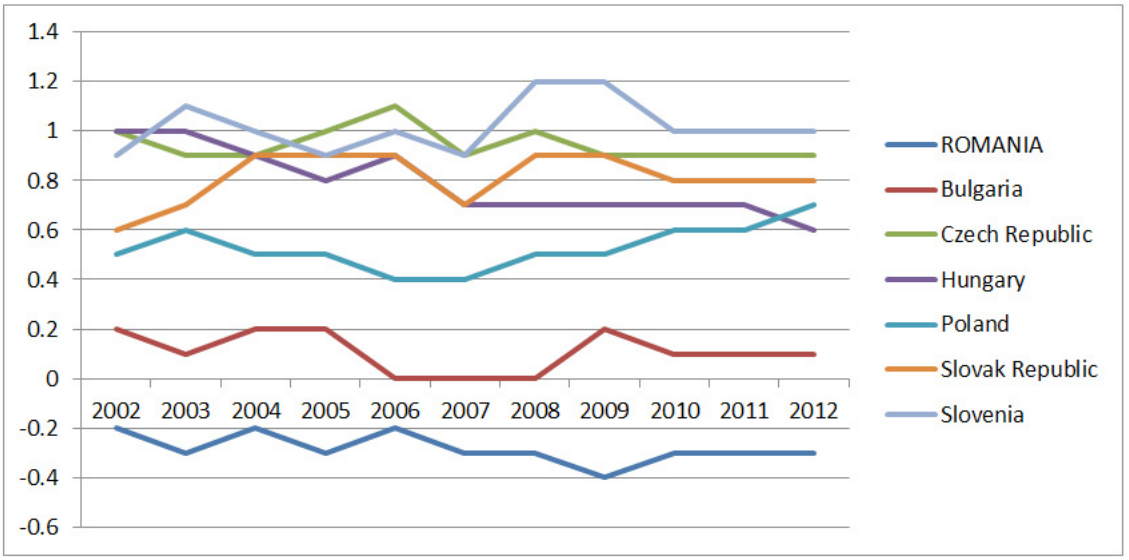


Fig.27: Romania in Governance Indicators – World Bank (source: http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwidegovernance-indicators);

II.2. Various policy interventions to improve the policy process and transparency (Law 242/2010)
There are a few interventions which have been attempted over the years. One was the set up of policy units inside some ministries and the set up of a central strategic planning entity, which was at various points in time either inside the General Secretariat of the Government or within the Prime Minister's Chancellery. This failed in the absence of a sustained effort to equip these units with the right tools and in the absence of support from the political level, during the turf war inside various institutions. The central planning aspect has only been partially sustained, because institutions with many untrained civil servants are taking compulsory documents – such as the one detailed in part I above – and watering them down when they reach the implementation phase.

In addition, Law 242/2010, itself changing the law on transparency of public policy and decision making (Law 52/2003) has mandated that all input into the policy process be taken into account and, in addition, if input is not incorporated into the legislative proposal, then the public agency must give a written explanation why it has disregarded it. This provision is not uniformly applied, and a recent study by the Institute for Public Policy has revealed that less than 35% of the mayors' offices in the country provide this written explanation, which is required by law. Also, a survey done by the same entity has revealed wide discrepancies with respect to how the consultation process is ran by various ministries, given their own unique circumstances. The most frequent action is to post the text of the law on the website and to do very little else – and this is not an ideal way to run consultations.

II.3 Annual Reporting (Law 544/2001)
Article 5, section 3 of Law 544/2001 stipulates that the annual activity report must be available to the public – and the law does not stipulate any institutions which are not included in the spectre of this statement. In article 5, section 2 the informative bulleting must be filled in by public authorities and by public institutions. In the norms of applying the law (Government decision 123/2002), the "annual activity report of the authority or the public institution" (per article 26, section b) of the same Government decision in application of the law. A report on the activity of the institution, which is published in Part III of the Official Gazette is mandatory, but often there is only superficial data on the aims of the public institutions, benchmarks which were followed or an analysis of the available data regarding the activity. Just measuring the quantity of something (in particular where the quality of regulation is important, like in regulating authorities) is insufficient to understand the impact of the work by a government agency.

III. KEY POINTS

1. Asking for a lot of feedback from the relevant stakeholders is not a time-consuming and useless activity as often seen by civil servants It is a useful and necessary way through which the quality of the public policy initiative is increased.

2. There are obvious mismatches between the current legal framework mandated by the law and the stylized framework we have worked with. Wherever possible, this chapter gives solutions on how to adapt the work suggested by previous chapters in the context of the current law.

3. Policy mechanisms should be observed over and above the legal provisions which mandate what is the minimum required threshold for a law to be published. The quality

of regulations are greatly improved through additional consultation and the integration of additional input.

4. In public policy on education, rapid changes from one year to the next need consensus and wide consultation, the careful and gradual improvement of the existing law being preferred in the long run. Education is one of the areas where public policy does not have an immediate effect.

5. A rule of thumb suggests that you consult all major stakeholders and you inform them before even drafting the text of the proposed legislation

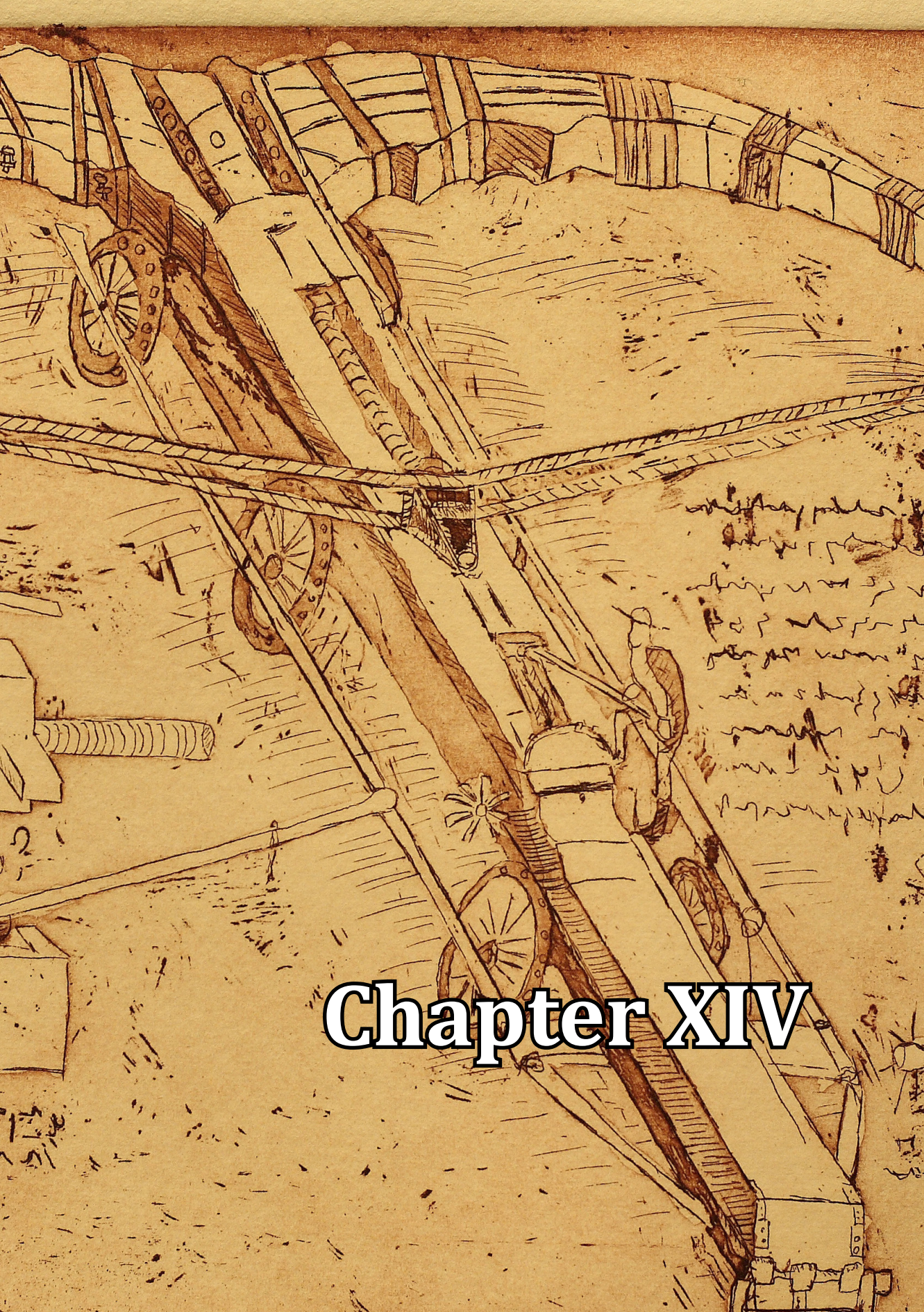
IV. Bibliography and further reading

Law 544/2001 on Freedom of Information
Law 52/2003 on Transparency in the Administration Methodology

Law 90/2001 on the Functioning of the Government and the ministries

Working Guide on Good Governance (ARC Volunteer) – available here: http://www.romaniacurata.ro/cuprins-2632.htm

The challenges and conditions of adopting public policy reforms in Romania, by the Institute for Public Policy, Bucharest, March 2013, available here: http://www.ipp.ro/pagini/transparen355a-administrativ259-.php



Chapter XIV

CHAPTER 14 – IMPLEMENTATION MECANISMS FOR PUBLIC POLICY INTERVENTION AND LEARNING FROM POLIVY SUCCESSES AND FAILURES

By Răzvan Orăşanu

This chapter is not, normally, part of a public policy book – but in the case of the Romanian education system we feel the acute need to introduce a chapter based on how public policies are actually put into practice. We suggest several mechanisms in this chapter in order to reduce the discrepancy between the plans and forecasts announced to the public and the media and the implementation of that same public policy – which, as we know, is sometimes more bureaucratic, time-consuming and has very different results to those intended. The chapter discusses strategies of aiding implementation, and the core management functions of state institutions are each analyzed in turn, whether we are discussing the finance, human resources, internal organizational strategy or simply the way in which important stakeholders are involved into the policy process. In addition to the "key points" which are normally included at the end of each chapter, the various suggestions below pertain to the practice of the public policy process in Romania, and this is no different in education than in other fields.

The various suggestions are not coming out of any theory book – we have sometimes came up against problems when they were not followed in a variety of contexts in dealing with public entities, whether as managers running policy change ourselves or as outside consultants advising from the outside. The problems seem to center around familiar topics, always: whether it is the clogged internal mechanisms that are supposed to drive the policy change, or the human resource strategy which is serving the institution poorly, or the absence of any data indicators on performance – and there are countless other issues listed below. There is no "silver bullet" to cure all these ills, but institutions (seen as developing organisms) and institutional mechanisms (like social systems) can be optimized by looking at the list below and trying to make adjustment fit your particular public policy intervention.

I. Management of day-to-day delivery and key responsibilities

a) Sharing the deliverables amongst top employees

No.	Task to be delivered	By whom	By when	Progress report
1.				
2.				
3.				

Tabel nr. 14: Management of day-to-day sharing instrument of deliverables;

A matrix such as the one above is vital for keeping track of all progress within the institution – and such deliverable lists should be reviewed in front of all at least once a week, in a management meeting. Qualitative reports in the "progress report" column should be avoided; quantitative reporting should be demanded wherever possible. Lists should be circulated amongst top management and follow-up of tasks requested should be automatically done once decisions are taken in a meeting – this would be the task of one or two special counsellors to the top decision makers or a dedicated secretariat.

b) Management meetings to discuss progress and next steps

Weekly meetings are necessary to focus on the delivery of priorities. When something is not clear or is complicated, a full report should be requested from the relevant people to suggest further action. Wherever possible, these meetings should look at systemic items and make systemic improvements, but also increase collaboration across departments which are not traditionally very well connected in powerful bureaucracies, for a variety of reasons related to turf battles, personality clashes but also poor internal communications.

c) A few key employees dealing with implementation and delivery from the top

A few employees must be empowered by the top manager to follow-up on the implementation of this list of tasks on a daily basis and he/she must have the authority to negotiate extended deadlines or ask for a particular way in which implementation must be performed. Such employees need a lot of experience and a broad, analytical mind which is able to see systemic bottlenecks and to mediate between various departments. They must also be able to see a particular public policy in the developmental stages and have the capacity to notice any key missing ingredients as this policy is developed inside the various relevant institutions – or notice if there is any disjointedness at the very early stage of implementation.

II. Human Resources – a vital first piece in public policy implementation

After countless observations, we have come up with the following basic conclusion: putting good people inside a state entity, no matter how bad the incentives and procedures, no matter how bad the financing structure are, will typically make that institution run instantly better and will improve all the rest of the systemic difficulties there.

a) Talking to front line employees

This is very important and might be the key for a public sector manager, particularly because the knowledge of what actually goes on at the front line, at the delivery end might prove very elusive for a manager sitting all day in his office, behind a very thick wall of counsellors, secretaries and so forth.

b) Walk around and do not sit in your office

It is remarkable how few times top managers take the time to simply walk in unannounced in the offices of back-office or front-office employees. These are always very revealing – people have the option of sharing their problems direct, you are able to observe how organized the bureaucratic process is, simply by walking around and seeing how clean the desks of employees are. For a further surprising insight, tracing yourself that path of one piece of paper from the post office and/or registration office where it arrives back to your desk as manager might prove just how complicate the path is to make any changes to the bureaucratic system and how taking out a few steps along the way might expedite the entire process.

c) At least once a month, try to help a “customer” of your agency obtain the necessary paperwork inside your institution

Shifting perspective from the outside to the inside, again process improvements would become obvious, lack of performance internally becomes evident and necessary improvements become easier to make. In education, this can mean taking the view of a high school trying to obtain the permission of the local inspectorate (and sometimes the Ministry of Education) to make changes, it can mean taking the perspective of a university trying to gain accreditation, or it can simply mean taking the perspective of a data worker inside a university trying to communicate the requisite data to the national level.

d) Try to pinpoint the people doing nothing

Sometimes, numerical support is necessary when trying to prove performance. One key way which can be immediately evaluated is to look at the number of "papers" that have come in and how many were "solved" – a rudimentary input-output analysis. The central registration office typically has monthly and annual data on how many requests were received externally and how many were actually fulfilled or "closed" (I am not dealing here with the quality of those closures; typically that is a problem, too). Inevitably by dividing up the number of cases within each directorate and then dividing further for every employee, glaring numerical differences between employees are the norm. Re-balancing work between employees in a more even way and trying to pinpoint precisely which employees are doing very little can be a key tool in finding "extra capacity" in the organization.

e) Try to motivate top performers

In most state agencies, there are a good 5-10% of employees actually doing 40-50% of the work, of the positive results, motivating the most important changes, in charge of the implementation of the key pieces of legislation. Because salary often is fixed through various norms and bonuses are not easy to give, managers have a few other ways to motivate their top performers: public mentioning of their positive performance, bonuses at year-end, paying for additional training, giving them flexible working time or simply allowing that they take days off even when these are not scheduled from the beginning of the year, as the laws sometimes require. Consulting top level employees on improvement in the reform, buying up office equipment and freeing them up from bureaucratic and mundane tasks can be other key motivators that the manager can use to speed up implementation of key public public policies.

f) Precisely who does what and when?

In a state agency, there is sometimes a good deal of confusion starting with organizational charts and continuing with the internal regulations (in Romanian: Regulament de Organizare si Functionare – ROF) as to exactly how the work is divided. Clear dividing lines need to be set up, clear responsibilities linked to the heads of unit and eliminating overlap is sometimes necessary, it is also crucial that various members of a division do not perform overlapping functions. Sometimes, also, two directorates within an institution have the same mandate or one is responsible for "monitoring/evaluating" something, while the other is responsible for the implementation of a given policy. Wherever possible, those directorates should either be merged, wherever possible, or if not the dividing lines need to be drawn as precisely as possible. Also the "when?" question is important. If a department is not performing a given task in a reasonable time frame – say one month or even 6 months, questions should be asked and a monitoring system should be in place to trigger questions at management level.

g) Identify key employees, especially those with "tacit knowledge"

Often, in state institutions, key pieces of data are not codified and the only place where vital knowledge for the enactment of major public policy initiatives is found inside somebody's head or somebody's computer – in a way that is not networked and cannot be leveraged by the institution without personal assistance from that one person. Key people that have spent a long time doing something in their division, thus having transversal knowledge in putting pieces together at the level of the Ministry of Education or unique skills which cannot be easily performed by anyone else, need to be identified early. Close to retirement, a key plan on replacement needs to be drawing up at least one or two years prior to the time the institution expect to lose that person's input. If wanting to move on for any reason, at least two to three weeks needs to be

given to handing over responsibilities. Additionally, some time from that person's schedule needs to be redirected towards inputting the information he has into a written document, towards downloading that information in internal databases or training at least two other employees in his main tasks. These are often vital HR functions that need management guidance and if left unattended can stop, dilute or even derail implementation of key policy work.

h) Who "owns" a key initiative inside the Ministry/ the agency?

Sometimes it is necessary to give one individual or two or three individuals the responsibility for implementing public policy. This may mean direct line of command to the top management, it might mean having the power to report to the Minister in charge or to his close collaborators twice a month, it might mean having the power to give an update every time there is a top management meeting. It also necessarily means that those people are given the necessary tools to implement that public policy, even where they are not directly responsible through his/her lists of official attributions. Sometimes that official list can be changed to emphasize a particular new role.

i) Can you identify "internal sabotage units"?

When human resources are not set up right – or even when they are – there are some saboteurs which have the power to torpedo every improvement, every new initiative or even a key public policy. The way in which this is done can vary – from claims of non-conformity to the rules to sabotaging the implementation of a key piece of legislation or simply tying a proposal down before it gets to the legislative state. The head of the legal department, the minister's key gatekeepers, the head of the budget department, sometimes the secretary general within one institution have the capacity to tie a project down, even a key proposal dealing with some major change in public policy. It is a good idea to visit these gatekeepers in advance of trying to implement the policy and to keep them appraised as the public policy progresses through the various stages. Sometimes facilitating even their own internal communication if necessary to make your proposal advance. Getting everyone aligned is hardly ever possible, so sometimes intervention from the top management might be necessary to get a piece of legislation or a key public proposal "unstuck" from the bureaucracy.

j) Make sure that the front-line employees have a direct line of contact to you

Colin Powell, in his lessons of leadership given at the West Point Academy for military officers would point out that if you take a predictable route every day through the institution the people will naturally come up and talk to you. This is a key way in which you can find the unvarnished truth without the filtering of middle management.

k) Promotions – especially as head of department

Taking a very fast-moving employee that has demonstrated enthusiasm and determination and promoting them to the level of director, for example or even deputy director could be very motivating for that individual and could make the entire department more dynamic. Such promotions need careful thought and an open process and the new manager needs critical support from the top in his first six months of work.

l) Career path for key employees

In most state institutions, the very notion of a career path is undermined by the frequent changes in ministers and heads of institutions. In the absence of a clear career path, the incentives of the employees are vague. But taking people at mid-management level and promoting them over

6-8 months to top level can be a key way of accelerating change. The very idea of drawing up a career plan for some key employees is more likely to make them stay on and perform adequately or even above-average in their current roles.

III. Budgets and financial issues – key obstacles

a) "There is no more money for this policy initiative"

We often hear this argument, with people fighting over the cost of a proposed policy change, rather than the substance of whether or not it is a good idea. There are various ways to look at this – researching wasteful spending somewhere else, look at budget-saving ways in which your public policy might work, suggest implementation across several budget years (although this is risking de-funding starting from the second year of your project) or simply find a priority area in which your suggested policy proposal might fit. There is also a deplorable tendency to fast-track several policies in case there is a perceived "crisis" such as the one following another baccalaureate, or following some public scandal in a university or at a public examination.

b) Project budgeting

Targeting the budget in the way that it is written and tying it to the most important management priorities is a key way in which public policies which are important can get the budgets that are necessary/needed for their implementation. Re-organising the budget according to priorities can typically generate savings of up to 40-50% of the entire financing structure.

c) Take out the "padding" in the budget

Old school accountants, often working on baseline budgeting and on historical precedent fight to have more funds than necessary by over-estimating some components in the budget, whether it is bonuses, investments (which have no time to be completed through the procurement process) or seriously over-estimate some other components. Rectifying those over-estimates is a key way to create additional room for your priority areas, as a manager.

d) Old projects die hard

Often, looking for older initiatives that were budgeted/financed with a small budget every year, but were never completed need careful monitoring. These are typical places where the public sector manager can find additional resources for his priorities.

e) "Baseline" / historical budgets

The current practice of building current public policy, from a budgetary standpoint, by adding 3-5% to last year's budgets fundamentally undermines most of the major new initiatives. If the thinking is the same as last year's, at the financial level, there will be few public policies that are given the financial and organizational basis for success, at the internal level of state institutions.

f) What does the Court of Accounts' last report say?

