

IMPACT ASSESSMENT OF PUBLIC POLICY IN ROMANIA

Abstract

This paper addresses from a conceptual angle the impact assessment of public policies. The first part presents the fundamentals and mechanism for impact assessment of public policies, and the second part highlights the most significant contributions to this field at national and international level.

The last part of the paper analyzes how the impact evaluation of public policies is understood and applied by Romanian public organizations and presents some proposals for improving the existing framework.

Keywords: impact assessment, public policy review, planning for assessment activities, public policy instruments

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EVALUAREA IMPACTULUI POLITICILOR PUBLICE ÎN ROMÂNIA

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Rezumat

Această lucrare abordează din perspectivă conceptuală evaluarea impactului politicilor publice. Prima parte prezintă fundamentele și mecanismele necesare evaluării impactului politicilor publice, iar cea de-a doua parte evidențiază cele mai importante contribuții în domeniul evaluării impactului politicilor publice la nivel internațional și național.

Ultima parte a lucrării analizează modul în care este înțeleasă și aplicată evaluarea impactului politicilor publice de către organizațiile publice din România și prezintă câteva propuneri pentru îmbunătățirea cadrului existent.

Cuvinte cheie: evaluarea impactului, reexaminarea unei politici publice, planificarea activităților de evaluare, instrumentele politicii publice.



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1. FUNDAMENTALS AND MECHANISM FOR IMPACT ASSESSMENT OF PUBLIC POLICIES

The assessment concept has a multidimensional character and therefore it has various meanings: analysis of public policy/program results, tool for improving the decision-making process, justification of the measures implemented, tool for modernizing and streamlining government processes. In a simple way, policy assessment is the process that analyses the outcomes and types of medium and long term impact of a given policy, and also how the public policy activities are conducted, taking into account the objectives, the strategic planning process and the budgetary system (Hațegan, n.d.).

Impact assessment is used to present the impact of a public policy or to estimate its effect. Usually, policymakers are interested in this type of assessment because it helps to take better decisions in order to allocate the resources. It also provides important information to policy makers about the product or service that they are going to offer to the people.

„Impact Assessment helps us to answer key questions for evidence-based policy making: what works, what doesn't, where, why and for how much? It has received increasing attention in policy making in recent years in both Western and developing country contexts. It is an important component of the armory of assessment tools and approaches and integral to global efforts to improve the effectiveness of aid delivery and public spending more generally in improving living standards” (Wikipedia, 2012).

The impact assessment of public policy is a useful tool available to governments, and if it is done correctly, it has the following effects:

- it reduces the implementation period
- it increases the predictability and efficiency of government
- it allows the civil society participation in the decision making process.

Impact assessment of public policy aims to reduce the number of legislative instruments by avoiding the adoption of laws that are not necessary.

Impact assessment of public policy is an essential tool of managing a country's legal framework. It is therefore important that all knowledge obtained from public policy impact assessment should be available and accessible to other people involved in this process.

The inefficient use of human and financial resources could be prevented by recognizing the need to assess the impact of public policy and by establishing tasks and levels of responsibility for the

institutions involved. The models for impact assessment of public policy are different from country to country and that is why an ideal option does not exist. In these circumstances, impact assessment of public policy must be:

- "Appropriate. Impact assessment should begin at an early stage of the public policy elaboration process in order to achieve results on time and to influence decisions before they are adopted.
- „Proportional. Resources invested in public policy assessment must comply with the benefit obtained as a result of their successful implementation”.
- Systematic. Preliminary assessments are a starting point for each new impact assessment. In some cases, most of the necessary data on certain issues may be provided by statistics and reports made by other analysts.
- Comprehensive. The analysis of the public policy impact should cover not only the field or industry directly influenced by the policy, but also must take into account any possible short and long term impact of each element of public policy.
- Accurate. Impact analysis must maximize quantitative data and appropriate assessment methods in order to ensure objectivity and comparability.
- Advisory. A reliable impact assessment must be based on information obtained through surveys and consultations with the experts and partners involved in implementation. This ensures that data collected are good, allows the verification of the correctness of conclusions and gives the possibility to obtain other information about actions needed during the implementation process.
- Realistic. Impact assessment of public policy allow avoiding unnecessary funding or an unrealistic timetable” (General Secretariat of the Romanian Government, 2006).

