

THE GOVERNANCE OF EDUCATIONAL WELFARE MARKETS

**A COMPARATIVE ANALYSIS OF THE
EUROPEAN SOCIAL FUND
IN FIVE COUNTRIES**

EDITED BY DANIEL POP AND CRISTINA STĂNUȘ

Peter Lang

This book is a first exploratory inquiry into possible educational selectivity effects of the European Social Fund (ESF). It assesses the extent of the gap between the social policy objectives set through regulatory competences in multi-level governance and the structure of incentives it breeds in practice, with a broad range of implications for the capacity of the government to control for an equitable distribution of services at the community level. The chapters emphasize the educational selectivity involved in national policy decisions concerning ESF implementation in the five countries, the role of informal mechanisms in fine-tuning implementation, the negative effects of formalization and failures in accommodating the complexity of goals which characterizes the ESF, as well as the overall fairness of ESF implementation towards the most disadvantaged groups in society. The empirical analysis suggests that social-service delivery contracting as an instrument of governance is no longer regulating against risks for beneficiaries, but fuels increased social division in access to public services.

The book is the result of the *Educational selectivity effects of the European Social Fund project* (July 2012 and December 2013), developed with the support of the Education Support Program of the Open Society Foundations.

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Preface

This book is intended as a first exploratory inquiry into possible educational selectivity effects of the European Social Fund. It is the result of the *Educational selectivity effects of the European Social Fund* project, which was developed between July 2012 and December 2013 with the support of the Education Support Programme of the Open Society Foundations.

This is a comparative research project aiming to showcase the effects of the European Social Fund (ESF) in Bulgaria, the Czech Republic, Hungary, Romania and Slovakia. The main hypothesis of the project is that the weak regulation via tender documentation generates four adverse effects in our country cases: 1) it leads to low propensities to form inter-institutional and inter-sectoral partnerships for organizing and delivering public services; 2) it leads to a centralization of contractors to a small number of urban clusters, causing massive discrepancies in terms of geographical equity; 3) it leads to a convenience-driven purposeful selection of project beneficiaries that is also afflicted by an upward bias in the vulnerability continuum; and 4) it leads to high propensities to develop convenient, rather than efficient and innovative projects. If confirmed this evidence would suggest that, under these circumstances, the social-service delivery contracting as an instrument of governance is no longer regulating against risks for beneficiaries, but fuels increased social division in access to public services. The focus on these particular five countries is a natural one, as the European Social Funds is an instrument dominantly focused on Eastern Europe and, among other new EU members, these countries were perceived as not very good performers in terms of ESF implementation.

The project is divided into three research streams. The Public Stream focuses on the institutional setup of ESF-implementation in the five countries. The Contractors Stream focuses on how the uses of specific regulatory tools lead to specific responses from those competing for educational service contracts. The Beneficiaries Stream focuses primarily on the ways in which

contractors identify target groups and the overall impact of ESF-funded interventions on vulnerable groups. This book is the result of research conducted under the Public Stream of the project.

The project is a collective effort, involving a team of sixteen researchers in the five countries. This book, reflecting a part of the project results, has benefited from the inputs and ideas of all researchers and from a series of meetings and workshops organized by the Education Support Programme. The editors would like to thank the governing board of the ESP for understanding the importance of a project dealing apparently only indirectly with education. Support, advice and highly valued comments came from Hugh McLean, director of the ESP. The project, the workshop and the book would not have been possible without the invaluable support of Laura Czyszter and Boglarka Fedorko. Elemér Könczey's caricatures graphically describe the challenges of ESF implementation in Central and Eastern Europe and enrich the book. The editors would like to thank the contributors for their patience despite heavy editing and tight deadlines. Finally, the editors would like to thank their families for their support and tolerance towards laptops taken on holidays.

Abbreviations

BG-CEAOEF	Committee on European Affairs and Oversight of the European Funds, Bulgaria
BG-MES	Ministry of Education and Science, Bulgaria
BG-MLSP	Ministry of Labour and Social Policy, Bulgaria
BG-NDP	National Development Plan, Bulgaria
BG-OPHRD	Human Resources Development Sectoral Operational Programme, Bulgaria
CF	Cohesion Fund
CSG	Community Strategic Guidelines
CSOs	civil society organizations
CVT	continuing vocational training
CZ-CSI	Czech School Inspectorate
CZ-ECOP	Operational Programme Education for Competitiveness, Czech Republic
CZ-MEYS	Ministry of Education, Youth and Sports (MŠMT in Czech)
CZ-NAPIE	National Action Plan of Inclusive Education, Czech Republic
CZ-OPPA	Operational Programme Prague – Adaptability, Czech Republic
DG Employment	Directorate-General Employment, Social Affairs and Inclusion, European Commission
DG Regio	Directorate-General for Regional and Urban Policy, European Commission
EC	European Commission

ECHR	European Court of Human Rights
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
HRD	human resource development
HU-SROP	Social Renewal Operational Programme, Hungary
HU-CPWG	Call Preparatory Working Groups, Hungary
HU-EEOP	Environment and Energy Operational Programme
HU-HRDOP	Human Resources Development Operational Programme, Hungary
HU-MVMR	Most Vulnerable Micro-regions, Hungary
HU-NDA	National Development Agency, Hungary
HU-NDP	National Development Plan, Hungary
HU-NDPC	National Development Policy Concept, Hungary
HU-NHDP	New Hungary Development Plan
HU-NPND	NGOs for the Publicity of the National Development Plan, Hungary
IB	Intermediate Body
ICT	Information and communication technologies
ISCED	International Standard Classification of Education
KAI	key area of intervention
LLL	lifelong learning
MA	Managing Authority
MC	Monitoring Committee
NGOs	non-governmental organizations
NSRF	National Strategic Reference Framework, all countries
NUTS	Nomenclature of Territorial Units for Statistics

OECD	Organization for Economic Co-operation and Development
OP	Operational Programme
PA	Priority Axis
PHARE	Programme of Community aid to the countries of Central and Eastern Europe
PISA	Programme for International Student Assessment
R&D	Research and development
RO-ACIS	Authority for the Co-ordination of Structural Instruments, Romania
RO-ADR	Regional development agencies, Romania
RO-ANR	National Agency for the Roma, Romania
RO-MECT	Ministry of Education, Research and Youth, Romania (name changed during the reference period, used as this to avoid confusion)
RO-SOPHRD	Sectoral Operational Programme Human Resources Development, Romania
SEN	special educational needs
SK-ASFEU	Agency of the Ministry of Education, Science, Research and Sport of the Slovak Republic for EU Structural Funds
SK-GPRC	Office of the Governmental Plenipotentiary for Roma Communities, Slovakia
SK-HP MRC	Horizontal Priority Marginalized Roma Communities, Slovakia
SK-ITMS	IT Monitoring System, Slovakia
SK-MESRS	Ministry of Education, Science, Research and Sport of the Slovak Republic (name changed during the reference period, used as this to avoid confusion)
SK-OPE	Operational Programme Education, Slovakia

SK-OPESI	Operational Programme Employment and Social Inclusion, Slovakia
SMART	Specific – Measurable – Assignable – Realistic – Time-related
SWOT	Strenghts – Weaknesses – Opportunities – Threats
TSOs	third-sector organizations
VET	vocational education and training

I Introduction: Conceptualizing educational service delivery markets created through the ESF



This book approaches domestic policy tool choices concerning the accomplishment of EU policy objectives, as embedded in the European Social Fund (ESF), which result in the creation of a quasi-market for educational service delivery. It emphasizes the selectivity involved in policy decisions concerning ESF implementation in

five central and eastern European countries, with consequences in terms of differentiated access to the educational opportunities that the ESF creates.

The reliance of the public sector on a mix of non-state and multiple layers of public actors for the provision of public services is not new, and is linked with notions such as the limited capacity of contemporary states to provide certain services, and the superiority, in terms of the efficiency and cost-effectiveness, that non-state actors are able to provide. Sometimes labelled as a retreat of the state (Bell and Hindmoor 2009, Gilardi, Jordana and Levi-Faur 2006, Halligan 2010), this is not actually so, since the policy instruments used by the state to engage these actors in public service provision seem to extend the power and authority of the state beyond its formal limits (Dudley and Bogaevskaya 2006), as it manages to export some of its *modus operandi* to non-state actors, especially to third-sector organizations (Pestoff and Brandsen 2010, Radu and Pop 2014). A favorite instrument in many public service domains is the creation of markets or quasi-markets for

service delivery (Le Grand 2012, Struyven and Steuers 2014), based on the notion that competition among potential service contractors will improve efficiency and cost-effectiveness. However, such markets or quasi-markets are unavoidably regulated, since the state is not in a position to abort its role as regulator and financer of public service delivery. Moreover, within most such markets, the state also retains its service-provision role. This leads to questions regarding the ability of the state to balance its three roles in the most democratic and accountable manner.

In the sphere of educational service provision, national programmes which are part of the European Social Fund create markets for service delivery. Within these markets, states act as regulators, financers (directly and indirectly), and service providers. The role of the state as regulator is particularly important since it involves much more than accommodating EU bureaucratic procedures with national administrative traditions. Member states actively define which educational services are to be provided (doing so more or less in accordance with national educational policy) and establish corresponding quality and quantity criteria. They also get to decide who is allowed to provide certain services and, consequently, compete for funding. Last but not least, they get to decide their own share in service provision. These decisions are made during the programming and commissioning processes. These processes happen in a very complex political, policy, and institutional context, only to some extent implied in the notion of multi-level governance (Hooghe and Marks 2001).

Among ESF core objectives we find granting assistance to individuals and groups who are disadvantaged in getting a proper education or finding a job; notions such as combating social exclusion are deeply embedded in all ESF interventions.¹ At first glance, a question arises concerning the compatibility between the social inclusion goals embedded in the ESF and the (quasi-)markets for social and educational service delivery created by ESF-funded national programmes. This question becomes even more prominent if placed in the context of ESF implementation in the most recent EU member states in central and eastern Europe, given the difficulties inherent in accommodating national institutions to the workings of the EU and the significant social exclusion problems in those respective societies.

1 See <<http://ec.europa.eu/esf/main.jsp?catId=50&langId=en>>.

With the exceptions of Poland and Slovenia, central and eastern European states seem to be confronted with significant technical and administrative difficulties in ESF implementation. This leads to a questioning of the effects of these difficulties in terms of social inclusion. From an ESF economic (human-resources development) effects perspective, it has been suggested that ESF implementation attends too much to an absorption logic, and too little to outcomes (Tomé 2012). In an analysis of the effects of EU-promoted local partnerships in terms of tackling social exclusion, Geddes (2000) points out that the positive effects of this instrument, deeply embedded in ESF operations, are limited because it avoids the structural social, economic and political implications of a full assault on social exclusion. This raises questions concerning the effects of ESF implementation in central and eastern European countries in terms of social exclusion. The large share of ESF funding directed towards universities in Romania, or the recent shift of emphasis toward the education of gifted children in Hungary, could be arguments invoked in this respect.

This book makes a comparative study of ESF implementation in five central and eastern European countries: Bulgaria, the Czech Republic, Hungary, Romania and Slovakia. It looks at how ESF-funded national programmes are governed from a welfare markets perspective and it tries to assess the extent to which educational service delivery markets created through ESF funding are enabling environments to increase access to quality education for vulnerable groups. In the following sections, we discuss the context for this study and approach the theoretical underpinnings of this policy issue.

The context: ESF, education and social inclusion in the five countries

European structural policy presents (despite EU-wide goals) significant differences from one country to another. These stem from varied social, economic and political conditions across the EU. Such differences can be found in the implementation of the ESF in the five countries analysed here.