A very quick way to look at the most problematic issues arising in a state agency is to take the time to read at least the Court of Accounts annual report on your agency at least going back three years. This is a very useful mechanism for spotting problem areas, delving deeper by auditing them carefully and having the capacity to make structural changes following this investigation.

g) "Core business" always means that the bulk of the money should be directed there

In time, as the mandate of a state institution expands, the core mission sometimes becomes obscured by mundane, "important" or "urgent" tasks. It also means that funds are typically taken

away from the main function. This can be reversed by taking the basic definition of what is the main public policy that the state institution tries to implement and putting more resources behind that implementation. Areas such as "monitoring", "communication", "international relations", "evaluation" are almost always secondary in importance against the main mandate that the law gives a government agency. Even where the mandate is vague, there is a shared view of what is the most important thing – and this should be underlined and strengthened.

IV. Internal processes

a) Mapping existing process and try to drive out unnecessary steps

Mapping the procedure (for example of organizing the national exam, or implementing the change of a curriculum or the way in which universities are accredited) can be a very useful experience. Actually putting every step on paper helps clarify gaps and helps implementation, but it also usefully points out areas where this procedure (or process map) could be simplified.

b) "Conveyor belt" rather than "custom made"

When a dramatic rise in efficiency is demanded from a particular process in the implementation of a public policy, it is necessary to change the way in which the delivery of that public policy is done. To use an analogy with the first conveyor belt used for assembling cars, a system can be designed to produce thousands of the same "products", as long as the variability between the various processes is kept to a minimum. In other words, you need to measure the benefits of spending additional time dealing in a different way with each situation vs. the benefit of having an automated system that can benchmark results nationally, for example, in a particular field.

c) Draw internal procedures if they do not exist yet (and set/establish norms of "acceptable service")

Where there are no norms of acceptable standard of public service delivery, these should be created, having foremost in mind the users of that public service. If there are just vague regulations, conflicting laws and bureaucratic inertia, drawing up compulsory internal procedures (but which are advertised externally so that users know how to use them) can mean a dramatic improvement in performance. In addition, if a maximum time is given for each step, or a certain certificate/piece of paper/acceptance must be produced by a fixed deadline, this gives additional impetus for improved implementation rate.

In Great Britain, the so called "public service agreements", mandate that 98% of the mail sent through the Royal Mail must be received within two days, and that 95% of trains are supposed to have no higher delays than 30 minutes, for example. These are examples of acceptable performance levels.

d) "Key pressure points" in a state institution

Typically, there are only three or four key spots to watch in the implementation of a public policy. Typically but not always, this rests with the counsellor of chef du cabinet of a minister/ top appointee in an organization, the head of finance, the secretary general or the operational manager, as well as the head legal. If, for example, you see a "bottleneck" in the legal department, you need to take steps to sort this out and the same goes for weakness especially around budgets.

e) Keep (and build!) a regular "rhythm"

When trying to improve performance dramatically or to implement a public policy that creates systemic change, you are kept to the level of the lowest performer. Persuading the average speed or volume of work to increase dramatically will only take hold if it is spread through all

the relevant institutional components of a state entity. It is often useful to think in steps and try to make incremental, but significant additional demands slowly, in the beginning, and then increase the pressure on the system. Inevitably, at some point you notice people falling behind, mechanism barely coping with the additional pressure – that is a time to change and adapt.

f) Institutional ledger can help a great deal

Often you can tell at least the working volume going on in each department by consulting the institutional ledger which tallies all the correspondence going out and all the correspondence coming in.

g) Use internal auditors to their fullest potential

Auditors can help you to see around the problem implementation areas as they are given an annual mandate (or an annual plan of internal audit) to research some problematic areas. You should carefully use this internal resource – focusing on more than 3-5 topic areas, greatly dilutes the effectiveness of all audits produced and auditing areas that are not in the "core business" line of work for your institution is a waste of time and resources.

h) "Jointedness" / "Boundarylessness"

Silo thinking can be a problem in some state institutions. In order to break it down, having joint projects between departments, or even better a shared goal to which two or more directorates need to contribute can be very useful. Jack Welch speaks about "boundarylessness" an invented word which basically means taking down the walls between units, wherever they are. This is either done physically, by situating people close together, in open space floors (sometimes state institutions cannot even have all their people in the same building, for a variety of financial and historical reasons), but is also done by building an internal network of collaboration (this is the standard in many ministries in/around Europe now) and through more frequent interaction between units.

i) Continue processes that have been started by others

A deeply embedded reflex in a state institution can sometimes mean that "initiatives belonging to others" are at certain time delayed or implemented with less vigor once a new manager takes charge. Resurrecting and underlining the importance of old initiatives, driving them to their logical conclusion can mean a great deal for continuity in a public agency. It can also mean more enthusiasm for the new reforms that the new manager puts in place, once he departs the department where he is trying to implement public policy changes.

V. Data collection in the aid of implementation

a) Creating databases and fusing existing data

Often the existing statistical data is/are either shared in a variety of software formats and in separate databases that have no way of communicating with one another/one with another, sometimes data do not exist at all, or is collected partially in paper formats (for example from regional sub-units such as inspectorates in the counties). One of the greatest benefits that a manager can bring to the implementation of reform is to help create the structures which give systematic and instant data on the parts of the administration where public policy reform is implemented.

b) Gather new data from the organization

Often, this can take the form of a central drive on the servers, accessible via some protocols.

Sometimes, a new protocol is mandated and new data is generated to link up with the implementation of a particular public policy. Statistical reporting such as standardized half-year and yearly reports can speed up implementation of public policies.

c) Making the data accessible internally to all – but also externally

Some economists speak about "quasi-markets" theory when speaking about how to spur innovation and better implementation of policy in the public sector. This theory suggests that "markets" can be formed in places that were previously viewed as wholly government run. If league tables could be published with the quality of education (league tables), the quality of healthcare, the quality of policing (crime statistics), the punctuality of the train operators, then the pressure of stakeholders of the poorly performing agencies would be in such a manner that it would drive up performance. There are systems which reward "good" performers by giving them extra funding and "poor" performers by withholding cash. There are also systems (such as the UK) that freely publishes the data so that consumers can make an informed decision about where to consume a public good (often parents choose to move to neighborhoods close to good schools or out of the reach of hospitals with a high mortality rate, or in different regions than those with a high crime statistic). This puts a lot of pressure on the local government department to implement public policy more effectively.

d) Analysis of existing data with an internal group (or small unit)

There are a few government agencies that have a lot of data, but very little capacity to process it creatively and derive trends that are useful for supporting implementation or the creation of new public policies. Analysis of the data is a key way to improve the state sector – and a key way to have a proper analysis is to look at the data in lots of different angles and try to "test" theories of public change on the available data, trying to see first and foremost the number of people likely impacted by any new proposed policy and how this policy is likely to be implemented. This sounds simple, but often it is not. There are thousands of public policy decisions that have no impact study, not even a rough estimate of the resource that it takes to implement, any parameters that are objective to verify how it is translated into practice in various environments.

VI. External management of stakeholders and balancing internal and external factors in implementation

a) Try and hold meetings with key outside agency heads once a month

Often key parts of the public policy we seek to implement depends on outside stakeholders. In education, key outside stakeholders could be the Ministry of Finance, the Ministry of Justice or organizations representing the "customers" in the system, such as the National Association of Student's Organizations (ANOSR). Keeping them in the loop at crucial points is vital for a well implemented public policy.

b) The "balanced scorecard[1]" management tool is very useful for a public policy environment

[1] It goes beyond the scope of this argument to explain in any great detail the "balanced scorecard" mechanism, which is a management classic written by Robert Kaplan and David Norton in their Harvard Business Review classic, The Balanced Scorecard: Measures that Drive Performance (July 1st, 2005)

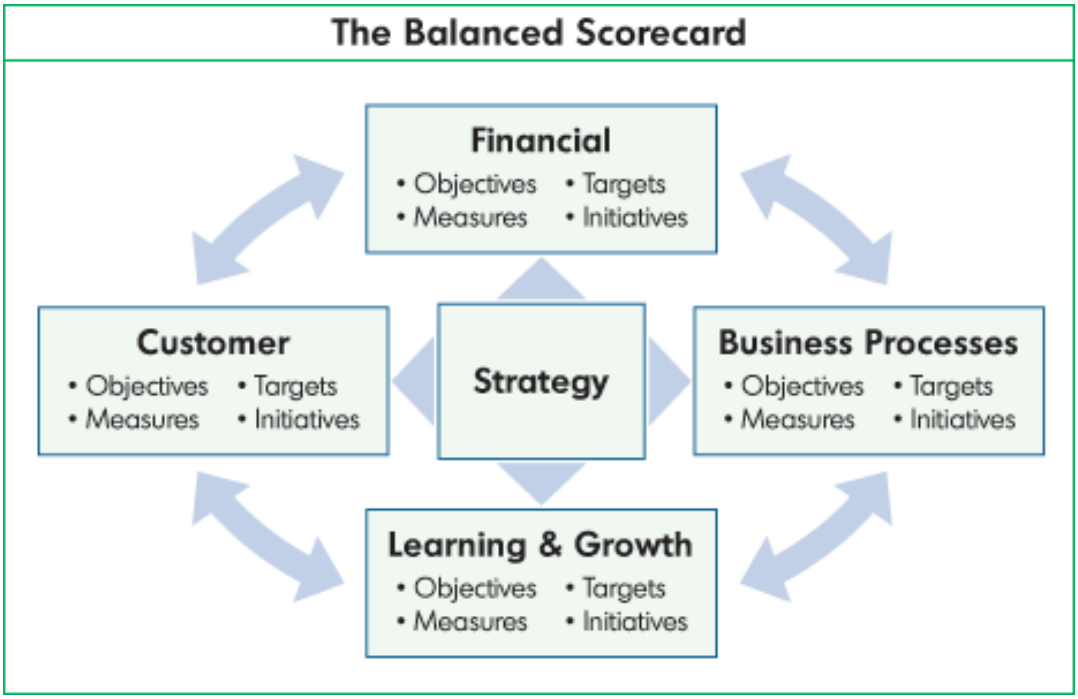


Fig.28. The „balanced scorecard" management tool;

Variations on the tool above appear practically in most books on corporate management, but they could be useful in a public policy environment. In order to ensure the implementation of policy, policy makers are obliged to look at the "customer", i.e. the end "consumer" or the taxpayer, as he is sometimes called, the group of people who will be impacted by the results of the designed public policy. Second, when looking at the financial aspect of the scorecard these needs to be balanced by the need to look after "customers". Thirdly, it is important to focus on internal processes (see more above) because it is impossible to deliver better performance for the customer – or indeed financial performance –without improvement in the internal mechanisms. Finally, learning and growth, or a deliberate feedback mechanism is essential. The strategy which is at the center of this model cannot for long be unbalanced in focusing on any one of these four aspects to the detriment of the other.

c) Direct communication with "consumers"

In 2008, the National Health Ministry took the initiative to write to every healthcare beneficiary to inform them of their right to free lab tests and health check-ups. Communication in the media and just having legislation sent to the Official Gazette is insufficient. The purpose is to engage outside stakeholders to support public policy change – or at least diminish opposition to it. In other words, the price for some increased cooperation is listening to some of their feedback – and of course, some of it will not be very nice!

d) Direct internal communication

The message from the top of the institution often gets distorted and filtered through layers of management. Wherever possible, direct communication with an entire division when facing a

major implementation effort is critical. Where this is not possible face-to-face, a direct written message to employees might significantly help the implementation efforts by making clear to all the priorities of the public service manager.

e) "Strategy retreats" for the internal teams

After hearing some feedback from customers, a retreat is sometimes necessary to increase cooperation between departments, to suggest a new way to implement public policies or simply to work out on a difference in the understanding of a public policy, given the departmental responsibilities involved. Also, a new public policy might necessitate some internal reflection and additional team working – but in a setting that takes people out of their normal work environment.

e) Anticipating change coming from outside of your institution

By engaging early external stakeholders and balancing all the four parts of the "balanced scorecard" in a sensible/reasonable strategy, you will likely see change coming before legislation is implemented, perhaps even before proposals are made. If a difficult budget decision lies ahead, you can react very quickly and adapt your public policy proposal (or if you're implementing it already, change your implementation strategy or elements of it). Generally, it is a very good idea to come up with proposals to adapt yourself, rather than waiting for the "wave" to arrive on your door step. This advice holds particularly true for external stakeholders such as the Government or Parliament, with the power to legislate and alter the fundamental conditions for the implementation of your public policy.

VII. Knowledge management

a) Codify and "download" information that is in somebody's computer or head

A big bottleneck in the implementation of public policy is the existence of policies dealing with things such as retirements or a key person leaving. It is necessary to ask for frequent written information on the procedure for a given public policy and to ask that this procedure be documented in writing. If data is compiled in only one computer, or in a key team, this information needs to be preserved in multiple places. In general, areas where particular knowledge is stored in an improper way needs to be mapped out and resolved, otherwise implementation might be stalled because knowledge is not shared.

b) Databases and making information more widespread

Allowing the sharing of databases or protocols mandating automatic information mechanisms within state entities can be a big boost for the implementation of a particular public policy. If multiple divisions have access to some key piece of data, they will all be able to react to it. This particularly holds true if the information was never before compiled, accessible or if a particular department did not have access to this data.

c) Key "triggers" for information to percolate up the chain of command

This is especially true in cases of an emergency or when extremely bad news are to be communicated. The tendency of the mid-level bureaucracy is either to burry or to dilute the impact of this news – by the time this gets up the chain of command, it is almost always too late to do something meaningful about the emergency and its potential negative impact. This is why automatic "triggers" need to be set up, procedurally, for information to make it effectively to the top. Additionally, effective top managers also have "feelers" out there in the organization – people who have the ear to the internal mechanisms and are informed about most actions which are ongoing and can inform the senior manager. Implementation of public policy is also about

managing the situation of a "perfect storm" – scene where the status deteriorates in some/ very important way, either via a disastrous results which becomes public news, or a barrage of commentary against the proposed policy change or internal opposition to it.

VIII. Legal implementation

a) Looking at the legal standpoint when thinking about implementation

"But the law/regulation/Government Decision does not allow this" is one of the most frequent phrases which a public manager hears when trying to implement a public policy. Correlation of legislation is, of course, critical. If laws need to be changed or adapted – or better yet, taken off the books all together, this is all very well. However, often a new initiative can get stated, providing it respects general legal principles. Clarifying implementation from the drafting of the legislation will aid greatly drafting the legal language that is necessary for implementation and full authority.

b) Putting all legislation in a single connected piece

This is very difficult to do, but it is very effective when something like this happens. Connecting several pieces of legislation (and the subsequent and frequent changes) is often a key way in which more coherence can be imposed on the educational system and more clarity can be observed in the implementation of the particular public policy proposal.

c) Taking out legislation that is superfluous or not working

Public policy impact can be significant even when not proposing a new piece of legislation but taking out an older piece of legislation which is no longer working and is no longer effective. In fact, surveying all the pieces of legislation which govern the life of one agency or of one aspect of implementation of the public policy can be one of the most effective ways to analyze the current situation and suggest improvements.

d) Linking up with the Ministry of Justice is the key

The Department for Legal Advice, which gives its stamp of approval for all the pieces of legislation making their way to the Government Decision, is a critical stakeholder and gatekeeper of reform. Their observations need to be integrated from the start in a legal text and discussions which are frank and direct. These can help the government agency avoid an instance where much time is lost and in the end permission is not obtained for the piece of legislation.

e) Clarifying internal procedures

This is also partially a legal, partially a processing issue. If no procedures exist, these need to be drafted. If they do exist, steps need to be taken down to make the process more effective. If there are no procedures in the implementation of a law, maybe procedures need to be written up and followed up. Once procedures are written, each step can be shortened or given a maximum time – to prevent situations where the entire process is simply clogged up somewhere.

f) Managing external lawyers

Sometimes, contracts are written with outside consultants. These need to be integrated effectively, fed appropriate information and they will all need a point of reference inside the institution such as a person with sufficient authority to obtain information that is accurate and obtained quickly.

IX. Policy Learning mechanisms

Whilst all of the above is applicable solely in the context of national decision taking and national policy with reference to the education system in Romania, there is an effort at European level (and at the level affiliated to inter-governmental organizations) to gather communities of practitioners in certain fields and to have databases of reports (both ex-ante and ex-post) regarding public policies which are of use around Europe. There are also private bodies, such as education company Pearson and its director Michael Barber (the former educator which headed the United Kingdom's Delivery Unit which aided Prime Minister Tony Blair) who attempt to codify knowledge of all the research and reform efforts concerning education systems globally.

There are several issues that arise. The first is that policy practitioners need to learn from their own successes and failures and this necessitates a continuous feedback system and a professional dialogue. The second issue is that communities of practitioners, built around a shared interest in some area of public policy which are extremely valuable for reforming in general and reforming education in particular. The third issue is that mechanisms of learning from your peers across Europe and for know-how transfer are abundant, but do not have a global index, currently, of everything that is available. The fourth issue is that reform efforts spurred on by projects financed and aided by the World Bank or the European Commission do not have a mechanism of capturing knowledge and sharing it with all the relevant stakeholders. The fifth issue is one of communication – shared platforms for practitioners and shared learning platforms are absent at present in the Romanian education system. Finally, there is very little effort, at present, to codify successful projects and document their path, so the body of knowledge which is being built is rapidly decaying and becoming obsolete. All these difficulties make learning from policy successes and failures difficult.

X. KEY POINTS

1. It is hardly ever necessary to go through all the implementation mechanisms, but it is a good idea to check which ones might be applicable to your policy.
2. Implementation, in general, needs to take up at least 20% of your total time in dealing with a specific public policy.
3. The key for a successful implementation is to follow-up relentlessly and to have specific people in charge of a specific action by a certain deadline.
4. Think of setting up a mechanism internally to learn from policy successes and failures.
5. Focus on a few important aspects of management: human resources, budgeting and a few key benchmarks. Too many priorities will mean no priority is likely to be implemented.
6. Wherever possible, document the mechanisms of a successful implementation of a public policy in the form of a report and distribute it liberally inside the institution/ agency, but also outside it.

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Chapter XV

CHAPTER 15. KEY STUDY 3. AFFIRMATIVE ACTION MEASURES IN HUNGARY FOR INCREASING THE HIGHER EDUCATION PARTICIPATION OF DISADVANTAGED ROMA

By Péter Radó

Romania and Hungary share, with a few other European Countries the problem of Roma integration. Various programs such as the Soros Foundation's „Roma Decade" or the creation in Romania of a Roma Agency have done little to address the chronical imbalance with respect to school achievement between the majority population and the Roma minority. On any indicators selected, from poverty to employability to discrimination, the Romas are faring significantly worse compared with the majority population and with the rest of Romania's minority populations. This is why addressing this issue will constitute a key issue to consider in future reform waves, when considering public policy making.

This case study continues the cascade of work studies included in this Handbook which are looking at various aspects of the education system. This particular one is looking at affirmative action in Hungary, given the Roma integration problems which are somewhat similar between Romania and Hungary. The fourth study will be looking at highschool reform and is chosen because of the extreme implementation style. The fifth study (chapter 17) will be looking at the Coalition for Clean Universities, a successful civic alliance fighting for better standards in higher education. Finally, in chapter 18 a program called IMPACT has been selected in view of its success, replicability, but also its success in the Jiu Valley, one of the most difficult areas of Romania.

I. The policy problem

The expansion of the Hungarian higher education system resulted in a radical increment of participation in tertiary education. However, in spite of a minor improvement, the enrollment of Roma students to higher education programs remained disproportionately low. The estimated proportion of Roma students within all student enrolled to higher education in Hungary was 0,22% in 1996/97, 0,6% in 2001/02, and 1,3-1,5% in 2010/11. (Polónyi, 2009) In contrast the proportion of Roma student in pre-high education is estimated around 10-12%.

Due to demographic reasons the expansion of the Hungarian higher education system in terms of absolute enrollment numbers has stopped in the middle of the previous decade. Therefore, it was not expected anymore, that the further "massification" of the participation will automatically drag more Roma students to higher education. In addition to this, due to the highly selective character of primary and secondary education in Hungary the proportion of disadvantaged pupils in general secondary education - from which the big majority of university students are recruited – is very low. It became obvious that by traditional policy instruments the large participation gap between Roma and non-Roma young people at the level of tertiary education can't be narrowed.

II. Policy alternatives

In very general terms, four types of educational policies can be considered for the promotion of children and young adult with any ethnic minority affiliation:

1. Mainstream equity policies aiming strengthening the capacity of education to compensate for all sorts of disadvantages as well as reducing selection. (The typical instruments of mainstream equity policies are school structure reform for more comprehensive education,

professional accountability policies on the basis of minimum performance standards, improvement of the core functions of school in order to strengthen their compensation capacity and second chance programs for early school leavers and dropouts.);

2. Affirmative action measures aiming at eliminating the marginalization of certain groups (mainly ethnic minorities and women) that are caused by the impact of earlier discrimination. The two types of affirmative action are (1) preferential affirmative action (quotas, preferential enrollment rules, etc.) and (2) developmental affirmative action (targeted mentoring or preparation courses for minority students, etc.);

3. Minority education that aims at ensuring the conditions for the free choice of identity by slowing down assimilation and language shift, ensuring the transmission of cultural heritage, expanding minority self-governance to education („cultural autonomy");

4. Anti-discrimination policies basically targeting the majority actors and institutions in order to prevent or cease all sorts of discriminatory practices. (The typical instruments of anti-discrimination policies are prohibition and enforcement with procedural legal guarantees, such as the reversed burden of proof, independent and state monitoring, conflict mediation, anti-bias trainings, reintegration policies and measures, prevention policies, such as the introducing „culturally neutral" IQ tests, or multicultural educational programs for majority pupils.).