One of the most important mechanisms for ensuring the success of a program/ policy is the planning of assessment activities. In these conditions, an assessment program which meets the needs and priorities should be organized from the beginning. It is also necessary for planning policy and programs assessments to be made as they are developed and for mechanisms for learning from the assessment results to be made as they are put in place.

According to the document entitled "Improving policy instruments through impact assessment", there are three steps in the public policy process where the impact assessment is considered useful:

- in the policy elaboration stage. Having established the objectives and purposes, the impact assessment is used to develop policy options and select the appropriate tool of the policy for achieving the objectives.
- in the instrument elaboration stage. After choosing the instrument, impact assessment is used to ensure that this one is well designed and will meet the objectives in an efficient and effective manner in relation to cost.
- in the ex post assessment stage. After implementing the instrument, impact assessment is used to verify the real impact and to assess whether the objectives have been achieved and to initiate corrections, if necessary.

Policy instruments were defined as „as mechanisms to induce desired change”. These are the following:

- „regulatory instruments: including rules, prohibitions, licences, etc.;
- financial instruments: including subsidies, taxes and tax deductions, user fees, certain types of budgetary expenditure;
- informational instruments: including advertising campaigns, information booklets, or use of the Internet” (Organisation for Economic Cooperation and Development, 2001.).

According to the impact assessment, if the public policy does not achieve its objectives, this one should be revised. The review can be a powerful engine of change if it has an integrated character and meets the following conditions:

- „having clearly specified objectives and/or outcomes that are accepted as worthwhile and beneficial by all involved;
- getting ownership of the process (and objectives) both by participants and any top/senior managers not directly involved;
- using a standardised and transparent process throughout and one which is recognised as being both objective and rigorous;
- preparing thoroughly and providing first class support for all involved in the process;
- having a short but intense process with tight but realistic deadlines for each stage;
- having speedy, face to face feedback at the end of the review, followed by written feedback and recommendations;

- having appropriate follow-up and support after the review to ensure lessons learnt are acted upon” (Cabinet Office of the United Kingdom of Great Britain and Northern Ireland, 1999).

2. INTERNATIONAL AND NATIONAL PRACTICE IN THE FIELD OF IMPACT ASSESSMENT OF PUBLIC POLICY

Worldwide, one can speak of a variety of systems in the impact assessment of public policy. However, the impact assessment of public policy is currently governed by rules of procedure in most European countries.

The member states of the European Union use the impact assessment for legislative programs for 30 years. They took into account the fact that new legislation might have a considerable impact not only on the budget but also on various economic sectors and society.

One of the most advanced European states is the United Kingdom of Great Britain. In this country a Cabinet Office Regulatory Impact Unit was set up in 1998 in order to “monitor progress and encourage the implementation of regulatory impact assessment across government” (Kirkpatrick and Parker, 2003). Other countries, like Denmark and the Netherlands, focus on reducing administrative burdens, analyzing their impact on small and medium enterprises.

The European Commission has also a contribution to improving the quality of its regulations, since the effects of regulatory impact assessment on the decision-making process are important. The European Commission also took “two initiatives in order to improve the regulatory quality in areas within the common market and to improve the administrative environment for small- and medium-sized enterprises” (Better regulation. National experiences and European Union initiative, Retrieved 2012).

According to Winn J.K. (2009), after adopting the Lisbon Agenda in 2000, “the Mandelkern Group was established by the Council of the European Union as a high-level consultative group to develop a better regulation strategy for the European Union”. Its final report elaborated in 2001 proposed general principles and approaches for improving the quality regulations and impact assessment.

In 2002 the European Commission established the Working Group on Improving Regulations in order to assess the impact of European Commission directives (for example The impact of Directives on costs associated with chemicals products and telecommunications market liberalization).