Bulgaria and Romania have very similar approaches to ESF implementation, albeit with very different results. Both countries opted, during programming, to focus on components directly linked to the labor market. Thus, national programmes are focused on human-resources development and are founded upon the notion of capacity-building at the individual and community levels, with social inclusion and access to education pushed to the background. The problems faced since 2007 by the two countries in ESF implementation are to some extent quite similar: poor communication between public management authorities and service contractors; delays in assessment and contracting; and a strong emphasis in national public discourse regarding the issue of absorption. These problems were dealt with in quite different ways: Romanian authorities opted for higher formalization and bureaucratization of the programme, while Bulgarian authorities opted for changes in the opposite direction. In both countries, programming seems to have been hindered significantly by a lack of data, analysis, or coherent sectoral policies. In Romania, implementation problems were significant enough to lead to a temporary suspension of the programme and, in 2012, to an automatic correction of 25 per cent applied by the European Commission to the programme funds.

Hungary, the Czech Republic, and Slovakia took a quite different approach to programming, which resulted in the development of ESF operational programmes dedicated solely to education in the Czech Republic and Slovakia and the creation of a programme focused on 'social renewal' in Hungary. This significant difference in terms of programming may very well be the result of longer membership in the EU, and the experiences of the previous ESF cycle. At the same time, the three countries needed to approach these problems differently because the regions covering the capital cities fall outside the convergence objectives of the EU. Hungary is a very good case in point of the effects that political changes in a national government and the subsequent changes in national policy might have upon reaching EU-wide goals.

Within the broader framework of ESF, all the countries studied here emphasize the need to reform the national education system and include different elements of the reforms envisaged in national programmes. All countries have to cope with a certain degree of segregation in the national

education system, exacerbated in some countries by the inclusion of children from ethnic-minority backgrounds in the category of pupils with special educational needs (see Fox and Vidra 2001, O’Nions 2010). In the Czech Republic, 4.8 per cent of pupils in compulsory education are educated in special classrooms using a reduced curriculum (see the country study in this book). This disproportionately affects Roma children and, in Bulgaria, children of Turkish origin. On a more general level, all countries face a problem of educational outcomes, the main symptom of which is the variation of results in the Programme for International Student Assessment (PISA) test (see Table 1-1). National policy documents concerning ESF implementation make constant references to this.

Table 1-1. PISA test results in the five countries, 2000–2009.

National score on the overall reading scale	Bulgaria	Czech Republic	Hungary	Romania	Slovakia
PISA 2009	429	478	494	424	477
PISA 2006	401	482	482	395	466
PISA 2003	did not participate	488	481	did not participate	469
PISA 2000	430	491	479	427	did not participate

Source of data: OECD and thelearningcurve.pearson.com

Besides differences between these countries in terms of educational outcomes, there is the issue of how obvious educational inequality is distributed in the countries. Based on the 2006 PISA test results, it has been estimated that social inequality in education (measured as the dependence of pupils’ mathematical abilities on their individual social background) is lowest in Romania, among all the countries tested and all countries analysed in this book, and highest in Hungary (Schlicht et al. 2010).

Moreover, each country experiences problems of administrative and technical nature during the implementation process to different degrees,

sometimes leading to programme suspensions for various periods of time (Romania, Czech Republic) or even automatic corrections applied by the European Commission to all the funds disbursed through these programmes (Romania). The administrative capacity of national managing authorities and other national institutions is discussed frequently in each country.

The governance of service delivery markets and the impact of EU structural funds

The social sciences literature has approached EU structural funding from several perspectives. Among the most prominent is the governance perspective. EU structural funding is thought to present a very specific structure of governance, resulting from a mixture of management by results and bureaucratic rule steering, as well as rigidity of decision-making resulting from decision-making in a multi-actor constellation (Lang 2001). In other words, we have a mix between hierarchical, market and network governance (Meuleman 2011) which is inherent to EU structural funding, since it involves: applying a significant corpus of highly formalized public sector rules; managing networks in the process of strategy development; co-ordinating policy and implementation; and steering a public services market. As opposed to the national policies of most member states, EU funding is characterized by a sophisticated and differentiated system of monitoring, evaluation, and financial control, each element with its different orientation in terms of attainment of objectives versus compliance with rules (Lang 2001: 14).

A second perspective focuses on the extent to which EU structural funding manages to achieve its goals. Most of the analyses concerning the role and impact of structural funds are focused on regional development funds and their role in reducing economic inequalities (a few examples are Aiello and Pupo 2012, Bateira and Ferreira 2002, Bradley 2005, Lennert and Robert 2010, Varga and in't Veld 2011). Several of these studies point out positive outcomes and a significant impact of dealing with EU rules

and regulations over national institutional structures and *modi operandi*. They also point out mixed results in terms of achieving development (cohesion) policy goals, as well as a lack of uniformity in implementation from one country to the next. Institutional factors are frequently blamed for failures in achieving goals.

The experience of Ireland and southern European countries suggests that three elements are extremely important in exploring differences between countries in terms of the impact of structural funds in general: 1) institutional and organizational aspects; 2) the procedures and instruments associated with EU funding; and 3) the interrelations of monitoring, evaluation, and management of public funds (J. Bradley 2005: 178). The institutional and organizational aspects are comprised of horizontal (the degree of social partners' involvement) and vertical (size of country, strength of regional government, degree of centralization) elements (J. Bradley 2005: 179). Higher on the institutional ladder, a report commissioned by the DG Regio suggests that the measures adopted by the EU to improve the management of funds are partially responsible for failures, because they have tended to overrate the importance of quantity as opposed to the quality of spending (Barca 2009). It has been suggested that, beyond these aspects, a key element is the domestic policy enacted to accomplish EU policy objectives (Aiello and Pupo 2012). This would include policy directly related to the disbursement of EU funds, but also the extent to which states address structural inabilities (the quality of institutions).

A third perspective, specifically focused on the ESF, emphasizes the notion of social mechanisms which help us better understand ESF outcomes (Verschraegen, Vanhercke and Verpoorten 2011). ESF implementation is shown to have a catalytic effect in three areas: the innovation of domestic activation instruments; the governance of employment policies; and policy framing. This is achieved through three different mechanisms: leverage (strategic use of ESF by domestic political actors); aid conditionality; and policy learning (Verschraegen, Vanhercke and Verpoorten 2011). This suggests that, beyond its dependence on the characteristics of the national institutions and policies, the implementation of EU structural-funds programmes shapes those very institutions and policies.

A fourth perspective, linked with governance, stresses the informality surrounding EU structural funds, usually embedded in the notion of partnership (Peters 2006, Piattoni 2006). Partnership is a dominant concept in service delivery, as it conjures up a relationship and a discourse one cannot dismiss: it seems to embody values; it appears pragmatic; and it sounds inclusive (Fenwick, Miller and McTavish 2012). The EU and the national governments are dependent on lower-level communities and a wide array of social actors for the implementation of their goals, which is why partnership is being used as both a governance mechanism and as a project methodology. As a governance mechanism, partnership helps public sector actors cope with the challenges of programming for social change and the implementation of EU structural policy. Partnership is formalized (usually embodied in the monitoring committees of EU structural programmes), yet informal relations which spun around formal procedures (Piattoni 2006: 58) are equally important. Informality may be the most suitable response to the volume of the decisions that need to be made and the complexity of conflicting goals which need to be accommodated.

The emerging literature on welfare markets (see Gingrich 2011) could also provide a very useful angle on EU structural funding. Contemporary service organization is hybrid in character (Vincent-Jones 2008), with welfare provision being increasingly a matter of both state and non-state organizations (private companies, third-sector organizations). The argument against this hybrid character emphasizes that the public sector stands for more than just service provision: it stands for legality, due process, and legal security. This raises the question of whether and when this 'publicness' can be delegated outside the public sector (Pierre 2011). The involvement of private companies, especially, is regarded with doubt (see Schwittay 2011); while third-sector organizations are increasingly considered a solution to the contemporary problems of social and educational service provision. Welfare markets, just like any other markets, produce externalities; they may suffer from information asymmetries and imbalances between demand and supply; they may prohibit the entrance of new actors on the market; or they may lead to an increase in costs for consumers. Markets in public services vary systematically and policy-makers can manipulate this variation strategically (Gingrich 2011).

Education markets are essentially local in nature (Waslander, Pater and Weide 2010), yet are usually shaped by national policies. Any approach of the issue of educational (quasi-)markets needs a double perspective: economical and social (Adnett and Davies 1999). Beyond concern for overall costs and cost-effectiveness, the issue remains as to the societal benefits of education and the democratic control over public services. In terms of effects, research has indicated that quasi-markets built on policy approaches using decentralization, deregulation, greater levels of autonomy, competition and choice, may encourage innovation both in how education is organized and how school content is delivered (Lubienski 2009). Other results link the introduction of educational quasi-markets in countries like the U.K. with improvements in exam performance at the end of compulsory education (S. Bradley and Taylor 2010).

The specific goals of ESF open the doors for the involvement of a wide array of actors in the provision of social and educational services throughout the EU. The logic behind ESF is pretty much the same logic that led to decentralization, deregulation and outsourcing reforms of public services in western European states. It places states in the triple role of regulator, financer, and provider of services. ESF implementation involves the creation and management of a welfare market via the mechanisms of programming and commissioning. Beyond the set of general rules imposed by the European Commission, these are governed by domestic policy. Domestic policy choices are instrumental in translating ESF overarching goals and rules into operational national policy objectives and implementation rules. Usually perceived as rather technical in nature, these domestic policy choices actually shape a market for social and educational service delivery, since they determine what services are to be provided (operational policy objectives), by whom (what actors are allowed on the market), and in what conditions. The very same decisions are supposed to take into account issues such as competition within the market, information asymmetries, imbalances between demand and supply, and the consequences for the consumers/beneficiaries. In the following section, we build on the literature of emerging welfare markets and previous empirical research centred on EU structural funding. This is done in the form of an analytical framework which enables us to assess the effects

of these domestic policy choices on educational service provision in the five countries under study.

Analytical framework

ESF implementation involves quite a complex institutional structure, one which is supposed to ensure proper commissioning, monitoring, evaluation, and financial control, and is ostensibly predetermined by the EC. This structure involves a separation of implementation, payment, and control (auditing of expenses and evaluation) activities. A key institutional structure is the managing authority designated/created for each of the ESF national programmes, structured to exercise broad prerogatives in terms of implementation – ranging from programme structure and objectives to technical and administrative rules concerning implementation. This managing authority (an independent entity or a separate unit within a national institution) has, on paper, broad prerogatives in terms of programming and commissioning.

Managing authorities are, despite the obvious role of politics in programming and commissioning, the key actors in shaping the quasi-markets for social and educational service delivery associated with the ESF. This analysis focuses on these authorities along two dimensions: the institutional dimension (the different set-up of ESF funded programmes in the five countries at the macro-level) and the bureaucratic discretion in implementation dimension (how national management authorities enact their role). The first dimension covers some of the aspects of the programming process, while the second is focused on national commissioning processes. We will detail each of these dimensions in the following paragraphs.

The *institutional dimension* covers the design of the ESF implementation framework created via domestic policy decisions, as well as the manner in which some of the national structural inabilities (quality of institutions/administrative capacity) are approached. There are both formal and informal aspects to this dimension. Formal aspects refer to the different organization of the management of ESF funding in these countries (types

of programmes and their foci, relationships between national managing authorities and the so-called intermediate bodies, and the place of managing authorities within the broader national institutional framework). Also, they refer to the organization of drafting of calls, which has a deep influence on the content of these calls and consequently shapes the market for educational service delivery.