As far as the reasons for the educational disadvantages of Roma students are concerned, they would call for the combined application of all of the four policy models. (The weight of the four types of underlying problems is of course very different.) However, in relation to the specific objective of increasing the higher education enrollment of Roma students, minority education wouldn't lead to any improvement. Also, mainstream equity policies and anti-discriminatory policies would be instrumental in relation to reducing certain underlying reasons for the low participation of Roma in higher education in the long run, but wouldn't be instrumental for increasing their enrollment in a relatively short period of time. Therefore, the decision was to design a policy intervention based on affirmative action.

However, the choice of the actual policy instruments of affirmative action is a controversial matter. The use of preferential treatment for any minority groups was gradually revoked in the United States and elsewhere during the last three decades because of certain strong counterarguments: it does not necessarily enables young people with different ethnic backgrounds to compete with their majority peers at equal terms and – if the available seats are limited - it reduces the enrollment chances of majority students with higher academic performance. In addition to these, many who consider the quality of higher education depending on the selection of the "best students" argue that lowering the admission threshold for minority students determines a decline of quality.

Another dilemma was the choice between "color-blinded" and "color-conscious" policies. The difference refers to the options of targeted Roma students on an ethnic basis or disadvantaged students on the basis of predetermined socio-economic status criteria.

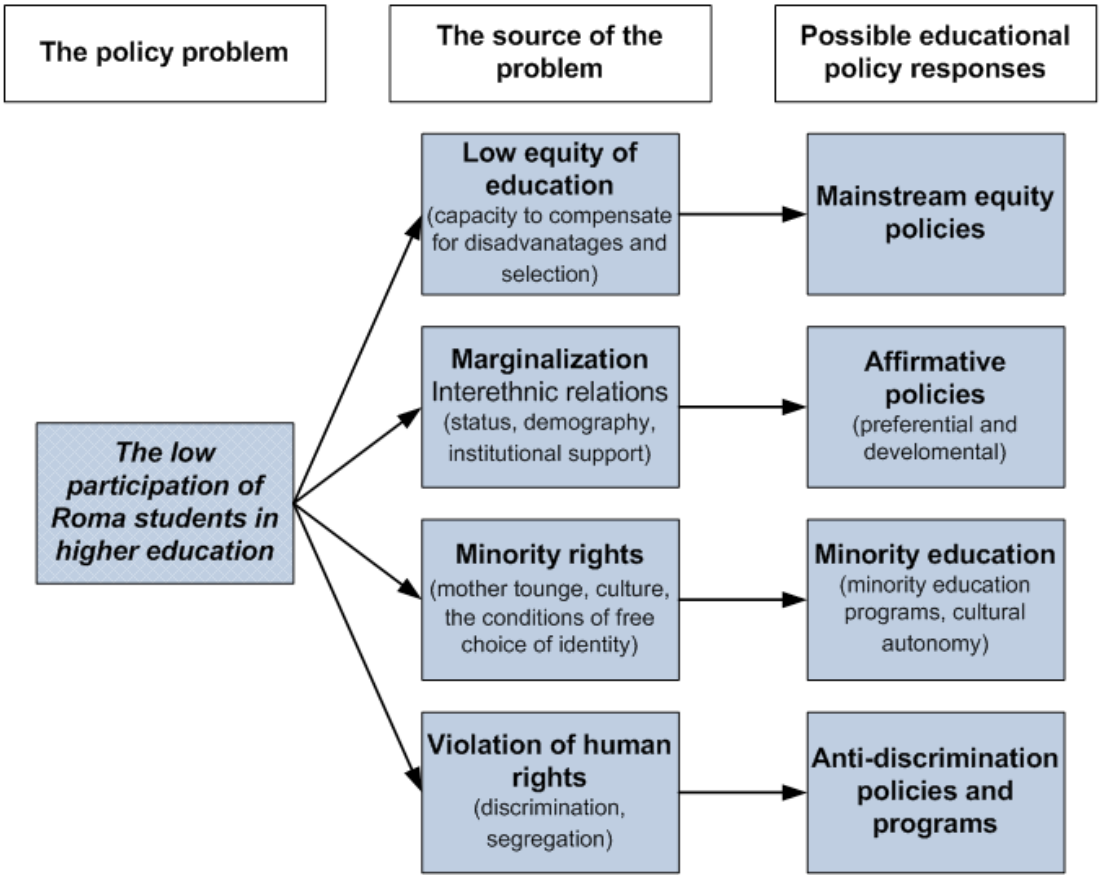

Fig. 29. Tree representing a stylized summary of the social problems of the Roma;

III. Policy measures and instruments

Due to the large gap between the educational achievement of Roma and non-Roma students, the Hungarian educational policy aiming at increasing the participation of Roma students in higher education is based on the combination of developmental and preferential affirmative action. Due to the fears of generating political discontent by the preferential treatment of Roma students the government decided to use the color-blinded expansion of the higher education admission policy to all disadvantaged students. The main components of the policy are the following:

1. Supporting the already existing initiatives for improving the preparedness of Roma students for the bacalaureat examination (Maura Examination) - that is also the entrance examination for higher education applicants – by various development programs and financial incentives. (For example, secondary school mentoring program and scholarship on the basis of ethnic affiliation.);
2. Preferential rules for the admission of disadvantaged students to higher educations was introduced by the 2005 amendment of the Law on Higher Education that authorized the government to determine the extra points that disadvantaged students receive to supplement their Matura examination results;
3. Creating various programs for supporting Roma students in higher education in order to improve their academic performance, such as the “Romaversitas” (an invisible college for Roma students) or various technical colleges and quality circles.

IV. The implementation and impact of the measure

The definition of the eligibility for preferential higher education admission was regulated rather precisely. Therefore, the implementation of the measure was smooth and transparent. In 2007 - the year following the introduction of the preferential admission – 7,4% of the applicants to higher education studies applied for supplementary points and 7.6% of the enrolled students received supplementary points. (Polónyi 2009.) However, due to the fact that the beneficiaries of the measure were disadvantaged students and not Roma students, there are no data available on the increment of proportion of Roma students who were enrolled to higher education studies. As a consequence, due to the lack of information the effectiveness of the developmental measures (mentoring programs and preparatory courses) at the level of upper secondary education couldn't be assessed, too.

V. KEY PRACTICAL CONCLUSIONS FOR POLICY-MAKING

1. The magnitude of the participation gap between Roma and non-Roma students in Romania and all other South-Eastern and Central-Eastern European countries call for specific supplementary affirmative action measures;

2. In order to ensure higher participation rate for Roma in higher education and to ensuring that Roma students are enabled to compete with non-Roma students at equal terms, the measures should be based on the combination of preferential and developmental affirmative action;

3. Developmental affirmative action program should be launched in upper secondary and higher education, too;

4. In order to allow for the effective use of resources and for monitoring the impact of measures the target groups for affirmative action should be clearly determined in an unambiguous way;

5. In order to ensure the legitimacy of preferential affirmative action it should be initiated as temporary measure. It can be introduced and communicated as such only if it matched with heavy investment to mainstream equity policies that have the potential of reducing enrollment gaps between Roma and non-Roma students in the medium and long run.

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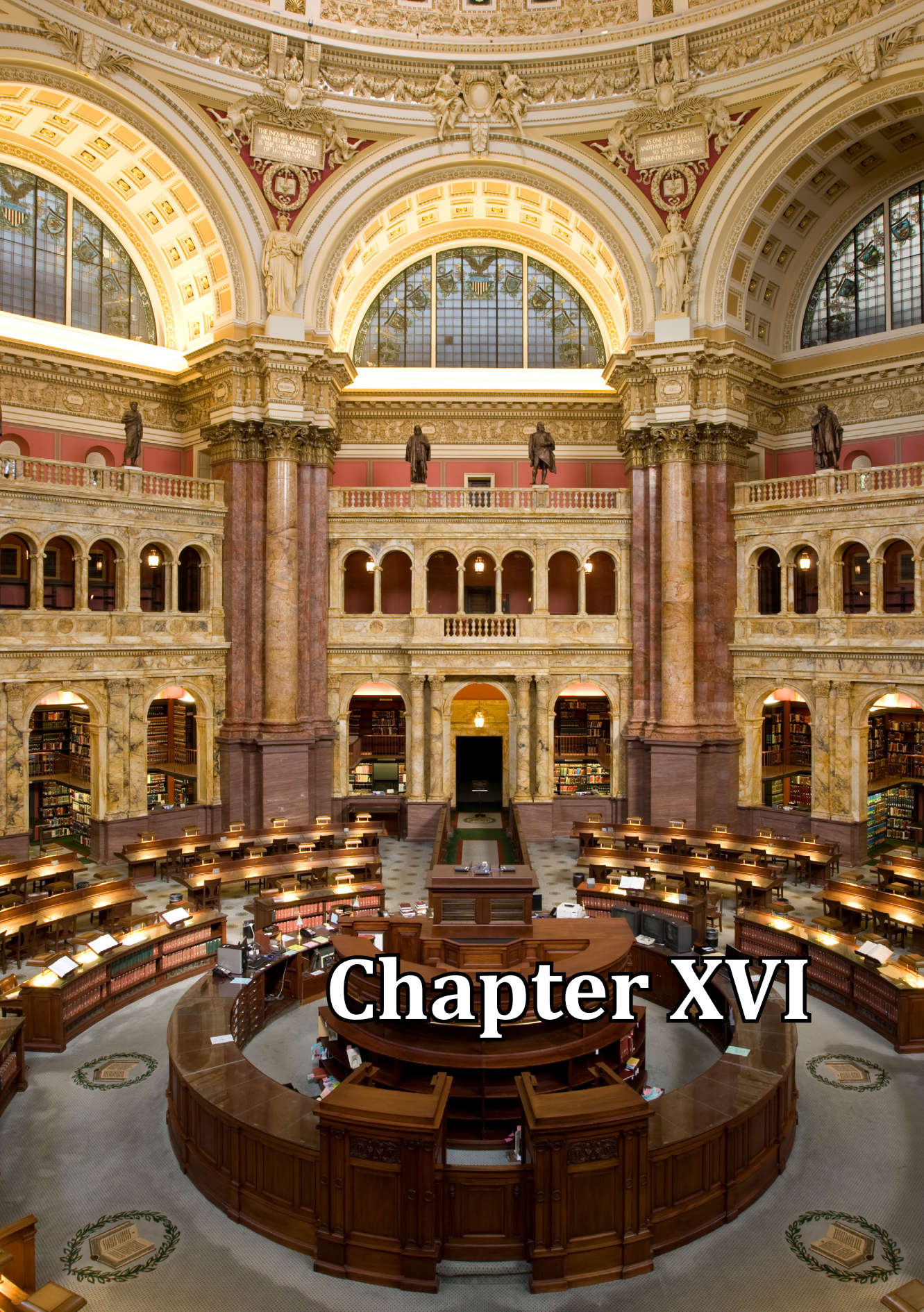


Chapter XVI

CHAPTER 16. KEY STUDY 4. MICHELLE RHEE AND EDUCATION REFORM IN WASHINGTON D.C.

By Răzvan Orăşanu

The purpose of this study is to give some insights on the way education reform can happen when there is aggressive implementation and a very driven policy entrepreneur. Washington D.C. is purposefully chosen because it is controversial and highlights the dynamics at play in the education sector when attempting change. We chose , for the purposes of analysis, to use a specific model for all the case studies iin this handbook. Fitting a real example through the perspective offered by Bardach's framework for public policy proposals can offer us key insights. In addition, limiting factors of reform can explain why this particular policy was not as successful as it might have been otherwise. Finally, some ideas are given towards the end of this chapter on how this particular policy has fared in time.

Nevertheless, the chapter is organized in five sub-chapters : the first analyses the background of the public policy reform and Michelle Rhee's early influences on her career, the second looks at the time when she was chancellor of the District of Columbia public school system, the third gives details of her turn-around strategy and the way she implemented public policy reform, the fourth gives an analytical break-down of the reform going through Bardach's eight-step strategy (readers are kindly reminded to look back to chapter 1 for full explanations on this framework) and the fifth offers an idea of the enduring legacy of this particular public policy.

I. Background and steps before the undertaking of the public policy reform

Michele Rhee's educational reformer characteristichs started to be shown in 1988, while she went to Cornell University. There, A PBS documentary on "Teach for America" changed her vision in life, according to her biographer, Richard Whitmire. „Teach for America" is a non-profit organization who's purpose is to change the world through public education, and it often does so by hiring Ivy League teachers and send them to some of the worst public schools. It is a national teacher corps of college graduates and professionals who commit to teach for two years and raise student achievement in public schools. In 1992 Rhee decided to apply for this program and she was accepted.

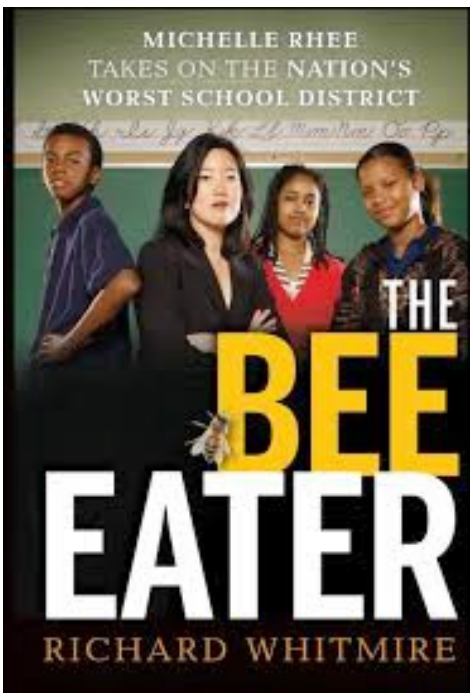


Fig.30. The cover of 'The bee eater' – Richard Withmire;

Then the problems that probably shaped her vision as Chancellor began to hit. She was teacher in a Harlem Park Community School in Baltimore, in one of the most run down areas of that city. Rhee describes the first year as been extraordinarily tough, with 36 kids in class who knew exactly how to "push a teacher out".

The entire area close to the school, according to a

PBS documentary on her life and according to her own words, was rife with "drug infestation, prostitution, children watching TV until 11 o'clock, eating cereals out of a cereal box for dinner".

These problems had affected Rhee at the time, her mother had advised her to resign, but in the end she struggled through the problems and found a way out. She stayed and thrived, changing the lives of students in Baltimore. She saw students improve their math scores, did various things to impress upon them her "toughness" – even eating a live bee which had entered the class, to impress upon them that she will go to any length to attract their attention and get them to change the way they saw their opportunities.

This not only gave her biographer (see photo below) a quirky title when writing on/about her story, it also taught her the basic tenant of her future career as Chancellor, namely that "teachers are the most powerful driving force behind student achievement in our schools[1]" . That basic link between student achievement and teacher quality would be the key ingredient in her future public policy reforms.

In 1995, after she left Baltimore, Rhee enrolled at the Harvard Schools for Public Policy for a MA program in public education. Then, in 1997, she was recruited by Wendy Kopp, the founder of Teach for America, in "The New Teacher Project". Under her leadership, The New Teacher Project became a leading organization in understanding and developing innovative solutions to the challenges of a new teacher hiring. Her ideas started to develop. She wanted to bring together a new wave of dedicated teachers. Rhee conducted a controversial study with regard to the urban schools districts and their worst desirable teachers. This study was not welcomed by the teachers' union, but based on this study Rhee issued a series of reports which stated that the most vulnerable districts were left shorthanded. Therefore, after this controversial step, the problems at higher levels became very controversial and Randi Weingarten, (former president of the United Federation of Teachers and incumbent president of the American Federation of Teachers) publicly criticized Michelle Rhee. Anyway, her work sparked widespread reform in teacher hiring practices and Teach for America's New Teacher Project placed 23.000 new, high-quality teachers in the schools across the country.

II. Taking over the Chancellorship (2007-2009)

In 2007, after Mayor Fenty consulted with Mayor Bloomberg, Michelle Rhee was appointed Chancellor to lead the District of Columbia Public Schools. In that position, she helped the system to regain its competitive edge, just when the American education overall fell in the 25th place in the global ranking. At the time, the D.C. schools featured near the bottom of every national league. Adrian Fenty was a young politician that aimed to be a reformer promised when on the campaign trail to fix the school system. At that time, Washington was the shame of the country and, as he pointed out "the nation's capital should be first, not last in test scores".

What would follow could be a local and eventually a national controversy. Under Michelle Rhee's leadership, the worst performing school district in the country passed through a major evaluation and transformation, becoming the only major city system that knew an evolution to a double-digit growth in both their state reading and state math scores in seventh, eighth and tenth grades over three years. The drastic measures adopted by Rhee have as a possible explanation her personal background of excellence in school and the fact that she was a teacher herself in a place withsimilar problems to what was happening in the District of Columbia. Overall, it is fair to state

[1] This statement is taken from a meeting at Harvard: http://www.youtube.com/watch?v=8kkwG3mLUc4, last accessed on 4.02.2014

that the way in which she achieved the improvements in the school district created a national debate which is still ongoing.

After being offered the job, Michelle Rhee told Mayor Fenty that she is not very confident that she is the right person for it. She believed that, Fenty as a politician, "must keep the noise of the population at minimum and to keep his constituency happy". There was a clear understanding from the beginning that what Rhee would have to do was likely to cause a lot of controversy, but Fenty promised to support 100% Rhee "as long as the decisions are made for children[2]". Rhee walked into one of the most historical dysfunctional and racially divided educational systems in the country. In a district heavily dominated by Afro-Americans with low educational attainment, a Korean American with a background as an Ivy League (Rhee) set about working on her plan, with little involvement of the unions and, crucially, little involvement of the parents. She first introduced herself to students, when taking over the job. At 37 and virtually unknown, Michelle Rhee had never run a school district, but had a 10 year background as a school reformer.

Fig.31. The TIMES cover featuring Michelle Ree;

III. Elements of the turn-around strategy and the public policy reform

First, she looked at the big picture and the capacity of her central office and tried to create "a culture of accountability". The District of Columbia was a district of 47.000 students, over 4.300 teachers and 123 schools. Looking at data, in DC seemed that at that time most of the children were two years behind children from other, better performing states. Her first big change was the central office that was overpopulated and where was no accountability. When she began to fire the first people, the attorney of the school district advised her to stop because "you cannot fire people for incompetence around here".

Maybe it was this attitude, a norm of the system, that pushed her to take drastic actions. She dismissed almost 15% of the central office staff and recreated the organization at the centre of the system as an agent of reform. This is a significant early choice, because the reforms she would push through were very much driven from the center and, as she put it herself "I am running the school district and this is not a democratic process". It is important to recognize that the city council had to pass special authority in order for Michelle Rhee to be able to fire the 15% of the central office staff, or putting it differently 121 employees.

Secondly, Rhee looked around to try finding role models inside the system. She met with each school principals and asked them to guarantee specific improvements. She used historical data on school performance in trying to assess where the school was going and what needs to be done to improve. She made a point out of looking every school principal in the eye and essentially communicate them a clear link between their careers and the school test results. Because of the very big political backing she was given, the threats were taken literally.

[2] This is a reference and exact quote from a talk in 2012 given by Adrian Fenty at the Harvard Kennedy School

One of the school principals she identified as a rising star was Wayne Ryan from Noyes School, a school in one of the poorest districts of the city. Wayne had managed to improve test scores by nearly 20 points in Reading and Maths and, as a result, was even put on a poster recruiting school principals as an example to be followed. The standardized tests where the school Wayne Ryan led had very good results were called "DC CAS" (District of Columbia Comprehensive Assessment System). The system was administered locally partly as a result of George Bush's nationwide reform No Child Left Behind.

It was followed at Noyes by seemingly improving test results. Wayne Ryan resigned in 2011 after a controversial investigation of USA Today suggesting a much higher rate than the district average in test answers at Noyes School, in other words suggesting that test results might have been tampered with. However, for the time Michelle Rhee was Chancellor Wayne Ryan was called by the Washington Post a "poster boy". The quote below is from an article[3] in the Washington Post, the newspaper of record for Washington D.C.:

> "Ryan became a literal poster boy for D.C. school reform under former Chancellor Michelle A. Rhee after DC CAS scores spiked dramatically at Noyes from 2007 to 2009. The District ran principal recruitment ads with his picture asking "Are you the next Wayne Ryan?" Rhee promoted Ryan in 2010 to instructional superintendent, where he supervised a group of principals.
>
> But a USA Today investigation published in March found an extraordinarily high rate of erasures on answer sheets in which wrong answers were changed to correct answers. The newspaper reported that on the 2009 DC CAS reading test, seventh-graders in one classroom averaged 12.7 wrong-to-right erasures per student on answer sheets. The citywide average that year was less than one.
>
> Acting Chancellor Kaya Henderson asked the D.C. inspector general to investigate USA Today's research, which found that classrooms in more than 100 D.C. public schools had elevated erasure rates at least once since 2008."