In 2005 European Commission adopted a Communication on an European Union common methodology for assessing administrative costs imposed by legislation.

Barroso Commission has given a new impetus to the regulatory process, in order to improve the regulatory framework which becomes the key objective of the Europe 2020 Strategy. Thus, the approach has reached a new phase, because the Commission considered that the regulations should not be only better but also more intelligent.

In 2003 the European Commission published the first guidelines for Impact Assessment. Then she presented a revised version in June 2005 which was supplemented by further annexes on two occasions in 2005 and 2006. Another revision of the text was determined by the external assessment of the Commission's impact assessment system in 2006 and by the establishment of the independent Impact Assessment Board in late 2006. According to the external assessment, the uidelines elaborated in 2005 were of high quality. It was also established the fact that it was necessary to fill certain "gaps" in the guidance, and to make them more operational (European Comission, 2008).

The Guidelines were revised in 2009 based on the experience of the European Commission services in preparing impact assessments and on the experience of the independent Impact Assessment Board created in late 2006. The impact Assessment Board was created at the end of 2006 under the authority of the Commission President. Its role is to examine and issue opinions on all the Commission's impact assessments. This revision also took into account the inputs from the High Level Group of National Experts on Better Regulation, the external assessment of the Commission's impact assessment system in 2006/2007, and public consultation on the Impact Assessment Guidelines held in mid-2008 (European Commission, 2009).

The guidelines for Impact Assessment detail the following aspects:

- Procedures and methodologies for impact assessment
- Criteria for developing a rigorous impact assessment
- Minimum standards for consultation.

The impact assessment of public policies has grown considerably in Canada, United States of America, Australia and New Zealand. Each of them has its own approach and assessment principles. For example, New Zealand focuses on periodic assessment of regulations impact on public health.

In our country, progress had been made in this area by developing a Manual of Methods Used in Public Policy Planning and Impact Assessment. The manual, developed in 2006, provides support in the assessment of draft legislation in accordance with regulations in the field. It also provides the improvement of quality decisions by improving the tools used in the public policy making process.

Also, on the initiative of the General Secretariat of the Government and the Department of European Affairs, the Strategy for a better regulation at the central level of public administration 2008 – 2013 was adopted in the ministerial working group on better regulation set up in February 2007.

This strategy „supports the actions launched by the European Commission, focusing on quality improvement and simplification of national rules in order to increase the competitiveness of the economy and create new jobs” (Romanian Government, 2008).

3. IMPACT ASSESSMENT OF PUBLIC POLICY IN ROMANIAN PUBLIC ORGANIZATIONS

In European Union countries, such as Holland, Sweden and the UK, there is a widespread tradition of policy impact assessment and quantification of administrative burdens for citizens and businesses. In Romania, this concern has materialized through the adoption of laws and strategies in the field. In recent years, public organizations having responsibilities in the field (Ministry of Finance, Ministry of Interior and Administrative Reform, The General Secretariat of the Government) have benefited from training and technical assistance programs financed by the European Union, World Bank or other international donors.

However, in Romania there is no systematic impact assessment of public policies and programs in their elaboration stage. "The assessment was seen as an obligation in relation to programs funded by the European Union and other international financial institutions (OECD, World Bank)", but made only at the end of their implementation" (General Secretariat of the Romanian Government, 2009).

In Romania, the number of impact assessments of public policy (which show their effects on different groups) is extremely low and their quality is poor, consisting in checking forms. In fact, there is a danger that these instruments could be formally adopted by Romania due to pressure of international organizations, but their partial or formal application (as the experience so far indicates) or their failure would not result in any change concerning the way that policies are formulated and implemented.