Informal aspects refer especially to institutional role orientations developed by the managing authorities, the governance of partnership (implementation of the EU partnership principle), and the accommodation of complex public sector goals.

In terms of institutional role orientations, it is important to know what types of rules the managing authorities shape for themselves, be they formal and informal, and how these rules translate into action. How does the managing authority describe itself and its place among national institutions? Does it describe itself as an implementation agency merely complying with EU and national rules, or as a policy-maker (compliance versus goal orientation, or an emphasis on results)? All this becomes a question of how national authorities use a mixture of formal rules and informal policy instruments to steer such programmes (and the society as such) in a certain direction. As far as EU structural instruments are concerned, this mixture is mostly visible in bureaucratic decision-making.

In terms of the governance of partnerships, one important aspect is how the principle of partnership laid by the EU at the foundations of ESF is translated into national formal rules and informal patterns of interaction between the central government and managing authorities on one side, and relevant societal actors on the other side. What was the significance of partnership during programming? What societal actors were in a position to significantly influence the content of programming? What is the significance of partnership in the monitoring and evaluation of ESF-funded programmes?

Thirdly, there is the matter of accommodating complex goals. The public sector needs to steer society, while balancing a series of policy goals with different degrees of importance. Peters (2011: 7–8) classifies public goals as follows: 1) sweeping goals such as democracy and efficiency; 2) cross-cutting goals such as environmental protection and gender equality;

3) goals directed at a strategic level for social and economic services which affect all or most members of society (such as attaining a certain health status in society); 4) goals of individual organizations and programmes, whose pursuit is tentatively autonomous and consequently may produce co-ordination problems; and 5) goals selected indirectly through the choice of policy tools. ESF itself is a complex policy issue, given the complexity of social problems to be approached, the programmes designed to address them, and the instruments used for implementation. In the case of managing authorities for ESF-funded programmes, the balancing of sweeping, cross-cutting and strategic goals with the specific goals of the organization/programme is of paramount importance.

The *bureaucratic discretion dimension* reflects the regulatory decisions made by the managing authorities during the commissioning process, with a special emphasis on the educational selectivity consequences of these decisions. Bureaucratic discretion is manifest in the implementation decisions, instructions and recommendations that govern the relationship between the managing authority and contractors during the application, contracting and implementation of project stages. Most of these decisions are reflected in the calls for applications which the managing authorities issue when exercising their role.

Two types of decisions and their relative weight in day-to-day operations of the managing authorities are of particular interest. First, we have decisions concerning technical-administrative aspects, such as those concerning reporting and accounting procedures, the fiscal-financial eligibility criteria of potential contractors, or the administrative exclusion of applicants during the commissioning process. Second, we have regulatory decisions concerning the substance of the programme, such as: the types of activities and contractors which are eligible under certain calls; restricting certain activities to certain types of potential contractors; or restricting/expanding the group of potential beneficiaries. These could be labelled as programme-targeting decisions. Given the complexity of ESF-related technical and administrative procedures and the relative inexperience of national managing authorities with these procedures, we can reasonably expect that managing authorities pay a disproportionate amount of attention to the first category of decisions.

The programme-targeting decisions focus on the design of the educational and social services required and the shaping of the supply structure. In terms of services design, the emphasis falls upon the choice of services which are subject to competition on the market, the specification of quality outcomes for these services, and, in the special case of educational service delivery, the extent to which there is co-ordination between national education policy and the ESF-funded programme. In terms of shaping the supply structure, or market articulation and segmentation, the focus falls on several aspects of the decisions made by managing authorities during the commissioning process. Who are the actors (users, specific categories of providers, state bureaucracies) being empowered, and what are the specific incentives (eligibility and selection criteria, required partnership structures) used to empower them in educational services delivery under ESF funding? What are the effects in terms of access to educational opportunities for the most disadvantaged groups in society?

Methods and data

We approach this topic doing a case-oriented comparative study (Ragin 1987), which involves actively looking for similarities between the cases studied, linking the similarities to the phenomenon of interest, and using them to formulate a general proposition. Several methodological and evaluation choices and assumptions are embedded in this design. First, and most importantly, we focus our analysis on the impact of variables which are explicitly under the control of domestic policy-makers and the management authorities, in the direction suggested by Stake (2002). While it would be easy to focus our explanations on, for example, cultural differences, it is most important that we provide results that can be translated into policy as early as the next budgetary cycle of the European Union. Second, and equally important, our preoccupation with the notion of educational quasi-markets does not involve a bias for or against either market or state. A third important aspect stems from evaluation studies

emphasizing that EU structural funds have a too complex set of objectives, which results from the preferences, interests and interpretations of the actors involved, to actually be able to effectively approach them all (see Lang 2001: 11–12).

The first component of the research design is the qualitative analysis of the by-laws of the management authorities and of the executive decisions of the management authorities. We focus on one ESF-funded programme in each country: the Human Resources Development Sectoral Operational Programme in Bulgaria (BG-OPHRD); the Operational Programme Education for Competitiveness in the Czech Republic (CZ-ECOP); the Operational Programme for Social Renewal in Hungary (HU-SROP); the Sectoral Operational Programme Human Resources Development in Romania (RO-SOPHRD); and the Operational Programme Education in Slovakia (SK-OPE). Among the documents analysed, we have national strategic reference frameworks, descriptions of the national programmes under ESF, by-laws of the management authorities, ex-ante and interim evaluation reports, annual implementation and reports, information on the websites of managing authorities (MAs), and other relevant documents.

The second component of the research design is a content analysis of the applicants' guides issued by the managing authorities under all calls concerning education and social inclusion, focusing on mapping the structure of incentives the management authorities use to shape the quasi-market of educational services. This stage covers the five countries under all calls relevant from an educational vulnerability point of view. Due to the rather indeterminate nature of the phenomena that we intend to investigate, we used ethnographic content analysis (Altheide 1996) to develop the coding. The patterns, emphases, and themes identified were then used to analyse the calls for applications launched in the five countries on topics related to educational service delivery for disadvantaged groups.

Data were collected between October 2012 and January 2013. The qualitative analysis component of the research design involved drafting a report for each of the five countries in accordance with a set of guidelines. These reports were used along primary data sources in the analysis of the institutional settings. The content analysis component involved

the selection of a total of eighty-five calls, concerning ISCED 0–3 education provision for disadvantaged groups. Given the small number of cases and the fact that half were from one country (Hungary) the analysis of the data is limited to descriptions of quantitative variables and focuses on string variables.

In two of the countries analysed in this book, Hungary and Slovakia, the main components of the research design were complemented with in-depth interviews with experts. Interviews were structured alongside the main points of the comparative analytical framework detailed above.

The structure of the book

This chapter is followed by five country case studies, structured alongside the common framework for analysis, and one comparative concluding chapter. Each country chapter approaches key aspects on the institutional and bureaucratic dimensions of ESF implementation, while also pointing out national specificities.

The chapter on Bulgaria showcases the importance of how national institutions and national policy processes play out in practice in explaining how the implementation of structural funds programmes actually works. Thus, the author points out that the challenges identified in the Bulgarian case are not specific to ESF implementation; they are underlying factors of how the public sector works in a new democracy in conditions of austerity.

The discussion on the lessons learnt in Bulgaria is followed by the case of the Czech Republic. The author problematizes the ways in which ESF implementation in the Czech Republic is largely determined by the particular interpretations the Czech state has adopted when defining the notions of vulnerable groups, special educational needs, and educational inclusion. The chapter is unavoidably built around the most important aspect distinguishing the Czech Republic from the other countries, the fact that social disadvantages are part of the definition of special educational

needs and many Roma children in the Czech education system are directed towards special educational programmes for children with mild mental disabilities, a questionable construct of special educational needs in and of itself. Studies of education equity and special education have found that cultural or racialized understandings of ability and disability have perpetuated segregated education or the use of special education for racial/ethnic resegregation in some countries (Ferry and Connor 2005; Artiles et al. 2011). This, in turn leads to beneficiary miscategorization and programme targeting challenges.

The chapter on Hungary showcases how ESF implementation plays out in practice when significant political and policy U-turns happen in a country. The author places special emphasis on how the education of vulnerable groups is approached by the Social Renewal Operational Programme (HU-SROP). The analysis points out a series of structural problems, culminating with the failure to implement a mutual inter-linking mechanism supposed to ensure consistency between system-level and grassroots-level interventions funded by the HU-SROP. Among other aspects, the report shows that the management of the commissioning cycle has seriously disadvantaged third-sector organizations, especially those with expertise on Roma issues, while leaving room for disguised interventions of for-profits. Moreover, the calls for applications for projects dealing with education for vulnerable groups have faced targeting issues, only partially due to the sensitivity of ethnic identification in Hungary. The author concludes that there are significant questions concerning the educational selectivity of ESF funding in Hungary.

The chapter on Romania focuses on how domestic policy choices concerning ESF implementation in Romania have helped shape a mixed quasi-market for educational service delivery. It particularly points out the effects of increased rule-rigidity as a result of public and political pressure exerted over the managing authority of the Sectoral Operational Programme Human Resources Development (RO-SPOHRD). The chapter argues that the institutional framework and the *modus operandi* of the central government agency in charge of programme implementation have had a significant impact on the providers of educational service delivery, and may have contributed to increased social division in access to educational services.

The chapter on Slovakia argues that the institutional framework for the implementation of structural funds in the country can be generally characterized as extremely complicated and unstable, with serious consequences (especially financial) for the contractors. Among the main features of the use of the EU Structural Funds in Slovakia the author points out extreme formalism, rigidity of rules and the lack of a result-oriented logic. More specifically, the chapter emphasizes that the reform policies aimed at the inclusion of Roma and other disadvantaged groups are implemented through centrally planned and commissioned national projects, which tend to substitute national funding for school operation and modernization, rather than innovative demand-driven projects bringing an added value to the mainstream educational system.

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2 Linking ESF implementation with low administrative capacity: The case of Bulgaria



Building sustainable and efficient administrative structures that will administer EU funds and establishing competitive markets are essential elements for ensuring successful implementation of the EU-funded programmes and a fair allocation of EU funds. Both national

managing authorities and the main national policy documents play an important role in the European Social Fund implementation. Thus, it is necessary to have a closer look at how managing authorities work and how they were designed to work in order to identify potential problem areas in the disbursement of EU structural funds.

This chapter reviews the work of the managing authority and the broader policy framework of the Operational Programme Human Resource Development in Bulgaria (BG-OPHRD), with a special emphasis on the educational sector. Thus, we evaluate the programming and the management of the calls for applications for educational projects alongside a review of different national strategies and programmes. We employ a step-by-step strategy to underline potential problematic areas in the initial stages of BG-OPHRD implementation, with potentially significant consequences for the overall effectiveness of the programme and for reaching the social and educational goals of ESF.

The key problem areas in ESF implementation in Bulgaria in 2010, as identified by the Committee for European Affairs and Oversight of

European Funds (BG-CEAOEF) of the Bulgarian legislative body, concern the implementation of public procurement procedures for EU-funded projects and the capacity of the different administrative units involved in operational programmes' management and implementation – managing authorities, or MAs, intermediate bodies, or IBs, specific beneficiaries, and municipalities (CEAOEF 2012). The main institutional deficiency identified is the limited capacity of the managing authorities to implement and manage the operational programmes (CEAOEF 2012). The managing authorities play the most important role in transforming the strategic planning objectives into the desirable social outcomes of the particular programme. Therefore, in this chapter, we restrict our analysis to the capacity of this type of institutional unit.