Thirdly, Rhee announced in the second year of her tenure (2008) that she has decided to close 23 failing schools, which meant 15% of the schools in the entire system. These schools were, according to her "eating up resources" but, according to distraught parents, vital to be kept open. One of the reasons for this decision was that for instance in one school's library there were no books and in other schools, "there was hardly anything that seemed to be happening". Because a step this bold had never been taken before, parents were shocked to learn of their local school closure – as there was a lot of emotional support even for failing schools. Moreover, shockwaves followed and the political opposition started to argue against Rhee in the city council. Despite these "anti-Rhee" movements, she continued the radical actions.

Fourthly, a groundbreaking evaluation system for teachers was established, a system which scored teachers based on outside evaluation of classroom skills and results of standardized tests for their students – IMPACT. Introduced in 2009, this system was designed to help staff become more effective in three aspects. The first of them was "clarifying expectations" where IMPACT outlines clear performance expectations (numerical in terms of percentage improvement at the

[3] The Washington Post, Ex-Noyes Principal Wayne Ryan Resigns, 20th of June,2011, accessed on 25th of January, 2013, at the following link: http://www.washingtonpost.com/blogs/dc-schools-insider/post/ex-noyes-principal-wayne-ryan-resigns/2011/06/20/AG58v9cH_blog.html

tests). The expectations were clarified in individual discussions, agreed jointly and tailored to staff members' specific job responsibilities. The second, "providing feedback and support", is a key element to the improvement process. A continuous feedback of high quality is the backbone of the system and in this respect, IMPACT provides data that helps instructional coaches, mentors and other support personnel be more effective in their work. The third aspect is "retaining great people" which is geared towards detecting, recognizing and retaining highly effective teachers in schools. IMPACT helps retain these individuals by providing significant recognition for outstanding performance. Whilst far from perfect – and all measurement systems in education are imperfect, it is essential to recognize that the old system, which was replaced by IMPACT, was wholly subjective and based on the opinions of the principals alone.

In practice, the rating of each of the 4.300 teachers is based on four features: (1) student achievement – ensuring that students learn and grow; (2) instructional expertise – assessed through give observations: four formal and one informal each year – three observations are conducted by teachers' administrators and two are conducted by independent, expert practitioners called master educators; (3) collaboration – measuring the extent to which educators work together on behalf of students; (4) professionalism –accountability for key professional requirements or professional development work. After IMPACT was implemented, the reactions started turning profoundly negative – in fact the American Federation of Teachers and public-sector labor unions spent more than $ 1 million fighting against the re-election of Mayor Fenty.

Finally, Michelle Rhee became well-known and foundations, philanthropists and presidential candidates were surprised by Rhee's approach and started backing her, especially after she appeared on cover at TIME magazine. These things helped her in one other aspect – finances. To implement other reforms she needed a private funding to increase salaries for instance. Thus a fundraising effort began and during her mandate as chancellor she received 64.5 million dollars from different foundations. The growing awareness around her projects coupled with the provided finances and received support, permitted Rhee to implement the desired program. However, most of the donations came strongly supporting the matrix of evaluation that she had put into place. After she left her position some of these funds were withdrawn because the integrity of the measurement system was paramount to some of the donors, which included the Walton Foundation (Walmart owners) and the Bill and Melinda Gates Foundation. So, whilst helping her effort on the fundraising front, it is fair to say some of the impact was negative, because of the further backlash of teachers' unions.

IV. Eugene Bardach's Eight Steps Framework applied to the case of Michelle Rhee

1. Defining the problem

Almost from the start, Michelle Rhee focused almost exclusively on teacher quality. Her own background as teacher and the studies at Teach for America had persuaded her that better quality teachers equaled a better education. An evaluation system was designed to define what "quality" meant – and this was defined in terms of the results of students. Defining the problem in this way is very close to identifyone of the key stakeholders (teachers) as the problem in the system, something that is guaranteed to create huge opposition. Also, defining the problem in this way does not take the other important stakeholders into account – namely parents, neither in getting their support towards the aggressive push for better quality teachers, nor in getting their support for teacher quality.

Michelle Rhee's agenda of enhancing the quality of teaching became her focus. Once she closed the failing schools, she moved to the teachers themselves. She even fired her children's principal, a decision that brought rumors in the mass-media. She was convinced, based on her teaching background from Baltimore, that if you givethese kids very powerful teaching they will respond in a positive manner. She had to remove a lot of teachers who did not believe in that. When contracts expired, a renegotiation followed and the good teachers received more money, while the failing ones were fired. Rhee fired over 200 teachers for poor performances, whereas by comparison a similar drive in Los Angeles could only achieve the actual firing of 20 teachers. Washington teachers' union contested the fire of 17 teachers in court. She was also accused of overemphasizing the role that teachers play and that there are other important problems such as poverty, the environment around the school or the problems with parents contributing to the systems' lack of performance. But those problems were not within her direct line of responsibility, whereas the quality of teachers was. She wanted to fix teacher quality and hence the quality of public school education because that was what she had control over. The fired teachers were replaced with young, energetic ones. These changes regarding teaching quality and the way in which the teaching quality was improved polarized Washington and it could be argued that the obsessive focus on teachers defined them as the problem, rather than as part of the solution.

2. Assemble some evidence

Michelle Rhee did more than assembling evidence – she created an entire system of parameters for teachers and she communicated the way this system was to become critical in her decisions on retaining, rewarding or firing staff in the D.C. school system. By the intermediary of the same system, the individual path (learning wise) of each student could be tracked, so that improvement interventions could be targeted. Whilst some accused Michelle Rhee of creating "exam-fatigue" in her students, clear measurements of achievement are critical to success. There is, however, a word of caution here. Because education parameters and achievements are more difficult to measure, than, say school budgets or the number of years that a particular teacher has taught in a school, over-reliance on small differences in the numbers is something that one needs to strongly caution against. In other words, hard data is useful in suggesting trends and improvement areas, but it should not be the be-all- and- end-all of an educational system.

3. Construct the alternatives

Michelle Rhee cannot be seen, at least in public, considering any alternatives to the hard decisions she has to make. Rather than closing down schools, a new management might have been put in place. Rather than terminating teachers, she could have given them support roles. Additionally, a coalition of parents was not even discussed, even though close involvement of parents was essential. She mentioned that she was running her district as if it was about "her kids", but no alternatives to her public policy decisions seem to have even been discussed. She only mentions something that most people came to see as true – that the status quo was unacceptable, and in this she had the strong support of the mayor. However, when considering education reform there is hardly ever only one path to go down, so at least looking at possible options might have been beneficial.

4. Select the criteria

The criterion used for every decision was the welfare of the kids, stated as paramount. Some union representatives used the argument that the "morale under Michelle Rhee was the lowest in some 20 years in the D.C. system", but this is a statement which cannot be verified as fact, this is an opinion of some of her most prominent opponents. What can be gleaned, however, is that

her full rationale and the entire decision making process was not laid out in public – and crucially, it was not clear for parents and teachers' unions. Neither the options, nor the criteria for the decision making process were made transparent.

5. Projecting Outcomes for Each of the Alternatives

There was an implicit understanding from the beginning that her reform program would bother many in Washington D.C., therefore this is something that Mayor Fenty considered from the start[4]. You hardly ever see a combination of a decided reformer backed by an equally decisive politician, willing to, as he stated[5], "risk everything". The outcome of Mayor Fenty losing his job/ position because of the school reforms of Michelle Rhee is something that was not projected as an outcome which might have been expected from the beginning. What was perhaps equally difficult to foresee is that she would attract national opposition from teachers' unions, but this was partially the result of the high profile of her reforms and her being featured nationally.

6. Confronting Trade-Offs

Michelle Rhee never confronted the trade-off that more aggressive school reform might mean a political backlash for her supporter, Mayor Fenty. This only became clear in the final months of the Fenty administration when she started to campaign for the Mayor, but by then it was too late to do something significant, the majority of public opinion had turned against both of them.

7. Decide!

Unlike some public servants who dither excessively, Michelle Rhee was very ferm and consistant in her decision and also followed up aggressively on the implementation of those decisions

8. Tell your story

In October 2009 everything blew up and the city was divided around Michelle Rhee. Even the Washington Post itself was divided, having both positive and negative articles about her. The things started to boil. The local elections were coming and the reforms taken by Rhee under Adrian Fenty were one of the main topics. Even though the positiveresults of the reforms started to appear, Fenty lost the elections. The testing data showed that schools scores in DC had been raising and enrollment was again at high level after decades. One of the reasons for which Fenty lost is linked with the conflict between Rhee and Randi Weingarten, who invested in this campaign through the teachers' union 1 million dollars, in order to support the other candidate and to create an anti-campaign against Fenty[6]. The regrets started to grasp after Rhee left her office, but she was unable to create the right media messages which might have helped her to better communicate the taken measures.. In the end, if there is no strong public support gathered also through a good communication strategy for the reformer, sometimes it is impossible to continue with the public policy reform.

V. Legacy of Michelle Rhee's Public Policy Reform

The legacy of the public reforms is national and continues to create controversy, especially after Michelle Rhee launched a national drive to campaign for similar reforms to those she implemented in Washington D.C. In the city, graduation rate rose and, after steep declines, enrollment rose for the first time in 40 years. As a result of reforms, for the first time 14 schools had waitlists because

[4] In a public talk at Harvard Kennedy School Mayor Fenty described his life's motto " If you have achieved nothing whilst in public office, I don't even want to talk to you, you're a waste of my time"

[5] The Public Broadcasting Service in the US had an in-depth one hour documentary about Michelle Rhee, Frontline – The Education of Michelle Rhee, which can be accessed here:http://www.pbs.org/wgbh/pages/frontline/education-of-michelle-rhee/

[6] Politico article, Michelle Rhee Invites Teachers Unions Reps at New Town Halls: thttp://www.politico.com/story/2013/08/michelle-rhee-invites-teachers-union-reps-to-new-town-halls-95539.html

every DC public schools attracted applicants for the annual K-12 Out-of-Boundary, preschool, and pre-kindergarten lotteries. A record high of 5,219 families, representing an increase of 50% over 2009, expressed interest in DCPS programs located in all 8 wards.

A further legacy is IMPACT, the measurement system which has continued to be implemented and used as a vital assessment tool throughout the District of Columbia. A study released in October 2013 of the controversial teacher evaluation system showed that both its threats of dismissal and big pay incentives worked as intended . The research was conducted by Professors Thomas Dee of the Stanford Graduate School of Education and James Wyckoff of the University of Virginia. The IMPACT system distinguished itself from other pay-for-performance programs in three respects: (1) strong incentives of dismissals after two straight "minimally effective" reviews and substantial monetary rewards, including first-year bonuses of up to $27.000 and permanent raises of as much as $25.00 for two consecutive "highly effective" ratings; (2) instructional coaches to assist teachers in improving performance; (3) recognition that the system would be neither small-scale nor temporary. Variations of a similar system are now being tried in various part of America and the drive to use performance based evaluations is growing ever stronger.

In addition to these results, data from 2010 is very relevant, as this is the year after Michelle Rhee left her position as Chancellor. The three-year record shows important increases such as the double-digit growth in secondary schools scores on the DC Comprehensive Assessment System – an average gain of 14% points in the reading pass rate and 17 points in the math rate. If we compare the wards, in 2007, 27% of ward 8 elementary students read proficiently by comparison to those in ward 3 – 78%.

The percentage increased in 2010, but there was created a greater gap between wards. Therefore, in 2010, ward 8 had 29% and those in ward 3, 86%. A substantial difference can be seen in ward 7, where the reading proficiency rated for secondary students rose from 17% in 2007 to 28% in 2010. Regarding enrollment, there is a stabilization that came from the effort to attract more pre-kindergarten and kindergarten students; at the same time, there is a slower rate concerning the losing of students in many grades. The retention of high school students is a challenge because many chose the private schools. The graduation rate increased in 2009 to 72.3% – a continuous growth since 2006[7].

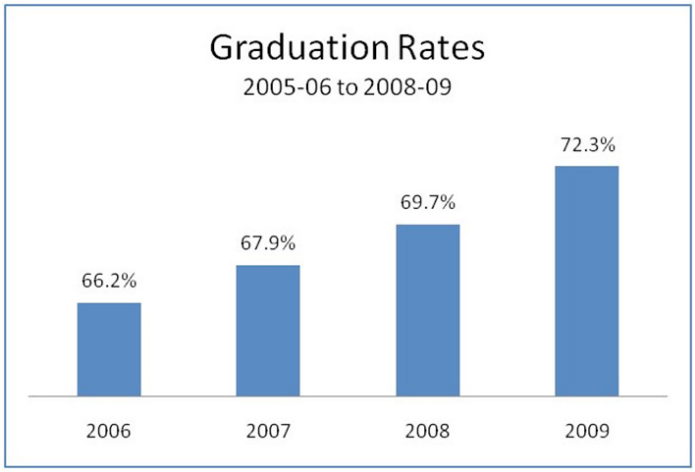


Fig.32. Graduation rates 2005-2009;

[7] http://dc.gov/DCPS/About+DCPS/Press+Releases+and+Announcements/DCPS+Graduation+Rate+Continues+to+Climb, last accessed on 26.12.2013

However, a broader study[8] conducted in January 2011 by Dr. Alan Ginsburg, director of policy and program studies from the US Department of Education, shows that the Rhee DC Record is almost at the same scale as her predecessors, even if the methods to obtain these results might be very different. The way to compare the record is to look at the National Assessment of Educational Progress Scorecard (henceforth, NAEP[9]) and use it as a baseline. In the exhibit I the NAEP scores for all public DC students in grades 4 and 8 for math (since 2000) and for reading (since 2003) show an increasing trend, but with a steady score improvement.

In the exhibit II, there are summary results and an analysis of the share of the total gain the annual rates of gains for all students during the Vance, Janey and Rhee administrations. In the exhibit IIA we have the total distribution of gains in NAEP scores over grades 4 and 8 between 2000 and 2009, in which Vance accounted for a 46% share of the total gain, Janey for 30% and Rhee for 24%. Regarding the annual gain, Vance achieved the highest annual gain, followed by Rhee and Janey. (IIB) The distribution of total gains in NAEP reading scores over grades 4 and 8 between 2003 and 2009, Janey accounted for about 2/3 share of total NAEP reading gains. (IIC) And on the annual gain, it's almost the same with Rhee 1.5 points and Janey 1.4 points. (IID) – see exhibit 1 on the next page. The statistics comparing the Math and Reading scores with others nationwide is just below.

In conclusion, the example of Michelle Rhee can be considered case study in educational reform, combining some unique circumstances (such as the steady political will backing her reforms), with some key particularities of the case which guided her actions. It is useful to point out that some of the steps in the Bardach framework analysis were omitted, and this had important consequences in the sustainability of these reforms. It is also crucial to outline that public policies should be devised from the start by going through all the appropriate stages and not attempting to retroactively fit any of the given facts against the proposed framework. By not omitting any of the steps, the public policy process can avoid some designing mistakes which can have consequences later, after the public policy has been put into practice.

There is also a great deal to say by way of stakeholder analysis and readers are invited to consider going back to the first chapter and consider how the various interested parties could have been better involved in this process. A word of caution is not to try to do too much in such a little time – because a gradual and systematic process and careful implementation of reform is often preferable to revolutionary and sudden changes.

[8] Alan GINSBURG, "The Rhee DC Record: Math and Reading Gains No Better Than Her Predecessors Vance and Janey", http://therheedcrecord.wikispaces.com/file/view/The%20Rhee%20DC%20Math%20And%20Reading%20Record%20.pdf, last accessed on 26.11.2013
[9] More background on this can be found here (as well as more statistics): http://nces.ed.gov/nationsreportcard/

DC Ranking Among 18 Urban Districts Participating in the NAEP Trial Urban District Assessment, Mathematics and Reading in Gr. 4 and 8, 2009								
	Mathematics				Reading			
	Gr. 4		Gr. 8		Gr. 4		Gr. 8	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Atlanta	225	9	259	11	209	9	250	9
Austin	240	2	287	1	220	3	261	1
Baltimore City	222	10	257	14	202	11	245	12
Boston	236	4	279	4	215	5	257	5
Charlotte	245	1	283	2	225	1	259	3
Chicago	222	10	264	10	202	11	249	10
Cleveland	213	17	256	15	194	17	242	14
Detroit	200	18	238	18	187	18	232	18
Fresno	219	16	258	12	197	13	240	16
Houston	236	4	277	5	211	8	252	7
Jefferson City (Ky)	233	8	271	8	219	4	259	13
Los Angeles	222	10	258	12	197	13	244	13
Miami-Dade	236	4	273	6	221	2	261	1
Milwaukee	220	14	251	16	196	15	241	15
New York City	237	3	273	6	213	6	252	7
Philadelphia	222	10	265	9	195	16	247	11
San Diego	236	4	280	3	213	6	254	6
District of Columbia	220	14	251	16	203	10	240	16
DC shortfall below the top	-25		-36		-22		-21	
DC excess above the bottom	20		13		16		8	

Tabel nr. 15: DC Rankings 2009;

An additional word of caution is related to our position as authors – we are neutral and not in any way endorsing reforms similar to those suggested by Rhee. Public policy practitioners should look at the decision making process and the way in which the public policy proposals were put together and implemented and they should make their own considered decisions. Applying recipes taken from somewhere else is almost never a good way to succeed in the educational system, because circumstances are very different across countries and across communities throughout the world. However, going through the suggested framework of public policy analysis, mistakes are more likely to become evident in the design phase of the public policy, rather than becoming apparent later, after the policy is implemented.

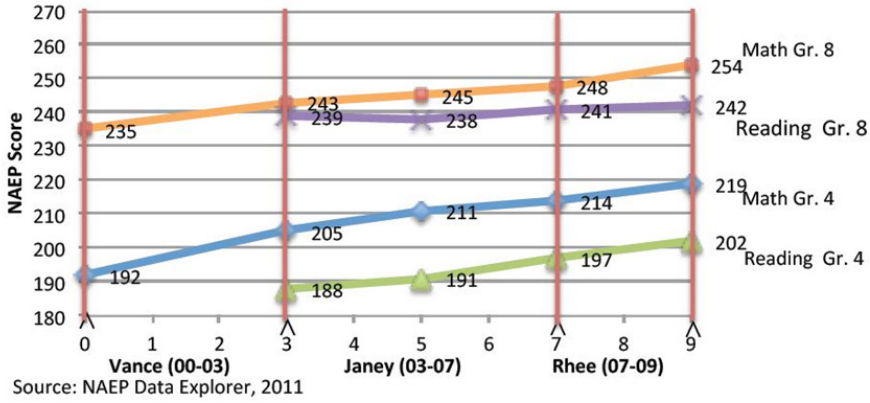


Fig.33. Exibit I - DC NAEP scores in Math and Reading for Venice Janey and Rhee Administration;

DCPS All Students	Tot. NAEP Score Gain	Share of Total NAEP Score Gain			Average Annual NAEP Score Gain			
		Vance (00-03)	Janey (03-07)	Rhee (07-09)	All Years	Vance (00-03)	Janey (03-07)	Rhee (07-09)
Math, Gr. 4 (00-09)	27	48%	33%	19%	3	4.3	2.3	2.5
Math, Gr. 8 (00-09)	19	42%	26%	32%	2.1	2.7	1.3	3
Average Math Gr. 4 & Gr. 8 (00-09)	23	46%	30%	24%	2.6	3.5	1.8	2.8
Reading, Gr. 4 (03-09)	14		64%	36%	2.3		2.3	2.5
Reading, Gr. 8 (03-09)	3		67%	33%	0.5		0.5	0.5
Average Reading Gr. 4 & Gr. 8 (03-09)	9		65%	35%	1.4		1.4	1.5

Tabel nr. 16: Share and Annual Measure of the distribution of the Gain in DC NAEP, scores more among Vance, Janey an Rhee;

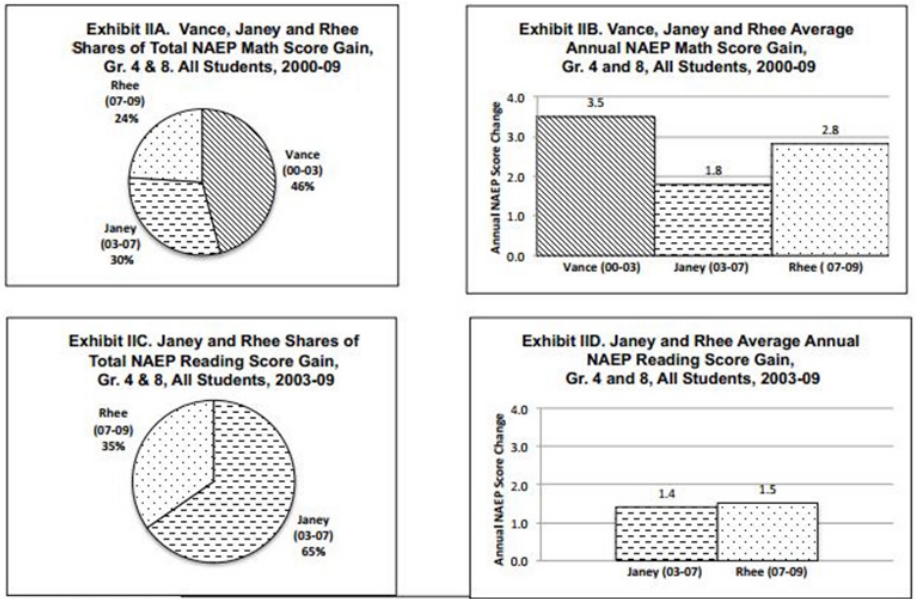
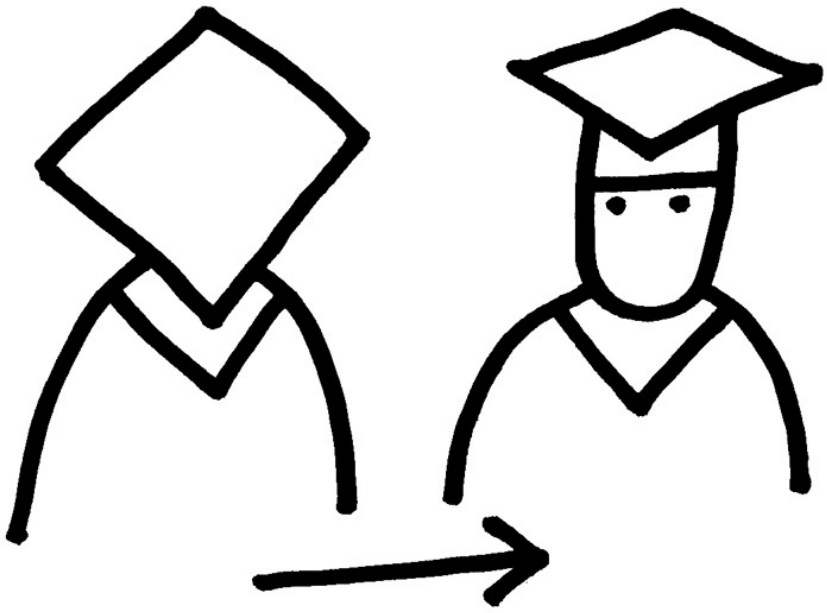


Fig.34. Comparison of the total and Annual NAEP Score Gains Among Vance, Janey and Rhee Administrations;

VI KEY POINTS

1. Before undertaking reform, wide consultation is necessary to ensure success;
2. Communicating the weaknesses of the present situation is one of the key levers of reform, as it gives you public support and backing to go forward and implement change;
3. When defining the problem, try not to define one of the stakeholders as "the problem" – this will marginalize and radicalize that particular group;
4. The cost of doing nothing should be measured and factored into the decision;
5. Carefully consider how to ensure public support and support of politicians when implementing reform – turning a deaf ear to all criticism is not a sustainable long-term strategy;
6. Empathy with the various stakeholders is important for a public office holder;
7. A human resource strategy mainly based on hiring and firing is not sustainable in the long run and a more gradual approach needs to be found – additional support, training, rotation system and other alternatives need to be considered;
8. When reforming drastically, like Michelle Rhee, consider the presentation style – make sure it is not insulting, abrasive or needlessly aggressive.