The reasons behind this situation are the followings:

- lack of manifestation of the will at the top of the government because the cost-benefit analysis would not justify the appropriateness of adopting public policies (many of the proposed regulations would not have benefits in order to justify the economic and social costs, not just financial ones);
- ministries avoid taking targets and performance indicators in order to reduce liability for the negative consequences that would entail the implementation and failure of the targets set;

- impact assessment is a difficult task for the civil servants, because it involves and reveals negatives aspects and even the lack of opportunity of the initial approach, and they have no motivation to make them known to the citizens;
- exchange of data and information between ministries and also the coordination between them are generally poor;
- responsible institutions may have separate strategies that are partially overlapping without converging;
- the existing legislation does not provide the premises for simplifying administrative procedures, and principles of ministerial responsibility require caution in the assessment of the administrative activity

Ministries and other central public authorities have a key role in assessing the impact of public policies. They are the main entities that can provide information in this area. In most cases, the assessment is imposed as a condition for achieving the objectives and actions of internationally financed programs. As a result, most ministries can provide examples of good practice in the field of impact assessment on European programs, but they can not give information about the same types of activities funded by the public budget.

We can add to that the fact that financial and human resources allocated for impact assessment activities are not sufficient. Lack of human resources is caused by the fact that supply and demand for technical assistance and training programs is extremely low in this area. This problem can be solved by increasing the level of training and raising funds for impact assessment programs.

It was also found that there was not an integrated circuit of public policy documents in the ministries. This makes difficult the access to data and information on public policies elaborated by ministries and also the communication possibilities. In fact, there are a lot of gaps in identifying the indicators showing the performance results of public policies (General Secretariat of the Romanian Government, 2009).

In what concerns the review, it seems important to underline that there are ministries whose policies/programs "did not require detailing the economic, social or budgetary impact, as there are ministries who had fewer proposals, which were partially returned in order to redevelop them, due to the importance of estimating the impact" (General Secretariat of the Romanian Government, 2007).

However, in terms of requests for review, most problems reported are in the economic and financial field. In fact, those ministries have one of the most extensive and complex legislative activities and more than half of their policy proposals require a detailed fundamentation of the impact.

In what concerns the success factors for review presented above, most of them are not respected when dealing with a request for review of public policies. Even if the reasons for reviewing the policies (for example the proposals from the Ministry of Public Health, from the Ministry of Finance, Ministry of Transport, Ministry of Development, Public Works and Housing which need detailing the social, economic and budgetary impact) are clearly specified, we cannot speak of a short and intense process, with tight and realistic deadlines.

Also, learning from past experiences (which first should be assimilated and then efficiently applied) is not too much taken into account. We can add to that the fact that no support is given to all involved in this process because the government lacks potential tools in order to initiate a change of policy (if a fundamental review is needed because of public administration or citizens dissatisfaction).

In order to improve this situation, it is recommended the creation of tools/bodies dealing specifically with the review of public policy. They must ensure ongoing counseling focused on public policy reforms in different fields. These tools/bodies should be specialized organizations and their skills in the public policy field should be quite extensive.

Taking into account the issues identified, I consider necessary the followings: promoting efficient public policy management, focusing on achieving results and using resources available more efficiently. Considering these, it will be necessary to adapt and use in the Romanian practice the principles and specific tools from countries with a long experience in this process, both in Europe and in the american continent. In these circumstances, it is recommended (based on examples from countries with a rich tradition in the field) that our organizations should intensify efforts to support and promote professional associations and symposiums and conferences in the field of impact assessment of public policies.

4. CONCLUSIONS

Impact assessment of policies, programs and projects help improve the development of current and future policy. Impact assessment provides information that helps the experts make better decisions at each stage of public policy process. In these circumstances, ministries should encourage the use of impact assessment in government decision-making procedures. It is also important to provide the necessary resources and to request for information before making decisions.

Crises and difficulties faced by countries should lead to a more careful analysis of the various types of impact assessment are practised in. In fact, it is important to establish realistic timetables for implementation, taking into account the budgetary factors affecting not only the implementation but also

the assessment (considering that the assessors must be financially independent, for the sake of rigor and objectivity).

This problem was solved by legislation in the United States of America. According to this, 1% from the project budget is allocated to the assessment work. This standard approach is unlikely to be applied in Romania, taking into account the lack of funds, but I consider it is important that financial resources for the assessment should be specified for new public policies, programs and projects.

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