Even though the MAs are important for the successful management of the ESF-funded operational programmes, and in particular for the efficiency of the commissioning process, there is lack of explicit criteria for assessing their administrative capacity. Furthermore, the existing literature provides scarce evidence of the key problem areas and even more limited discussion on how to tackle them. This chapter contributes to the existing literature by aiming to shed some light on key problematic areas of the ESF managing authorities in Bulgaria. The chapter looks at the efficiency of the managing authority in different stages of implementation of the operational programme, so as to assess its administrative capacity. More specifically, the tendering process and the design of the funding schemes are evaluated, with special emphasis on the efficiency of the calls in supporting fair competition among potential contractors.

First the programme under focus is introduced. This is followed by an evaluation of the capacity of the managing authority in two different respects: programming and management. From here the focus is turned to the capacity of the managing authority to implement an effective commissioning process. A specific section evaluates the structure and the potential drawbacks of the commissioning process, by looking at specific calls under a specific priority axis of the BG-OPHRD. Last but not least, we address potential opportunities and threats that should not be overlooked in the design and the implementation processes of future schemes under the ESF in Bulgaria.

The Operational Programme Human Resources Development in Bulgaria

The strategic aim of this programme is to develop human capital in order to ensure higher employment, income, and social inclusion (BG-OPHRD 2007). The programme aims to improve the quality of life of people in Bulgaria through the enhancement of human capital, the achievement of high employment levels, productivity improvement, access to high-quality education and lifelong learning, and strengthening social inclusion. To achieve its aims, the operational programme is focused on the implementation of the seven different priority areas. Education is embedded within the fourth priority axis of the programme. The main goal of reform in this area is to help raise the skill levels of the workforce and to contribute to better interconnection with the modern development of society and with employers' requirements and needs.

The implementation of the operational programme aims to fulfil the main horizontal principles of the European Social Fund: gender equality and non-discrimination; innovation and mainstreaming; partnership and empowerment; sound programme and project management; and sustainable development. A 2007 peer review compared operational programmes combating discrimination across different countries.¹ According to this review, Bulgaria does not have a specific programme on discrimination, but is rather implementing a horizontal approach to the problem of discrimination. Funding for BG-OPHRD, for the entire 2007–13 programming period, is set at EUR 1,031,789,137.

The capacity of absorbing EU funding in the local economy in Bulgaria is very low compared to other EU countries. At the end of 2011, the rate of absorption of structural funds in Bulgaria was 18.8 percent. The detailed situation of absorption for each operational programme indicates that the BG-OPHRD, at 23.3 per cent, has one of the highest absorption rates

1 <http://www.romadecade.org/cms/upload/file/9684_file1_eu-structural-funds-for-roma-in-bulgaria.pdf>.

(MLSP 2012). In comparison with ESF-funded OPs in other countries, this is very low. Correspondingly, between 2007 and 2009, the number of signed contracts was very small, with the first contract signed in late 2008, and thirty-nine projects, with a total budget of EUR 37.4 million, running at the end of May 2009 (MLSP 2008, 2009, 2010).

Furthermore, the financial crisis has affected the ability of Bulgaria to provide matching funds for projects. According to MA data, by the end of 2010, 5,495 project proposals had been submitted, out of which, 1,754 contracts at a total value of approximately EUR 596.8 million were signed (MLSP 2011). Therefore, almost half of the total programme budget had been contracted. The 2010 implementation report shows that 47.36 per cent of the total programme budget had been contracted on 31 December 2010. Effective payments under the programme exceed EUR 108 million, accounting for an absorption level of around 10 per cent. Payments under the programme registered significant growth in 2010 compared to 2009. Until December 2010, the managing committee approved the selection criteria for ninety-four calls for applications, totalling EUR 1.2 billion in value. Thus, at the mid-term of the programming period, an accurate time-frame and financial framework for the effective absorption of 98 per cent of allocations to the programme was in place. According to the report of the MA, the higher absorption rates can be attributed to the capacity-building efforts undertaken in 2010 to improve the tendering process on several different dimensions (MLSP 2011, 2012). Namely, a trend to shorten the time necessary to give a final reply to a submitted application was observed.

At the start of the BG-OPHRD implementation, most of the calls for applications involved grant schemes. For example, only in 2007, the Ministry of Education and Science (BG-MES) announced four grant schemes, for a total amount of BGN 23,176,586.

Regardless of the success of the grant schemes, after 2008 the MES began to limit their share of the total number of calls for applications announced: only three out of nine operations were opened as grant schemes, the rest involved the direct financing of institutions previously nominated. For instance, the grant schemes that were opened in 2008 for *Support of PhDs, post-doctoral students and young scholars* and *Developing school and university practices*, as well as the programme for out-of-school activities

(but this time with double the budget), were designed for direct financing. This pattern persisted in the following years, too. Most schemes are now open for direct financing without any public calls for applications. This has made the commissioning process in Bulgaria less competitive.

The management of the OP is centralized and belongs to the managing authority, although there are voices calling for more decentralization of the management of structural funds. One key concern in the 2007–13 cycle is that programme planning was incidental and not well structured. For instance, for various programmes in Bulgaria, small local organizations or NGOs were not eligible contractors, even though they had the required skills and expertise. At the programme level, NGOs are just associated members of the Monitoring Committees of OPs, without voting rights.

Another important aspect of the BG-OPHRD is that, in comparison with all other OPs, it targets the most diverse beneficiaries. The evidence suggests that under the BG-OPHRD, the number of potential beneficiaries is around 100,000 and they fall into one of the following categories: Ministry of Education and Science; educational and training institutions; NGOs; the Centre for Educational Integration of Children and Pupils from Ethnic Minorities; municipalities; resource centres; vocational training centres; and off-school pedagogic institutions.

The following section analyses the institutional dimension of ESF implementation in Bulgaria, based on an in-depth analysis of national policy documents, and attempts to highlight key problem areas.

The institutional set-up of ESF in Bulgaria

The analysis of national strategic documents is an important step in evaluating the management and programming aspects of domestic policy-making. Furthermore, such an analysis is essential in determining if there is a gap between the main goals summarized in the national and EU regulations. One of the main programming principles is complementarity. Therefore, a review of different national strategies and programmes, along with their

interconnection with the OP priorities, is important for understanding the BG-OPHRD. In the next section we look at the national strategic reference framework, the main BG-OPHRD description, ex-ante and interim evaluation reports, and annual implementation reports. By analysing these documents, the chapter attempts to evaluate the policy discretion of the MA, as well as to what degree the MA can influence the final outcomes of ESF in Bulgaria.

Formal decision-making

The implementation of the EU-imposed mechanisms is directly related to the capacity of the national administrative units. Similar to the other EU member countries, in Bulgaria the national institutions have to be developed in accordance with the EU framework. However, in the implementation, financial arrangements, control and monitoring of the operational programmes, the direct involvement and control of the EU is limited. Namely, for each OP, the design and development of the managing institutions is entrusted to the national government. Even though the EU is promoting decentralization in the member countries, in the case of Bulgaria, the EC has not objected to the centralized mechanism for co-ordination. Moreover, to satisfy the *Community Strategic Guidelines on Cohesion* (Council of the European Union 2006), the BG-NSRF has created a mechanism to co-ordinate the Bulgarian public authorities on the central, regional, district and local levels (Government of Bulgaria 2007). This mechanism limits the participation of the municipalities in the programming process. Under such a mechanism, the municipalities can only be beneficiaries in the implementation of projects. It can be concluded that the inclusion of local and regional units in programming and commissioning is only formal.

The administrative units responsible for designing the procedures, as well as for the assessment process and the contracting of the projects are structured in a centralized way. Under the BG-OPHRD, these roles are performed by the Managing Authority (the Ministry of Labour and Social Protection) and by three other intermediate bodies: the Social Assistance Agency, the Employment Agency and the Ministry of Education. For each

of the seven different priority axes under the BG-OPHRD, the Ministry of Labour and Social Protection has delegated authority within the area of competence to the respective intermediate body.

The adoption of multi-level governance approach in the regional development is an important measure for the establishment of the EU cohesion policy at national level. The EU had an incentive to adopt such an approach in order to design institutions that would be able to meet the common European objectives. According to existing research, in this way the EU indirectly influences the formation of certain institutional units. The EU creates a regulatory framework that forces the member states to comply with EU cohesion goals (Molle 2005, Baun and Marek 2008). The adoption of multi-level governance in Bulgaria has been specified within the National Development Plan (BG-NDP) and the National Strategic Reference Framework (BG-NSRF). These are the two major documents for the management of the structural funds in Bulgaria for the 2007–13 budget cycle. The strategic document, BG-NSRF is based on the BG-NDP and is approved by the European Commission. It defines the national parameters of the EU Cohesion policy: the operational programmes, some institutional specifics, and financial planning for the implementation of the structural funds in Bulgaria. The BG-NSRF accommodates the national strategies as defined within NDP and it aims to sustain growth in the following areas: infrastructure development; human potential; social inclusion; and development of a better business environment (Government of Bulgaria 2007, Agency for Social Analysis and Forecasts 2005, Virtanen, Uusikylä and Chatzinikolaou, 2006). Furthermore, these areas are matched with planned actions that will be further developed at the operational level. The greatest asset of the BG-NSRF is that it contains a full description of the projected administrative structure, along with mechanisms for implementation, roles, and responsible institutions.

The role of intermediate bodies in implementation

Different intermediate bodies (IBs) are included in the programming process to a different extent. The BG-MES has been participating only as a consulting body for the BG-HRDDOP working group. The BG-MES

has not been actively involved in the development of the BG-OPHRD. As defined by Milo (2007), the pace under which the terms for the different calls are set and then evaluated is of crucial importance for the programming stage. According to Molle (2008), a higher degree of involvement of the IBs will contribute to a more accurate and effective overall strategy. It is also very important how quickly the evaluation is performed. If the process of collecting and evaluation is shorter, the absorption rate will be higher. The work of the IB is very important in this stage. Their work has a direct influence on the pace of project selection.

The BG-MES was not an active designer of the key human resources development strategy. It carried out the country socio-economic analysis, the SWOT analysis, and financial planning but it did not frame clearly the main priorities of the different programme components (Jilkova 2009); instead, the BG-MES has delegated responsibility to the IBs. Moreover, the BG-MES started using existing administrative offices within the country after the BG-OPHRD launch. These bodies employ an expert in each of the regions and are part of the structure of the Directorate of Education. The main task of these experts is to monitor the project implementation process: however, they are not involved in the programming process.

In the decision-making process and in the programming of the OP, other institutions and public organizations can be involved in accordance with the principle of partnership. There is also a Central Co-ordination unit and Auditing unit. The government has direct control over their work, since the government appoints the executive branch of these units. Therefore, independent monitoring on the work of these units will be an important element in ensuring transparency of the entire implementation process.

The representation of stakeholders

Different stakeholders are represented on both the monitoring and evaluation boards of the BG-OPHRD. However, only a few stakeholders on the boards are NGOs, and they were only included after specific recommendations from the European Commission. Following these recommendations, NGOs became members of the Monitoring Committee of the National

Strategic Reference Framework. However, in the first years of implementation they did not influence any of the decisions made by the committee simply because there were so few representatives of the NGO sector. The main reason for the small number of NGO representatives were the strict eligibility requirements imposed by the government. For instance, only three NGOs were selected to take part in the election of observers, on behalf of the so-called social organizations (a category that included 'organizations working for the integration of minorities and migrants'). These were the EKIP Foundation, the International Society for Sustainable Development and Co-operation and the Amalipe Center. They were selected by a commission nominated by the Minister of Finance. Moreover, the Ministry of Finance defined the rules for the participation of NGOs in the Monitoring Committee of the NSRF. The procedure included two stages: expression of interest by NGOs to participate in the election of the observers, followed by the election of observers by NGOs selected on the basis of the criteria envisaged in the rules. These criteria included: the effective and efficient work of the organization during the last three years; participation in developing, implementing and monitoring of strategies and policies; and experience in implementing projects financed by the EU (Amalipe 2008). The candidates had to place themselves in one of the following three categories: organizations working in science, education and culture; environmental organizations; and social organizations (including minority organizations). Each category of organization had to elect its own observer. Although there were expressions of interest from many capable organizations, the commission established by Ministry of Finance selected only the three organizations mentioned above as covering all requirements within the group of the social organizations (Amalipe 2008).