Chapter XVII

CHAPTER 17. KEY STUDY 5. ALLIANCE FOR CLEAN UNIVERSITIES-BUILDING A COALITION DEDICATED TO EDUCATION REFORM

By Răzvan Orăşanu

The purpose of this study is to show the force of creating a national program with a broad civil society coalition. Such a program can obtain important results, even in the absence of state intervention, by signaling change and challenging accepted norms. If most of the other key studies presented thus far have as an important stakeholder a state institution (e.g. the Ministry of Education in the case related to Austrian Higher Education or the Prime Minister's Chancellery in the case related to the building of Start Internship), in this example the initiative was solely started by a coalition of NGO's which have an important trust capital in the Romanian society. This is also largely based on a mixture of techniques such as "name and shame" and researching an index of quality to rank most universities in Romania. It relates to the public authorities only by building pressure through the very visible public discourse on these issues and through the moral force of those that create this public pressure, which constitute a large and respectable segment of civil society in Romania.

There is an additional reason why this key study is included here: to underline the simple purpose that creating large, representative coalitions has a bigger chance of pushing successful public policy reform forward, since the inertia inbuilt into the education system is sometimes significant. In this case, the coalition had a powerful mix of representative civil society groups, an association of journalists, a trade union and a representative group of students – enough for their efforts to impact even in the absence of specific input from the Government. In other words, governments themselves can greatly fast-track public policy initiatives when joining a coalition which groups active NGOs and other very visible representatives of civil society – but results can happen even if they decide not to join.

I. Background of the Coalition for Clean Universities

The Coalition for Clean Universities was created as an umbrella group around the Romanian Academic Society (RAS), a renownedthink-tank founded by public intellectuals in 1996. Most were themselves current or former university professors. Several specialized NGO's dealing with education rallied to this initiative: the Association of Ad Astra (dealing with the fairness of research grants and the way in which they were divided), the Professional Association for Education and Research (EduCer) – Romania, the National Alliance for Student Organizations in Romania (ANOSR), New College Europe (a higher education body set up by respected intellectual Andrei Plesu), The Group for University Reform, the Romanian Society of Political Science, The Euroregional Centre for Democracy, FAR Association.

There are several heavyweight organizations which joined the group andcreated by this intermediary a link with the education sector,not their main focus beforehand: the Group for Social Dialogue, the first civic association set up in 1990 by a string of intellectuals,extremely visible and well respected in the Romanian society, the Centre for Independent Journalism – which had obvious skills related to the handling of mass media. The final partner was the Alma Mater National Union Federation, a trade union group interested in the reform of higher education and with many members which could influence this process direct.

It is important to state that there were several coalitions before assembled by the Romanian Academic Society – in 2004, for example, the Coalition for a Clean Parliament, in 2007 the Coalition for Clean European Elections, so there was awareness in the public arena, the context for high attention from the decision makers and finally precedents for success of the "name and shame" strategy. All this body of knowledge was applied to this particular project –but the presence of several NGO's which were working on education for a number of years ensured that the knowledge of the content matter was also extremely strong. The blend of NGO's was particularly representative and ensured a diverse and wide body of expertise.

A further description of the background of the coalition is necessary to understand a little deeper the thought process the Coalition member were going through. In 2007, the Romanian Academic Society had published a report on education, lamenting that the Bologna process seems remote from the way the substantial reforms in public policy are designed in the Romanian education system. The Ad Astra Association had also built an index trying to prove with a clear database the way in which research money was allocated in a discretionary way. From these two snap-shot views, following a working meeting, there was a shared feeling that there should be a national survey and some sort of an indicator (or an index which should be backed up statistically) targeting the transparency and corruption in higher education. The idea of a public policy was in the beginning quite diffuse, following the non-alignment of Romanian higher education system to European demands, on one hand, and the very weak research capacity and funding for specific areas of interest to those participating in the coalition, on the other hand. A shared wish to act was thus established.

The founding meeting for the Alliance decided to create a shared platform for action, an executive team and to set up what would be a watchdog and monitoring function, using a network of evaluators from within the Alliance (and its founding member organizations). All these were underpinned by a successful bid for funding from the Trust for Civil Society for Central and Eastern Europe. The coalition worked by consensus and worked very hard to develop a joint vision of where the public policy in education would need to be improved. At the same time, the very practical nature of the program has meant that nearly all the attention was focused on the implementation of already existing norms.

II. Eugene Bardach's Eight Step Framework applied to public policy problem

II. 1. Define the problem

Using their knowledge as academic researchers, the member of the Alliance started accessing some studies documenting through sociological surveys in order to identify what the problem was. The idea was to find out directly from beneficiaries of the national education system about it, but the Coalition focus of the Romanian Academic Society was firmly on transparency and anti-corruption.

One study [1]mentioned that 77% of students and 35% of university professors consider that the level of corruption in Romanian universities is high (even the discrepancy by itself is alarming as a difference in the perception). Moreover, 50% of students and 28% of educators know in their department specific instances of professors taking bribes from their students. Several other

[1] Comşa; Tufiş; Voicu, 2007, The Romanian University System, accessed at: http://www.osf.ro/ro/fisier_

studies in the possession of the Romanian Academic Society at the time showed that the general public had little confidence in public authorities and in their capacity to stop corruption. That was the reason why an independent watchdog, underpinned by credible NGO's might be a suitable alternative. Finally, a global index of research shows that Romania is placed 67th in the quality of research based on ISI- recognized publications, which means it is the last of all EU countries surveyed in that particular study.

With respect to reaching transparency indicators, several official available results indicated widespread corruption. First, 16% of all universities were taken to court by employees and/or students on issues dealing with their conduct and actually lost. In 14%, there were cases of a criminal nature (like corruption investigated by the Prosecutor's Office), sexual harassment or discrimination. In 17% of universities there were negative reports which could be attributed to the Court of Accounts, the Financial Audit Office, the Anti-Fraud Office dealing with EU money (OLAF). Also, for 10% of universities there were a variety of scandals/ situations involving the diplomas awarded – either evidence of plagiarism or outright fraud of diplomas, over the 1999-2009 interval.

The other problem observed at the time was that, even though there were major national initiatives focused on the leadership of universities, on excellence in research and on general university management (as well as administrative efforts to improve performance), there was no effort – at least no significant effort at national level - dealing with ethics, transparency and fighting corruption. The problem was defined thus in relation to what the students were stating in surveys: they were observing daily – and the problems with corruption as a whole in the Romanian society was such, that the education sector was seen at the root of all this. If corruption cannot be stemmed at the level of the education system, what chance is there for it to be stemmed at the societal level?

II. 2. Assemble some evidence

Using the network of academics inside the project and some specialized workshops, a pilot project between 2007-2008 built an index which was used on a small sample of universities. By and large, the four categories of interest where defined in the following four areas : transparency and administrative integrity (stemming from the particular interest that the Romanian Academic Society has had over the years in the passing and monitoring of the implementation of Law 544 on transparency), academic rigor, the quality of the governance arrangements in universities and finally financial management. These four areas were transformed into detailed questionnaires which were sent to the small sample of universities, to see to what extent these were followed. The index was built out of 100 points, but after internal debate the four areas did not have equal waiting. The first area, of transparency and integrity, had 30 points, the second - academic rigor had 20 points, thirdly - there were 35 points for governance arrangements and finally 15 points for financial governance.

In the area of transparency and integrity there were official requests to the targeted universities for a massive amount of documents: the annual report on Law 544 and the strategic plan, the budget, the wealth statements of university leaders, the organizational chart and the list of salaries for the staff of the universities, the rules on the admission exam, the internal regulation, any analysis done by the students of classes, any documents related to the proceedings in internal Ethics Commissions (which were mandated by law), the list of ISI- published research, a list of doctoral leaders, the list of statements concerning the collaboration with the former

Security Services (Securitatea) , the collective bargaining agreement, the list of acquisitions in the final year with a total value above 10.000 euros and a specimen contract of study for the current year. This detailed list was then judged/ analysed by a panel of two arbiters who would propose a score out of 30 points, but finally a discussion for the entire measurement would be done through peer-review in the board of the Alliance for Clean universities, through open discussion and several de-biasing steps.

In the area of academic rigor, a list of ISI –publications was looked at, but press articles regarding any academic scandals or any presence of academic families inside the same universities was carefully scrutinized. Plagiarism was an important criterion used in this instance and widespread plagiarism would be guaranteed to lower the score of a university, using this methodology. The actual participation in class of teachers was also used – noticing instances when professors were not even attending class, a widespread but poorly researched characteristic of Romanian higher education. In 26% of Romanian universities a professor awarding doctorate degrees has an average number of two ISI articles, in 38% of universities the average number is between one and two and for the rest of the 36% the number is under one. Qualitative, but also quantitative parameters were used during the evaluation process.

In the area of governance several factors were taken into account. First, the quality of competition when jobs become available in the education system (and whether the presence of several candidates can be observed). Second, the degree to which students could contribute to decisions taken corresponded to five points in the index. Thirdly, there was a look at so called “merit grades” (gradatii de merit) and the methodology of awarding them and the extent to which this correlated with ISI research. Evidence of good governance would show promotion of those which achieved a good research output. The 35-point scale was larger than all the other three areas because all the members of the Coalition felt that this was the principal factor contributing to the quality of universities.

The final area, that of financial management looked rather superficially (because they were not expert accountants) at a sample of financial documents. First, the execution of the budget and the amount of money that was returned to the Ministry of Finance, unspent because of poor financial management. Second, a sample of the expenses made above 10.000 were verified in relation to all the other body of evidence which was gleaned from the rest of the documents. Finally, the relative declared wealth of the professors was judged against their nominal salaries and against the wealth exhibited by the university – large comparative wealth in relation to the institution would win that university a poor rank and low points on the scoring scale.

Overall, when the exercise was extended, out of 42 universities surveyed, only 16 fully answered to all the survey of requests, 2 have responded in the first instance and 23 have responded only when evaluators actually reached each university campus and talked face-to-face with the leadership of the university. 3 universities refused to give any sort of data. All this data following these freedom of information requests were compiled on a 20-point scale which constituted one of the four components in the final index.

There were some things in addition to the points scale of 100 which could win the universities penalty points. A 10-point deduction was taken for each of four specific cases. The first instance was an open trial with any students or professor which the university lost. The second instance was where there was more than one case which was investigated by the Prosecutor’s Office, be

it sexual harassment, discrimination or corruption. The third instance was related to the Court of Accounts and any negative report it may have compiled in relation to the institution. The final and most serious case was that where the was public and credible evidence concerning the awarding of false diplomas. A report card of one summary page was produced for each university and the experts assembled all the evidence in the index which followed.

What is remarkable in this program is the detailed and varied input data which is going into the project, to guard against bias. There were reconciliations inside the Coalition and once the methodology was put together, it was applied in a way which was consistent across all the universities which entered the study. Even if the problem was diffuse and complex and spans four areas of the university output, an index which captures a lot of diverse data is very useful to survey the system as a whole. Whilst there was not one definition of the problem, but the problem was defined across many areas – so the index which assembled data compiled information from all these four work areas – and more, given the "penalty points" above which further calibrated the data.

To further reduce inconsistency – which is the principal risk when compiling national-level indices - a work session to present the individual results of each university was put together in the presence of all Alliance representatives. The individual presentations of each university allowed for a careful comparison of like-for-like situations and a consistency in the scoring mechanism. Each case was further calibrated by a final commission of two referees which looked at consistency across the entire field, to ensure that similar situations were treated in the same way and no institution was favored on subjective grounds. What is absent, overall, is a simple definition of the problem and a simple measurement system across fewer parameters. A possible explanation might be that the complexity of higher education system is such that several different indicators are needed to accurately capture the data.

II. 3. Construct the alternatives

The Coalition representatives got together precisely because previous individual efforts had failed. For example, efforts by Ad Astra Association, a Coalition member to document and reduce the bias in the awarding of research grants was not successful. The study by the Romanian Academic Society (RAS) had received quite a lot of publicity, but there was little official follow-up. RAS had continued to use the mechanisms of the Law 544 to demand several documents from institutions, principally because of its success in prosecuting some state institutions which refused to hand over data. However, collectively, the Alliance felt there was a need for a national program which would encompass all universities – to guard against accusations of bias which were levelled at Alliance members anyways. There were no serious alternatives debated – there were variants of building the index which were thoroughly discussed. In the end, the index reflects a certain balance that was reached internally, in the Coalition.

II.4. Select the criteria for decision

In the end, the criteria was to use a numerical value which was fully referenced and which had the full rationale explained. There were four sets of criteria to mix the need to reflect a variety of different aspects of university life – most of which (with the exception of financial performance, perhaps) are present in any ranking worldwide. The index is adapted to the specificities of Romania, especially by giving a higher score to governance issues, which are sometimes more of a problem here than elsewhere. Issues such as plagiarism are also carefully scrutinized. The fairness of application for all parameters was given carefull scrutiny. Also, there was a view

adopted to leave specialist military or police academies outside of the sample group (this reduced the group included in the index from 56 to 46), given their specialist characteristics and difficulties of treating them "equally" with all the rest of the institutions included in the analysis.

II.5. Projecting outcomes for each alternative

Since there were no alternatives seriously considered alongside the project which finally emerged, outcomes for each were also no debated inside the Coalition. It is useful to reconsider here the nature of the project, which is one of static description and analysis, more than dynamic in nature, or setting up some mechanisms for direct intervention such as the educational project set up by the IMPACT Foundation, for example. The discussions which did take place have questioned the way in which the results of the analysis would be projected so that the impact would not be lost to the national audience.

There was a mechanism by which universities could contest their results and there was an arbitration system set up to review those cases again, in the light of any written evidence which was sent in support by the Universities. If the university would contest the result – and some did – then the case would be looked at again, by a different "pair of eyes", to ensure fairness. Also, a public answer to any contestation which would be visible to all, on the internet, would be given.

II.6. Confronting Trade-offs

The main trade-offs would be between the amount of work put into building the indices and the amount of work responding to individual university complaints. There was also a trade-off inside each of the four categories considered, to emphases some of the sub-components over the others. Within the budget domain, for instance, not a lot of attention was paid to the budget analysis, with more attention given to the relative wealth of the professors – as a possible indication of corruption and fraud. In the field of governance, close attention was paid to mechanisms for selection and promotion, as indicators of how "clean" the universities surveyed were.

The "name and shame" route and direct interaction with universities was preferred to other mechanisms, such as putting extra pressure on the ministry or doing a special effort in the promotion of the index, at the level of authorities, for potentially being taken over and used as an official means to rank universities. The effort was firmly kept in the province of academic professionals (hoping that applying pressure from university professors and NGO's in the domain would be more effective than bureaucratic and political pressure from the Ministry of Education). It was supplemented by a very big presence in the media and an enthusiastic following from the National Alliance of Students' Organizations, which as an important stakeholder for the project and as a member of the Alliance contributed significantly to its existence. It is worth pointing out that in the absence of a powerful coalition, "name-and-shame" can backfire on the Coalition.

An additional analysis of trade-offs might have made the program more balanced, but the discussion over the index around which the results were built encapsulated the trade-offs quite concisely. If the analysis would have widened to other topics, the quality of the analysis for the remaining four factors would have been diminished. Even as it was, a number of 56 universities in the beginning were whittled down to 42, because, for example, specialized military academies were taken outside the sample, as were art universities. Regrettably, the Coalition never developed a "core program" which could have carried on at very low cost and an "add-on" of things that are nice to have, but are not critical. The program was designed to look at the entire group of 42 universities and in the absence of funding the entire program was eventually stopped.

II. 7. Decide

The decision, for example, to do a one-off project (and then a second-one as a follow-up) was taken in relation to the available budget and the availability of the donor to support the project. It was also taken given the volunteering commitment which could be sustained over two program periods of 14 months each. Whilst many partners would have wanted an ongoing program, with the same methodology being applied systematically each year, this was not possible given the resources available to the Coalition. A lack of a volunteering culture, especially for large complex programs which require specialized knowledge and also a willingness to be stigmatized by important parts of the education system contribute to the current state of university education. The decision in this particular project was to use the stakeholders with a stake in the education system improving (one representative trade union, an alliance of student organizations and several representative NGO's) in order to build pressure on the system. This pressure was very public and visible, with some sharp exchange of letters and some public acrimony over the correctness of the index. This can always be debated, what should have been clarified is that the aims of building a more transparent, meritocratic and well-governed education system cannot be credibly contested).

The decision to open and close a program such as this one, based on the funding that is available to the Alliance, makes this program vulnerable by the lack of follow-up beyond a certain point. Whilst there are still users who want to be currently involved in a program, they have nowhere to manifest that desire, since the project coordinator has since moved on. There is also a know-how that has been lost, since part of the mechanisms by which the index was built were not documented and cannot easily be replicated in future years. The decision making process in a large coalition is sometimes constrained by the consensus which is necessary – but benefits from the legitimacy of any decision ultimately reached, which can be supported in a broad variety of fora.

II. 8. Write up your Story

The Coalition for Clean universities had an extremely visible media presence, benefitting from a whole section in the www.romaniacurata.ro, a portal set up by a coalition of NGO's. This portal signaled not only instances where transparency was not respected in the university system or instances of fraud and proven plagiarism, it also gave an opportunity to readers to comment and build on each other's investigations – and replicate any success in one university in a different context. The degree of success within universities was largely dependent on the involvement of stakeholders in general and university student associations in particular.

There were further specific activities which got media attention at the ntional level. On July 29th, 2010, a national debate on the Romania's system of financing in education and research was set up with student associations, trade unions and professional associations of researchers. The reports of the conference were distributed electronically to 3.000 targeted recipients, all stakeholders in the public policy process in higher education. When the public debate on the Law on Education was re-launched in 2010, a report containing the conclusions on university funding was provided to the media as a base for research and discussion. All these initiatives were very successful and insured wide visibility, which of course infuriated some critics of the index, especially those coming from zero-starred universities which were criticized in the end report.

Others represented in the board of the project presented abroad the results obtained. A conference at Oxford University in 2009 had the preliminary report summarized for the proceedings, an OECD Conference on Fighting Corruption and Good Governance also debated the policy changes suggested by the program set up by the Coallition for Clean Universities. Additionally, the European Association for Education, Law and Policy received an in-depth presentation of the index and the results which were obtained using it. Finally, a dedicated panel at the UNDP's International Anti -Corruption Conference (IACC) was taken up with explaining the system used and ways in which this might be replicated internationally – something that is relatively easy to be done given the broad degree of applicability built into the index.

As a conclusion, therefore, this particular program did not go through all the steps recommended by Eugene Bardach's Framework for building public policy frameworks. It also had a very wide breadth given the definition of the problem, but it was based on a very detailed analysis of the problems which the university system has. As a result of this analytical efforts, contesting the results of the index in the way in which was built was extremely difficult.Contesters made very little progress, publicly, in the direction of solving the problems which were so visible that they consistently appeared in sociological surveys of the population as a whole, but more specifically in those surveys requesting for the students' opinions. This is the reason why the Coalition for Clean Universities was successful in challenging the status-quo, but did not have enough financial power and human resource power to continue this effort every year, in a continuous program.

III. The results which were obtained at national level for 42 universities

To give a feeling for the quality of universities, the Coalition finally came up with an index which ranked universities in five different categories going from no stars to five stars (which was the theoretical best, but which was not actually achieved by any of the universities surveyed. This was a composite score which looked at all the four dimensions mentioned above : transparency and integrity, academic rigor, governance mechanisms and, finally, financial management.

The biggest controversy, naturally, was in the score of some institutions with high national regard, but which came last in the opinion of the professional assessors – see the results below. Most universities were somewhere in the middle with two or three stars awarded by the index results explained above. The shock value of rankings when presented publicly can be quite high and, as a result, the public controversy created by the rankingsreated was pretty significant. The breakdown in the four separate fields is described in detail, below.

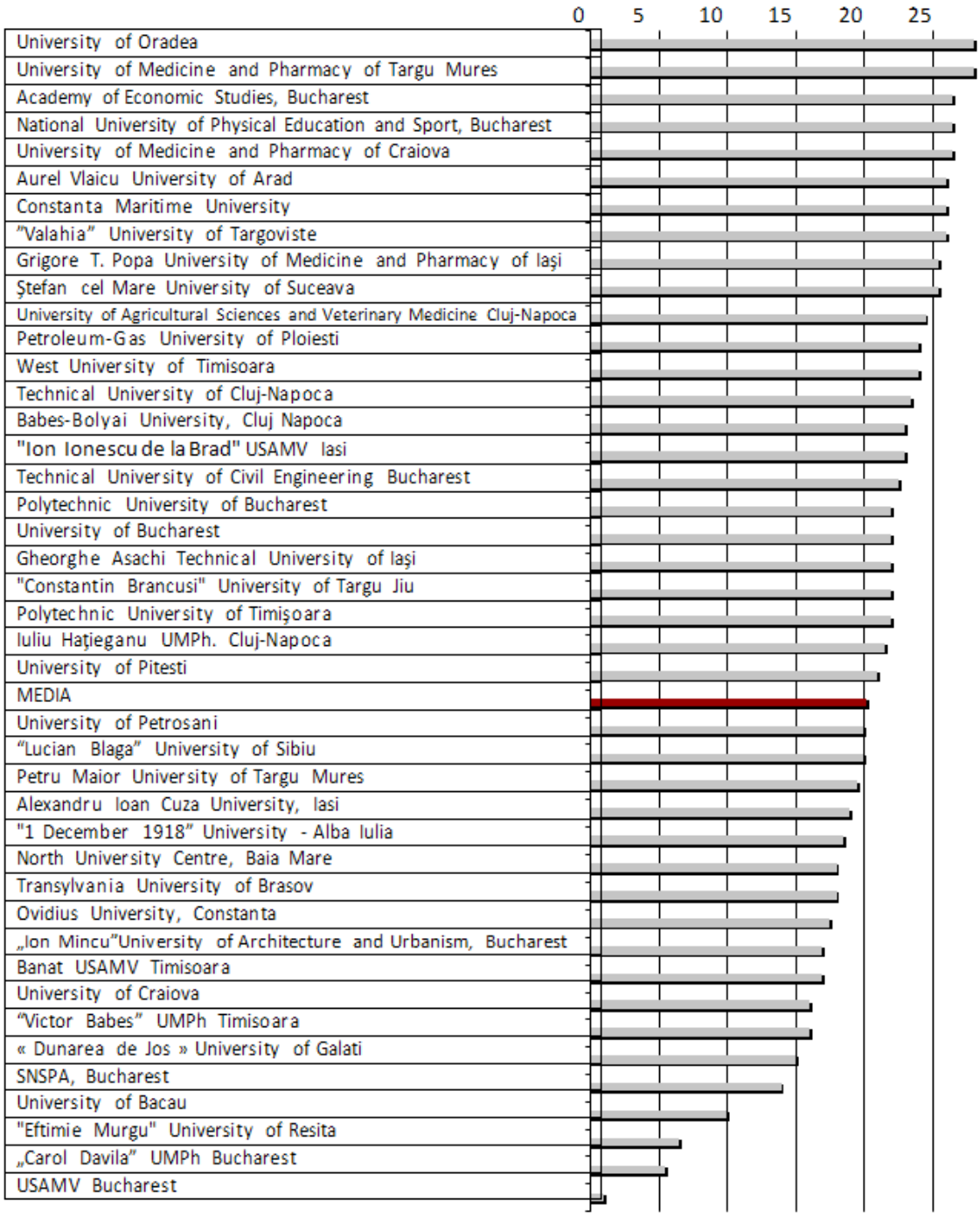


Fig.35. Score for transparency and Administrative Efficiency

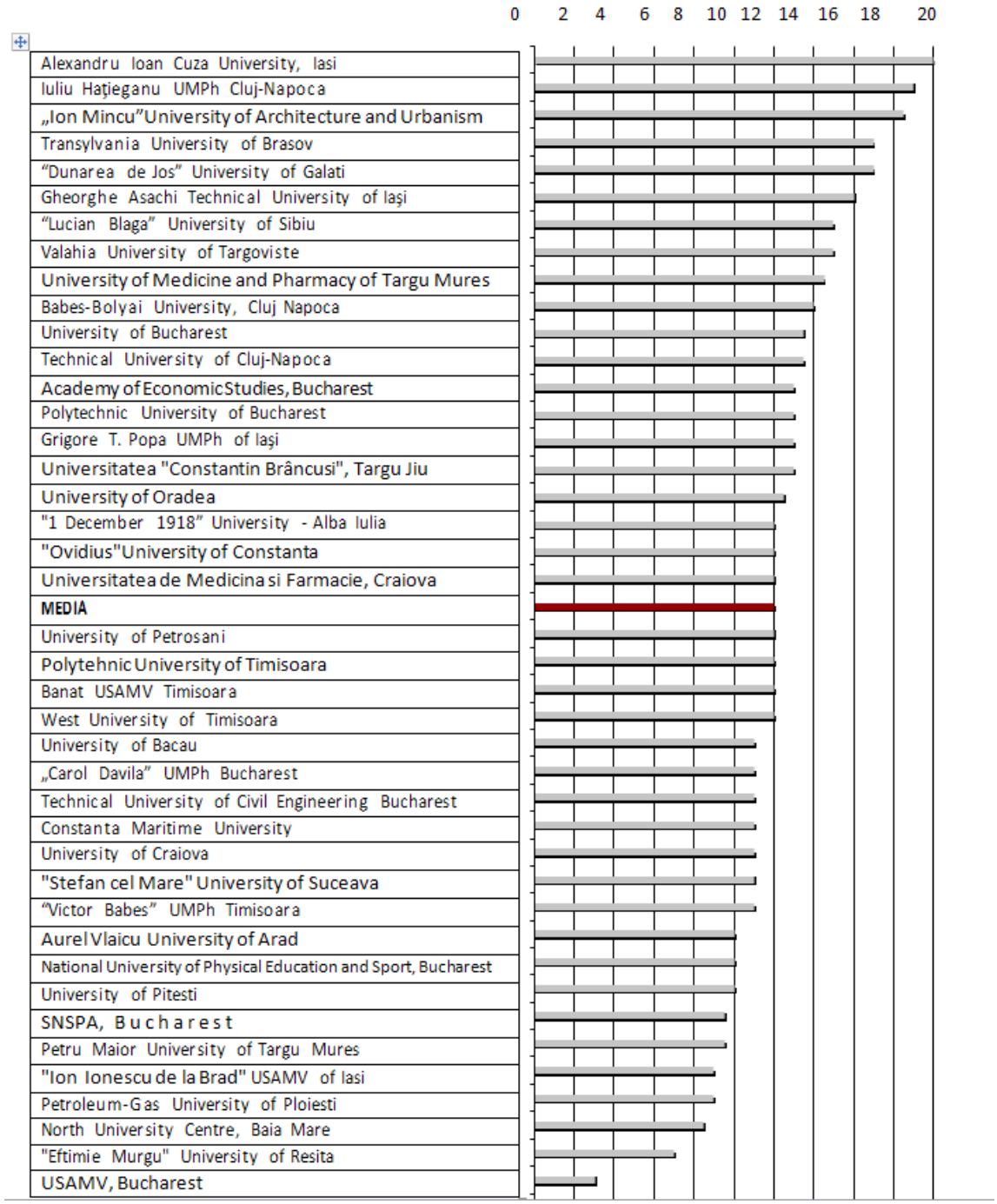


Fig.36. Academic integrity

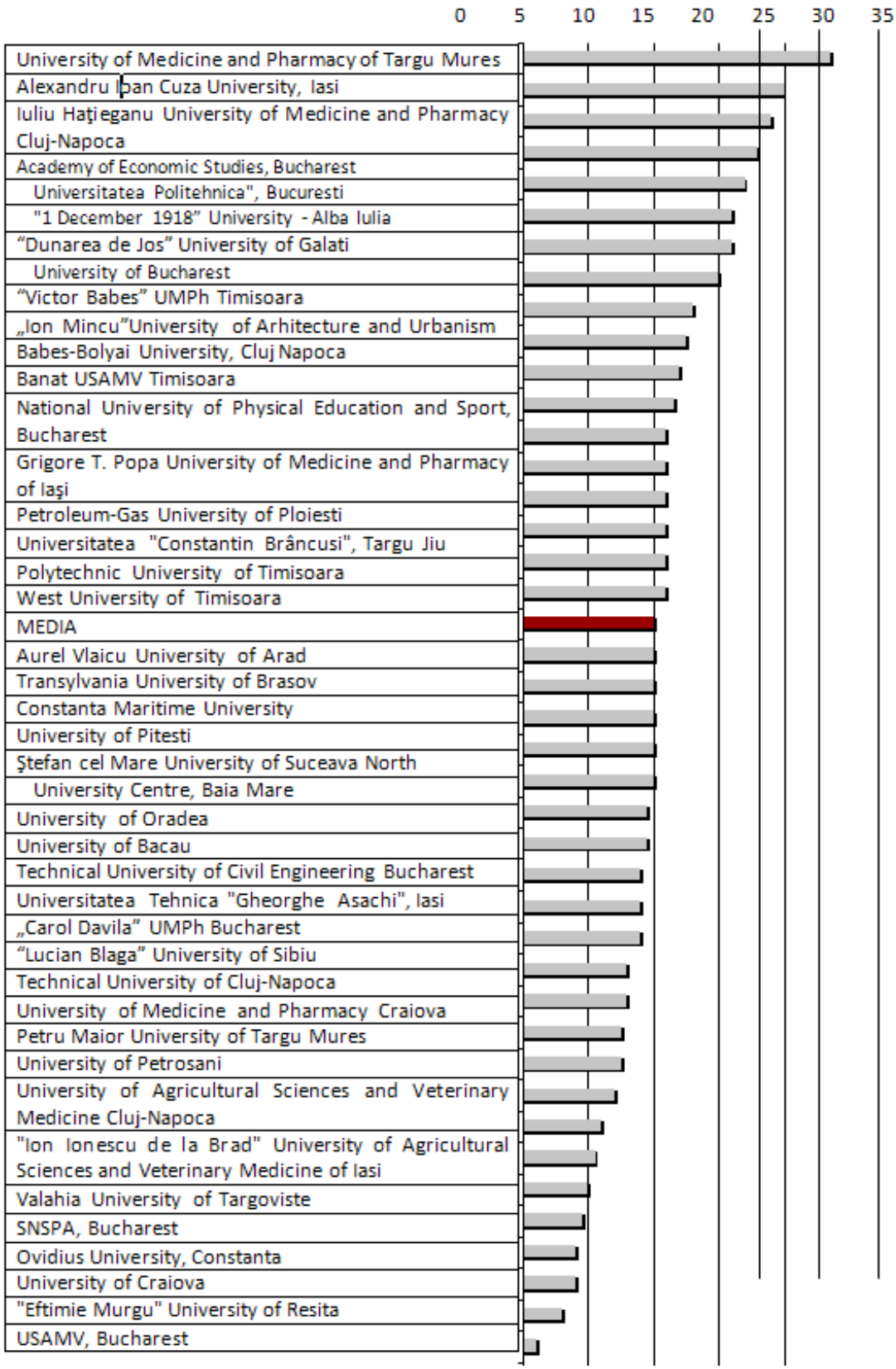


Fig.37. Quality of Governance Arrangements

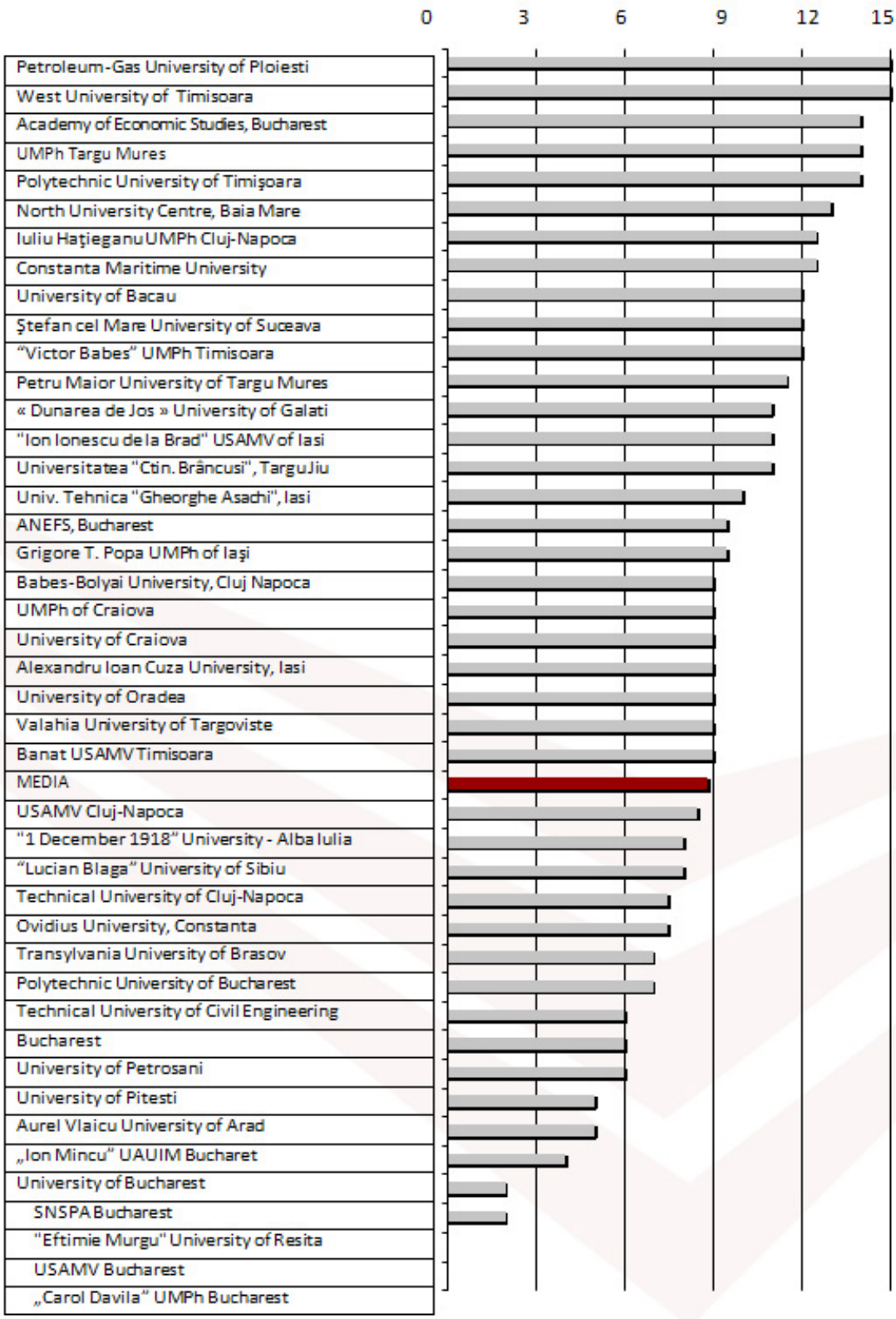


Fig.38 Financial management

For each of the four fields, the "average" of the index is shown in red, the rest is specific for each of the criteria, in the way that was previously explained. Some paradoxical results are shown, since universities such as "Alexandru Ioan Cuza" are pretty high up on some parameters, but low for example on financial management. There are universities where the governance internally is strong but the openness in cooperating with the Alliance and communicating to the public is questionable. In aggregate, the composite score was translated to a five-star rating system which everyone is familiar with, in order to capture all the different dimensions in a unique score.

Universities with 0 stars

- "Constantin Brancusi" University, Targu Jiu
- "Aurel Vlaicu" University, Arad
- National School of Political and Administrative Studies (SNSPA), Bucharest
- "Eftimie Murgu" University in Resita
- "Carol Davila" University of Medicine and Pharmacy
- The University of Agricultural Science and Veterinary Medicine, Bucharest

Universities with 4 stars

- University of Medicine and Pharmacy, Targu Mures
- University of Medicine and Pharmacy ("Iuliu Haţieganu")
- „Alexandru Ioan Cuza University", Iasi

Universities rated at 5 –stars - None

IV. Seven suggestions made to public authorities, following the indexing of universities

Following the effort to build the indexing methodology, at the end of the project the Coalition members drew the attention of authorities on seven weak points of the higher education system. First, the restriction of freedom regarding information request, as only 38% were measured to be administratively transparent in providing necessary data on their own internal organization. Second, for 71% of universities, the plagiarism rules are only on the books, but seldom applied. Third, for 95% of universities the presence of so called "university families" could be observed – basically the presence of relatives teaching in the same unit within the university. Fourth, the universities have a promotion system which makes them closed units – for most of the competitions organized only one candidate shows up, as real competition is almost non-existent.

Fifth, doctoral schools have a very limited pool of competent professionals, because research output which is ISI – indexed is a rarity. Sixth, there is very little real involvement of students in the decision making process – for 21% of university, the formal participation in decision making is ensured, but legal provisions, such as input into evaluation of the courses by the students, are ignored. Finally, for 38% of universities lack of transparency with regard to spending has been detected, with public acquisitions which are awarded to the same companies and the frequent use of negotiations with a unique source or the absence of a full auction. All these red flags were presented to the public and constitute, to date, a full inventory of problems with the managing of universities.

The Coalition leaders themselves took the initiative of building an Ombudsman, a mediator from the civil society which has started to receive notices of fraud and tried to get attention for them from the point of view of university managers. This Ombudsman looked into a cross section of issues (less than 50), over the life of the project, but this function is no longer continued, as the project closed, after it completed its original task. Since there is no follow-up, there has been

some improvement over the life of the project (which was modest), but this has made little impact over the entire university education system. Similar efforts in the future will have to carry on the same methodology for at leat 5-7 years in order to implement real change. Nevertheless, in a matter of one to two years the Coalition for Clean Universities had set up such an influence that it was an accepted mediator when local issues of integrity would arise.

The impact of the two projects was quite significant, even if the project did not continue. On transparency, 25% of universities now publish all procurement expenses on the website – although it is difficult to statistically trace back the effect to the existence of the Coalition. In 2010, the second full year of assessment, more than a third of universities improved their score on the transparency front, probably because it was the easiest category to have an immediate impact – issues such as governance take more time and require more effort. There was the notable example of one university hiring a deputy rector for transparency, tasked with improving the universities ranking – a natural, positive effect of such an index. Also, there was more effort to introduce fairness in the evaluation process and in the process of hiring faculty, even if the norm continues to be that jobs are "reserved" for some. But perhaps the most important result of the project was that all stakeholders admitted, even if some did so begrudgingly, that the problems pointed out in the index were very relevant to the Romanian university system and were also of valid public interest.