The procedures for the election of an NGO observer in the Monitoring committee of the BG-OPHRD were discussed and the election of the NGO observer was only approved at the end of April 2008, during the regular meeting of the Committee. The aim of the procedure was to guarantee an open and transparent mechanism for the participation of the civil society in the process of managing and monitoring resources from the European Social Fund. The procedure is similar to the one already adopted by the Ministry of Finance regarding the National Strategic Reference

Framework. The procedures target organizations in six fields: protection against discrimination; education; Roma integration; health care; science; and social issues. This procedure is favourable for ensuring higher representation of different stakeholders.

However, even though different stakeholders are represented, the direct influence of the monitoring committee on the implementation of the BG-OPHRD is very small and many of its responsibilities are purely a formality. It has only small influence in the programming and management stage of the OP. The board meets only when it is mandatory to meet in order to approve the annual report for the implementation of the BG-OPHRD and the Communication Plan of the Programme. During these meetings a report on the ongoing schemes is presented and forthcoming operations are introduced. However, the board does not have decision-making power on the call design for future schemes.

The availability of information

The main source of information for gathering, analysing and processing information on granted projects related to education under the Structural Funds in Bulgaria, is the managing authority of the BG-OPHRD. However, the directorates of operational programmes in Bulgaria, with the exception of OP Regional Development, do not collect and maintain information differentiating between different policy sectors, as the programmes have a horizontal principle of operation. The BG-MES is a beneficiary for some of the programme areas, but does not monitor and follow all the information related to the use of the structural funds in the educational sector.

One of the goals of the information and publicity measures outlined in the Communication Plan of the BG-OPHRD is to promote ESF and BG-OPHRD. These measures aim at gaining the support and active involvement of many different parties and the greatest possible number of people. This is done by guaranteeing the transparency of the management process. That is a fundamental step-stone in building trust in the responsible institutions.

The printed and electronic media can play a very important role in familiarizing the general public with the goals of BG-OPHRD and its diverse range of schemes. They need to act as a partner of the Managing Authority for promoting the operational programme among the general public, potential beneficiaries, and target groups. However, the BG-MES is not actively co-operating with media; even though this can be an important warranty mechanism for the transparency of the implementation process and an additional channel for feedback and bridge for communicating the needs and expectations of the beneficiaries and society.

In order to facilitate direct access to information to the wide range of target groups, the MA and IBs have established a BG-OPHRD Information Center. This centre will stay open until the end of the programme implementation in 2015. The initial idea was to use this as a centre that can provide comprehensive information on all issues related to the BG-OPHRD, as well as a place to connect potential beneficiaries and beneficiaries with MA and IB representatives. Regardless of the establishment of the information centre, the practice of the MES has been to refrain from effective communication with the beneficiaries of the projects, in order to be perceived as independent in the public eye. Undoubtedly, the IBs need to stay unbiased, but development and improvement of the schemes is conditional on strong communication with the contractors and the beneficiaries.

The following section of the chapter moves on to the next step and analyses in-depth bureaucratic decisions concerning ESF implementation in Bulgaria in the area of educational inclusion.

Shaping the market for educational service delivery using calls for applications under BG-OPHRD

In this part of the chapter we attempt to analyse the call design of the schemes under BG-OPHRD. Specifically, this part focuses on calls for applications for projects that aim to enhance the education levels of vulnerable groups by supporting access to educational services and by improving

educational attainment. The success of the interventions in this area is measured in terms of one or more of the following outcomes: decreasing the percentage of children dropping out from school; increasing the number of children that join the educational system; reducing the risk of exclusion of vulnerable groups in the educational system; increasing students' motivation; increasing literacy rates among vulnerable groups; and providing better opportunities for these groups.

The priority axis that covers educational intervention with specific focus on vulnerable groups and increasing the quality of education is the fourth priority axis, *Improving the access to education and training*, with a total budget of EUR 194,219,132. This is about 16 per cent of the total OP budget for Bulgaria. Within this area, this analysis is restricted to two key areas of intervention, focused on children and youth, described in Table 2-I.

The expected outcomes of the above-stated interventions are measured by the direct effect of the interventions on the following result indicators: number of pupils with special educational needs integrated into general education; the number of drop-outs reintegrated in the educational system; the number of pupils participating in out-of-school activities; the number of students receiving scholarships. These outcome indicators are important measures of success of the calls for applications. However, it is equally important to go several steps backwards to look at the entire tendering process, since it affects the success of these calls and the OP.

The way the terms for commissioning are defined has a direct influence on who the potential contractors are. For many of the schemes, the call design indirectly renders potential contractors. It is important to understand the degree to which these calls shape a non-competitive contractor market, where only a few contractors have the power to carry out projects, and few eventually use the ESF funding. In the next sections, the chapter attempts to look at the level of competitiveness that is guaranteed by the call design. This can be assessed by looking at who are potential contractors, partners, and beneficiaries. Other important aspects are also the interventions and the call design itself. They are also analysed in the next section, since they are the tools that can enhance competitiveness and the fair and effective distribution of funds.

Table 2-1. Key areas of intervention concerning the educational interventions with a focus on vulnerable groups, BG-OPHRD: Synthesis.

<p><i>Key area of intervention 4.1. Access to education and training for disadvantaged groups</i></p>	<p><i>Key area of intervention 4.2. Children and youth in education and society</i></p>
<p><i>Target groups:</i> persons with special educational needs, representatives of vulnerable ethnic groups (Roma and Turkish), orphans, migrants, young children (3–6 year-olds) and their parents, dropouts, teachers, principals, pedagogical councillors.</p>	<p><i>Target groups:</i> Children, students</p>
<p><i>Potential contractors:</i> MES, educational and training institutions, kindergartens, NGOs, Centre for Educational Integration of Children and Pupils from Ethnic Minorities, municipalities, resource centres, vocational training centres, off-school pedagogic institutions.</p>	<p><i>Potential contractors:</i> MES, educational and training institutions, municipalities, NGOs, community centres, off-school pedagogic institutions, Centre for Educational Integration of Children and Pupils from Ethnic Minorities, sports clubs and youth organizations.</p>
<p><i>Key activities:</i> provision of the necessary conditions and resources for the implementation of the ethnic-minority groups’ integration process through the desegregation of children in schools with prevailing Roma pupils, and the reintegration of pupils into regular schools. Another key element is the provision of the necessary conditions and resources for the integration of persons with special educational needs. Furthermore, the calls under this scheme aim to provide educational services and activities for potential dropouts, and pupils not covered by the educational system.</p>	<p><i>Key activities:</i> expansion of out-of-class and out-of-school forms of learning; setting up mechanisms and provisions for student scholarships and loans with the aim of facilitating access to higher education, This area of intervention is targeted at a more extensive coverage of children and adolescents into the educational system, establishing better conditions for their creative expressions, and developing their future potential for successful advancement.</p>

We analyse the commissioning process and associated bureaucratic decision-making for 13 calls for applications launched under BG-OPHRD to this date. Out of the 13, seven correspond to key area 4.1. and six to key area 4.2.

Who are the potential contractors?

The potential contractors vary for the calls. However, in most of the cases municipalities, schools, NGOs, central administration or other institutions that perform educational activities are listed as potential contractors. There is no significant difference in who the potential contractors can be under the two key areas of the fourth priority axis of the BG-OPHRD. Even though the main goal attainment of these calls can be very diverse there is a small difference in the eligibility requirements for potential contractors. The calls that are analysed cover the territory of Bulgaria.

For six of the analysed calls, the potential contractor is only the central administration, even though the participation of, or partnership with, other organizations or NGOs could be meaningful in understanding the real needs of the beneficiaries. Significant resources have been allocated to the Ministry of Education and Science, while other actors (schools, NGOs, municipalities) have been restricted from participation in many of the schemes.

This tendency can harm the efficiency of the BG-OPHRD for at least two reasons. First, the administration will not be able to perform efficiently if is responsible for many schemes at the same time. There are obviously schemes that should be implemented by national institutions, such as schemes designed for policy-making. But when it comes to providing different social services, distribution of information and so on, the guiding role of the administration is ungrounded. Most of the schemes for direct financial allocation approved by the BG-OPHRD include types of activities which should be realized among vulnerable groups. However, very often the NGOs or other organizations that have direct contact with the groups are neither potential contractors, nor allowed in the partnership structure. For example, in some of the calls targeting the Roma, the

participation of Roma or pro-Roma NGOs is not allowed or is limited to the status of member in the partnership structure implementing a project. None of these organizations is ever listed as primary partner or main contractor. As a matter of fact, some of these schemes were not even designed as grant schemes and it is hard to explain why. This is because the participation of organizations aiming to serve some of the most vulnerable groups is highly recommended throughout the entire programming and implementation project cycle, from identifying priorities, contributing to operational programmes, and work plans, and the membership of monitoring committees.

Second, the direct allocation of funds in most of cases puts the real implementers of activities in an unequal position. For instance, the *Educational services for students lagging behind and gifted student* scheme mostly includes organizing additional lessons with these children. It is obvious that these lessons will be organized by the schools or out-of-school branches. However, the contractor for this scheme is the Ministry of Education. If this measure were opened as a grant scheme, this would have provided the real implementers with the right for equal participation not only at the implementation stage, but also at the planning stage. Through the direct allocation of funds, the role of the schools is diminished without real reason.

The number of contractors that are eligible to apply for funds in the calls under KAIs 4.1 and 4.2, after the specific financial, partnership, and activities criteria are met, is small. The evidence on these calls suggests that their design is unspecific, but also is framed with strict criteria. Together, these do not create favourable circumstances for a fair competition.

It is important to ensure that the range of potential contractors is broad, and that they are chosen based on their expertise, sustainability, and ability and skills. However, in Bulgaria, the same organizations are contractors under different schemes, and very often organizations that can offer innovative solutions and have the needed expertise are not eligible to apply. For example, many small organizations can never apply due to financial or some other call requirements. Concerns about the limited availability of structural funds to small organizations and NGOs has been raised in Brussels too, with Commissioner Andor specifically stating that

more attention to vulnerable groups should be given in programming 2014–20 structural instruments in Bulgaria. One of the most important things in the design of the OPs is to find the balance between administration and the structures of civil society, as well as to find the best possible role for each actor. The schemes for direct financial allocation might not be the right mechanism for finding this balance. Therefore, it will be good if they are limited to the cases when the role of the given institution should lead imperatively. In all other cases, it would be better to use schemes that will allow many organizations to act as main contractor, and not overload the administration with activities that should not be under its scope of responsibilities.

However, what the tendering process omits to recognize are the real needs of the educational system in Bulgaria. Clearly, there is a lack of communication between the managing authority, the intermediate bodies, and the potential contractors. Therefore, there is limited understanding of what are the least developed schools or regions and which are the actual vulnerable groups in the educational system.

Partnership structures

Applying the principle of partnership and empowerment is a key element of all structural-funds interventions. The main goal of this principle is to ensure the inclusion and access of the socio-economic partners and other stakeholders in the preparation, implementation, monitoring, and evaluation of ESF support.

In the BG-OPHRD, the partnership principle extends its scope over all actions and covers all project cycle phases. In addition, the principle of partnership is considered both centrally and locally. Applying this principle should improve the mechanisms for experience- and knowledge-sharing among stakeholders; it should build up opportunities for more creative ways to address problems; allow a more effective management of actions based on multiple dimensions (involving a wide range of stakeholders or perspectives) and multiple levels of intervention (national, regional and local); and guarantee a high level of compliance of selected actions with real needs.

The partnership principle has been promoted in almost all calls. In many calls, partnership among local and central units has been encouraged. However, in several schemes, the partner is pre-set, even though there is not enough information and evidence to justify the exclusion of other potential partner organizations. In many of the schemes, project partnership is a compulsory element. For most schemes, schools are the most preferred partner. After schools, NGOs appear in the partnership structure in many of the submitted projects, mainly due to their expertise in terms of writing projects and their experience in dealing with ethnic minorities. In some calls, one of the partners has to be the municipality. Bearing in mind the nature of some calls, it is understandable to include the municipality as a partner, instead of other institutions, since it is able to enhance the needed institutional support. However, in many cases and comparatively speaking, other organization could offer more innovative programmes, due to their expertise. For example, for the schemes, whose main goal is to create an integrative environment for socially vulnerable children such as Roma and their preparation to enrol in desegregated schools, it will be important to have as a partner an NGO that has been working with this high risk group. However, they are never specified as being a primary or mandatory partner in any way.

There are 264 municipalities in Bulgaria, which means that roughly more than half of them were actively involved in ESF tendering processes. Out of 2,000 educational NGOs in Bulgaria, around one tenth participated in the disbursement of ESF funding for education and provided services. That is indicative for NGO sustainability in the country: most non-profit establishments have a lifetime as long as the project duration; others are simply not that active in tendering procedures due to not having a good network infrastructure or resources (technical, human or financial) to apply for funds.

Partnership can be formed either by geographical location, by area of expertise, or on the basis on the number of partners allowed in the call. From a geographical perspective, the most common partnerships are local, since for many schemes, the municipality has to be a partner. For some of the calls, cross-regional partnerships are also formed. However, the calls neither specify precisely what is considered a cross-national structure, nor

are there bonus points for forming such partnership. In many cases, partnerships are formed in such way that smaller regions have little or no power in shaping the programmes. In cross-regional partnerships, the primary contractors are well-grounded organizations located in a big city, while the secondary contractors are local actors from different target regions. Such an example of a network, spreading over five target NUTS III regions, is that of a private secondary school in the capital, Sofia, which invited twelve partners to implement out-of-school activities. All the partners are academic and vocational schools from Sofia, Yambol, Burgas, Veliko Tarnovo, and Gabrovo.

It can be concluded that for most schemes, the main contractor has to partner with the municipality, an educational institution or an NGO. These partnership structures are common. In future, the specific partnership structure requirements should receive increased attention. Comparatively it would be an advantage to ensure that organizations that have expertise in working with the beneficiaries are involved, as they can address more easily the problem areas and offer innovative solutions. So far, the expertise of these partner institutions can vary but in most of the cases they are from the educational sector. Another forms of partnerships should be explored and encouraged. One good example of a partnership between many different entities with essentially the same expertise was the case when the Business Agency Varna association was the main contractor and had eight different partners: two sport clubs; one academic ISCED 2–3 school in Varna; two vocational schools in Varna and Burgas; one lower-secondary school in Varna; one professional association in Varna; and one NGO. Even though it is never clearly suggested in the scheme, a similar partnership network appears in most instances. When the NGO appears as the main contractor, in 40 per cent of the cases it partners with schools, and in 20 per cent of the cases with kindergartens. NGOs are less likely to form partnerships with other NGO. When two NGOs partner with each other, a school is also involved in the network. Similarly, when the main contractor is the municipality, schools appear as partners in most of the cases. In about 20 per cent of cases, municipalities invite an NGO (usually providing social services or working with minority groups).

Who are the potential beneficiaries?

The main aim of the interventions of the Priority Axis 4 is to address the weaknesses of the educational system and pay special attention to the problem areas and to the most vulnerable groups. The analysis of the educational system reveals a poor performance and more pronounced educational-attainment problems among the ethnic minority groups. The minority groups have relatively insignificant participation and are still not integrated into the educational system. The problem is rather serious among children of Roma origin, as the psychological and socio-economic living conditions have a big influence on educational outcomes. To give these high-risk groups support in their opportunities for future work and educational attainment, it is important to foster their higher integration in the educational system from the youngest ages. Additionally, the high rate of early school dropouts is worrying. The administrators of these interventions also need to look into the educational needs of children with special educational needs. The students with learning deficiencies, including those with physical disabilities, require permanent care to attain progress in education. In order to assist children who are absent from school at the very beginning of the education and are lagging behind students of the same age, various programmes have been designed to provide regulatory, financial and organizational conditions for supplementary education. However, the beneficiaries are not always specified.

In order for the EU Structural Funds to be used effectively to support Roma education, Roma need to be identified as a priority group in the operational programmes. However, many of the calls analysed here use very broad definitions of the potential beneficiaries. Roma children are defined as a priority group in only two of the calls for applications: the grant schemes *Creating a favourable multicultural environment for the practical implementation of intercultural education and upbringing* and *Let's make school attractive for young people*. Both are targeted towards the educational integration of the most vulnerable social groups, with an emphasis on Roma children. The approval of projects within these two schemes is an important step towards the process of educational integration of Roma children.

It is even more important to enlarge the scope of the organizations that will deal with the problems of this minority group. For years, the circle

of those promoting the educational integration of vulnerable groups such as Roma children has been limited to a few NGOs and a few individual experts. Therefore, there is a general feeling that there is lack of innovative ideas. Many of the interventions towards Roma children have been exhausted and have been mechanically replicated over the years and are of questionable quality.

Unfortunately, it would be hasty to expect that the two above-named schemes designed under the BG-OPHRD have the financial capacity and innovative design to guarantee the educational integration process of Roma children. First, the maximum amount of EUR 50,000 for a single project is rather small if the purpose is to achieve full educational integration in any municipality.

Second, both calls do not have a clear draft of prioritized activities, supposed to assist the entire process of educational integration of these groups. In the first call, support for desegregation activities is embedded. However, the call either does not provide definitions, or it provides very unspecific ones. The experts from the BG-MES made a very interesting clarification during the application process, stating that even a school with 1 per cent Bulgarian students and 99 per cent Roma students is considered to be integrated and ethnically mixed.

Third, there is a lack of active policies of the BG-MES for the educational integration of Roma children. There are no specific measures for Roma children specified among the activities of the MES for renewing the Bulgarian educational system. Both calls insist that the projects under the schemes should implement the national educational policy in the given municipality. So, the project should apply the BG-MES policy at the local level without any possibility for innovative models or the prospect for these to be multiplied at a national level. This vicious circle is not promising for the significant educational integration of vulnerable groups.

A fourth problem accompanying these schemes is the trend to allocate money to projects for schools for children with special needs. This trend causes concern for two different reasons. Firstly, one such school is currently participating in three projects, the goals of which are to integrate children from the special-needs school into mainstream schools. This example is evidence that the tendering process is not very competitive if

the same organization wins grants over and over again. However, it is fair to admit that it could only mean that this school has the needed expertise and has been applying with innovative projects.

Second, and more importantly, it is a public secret that the special schools still continue to enrol Roma children without any disabilities. Thanks to the BG-OPHRD projects and the finance allocated to the special schools, the parents of Roma children have even higher incentives to send their children to these schools, even though they should attend mainstream schools. The practice of sending children without special educational needs to the special schools is thus reinforced.

Finally, when looking at the beneficiaries, is important to mention that the calls almost never specify a primary target amongst potential beneficiaries. For instance, in one of the calls, whose main goal is to help disadvantaged students who are lagging behind, potential beneficiaries can be students, children, parents and teachers; a primary beneficiary is never specified. This broad definition of potential beneficiaries will not guarantee in any way that the funds are going to be used by the groups that need them most. However, it can be noted that this problem was understood by the MA and was addressed by creating more specific calls where the circle of potential beneficiaries was very small. For instance, under the call that aims to support integration of children and students from ethnic minorities in the education system, only children from the minority groups and their teachers can be beneficiaries. Also, under the grant scheme *Support for the education of children and students with special educational needs*, the funds are directed towards children with special educational needs, with an emphasis on younger children in this group and personnel in the special schools.

Designing educational services

The calls for applications analysed here seek to develop interventions that will facilitate higher access and motivation for participation in education of the vulnerable groups. The main beneficiaries under these schemes are drop-outs, students at risk of early school-leaving, minority groups and children with special educational needs. However, the scope of these calls

is not so wide, and their number seems insufficient to substantially reduce the number of drop-outs and sustain higher education participation and integration of the minority groups.

One caveat of the way that most calls are designed is that there is broad specification of the eligible activities under one scheme. Consequently, funds are not utilized in the best possible way. The gain of the most vulnerable group is not always high. How effective the listed activities are, and to what extent they can help tackle the weak points in the educational system is questionable. On average, according to the calls for applications, the projects can cover 20–35 per cent of possible activities. Therefore diverse sets of projects targeted towards many groups can meet the eligibility requirements.

The benefit of having long lists that target many different activities is that the applicant can play an important role in the design of the projects, and can be innovative. The danger with having a list of very broad activities is that this can be manipulated in the allocation of funds. Funds can be allocated to activities that will not directly help the most vulnerable groups, but rather the schools or some other organization. For instance, in the scheme BG051PO001/07/4.1-01, whose main aim is higher integration of the ethnic groups, any activity that aims to contribute to achieving the horizontal principles of the BG-OPHRD is eligible.

The conclusion from the analysis of the calls issued under the Priority Axes 4.1 and 4.2 of the BG-OPHRD is that there is not much differentiation between calls issued under the same key area of intervention. The number of activities that differ between different schemes is very small. In order to ensure that specific groups will benefit from one scheme is important in order to define very specific list of activities. For example, under the *Support for children lagging behind education* scheme, the main measures contemplated are very broad and include research activities into school drop-out rates, the training of teachers working with children from the target groups, and information campaigns, all at the same time. This is just one of the many schemes for which the MA issues catch-all calls.

Another point of concern is the quality of the activities mentioned in these calls. There is no solid explanation or monitoring system that will secure the quality of the proposed activities.

Call design

The call design is structured in similar way for all schemes. In the first section the call introduces the operational programme its scope and goals. Furthermore, each call comprises the general implementation conditions of the BG-OPHRD. This section is almost identical in all calls. Unfortunately, the practice of drafting the calls in the same manner is easily noticeable, even in the call-specific sections of each scheme.

Even though the eligibility requirements differ for each scheme, it is not a significant difference. The specification of the responsibilities of the main contractor, as well as the potential conditions and requirements for partnership, is very long, but the content can be sometimes misleading. One of the reasons for this is the fact that a clear line between the specific and general requirements is not always drawn. The outline of the financial requirements is lengthy but not very detailed. Furthermore, none of the calls set out specific rules concerning how much of a project's budget should be directly allocated to the primary target group; for example the minimum amount that needs to be allocate to Roma causes is never defined. Therefore, from the call design itself, it is unclear how much each vulnerable group will benefit.

While trying to create a more inclusive spectrum of activities, the calls very often fail to make specific mention of priority groups who face a higher risk in the educational system. The document defines broad sets of activities, whose main goal is improving education amongst the vulnerable groups, but does not set specific target groups or expected outcomes. Likewise, other sections of the calls are very lengthy but very broad.