V. KEY POINTS

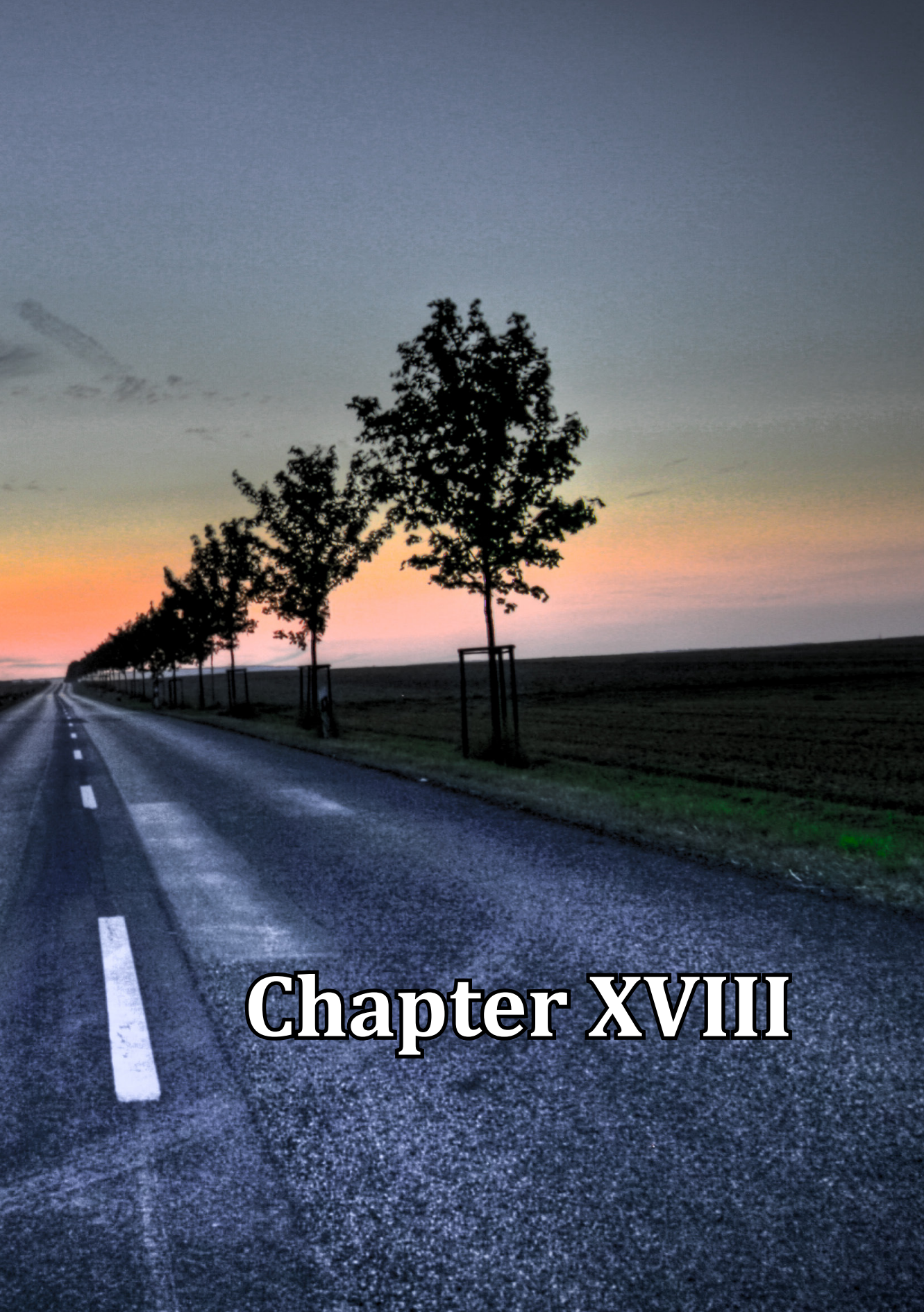
1. Building a large, representative coalition of stakeholders which have a direct interest in the improvement of the public policy process in higher education could be a key ingredient of building a successful proposal;
2. "Name and shame" can function as an effective tool with respect to introducing change in the public policy guiding the education system;
3. A successful project needs to be continued – so that there is a need to build the possibility of follow-up from the design phase, from the moment the project is set up;
4. Large scale, structural changes require several years of continued effort, a one-off project is insufficient;
5. Even where we have a large, representative coalition of civil society and trade unions, as well as journalists, change cannot be permanent if it is not adopted as an official public policy or where there is no permanent support from the Ministry of Education.

VI. Bibliography and further reading

România Curată, a Full Ranking of Universities can be found here: http://www.romaniacurata.ro/topul-integritatii-universitatilor-din-romania-alcatuit-de-coalitia-pe-469.htm

The Full report (Romanian only) of the Coalition for Clean Universities, as it was presented to the public: www.romaniacurata.ro/documente/raport.pdf

Global Corruption Report: Education, By Transparency International, 2013, Routledge. The full report can be found here: http://www.transparency.org/whatwedo/pub/global_corruption_report_education



Chapter XVIII

CHAPTER 18. KEY STUDY 6. EXPERIENTIAL EDUCATION - "IMPACT" ADN "LIVE" PROGRAMS, RUN BY NEW HORIZONS FOUNDATION

By Răzvan Orăşanu

The purpose of this chapter is to serve as a contrast for the previous examples. Whereas all the others refer to public policy as defined by a government or local government agency, this chapter focuses on a small, but significant Romanian NGO which started education reform of a different kind, namely in the extracurricular area. It also gives an interesting insight to how NGO structures can really start a national program with a mix of funding – grants, own revenue streams and some corporate support. Furthermore, it focuses on the power of one particular vision to engage with and potentially change the mindset of thousands of Romanian youth. Even though the focus of this particular policy reform addresses mainly (although not exclusively) pre-university teens, the lessons are applicable for any education reform in Romania. It is also worth to mention that the program was developed in Jiu Valley, one of the most inhospitable environments in Romania.

One important note is to understand that whilst, in the vision of the New Horizons Foundation there are two separate programs, these are treated interchangeably in the chapter description below, principally because the second program is a derivation and important outgrowth of the first – and in time it ended up being the most important program. The first program was a US-inspired adventure camp for approximately 500 students who would gather every summer for a similar experience, in Romania. The second program was a leadership and social entrepreneurship program developed in communities, based on the participants in the summer camp but open to others – here the rigorous curriculum was all about community analysis and intervention. This concept of "service learning" is novel to Romania, but is the bedrock of community development and volunteering in many places in the United States.

I. Background of the two programs, the founder and his executive director

In the summer of 1996, Dana Bates was a US – national with a strong interest in Romania, and particularly with a strong interest in helping young Romanians. He was initially drawn to Romania, like countless other American and European NGO enthusiasts by the desire to help orphanages. Gradually, like every other, he saw the need to develop a more permanent and a more self-sustainable structure of support within the Romanian community.

First, there were stories of programs which did not succeed. Dr. Dana Bates was aware of the failure of traditional civic engagement. An NGO which was close to the New Horizons Foundation had tried to support community activism and voluntary participation – both of these initiatives did not get very far, because there was no culture of volunteering and volunteer activities in Romania to support such programs.

Dana Bates's own wife was aware of the failures of community having tried to put together a community of mothers in the Jiu Valley to give each other support. Dana Bates recognized that these failures had to do mainly with the design of those programs as they were "set out by assuming what they should have been aiming to build – that is the building blocks of a trust-based community", in stead of identifing the real problem through data analysis. This insight was the first important piece in building the vision and the new program – IMPACT, an experiential learning program for the age group 12-18 years old. Thus, this combines uniquely the personal

philosophy and experience of the founder, three aspects being esential to the new program. Firstly, in his background, Dana Bates had worked with a US-based NGO (adventure camp) and had seen quick positive results in building a community of young adolescents, following an activity which was fun, active, set in the outdoors and team-based. This was more about behavioral, involved, in-depth and adaptive learning rather than theoretical or curriculum-based (although eventually a formal curriculum was also developed for the program). Secondly, Dana Bates had worked for a US-based college where he taught experiential education courses for 5 years rooted in the pedagogy of John Dewey and his "learn by doing" methodology.

Thirdly, the desire to invest time and energy into Romania, supported by a variety of personal and academic reasons (Dana Bates went on to write a Ph.D. on Father Staniloae, an important figgure for the Romanian Orthodox Church), determined the focus on replicating this program in Romania. Fourthly, and crucially, through his academic readings Dana Bates was well acquainted with the concept of building social capital (for instance the writings of Robert Putnam and Francis Fukuyama) and the crucial need to increase social capital in post-socialist countries. The combination of these four elements formed the intellectual infrastructure for the program, which was backed by a strong fundraising activity in US to make the dream of the programme become reality.

These elements came together over 3 years (1996-1999), between the time the program approach was devised to when the actual education camp area was built in the forests of Retezat national Park, close to the mountain resort of Straja. On the US front, Dana Bates persuaded a team of 15 experts who had built adventure rope courses around the world to volunteer time to set up a similar camp in Romania, including a top expert from Project Adventure. He had also sought out Tim Burford , the author of a travel guide on hiking in Romania who recommended Retezat, and then first through UNESCO contacts and then out on his own he managed to find a suitable spot for the camp. Whilst redoubling his efforts to succeed in Romania, in spite of persistent local problems which lasted for years, Dana Bates built a small team of dedicated young Romanian individuals which stayed for years with the program.

The most important support since the founding of the New Horrizons Foundation in the Jiu Valley and up to date is the now Chief Operation Officer Diana Certan. She was selected following a recommendation of professor Gabriel Badescu of the „Babes-Bolyai"University of Cluj, where Diana had written a Masters Thesis on the "Adventure Education as a Tool for Social Capital Development". She would now have the chance to move from Cluj and try to turn her vision into reality, in the framework of the new program – all this against the bariers determined by the unwelcoming background of one of Romania's most impoverished and grim former mining area of Jiu Valley (specifically the mining town of Lupeni). Whilst the program did not initially benefit from sophisticated data analysis or even rigorous measurement of would-be beneficiaries of the program, it had strong intellectual foundations, was based on academic reading and a capacity for accurate social analysis. It also went through many cycles of trials and errors.

The intellectual underpinnings of the program are beyond scope of this handbook, nevertheless it it worth mentioning that beyond John Dewey's famous experiential learning pedagogy principles that were implemented, the concept was also enriched by Edgar Dale's Cone of Learning which conceptualizes the "learning by doing" approach as the place where teens retain 90% of what is said and done. This came in contrast to the traditional education based on reading and writing, where it is said that students retain less than 5%. Whilst the approach is strongly rooted in

empirical studies and has the statistics necessary to back it up, it is relevant to say that there are no applicable, comparable studies done on batches of teens that go through the "normal" education, in comparing their learning in school and the alternative "learning by doing" offered by the New Horizons Foundation, in order to comparatively monitor their „efficiency". This last scenrios is built on the rule that education happens only when the learning cycle (below) is complete.

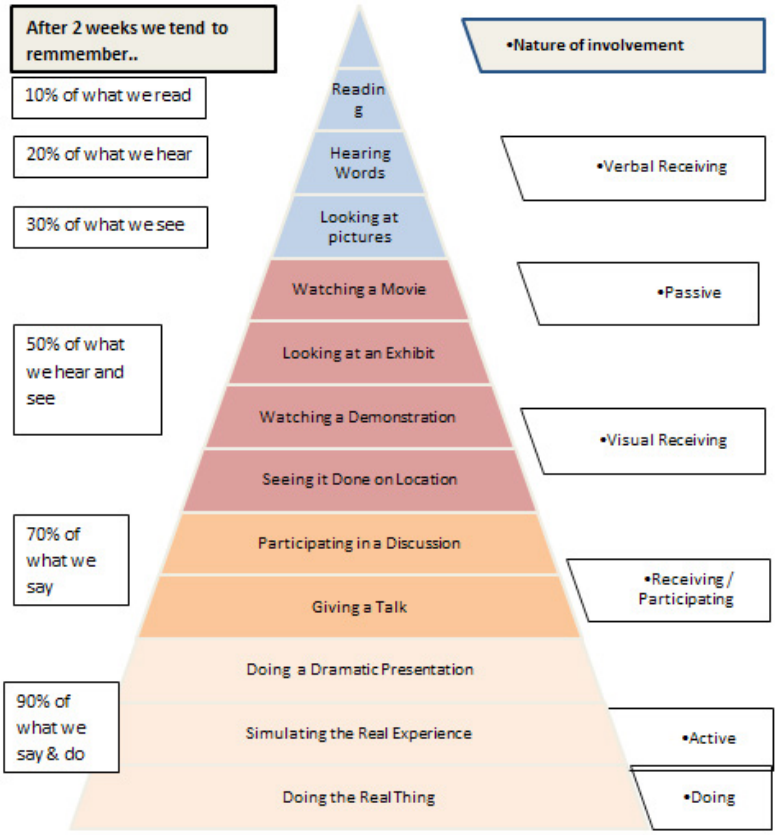


Fig 39. Cone of Learning

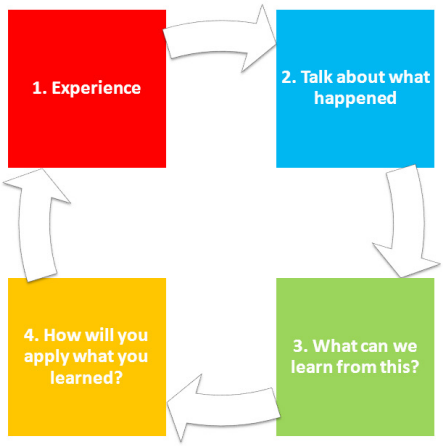


Fig.40. The Cycle of learning in the programs set up by the New Horizons Foundation

There is, however, one study tracking behavioral responses following participation in the summer camps using this alternative learning method, but is not considered fully relevant for the assessment of the results of the programs, as the whole notion of "learning by doing" is difficult to capture in its complexity in set parameters.

After some years, in 2002, the organization responded to the fact that its program had only short term impact (timewise), feeling that a different program needed to be developed from the ground up as a follow up to the summer adventure education camp. This gave the program its second and most significant development up to the present date, that made it a replicable success model in 5 countries throughout the world (Armenia, Dominican Republic, Honduras, USA and Moldova) simoultanously leading to the creation of over 200 clubs, 140 of which are still in exercise today.

The IMPACT Program (Involvement, Motivation, Participation, Action, Community, Youth) is a complex program which consists of community initiative clubs for youth. IMPACT clubs combine learning, fun and community service to help young people become active citizens, while developing usefull life skills. The program as a whole rests on at least four learning pillars: active citizenship, employability skills, social entrepreneurship and leadership. IMPACT members are directly involved in the community, selecting the issue to be adreessed democratically and then implementing a different subsection of program every four months.

To give just one example: in Constanta (there is a photo below – fig.41) there was organized a citizen action against the so-called "spice shops" which were dotting the beach town on the Black Sea, even though they were technically illegal. The first attempt was to write a project and approach the Mayor so that he would shutt them down. At first, the Mayor ignored them. Then, they voted (as all clubs can) to make this a priority of their IMPACT club - they collected 1.000 signatures in the city, organized a city-wide march and rallied the entire local population with their slogan of "Don't throw your life away for 10 lei". The mayor had no choice, with hundreds protesting on the streets, but to come there and to promise to shut down these shops. An IMPACT teenage volunteer courageously spoke on the microphone to the assembled public, confessing that this is a problem that ruins the lives of many in the community. Obviously, such a successful action – of having a march and of closing down several illegal drug shops – had a great impact on the community that extended beyond the volunteers and teenagers formally enrolled in the program.

Fig.41. Photo from the protest march against illegal spice-shops organized by IMPACT (Constanta);

II. Eugene Bardach's Eight Step Policy Cycle

II.1. Problem definition

Initially, the definition of the problem at the basis of the program was rather academic and not very sharp. Having moved on from the paradigm of just delivering aid, Dana Bates and his team in the foundation noticed a pervasive problem in the Jiu Valley: a kind of "post-socialist apathy", a "win-lose syndrome that was particularly stong", a cynicism related to civic engagement or any type of volunteering activities". There was also a real lack of an opportunity in anything related to extra-curricular education or "learning by doing", besides the education through reading or rote learning, that was still used in some old-fashioned state schools. This is why the "eureka" moment came when realizing that the antidote to all this was the adventure program which might be transplanted to Romania – although it needed to be adapted in a very different cultural context from its initial one, so the results couldn't be guaranteed, though it promised to both wake up the citizenship-active side of the local enhabitants and offer an complementary learning system though extracuricular volunteering activities.

We have to remember that all this was scheduled to happen in one of the toughest climates in Romania – the Jiu Valley, a place where following the decline of mining activities, the infrastructure of the social services, the administration, the healthcare system and the very fabric of society was breaking down. This was happening as many mining pits were closing and those remaining were nearly bankrupt, thus bringing the region in a difficult economic situation with a high rate of unemployment. Walking through schools, Dana Bates noticed the quationable usefulness of learning and breakdown in discipline. As a person versed in sociology, he had consulted the World Value Surveys, where all indicators related to what he calls "social poverty" in Romania were very low (the difficulty in relating to communities, the tearing of the social fabric, difficulty in dealing with depression and job losses, etc.). The best idea that he came up with to fight all these social illnesses, the results of which would be observed every day as he walked around the Jiu Valley, was to focus on the next generation and to count on the universal principles of fun, taking healthy risks and breaking down fear and mistrust in young participants at the summer camp through shared experience, play and learning and through team activity.

15 years after the inception of the program, there is still some in-built vagueness as to the definition of the problem that it is trying to tackle – some of it derives from the "fuzziness" of the concept itself, which is difficult to capture in all its different dimensions, some of it is in-built, because complex learning takes place inside the program and its full capture via only one or two set of indicators is not possible. Additionally, the "social capital" theory behind the program, sparked from the principles defined by Fukuyama and Putnam, which are intrinsically difficult to capture. The real issue that arises is one of commensurability – during the background research for this chapter there was very little precision on what the ultimate goal of the program is and whether an IMPACT club in every town and every major locality would be the ultimate desired goal. Furthermore, whilst there was clarity around involvement with poor communities (modelled on the successful intervention in the Jiu Valley community) – there is no precise definition for the program that could point to an exit strategy or a benchmark for defining "success" at the end of its' implementation.

II.2. Assemble some evidence

This was a crucial stage that the New Horizons Foundation only dealt with retroactively, by having as a board member, Professor Gabriel Badescu (from „Babes-Bolyai"University of Cluj),

since 2000, the second year of implementing the adventure education program. By linking with Professor Badescu, the Foundation attempted to have some professional follow-up on the evidence of success or failure of the program and its impact on participants, evidence which could be compiled by a respected sociologist. Whilst it is useful to note that nowadays more than 80% of participants themselves regularly give high and very high marks to the program, before the program existed there was just the ambition of building an adventure course, as Dana Bates, the founder, was well versed in. Furthermore, it went against the grain of established norms of setting up a pilot programme and then re-assessing it for improvement, thus taking the decision to have 500 teens enrolled in the programme for the first year, and continue like that (more or less) – similar to the number of kids involved in US facilities.

There was no available date to prove that the ropes course would be of interest, or whether there would be a real interest for all the 500 places offered. Behind it all, stood only the belief in the "universal, underlying point (of view) that fun and adventure would draw children in the same way in the same way in Romania as it did in the United States". Also, there was a rather unbalanced approach to stakeholder engagement – namely the driving force was the fun and passion of participants, which became in due course the biggest supporters of the program, after having experienced it. There was some effort to engage the local population as stakeholders, but this was only partially successful. There was at least one notable instance where local stakeholders expressed a negative opinion towards the program and then in the end attempted to gain from it through bribes – the local Salvamont representatives were initially partially helpful, then non-supportive and finally attempted to steal from the Foundation by impersonating Fiscal Agency (Garda Financiara) employees, something which became the subject of a 4-year trial case which the Foundation won.

Finally, there was only some sociological background data available from the country as a whole, most prominently a study – World values survey, published on 65 countries amongst which Romania features – showed that depression and unhappiness was highest in Romania. This study was also published on the BBC[1], so it was a source of input in the beginning stages of the program. To fight the grimness and unhappiness of the place, fun and games is one of the three pillars of the program to this day. There were also studies at the time which showed that for 50% of children stealing was the way they thought people got ahead in the Romanian society, 30% through connections, 11% through luck and only 9% thought that one could get ahead by sheer hard work. The program also set out to redress this belief.

II.3. Construct the alternatives

There were various schemes which had failed during intervention in the Romanian society. The foreign aid given to orphanages was no substitute for an educational program and did not create added value in the community. The community engagement programs, which were started by institutional partners of the NGO set up by Dana Bates, failed to a large extent because of the absent volunteering culture in Romania. Furthermore, several Western schemes failed (some even with USAID support in Romania, during previous years) because of flawed assumptions regarding the problems to be solved or the beneficiars of the interventions. Due to the familiarity with the concept of adventure education, the eventual decision was to try a ropes and adventure course and to build one near Retezat.

As stated earlier, there were various alternatives for the actual spot. Physically, the set-up was

[1] The full study is commented on here : http://news.bbc.co.uk/2/hi/africa/3157570.stm

originally designed for a place near Timisoara, in Western Romania. The Retezat National Park became an atractive alternative when though there was already a previous-chosen spot for the course, it proved not be accessible 3 days prior to the day when the US experts were already in Romania – bound and about to build the adventure area. So, three days prior to the event, an emergency spot had to be found with similar characteristics and one such place was chosen very close to a small locality called Straja, well known in Western Romania for its skiing slopes and facilities. Following the decision on where to place the adventure area, in time, during years of programme implementation, various local partnerships were built for housing the participants in the summer camp – and finally one summer camp house was bought with this purpose (several years after the start of the programme), which now belongs to the New Horizons Foundation.