Other aspects of the commissioning cycle

Even though there are still problems in the commissioning process and the absorption rate of funds is still low, there have been certain reforms and these are reflected in the design of the calls. Important measures are those that help to shorten the time for conclusion of projects. Since 2010, the time the IB has to review applications has decreased. Furthermore,

since 2010, more precise documentation for the project proposal evaluation was introduced and the MA has made additional efforts to help more potential contractors to be successful in the tendering process. It can be seen that the schemes that have been opened for applications from 2010 onwards require a smaller number of documents to be submitted by the applicant. Also, since 2010, the MA has offered the potential contractors the possibility to have their documentation checked prior to submission. This measure has prevented the rejection of a significant number of project proposals in the administrative compliance-assessment phase. Furthermore, in order to facilitate a more efficient tendering process, the requirement for the submission of monthly reports by contractors has been removed. The information is now submitted in the interim and final reports only.

At the start of BG-OPHRD, most of the schemes announced were grants. For example, in 2007 the Ministry of Education and Science announced four grant schemes for a total amount of BGN 23,176,586. In total, 157 applications were submitted within the grant scheme 4.1 (*Creating a favourable multicultural environment*) and of these, sixty-seven were selected. The largest share of projects were managed by NGOs (twenty-seven) followed by twenty-one school projects, fifteen municipal projects, and four others. Within the second grant scheme, 4.2. (*Let's make school attractive to youth*) interest has been higher. In total, 689 project proposals were submitted and 256 of these were approved: eighty-three NGO projects, 149 school projects, eighteen municipal projects, and six others. Together, these covered around 85,000 children. These grant schemes involved the participation of many different organizations and allowed different stakeholders to be involved in many different projects.

Regardless of the success of the grant schemes, after 2008, the BG-MES has started to limit their share in the total number of calls for applications announced: only three out of nine operations were opened as grant schemes; the rest were reserved to directly finance previously nominated institutions. For instance, the grant schemes that were opened in 2008 for *Support of PhDs, post-doctoral students and young scholars, Developing school and university practices*, as well as the programme for out-of-school activities, were designed for direct financing. This pattern persisted in subsequent

years, too. In general, most of these schemes are open for direct financing without formal announcements of calls for proposals. This has made the tendering process in Bulgaria less competitive.

Conclusion: Ups and downs in the commissioning cycle

The main goal of this chapter was to assess the founding processes of domestic policy implementation and the capacity of the managing units in Bulgaria to accommodate the EU Cohesion policy objectives. The programme under focus is the BG-OPHRD, while the area of particular focus is education. The chapter assessed the capacity of the managing authority, the design of the calls, as well as the national policy documents. The analysis suggests that in order to enhance the success of the structural funds in Bulgaria, by increasing the managing capacity of the national institutions, it is important to take action across different stages of the commissioning cycle.

Some conclusions are provided by a tentative analysis of the sunset/sunrise areas (Bradley 2005), which looks specifically at the two key areas of BG-OPHRD which targeted the educational sector in Bulgaria. During implementation, several sunset areas were identified. First, municipalities are beneficiaries for all operational programmes in Bulgaria, but are not actively involved in the decision-making and distribution of funding for cultural projects on local and regional levels. The centralization of the operational programmes is an important problem, as is the full exploitation of the potential of different regions and efficiently using local resources. Second, the overall strategic position of the MES related to the utilization of the ESF for education is still unclear. The Ministry is mainly a beneficiary of the programmes and not an active initiator of directions of funding, strategies, tools and funding priorities under the BG-OPHRD. Third, the BG-OPHRD aims to support minority groups and the most vulnerable groups in the educational system; yet it does not contain specific plans to motivate organizations whose main aim is to

help these groups to apply. Also, BG-OPHRD does not seem designed to reflect the specificities of the educational sector. Fourth, the existing curricula of education and training across the country does not focus well on the regional dimensions of the educational policy in the country, nor on the EU integration process (including the connections between the Structural Funds and other EU-funded programmes). Fifth, there are missing links between the administrators working in the cultural sector and institutions responsible for the elaboration of the operational programmes for the next planning period. The development of the national cultural policy does not seem well synchronized or connected with the opportunities provided by the priorities of the EU Structural Funds for the next planning period.

During implementation, there were also positive developments. Also, some areas require little interventions in order to attain significant improvement. First, projects in the field of intercultural education and training, cultural diversity, building understanding between different ethnic groups, and the integration of minority groups into the educational system through cultural events, and intercultural events for youth and children, have been supported under the BG-OPHRD, which suggests some progress is being made in reaching the social and educational inclusion goals of the ESF. Second, investment strategies connecting education with culture indirectly support the overall concept of ‘intercultural education’, which is one of the major topics in Europe, especially related to the education of youth and children. The need to invest in intercultural projects, especially in areas of diverse population and ethnic groups, and focusing on youth and children, is considered a priority. Third, the overall information related to the aims, procedures and deadlines of the Operational Programmes can be made more transparent, and be better announced across the country and accessible to all organizations. This can be maintained by regular communication and control on the activities of the selected contractors and service providers regarding the implementation of the schemes. Also, communication with other stakeholders (institutions, social and economic partners, non-governmental organizations, etc.) should be ensured, with regard to the implementation of joint initiatives aimed at the ESF and BG-OPHRD promotion.

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3 Balancing ESF goals with established national policy on special education: The case of the Czech Republic



ESF implementation in the Czech Republic happens in a context largely determined by how the Czech state defines the notions of vulnerable groups, special educational needs, and educational inclusion. The striking aspect is the fact that many Roma children in the Czech education system are

directed towards special educational programmes for children with ‘mild mental disabilities’. This chapter approaches the institutional and bureaucratic dimensions of ESF implementation in the Czech Republic having in mind this particular issue and its linkage to the overarching goals of the European Social Fund. After briefly describing the national context, the chapter describes ESF-funded programmes in the Czech Republic. Later on it analyses the institutional set-up of the largest ESF-funded programme focusing on the education of vulnerable groups, as well as the manner in which bureaucratic decisions shape the market for educational service delivery in the country.

The context: Roma children in the Czech education system

Within the Czech system of basic schools (providing students with compulsory education), there are special basic schools designed for pupils with various disabilities and there are special-needs classrooms in mainstream schools. The Education Act of 2004 enacted that special schools were renamed basic schools or practical basic schools, and they are currently supposed to provide their students with proper basic education and give equal educational opportunities. However, students in these schools may be educated according to the *Supplement to the Framework Education programme for Children with Mild Mental Disability*. This reduced curriculum places an emphasis upon practical activities (thirty-five lessons vs. nine lessons for students in mainstream schools) and reduces the content of other subjects (e.g. four foreign language lessons vs. 21 lessons in mainstream schools). In 2009/2010, 4.8 per cent of compulsory school students were educated in special schools or classrooms. Students are placed in special schools on the basis of an examination in a pedagogical-psychological guidance center, often attached to the practical school, and with parental consent. After finishing compulsory education, special school students can, in principle, apply to go to any upper secondary school. However, they most often go on to one- or two-year vocational schools where they finish their studies without a vocational certificate.

The place of Roma children in the Czech education system is largely defined by a legal definition (Act no. 561/2004, section 16), which stipulates that individuals with 'health impairments, health disadvantages or social disadvantages' should be classified as having special educational needs. This classification automatically directs these children towards special schools. Most of the children in this category, including Roma children, achieve insufficient education and graduate with low or even no qualifications, which is also one of the causes of social exclusion. No official statistics on the educational attainment of Roma children are available. Research shows that successful completion of upper secondary education is very rare for these children.

The annual report of the Czech School Inspectorate (CZ-CSI) for the academic year 2009/2010 describes many problems regarding

the mechanisms for the assignment of students to schools or classrooms (Czech School Inspectorate 2010) where they are educated according to the *Supplement to the Education programme for Students with Mild Mental Disability*. The report disclosed weaknesses in the diagnostic procedures and in receiving parental consent. CZ-CSI also states that students educated according to the programme for students with mild mental disability have very limited opportunities to return to mainstream education. Many Roma students were recommended to practical basic schools by counseling centers without a diagnosis of mental disability or any other disorder. CZ-CSI highlights that 35 per cent of Roma students are classified as mentally disabled, and describes this fact as discriminatory.

However, the system of special schools was challenged by a complaint of Roma citizens to the European Court of Human Rights (ECHR). According to a 2007 decision of the ECHR, the Czech Republic violated the right to education for eighteen Ostrava Roma that were wrongly subjected to special schools (ECHR 2007). The court ruled that socially disadvantaged Roma children without mental disabilities must no longer be placed into educational programmes for children with mild mental disabilities.

This was the first time the court had considered a nationwide pattern of discrimination. In this case, the court shifted its focus from the violations of the individual applicant's rights to systemic discrimination. A complaint was first filed on their behalf in the Czech Constitutional Court by attorneys from the European Roma Rights Center (ERRC) and local attorneys. The European Court of Human Rights, sitting as a Grand Chamber, unanimously dismissed the government's preliminary objection and held, by thirteen votes to four, that there had been a violation of Article 14 read in conjunction with Article 2 of Protocol No. 1. The decision in this case has had an impact on the Czech Republic. On November 15, two days after the rendering of the final judgment in the case, the European Commission called on the Czech Republic and the Slovak Republic to take measures preventing future discrimination against Roma children in education (Devroye 2009).

In April 2009, a report from the Czech government on the measures related to the Judgment of the ECHR related to this case was submitted

to the Committee of Ministers of the Council of Europe. The Report was approved by a resolution of the government. The resolution included the requirement to submit to the government by January 31, 2010 a proposal for a National Action Plan of Inclusive Education (CZ-NAPIE 2010). This task was fulfilled and the proposal was accepted by the government in May 2010. CZ-NAPIE does not just deal with selective practices towards children with special educational needs, but influences the education of all children and aims at maximizing the chances of each and every individual learner by removing barriers to his/her best performance in its widest sense.

Due to a change of government and many organizational changes in the CZ-MEYS, the action plan was for several months in what could be called a standby mode. In January 2011, CZ-NAPIE activities started again. As the Czech Republic and the former Czechoslovakia have had an extensively developed system of special schools, it is difficult especially for practitioners to accept the idea of inclusive education. There are few institutional incentives that make inclusion possible, and widespread prejudice against the Roma continues to support the social construction of 'mild mental disability', which is in and of itself highly problematic. It is thus not clear whether CZ-NAPIE would be implemented in its full scope or whether it would be reduced to partial measures focused on specific groups of special-needs students (Straková et al. 2011). In this context, how the social and educational inclusion goals of the ESF are pursued is of utmost importance.

ESF-funded programmes in the Czech Republic

In the 2007–13 programming period, the Czech Republic managed, in the frame of the European Social Fund (ESF), a relatively large number of operational programmes. Three deal, to some degree, with vulnerable groups. Whereas the Operational Programme Human Resources and Employment is targeted on strengthening the integration of persons endangered by social exclusion, or who are socially excluded as a whole, the Operational Programme Education for Competitiveness (CZ-ECOP) focuses mainly

on education and pays much attention to the handling of the social exclusion of children and youth. The third relevant programme, Operational Programme Prague – Adaptability (CZ-OPPA), is more complex in character and targets both the above-mentioned aspects of social vulnerability in the region of the Czech capital.¹

The Ministry of Education, Youth and Sports (MEYS, or MŠMT in Czech) was designated as the managing authority (MA) for the CZ-ECOP, as it is responsible for public administration in education, for developing educational, youth and sport policies, and international co-operation in these fields. The global objective of the CZ-ECOP is the development of an open, flexible and cohesive society, and the strengthening of the competitiveness of the Czech economy through partner co-operation, resulting in improved quality and modernization of the educational system in the complex framework of lifelong learning, and in improving conditions in the area of research and development. CZ-ECOP (MEYS 2007b) is composed of five priority axes: 1) Initial education (initial training, in some documents cited in this chapter); 2) Tertiary education, research and development; 3) Further education; 4) System Framework for lifelong learning; and 5) Technical assistance. CZ-ECOP falls under the multi-objective and thematic operational programmes financed by the European Social Fund, in particular under the Convergence objective (NSRF Czech Republic 2007–13). The global objective of the CZ-ECOP is particularly consistent with the first and basic priority of the strategic document *Europe 2020* (the ‘Youth on the move’ initiative which enhances the performance of education systems and facilitates the entry of young people to the labour market).