Before the adventure camp site concept was launched, there were several other alternatives that failed. A woman's breastfeeding and support group of women initiated by Dana Bates' wife, failed. An attempt to get people in the Jiu Valley to do community analysis as the mining pits were closing one after another was received as a "complete joke", as Dana Bates remembers it. At those meetings, lots of people claiming to want to help the community would show up, but when there was something practical to be done, the whole exercise broke down amid recriminations and shows of aggressive self-interest - the very thing that the program was supposed to correct. Slowly, however, the idea of doing "something for the kids" was tossed around and it became the original seed that would lead to the IMPACT program. "Something for the kids" took the form of a framework for adventure education (in other words extracurricular education) as that was what the program founder, Dana Bates, knew best. There were painful moments of "naiveté", as the program founder admits, moments which were only reinforcing (to them) the need to continue doing what they were doing, because the broken promises, difficulties and negativity were motivating, re-enforcing the desire to create a different next generation.

Amongst the various alternatives which were considered it is important to mention the "get out of the country" alternative, because the founders had several acute challenges. There were smears in the local press, Salvamont employees trying to extract bribes, court cases which were adjudicated (in their favor) only four years later, endless piles of cash collected with a great deal of difficulty and personal strife from the United States which went missing from the Foundation by paying various people who did not deliver on what they were supposed to do, etc. Whilst the difficulties did become lower since approximately 2003, the option to leave Romania was in the end never acted upon, even though there were two moments when Dana Bates and his family came very close to doing just that. In the end, the thought was that they are doing very important work which nobody would be prepared to take on and build on its foundations. Slowly, also, a "family"-like relationships were formed in the foundation – people developed extremely close personal ties and which have stuck with the project through thick and thin, building it from the ground up.

Several attempts to get close to the Orthodox Church in America and build on the program approach of youth groups within the church community failed also – though this was seen as the most feasible option given that 85% of Romanians are Christian Orthodox and in small communities, priests are often seen as the most respected breed of community leaders and often have a vital part to play in their communities' approval of youth projects or any other reform. However, like most other attempts, these have failed also – even the original intention to build the adventure camp next to a church in Western Romania did not work out. Similarly, all attempts to raise money from Orthodox Churches in America have also failed – despite hundreds

of emails asking for help on the program's behalf. Only recently, once the program has become more successful talks of engaging two monasteries in Romania in perhaps trying to develop a similar adventure education camp in the region, started to take shape.

II.4. Select the criteria for the decision

The criterion used for most of the decisions were based on feedback and the "continuous learning" path set out by Japanese management principles. Since the program was advocating for lifelong learning, it did and continues to do continuous learning itself, offering such opportunities to young people. The program was even called "Kaizen" (drawing inspiration from Japanese management improvement methods of Toyota) for a brief period before being re-baptized then, as " IMPACT" – to reduce the confusion met in Romania by the suggested name, especially by, the Orthodox Church community members suspecting connections to Buddhism (it turns out there was none). The only criteria to operationalize the program was to measure the impact on the lives of teens and this was amply followed up in fairly rigorous sociological studies performed by the „Babes – Bolyai"University of Cluj. The university became a partner of the program, from its inception and supplyed its Chief Operating Officer.

Another possible criterion that can be identified as being used is the feedback from the users, since non-formal education is difficult to measure in either input or output, in this specific instance., despite the large volum of academic writing, with very serious intellectual and statistics underpinnings on the concept of experiential learning and its effect on participants. In the case of IMPACT, the feedback was consistently good for the program. In places where this was not so from the beginning, several elements were introduced, especially in balancing "fun", "games" and "working" in order to consolidate the adherence to the group and to encourage those local groups, which are not monitored from Bucharest, to do their work. Creating such a program balance from the feedback of consumers is an unique approach amongst education programs in Romania.

II. 5. Projecting outcomes for each alternative

"There were no outcome projections and in fact there were no projections – we started from zero expectations and we had no time for academic reflection, we just built the program using every opportunity and grant we had to make it larger and grow it steadily. In the first years, we would pay for the children who came through the summer camp – we then got more into the mindset of a social enterprise to make the entire operation more financially secure." – Dana Bates.

However, the first camp was set up as a project, with funds raised from communities and churches in the United States for that particular year. Similar efforts then went on, from year to year and from summer camp to summer camp, until a more sustainable footing could be obtained through a variety of grants, the largest of which consisted of nearly $ 1 million by the Nokia Foundation and the International Youth Foundation which raised the bar significantly for the program, transforming it into the model, scalable program it is today.

There were no alternatives being devised as such in the beginning, but there was a great deal of adaptation and many alternatives for the basic concept of building, financing and then supporting the functioning of an adventure camp. The concept grew organically and adapted, especially by soliciting and building on the feedback of the participants. The modus operandi was more "development by groping along" and taking into account very much the feedback of users, rather than a grand scheme with detailed parameters in writing.

The program approach of continuous improvement and seeking feedback then led to the set-up of an even larger part of the New Horizon Foundation activity, shooting-off a program which ended up being more important than the main one – namely setting up a number of IMPACT clubs around Romania which followed a standard curriculum with four basic areas: active citizenship, social entrepreneurship, employability and leadership. Based on what they identified as needs in their community projects, the teens selected the desired module. "IMPACT" was never designed to be a stand-alone project, it was more of a side-project which we knew would be a long term task" Dana Bates states, but then adds that "in the end, this became the more important program, the more important alternative and putting adventure education and service learning component side by side is something that has not been done to our knowledge in any education program worldwide, which is why the likes of World Vision are looking at our program and thinking of ways it might be able to export it to other countries, beyond the 5 that have adopted it already. In other words, "IMPACT became the bigger fish".

This alternative to the adventure education camp came at the request of many teens who went through the program and needed a context, in their own communities, to continue to promote and exercize the teachings from the camp. There was a growing realization that, following a summer camp where barriers broken down, trust built and a community was slowly taking shape, the teens would return to their homes and communities, an inhospitable environment filled with cynicism which did not encourage social entrepreneurship or taking initiative of the kind that was envisaged by these youth groups. The only way to change that, in a generation, was thought to be about building a rigorous curriculum where teenagers would voluntarily get together to improve some aspect of their town or community (or sometimes even their local school) – and that aspect would be decided on by themselves, in group discussions. Whilst the curriculum has been formalized (and the community service programs and social entrepreneurship programs are at its core), the basic ingredients are similar to what the adventure camp has to offer – persuading teens to take charge of their surroundings, persuading them to participate in change organized through a group of like-minded individuals. Usually this change lasts for a full school year, but sometimes teens decide to stay in the program for several years.

II. 6 Confronting Trade-offs

The main trade-off, at least for the founder, was between staying in Romania or leaving it. If staying, the adventure camp and then the IMPACT clubs around the country were the most successful of the various attempts to do community development in Romania and they had proved durable in time. However, the way in which this program became successful was against some pretty significant odds in the community where it started. The Salvamont local team, for example, first did some things to help, then attempted to sabotage the program and finally one employee there ended up being taken to court by the Foundation. The local community was only partially welcoming the participants in the summer camp. In order to make the camp sustainable the initial aim of taking local teens only was diluted and changed, to meet the economic subsistence criteria necessary to maintain a viable, self-sustaining program. As a conclusion, therefore, at least in the mind of the main executives involved in the program the main trade-off was between doing and not doing the program, initially because of the lack of financial support, nowadays because of the big financial burden of maintaining these clubs alive.

Additionally, following a careful reorganization of the program in 2012, there were some further trade-offs which the IMPACT program pushed towards the local stakeholders in the clubs. These

clubs, in view of past performance needed to decide whether to continue or not and if yes, whether to do so autonomously or not. The ideal set-up had been 15-20 teens involved (more would cause less cohesion in the group), 2-4 leaders and 3 democratically elected projects per year. In the end, 30 clubs were dissolved, some have survived with a modified funding formula but more autonomy and more local decision making powers.

There was also a great deal of thought surrounding IMPACT standards, which became mandatory for local clubs. A minimum of 10 members and 2 service projects / year, as well as a minimum of 3 meetings per month, as well as the involved presence of 2 leaders/ club became minimum network standards. Of course, the central staff of the New Horizons Foundation continues to face important trade-offs, which is whether to dedicate themselves more to fundraising and creating centralized standards or whether to continue to support the program directly, and this trade-off is still very much at the heart of organizational dilemmas. In the end, organizationally there is a transition framework where the executive director and the Chief Operation Officer gradually becomes less involved and prescriptive and acts more as a mentor/coach and there are 3 key managers (including the program director of the IMPACT program and the Financial Director) which take the decisions for the Foundation by consultation of their peers. Like any young project, it faces tremendous challenges when corporatization, standardization and efficiency benchmarks are put in place, as well as instruments to rationalize the network – because this moves the Foundation from the life of a start-up through its consolidation phase.

II. 7 – Decision

For the first program, the adventure summer camp, Dana Bates consulted Tim Burford, the author of the "Rough Guide" and an enthusiastic mountaineer. Mr. Burford recommended Retezat National Park as the ideal place to build an adventure camp and, through further UNESCO contacts, some link was made with the local Salvamont (who, while originally proving supportive ended up slowing down and frustrating the project at various points).

In the end, after one spot had been carefully selected, a raging storm and the blocking of the road up the mountains (so that you could not even travel up with mules), determined the necesity of selecting a new location. The local Salvamont representatives and Dana Bates had only 3 days to pick an alternative location, by searching 12 hours a day, as in 3 days from the decision moment regarding the change of the location, an expert team, who had been paid for, was about to come from the United States to volunteer their time to professionally build the summer camp to the same standards as in the United States. In the end, a scenic spot in the mountains was picked, next to the skiing slopes of the well- known Straja resort. The adventure camp is still there, 15 years after it had started.

For the second program, IMPACT, the decision came gradually, by defining "something for the kids to do" between summer camps, as it became obvious that the shift which could be obtained in the summer camp would be lost if there would be no follow-up once teens returned to cynical, dysfunctional communities. In other words, it was the pressure of teens themselves which pushed the management of the New Horizons Foundation to develop a rigorous curriculum.

II. 8 Step 8- Write up your story

Press conferences were organized sometimes as frequently as twice a week, in the beginning of the program, but these were pioneering attempts which did not go very well with the local environment. Negative press stories on the foundation (sometimes front page of the local

newspapers) became instances where the founders were faced with local opposition, but decided to refuse to buckle down under pressure and continue the initiative regardless of these. There were also attempts from local journalists to extract financial rewards, directly or indirectly, from the founder of the summer camp – and the ability to respond to smears in the beginning was very limited, since partially the program was under the aegis of the local Salvamont. More recently, in 2012 the foundation benefitted from the support of a corporation to overhaul its communication strategy and hire a professional PR manager, but there was still much work to be done on the visibility front – even if recent awards adressed the foundation executives created a blitz of publicity (e.g. the Dinu Patriciu Education Award; the Aspen Institute Romania Award).

III. Stages of development for the educational program

By and large there were five stages of development of the two programs (which form a unique philosophy or "personal theology" as founder Dana Bates puts it).

III. 1 The infancy- set up phase (1999-2002)

This stage was centered around the development of the yearly camp housing 500 teens in periods of up to three week, trying to influence their behavior so that a period of intense fun and activity in groups could lead to a change of perception upon the world which would create an altered behavior of the teens (the most appropriate age for inntervention). The financing came through the personal efforts of the founders, but the grants were of less than $100.000 magnitude. In those early stages of IMPACT, the project involved youth in the Jiu Valley and especially attempted to make these young community leaders do some community analysis and change around their communities through their own efforts. There was mixed success in this attempt.

III.2. The developmental phase (2002-2011)

The strong Nokia CSR Strategy meant that the company was planning to be a part of the Cluj and Transylvania community building and the New Horizons Foundation won a grant from them, through competitive bidding, for a partnership initiative, of € 0,47 million. This made possible the scaling up of the IMPACT model, the consolidation of a written curriculum as well as the spread to 180 clubs around Romania. The Foundation grew very healthily against a background of economic buoyancy for Romania. The developmental phase stabilized the program, created norms and set the foundation for future success.

III. 3. The consolidation phase (2011-2013)

Following a training via an MBA of the Executive Director Diana Certan, the entire IMPACT network entered a phase of decentralization and rationalization, where the emphasis was placed on affiliates. This was also done against a less auspicious background of economic crisis. Some shutting down of clubs occurred - the overall number stabilized at 112 from a total of 180, before. Of these 112, 40 are affiliated to the central office and 72 are independent, preserving the principles, the brand and the curriculum, but being far more autonomous in their operation.

III.4. The corporatization and standardization phase (projected 2013- 2015)

The Romanian American Foundation awarded a grant to the Foundation determining the begining of a new of consolidation of the central office and a slight reorganization of the management team. From this point on, the Executive Director takes on far more the role of a coach, leaving 5 executives to work as peers in committees to decide the day-to-day actions of the Foundation. This phase follows the time when the Executive Director, Diana Certan, undergone an Executive MBA program, which allowed her to think of key functions and to apply business standards to

existing internal systems.

III.5. International phase and possible world-wide replication (2010-ongoing)

There is currently interest in the IMPACT Model from many quarters. Back in 2004, the Balkan Children and Youth Fund selected one of the top consultants in the world to assemble a book on "what works in the Balkans". The IMPACT program from Lupeni was amongst those selected. Dr. Kathryn Thorup, a student of Bob Putnam from Harvard then publicized this model internationally so that it is now sometimes referred to as a success in the Balkans. This phase might conceivably be the third cycle of growth for the program and may yet create a totally different global focus, apart from the current situation in Romania, which still represents the main focus for the NGO.

IV. Results of "Viaţa" and "IMPACT Programs tracked through a variety of parameters

It is inherently difficult, perhaps, to measure the results of non-formal education, however, in the attempt of doing it, the conceptual matrix below (see fig.42.) suggests various things that might be captured by various indicators. It is useful to point out that most of these indicators are not to be found for the IMPACT program, despite some fruitful links with the Sociology Department within the Babes – Bolyai. What does exist below and is presented in the figgure above (fig.42) states important values which are different, following the program. The five categories listed above are, in the order in which they are presented – willingness to sign petitions, participating in marches or legal protests, buying some objects for ethical reasons, refusing to buy things for a specific ethical reason and finally defending a cause in public. The three bars that are compared are: refering to the "before" state, measured when the participants join the program, secondly, the "after" self-reported bar (after undergoing the programme) and third, in green, the bar representing a survey which is sampling the population as a whole.

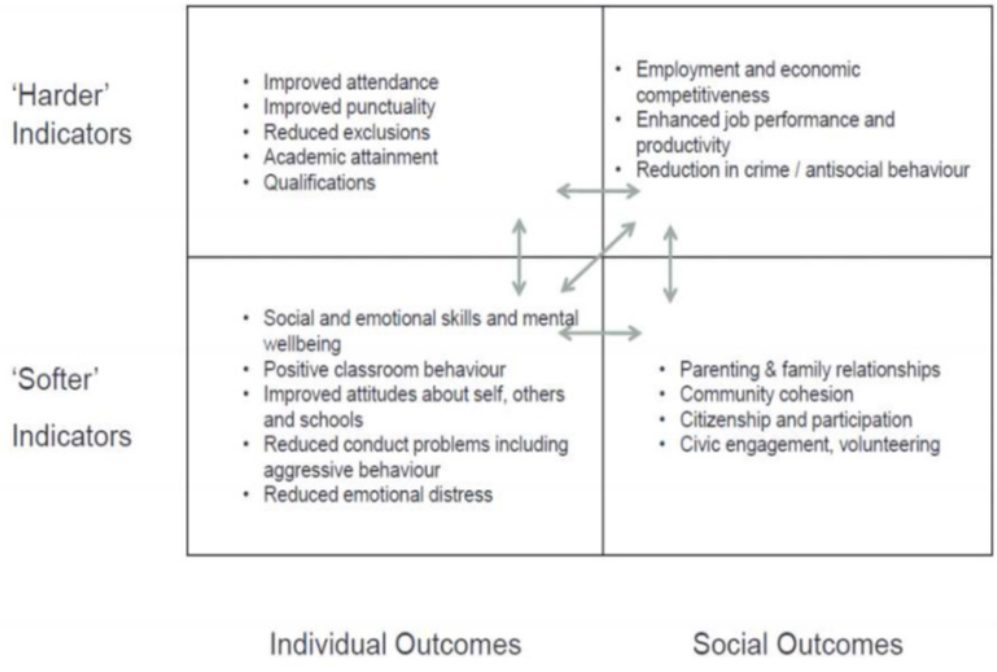


Fig.42. Various behavioral changes (measured twice) and against the population as a whole;

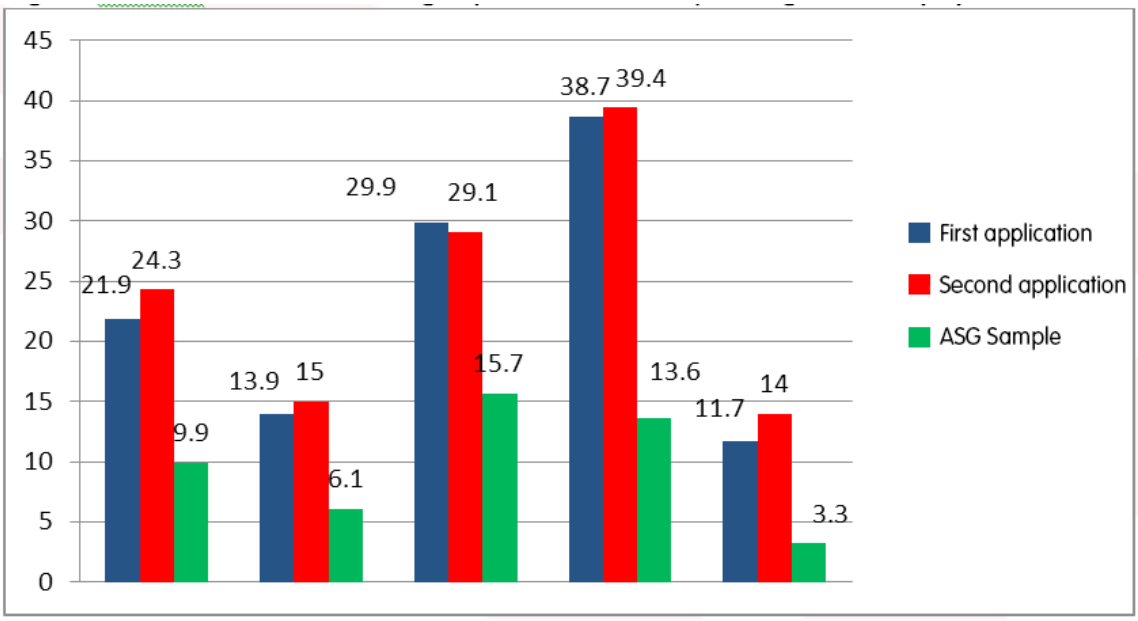


Fig. 43. Sociological survey of results (measured against a "normal" population sample);

There are some interesting results to draw via this study, which tracks cohorts of participants and other cohorts for the population as a whole. The results are statistically significant and they show, following the program:

1. A slight increase in the willingness to sign petitions - this is the most clear difference between the "before" and "after" parameters that can be observed in the study;
2. A slightly less significant increase of the citizens' wilingness to participate in legal marches;
3. A slight decrease in the willingness of people to buy specific objects for ethical reasons - this is the reverse of the result we would expect and the only result which is conflicting with the predefined assumptions;
4. The refusal rate of objects due to ethical reasons is only slightly increasing;
5. The willingness to defend the cause in public also registers a slight increased rate, between the two samples.

It is worth noticing that the values for the summer camp participants and later IMPACT participants are very different from the population as a whole (this is a representative sample gathered by the same professionals fron the Agency for Governmental Strategies). This is especially true in this last (fifth) aspect of willingness to defend a cause in public, where the self-selection and training of participants makes them very different from the population as a whole, a population in which only 3% are willing to defend anything in public.

From the participants prior to the program, a sample of 11% is willing to defend something in public, after the camp, 14% are willing to do so – whilst these rates might seem low, they are important in a fragmented society like Romania's, with disappearing social capital. Whilst these results do document a willingness of the New Horizons Foundation to measure the outputs of their work in a variety of ways, they are not able to register the progress of the children in a budget framework and there are no benchmarks of investment per pupil against a "return" of some sort which is made clear from the start. There are also no specific benchmarks for the individual teens going through the program, so the certification of each individual in the program

is difficult to capture.

V. KEY POINTS

1. Continuous improvement of educational programs must be tracked throughout the life-cycle of those programs and must be assessed regularly. Feedback from participants is the most vital element for self-improvement;
2. Designing an activity where there is an active component of learning by doing significantly enhances the capacity of the program to transmit values and to encourage learning in a much more memorable way compared with traditional learning based on reading;
3. The poorest communities in Romania are most in need of educational programs to change local social dynamics;
4. An element of fun and community involvement helps education programs endure in time

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