The managing authority of the CZ-OPPA is the Capital City of Prague. The global objective of CZ-OPPA is to raise Prague’s competitiveness by promoting the adaptability and efficiency of its human resources and by improving access to employment for all. Fulfilling this objective

1 In the frame of structural policy, EU regions are classified according to the GDP of the region. The region of Prague belongs under the Regional Competitiveness and Employment objective; the rest of the country under the Convergence objective. Therefore, Prague may not use EU funding intended for the rest of the Czech Republic, and vice versa.

contributes to strengthening the sustainable social economic development of the region and increasing the importance of the capital city in the central European region, as compared with the capitals of other member states.

This chapter will deal mostly with the CZ-ECOP and how it treats the issue of education for children with special needs. The support for pupils with special needs is relatively broad within the CZ-ECOP. There is a selection of measures that, in theory, should serve those pupils very well. All these measures are incorporated in priority axes 1 and 4. Priority axis 1 was initially implemented through three complementary areas of intervention (measures or areas of support).

The support for children and pupils with special educational needs is most significantly incorporated in *Priority Axis 1 Initial Education* and specifically in the key area of intervention *1.2 Equal opportunities for children and pupils*, including the children and pupils with special educational needs. The supported projects focus on helping pupils with special educational needs to overcome their problems, and on enabling their involvement in the educational process. The vulnerable target groups are mostly defined by physical or social-cultural criteria. One defined group of potential beneficiaries comprises children with special educational needs from nursery schools and preparatory classes for admission to primary schools. In reality, this target group is formed to a large degree of Roma children. Two other key areas of intervention focus on quality improvement in education and the improvement of the skills of teaching and non-teaching staff in all schools, without a special focus on educational inclusion.

Within the CZ-ECOP, two other key areas of intervention were designated. KAI 1.4 is intended for basic schools (ISCED 1 and 2) and KAI 1.5 for secondary schools and conservatories (ISCED 3). Both KAIs are constructed on unit costs – or a system of templates. Each group of templates is focused on one specific area (for example mathematics, literacy or sciences). One group of these templates deals also with inclusion topics and, for example, enables schools to hire special education teachers, teaching assistants or school psychologists. These KAIs have only one type of potential applicant. Every registered school in the Czech Republic (excluding those in Prague) has a fixed, allocated amount of money, based on the number of pupils who could apply. Therefore, these two KAIs actually

do not involve real competition. The implementation of templates for primary schools started in 2010, whereas the launching of KAI 1.5 was enabled later by reallocations from one priority axis to another (approved by the monitoring committee of the CZ-ECOP in June 2011), since there were not enough funds in priority axis 1 at that time.

The biggest implementation problem of the CZ-ECOP became the repetitive organizational and personal changes, not limited to the leadership of the Ministry of Education,² but also including the group that is responsible for managing assistance from EU structural funds. As a result, there were delays in the implementation of the programme structure, and in resolving legal relations between the Managing Authority, Intermediate Bodies in thirteen regions of the country, and other stakeholders.

An important risk is connected to these changes. According to evaluation reports, there is a lack of co-operation, co-ordination and division of responsibilities between the CZ-MEYS departments responsible for non-fund agenda and CZ-MEYS departments belonging to the implementation structure, the managing authority and, above all, the departments responsible for implementing individual national projects. The co-ordination and co-operation between entities is insufficient. Due to these issues, the programme is included among the most problematic structural funds programmes implemented in the Czech Republic. The 2010 report of the European Court of Auditors exhibited one of the highest error rates of submitted projects within the Member States. This fact led to the suspension of payments for the CZ-ECOP in January 2012. After the approval of the list of measures to be undertaken by the Czech authorities, payments were resumed in December 2012.

The annual reports discussed the issue of the poor quality of individual assessments of applications. When externally evaluated, the assessment of applications provided by the individual evaluators did not match programme requirements. The evaluators had to rework their assessments

2 Since 1989, the Czech Republic has had 15 ministers of education, with their average time in office being ten months. A change of minister is often accompanied by changes of all top ministry officials.

or supplement them, and the third individual evaluator (supposed to be exceptional) often had to be utilized, because the results of the first two assessments of the same application were too different. Evaluators had to be retrained in problem areas and further co-operation continued only with those whose work results were of a high quality and in accordance with the established rules and requirements of the OP.

Another issue appeared in connection with the first calls for applications launched, as the definitions of compulsory monitoring indicators, which should have clearly described their meaning and fulfilment, were not available. For this reason, many applicants understood differently (and wrongly) what the individual indicators really meant. There were situations when, due to an inaccurate understanding of the problem, the indicators were incorrectly set by the applicants. There were also problems with the estimated values of indicators. This led, in later phases, to many requests for substantial changes in the set of indicators used. Many contractors had to apply for substantial changes to the indicators they had originally set out in project proposals. In 2011, a new guide for indicators was approved and the situation improved.

The administration of applications was, in the first years of CZ-ECOP implementation, greatly affected by the poor stability of the monitoring systems (Benefit and Monit, see MEYS 2008, 2009b, 2010, 2011, 2012).

Last but not least, the low administrative capacity of the MEYS and its departments led to the rejection of national (system) project proposals by the European Commission. The lack of a conceptualized approach may be another explanation for an unsatisfactory drawing of the finances.

Progress in CZ-ECOP implementation by 2012

The CZ-ECOP became operational on October 12, 2007 following final approval by the European Commission. During 2007, the Implementation Document for the CZ-ECOP was finalized (MEYS 2007c). Furthermore, in that year the complete detailed documentation for the Implementation

of the CZ-ECOP manual with annexes and guidelines was prepared. These documents describe in detail the rules and procedures which have to be observed and which actually influence the application and implementation processes tremendously. Also, in 2007, a call for the first global grant for regions in measure 1.2 was launched.

In 2008, significant progress was achieved, especially in launching the calls and in approving projects (MEYS 2009b). The CZ-ECOP published a total of fifty-seven calls, of which four were for global grants for regions. The regions subsequently published forty-two calls in total – for the PA 1 and for the measure 3.2 – for the submission of grant projects, which by the end of 2008 reached a total of 502 projects. The remaining eleven calls were published by the Managing Authority: for the presentation of other individual projects (five calls), individual national projects (four calls), and technical assistance projects (two calls). A total of forty-eight projects for technical assistance and six individual national projects were approved. In all, the OP processed 2,856 project applications and approved 556 grants, for a total of 112,218,460 EUR (not including global grants).

In 2009, projects for a total of 614,762,111 EUR were approved, which represents 29 per cent of the funds for the programme, out of which 178,278,075 EUR (8 per cent of the funds allocated) was paid to beneficiaries. In 2009, a total of fifty-seven calls were published. Regions announced and administrated fifty-two calls for submission of grant projects. The remaining five calls were announced by the Managing Authority for the submission of further individual projects (MEYS 2010). Calls for national individual projects and technical assistance continued.

In 2010, 871,761,196 EUR for individual projects and global grants were contracted, which represents 41 per cent of the programme allocation (MEYS 2011). Contractors were reimbursed with 354,831,108 EUR (16 per cent of the allocation for the programme). In total, 3,370 projects were approved. A total of 65 calls were announced for IP and GP (580,776,435.5 EUR in total), of which seven were for individual projects (461,386,218.6 EUR) and fifty-eight calls for global projects (EUR 119,390,216.9).

In 2011, significant progress in the implementation of CZ-ECOP was achieved and a number of measures for further acceleration were adopted (MEYS 2012). The biggest success was KAI 1.4 (improving education at

basic schools), as discussed in a previous section. The call for applications was launched in the spring of 2010. By the end of 2011, 3,580 project applications were submitted, which counts for more than 90 per cent of all eligible applicants. The main objective (the participation of elementary schools in the absorption of ESF funds) was reached. In particular, small schools had until then only a limited possibility to raise the money using more traditional channels, as the administrative procedures were very complicated.

The institutional set-up of ESF in the Czech Republic

Before the CZ-ECOP launch, there were two main strategic documents defining the position of children and pupils with special educational needs in the Czech educational system. The first one is the National Education Development programme – White Paper (MEYS 2001) and the second one is the Czech Republic Long-term Development Plan for Education and the Educational System (MEYS 2002, 2005a). Their objectives and intentions are fulfilled primarily by the preparation of legal regulations, concepts and methodologies for changes resulting from strategic directions. The White Paper initialized the curriculum reform, and its implementation was one of the main objectives to be dealt with within the CZ-ECOP. The main objective of the reform was a qualitative change in educational practices and approach to pupils; it introduced the framework educational programmes for schools at levels ISCED 0 to ISCED 3. Each school in the system was supposed to prepare its own School Educational Programme, based on framework programme for the specific type of school.

During the implementation of the CZ-ECOP, the Czech government has further modified the Czech Republic Long-term Development Plan for Education and Educational System (MEYS 2007a, 2009a). The last version is intended for the period until 2015, which will affect the next programming period for ESF 2014–20.

One document specifically focused on children from socio-culturally disadvantaged environments and for children with low cultural and social

status (and for their families) is the Early Childcare Concept (MEYS 2005b). This concept covers, in particular, the period from the age of three years until the start of mandatory school attendance. One of the Concept's main objectives is to improve the conditions for educating these children within pre-school education, including the implementation of programmes that focus on the pilot screening of early care projects. Projects also supported the integration of pupils with disabilities into regular schools. According to the statement in the CZ-ECOP, the positive development has been observed primarily in special schools (schools established for pupils with special educational needs).

The last call for proposals for other individual projects within KAI 1.2 (not yet evaluated) took into consideration the new *Strategy for combating social exclusion for the period 2011–15* (Agency for Social Inclusion 2011). This strategy points out the necessity of strengthening existing instruments for inclusive education and reducing the number of children from socially excluded localities that are educated in practical schools outside the main stream of education. The strategy aims to promote pre-school education of these children as well.

Formal decision-making

The main principle when using the resources from the European Social Fund for achieving the CZ-ECOP objectives is a strict separation of implementation, payment and control (MEYS 2007c). The CZ-MEYS has authorized the Section for Managing the Structural Funds IV/I of MEYS to ensure the function of the CZ-ECOP Managing Authority by the decision from the Minister of Education, Youth and Sports on the implementation of structural funds within the ministry. The National Fund Department of the Ministry of Finance has been authorized to act as the Paying Authority and Certifying Authority of the Education for Competitiveness OP by a decision from the Minister of Finance. The Audit Authority is established in Article 59 of the Council Regulation (EC) no. 1083/2006. The Ministry of Finance has been authorized to act as the Audit Authority by Government Resolution no. 198/2006 of February 22, 2006. The Minister for Finance has decided to

entrust this function to the Audit Authority (Central Harmonization Unit Section), which is functionally independent of the CZ-ECOP Managing Authority and the Payment and Certifying authorities.

The Managing Authority (as mentioned above) is an integral part of CZ-MEYS. Therefore, all significant adjustments of ministry policy should be approved by the MA as well (MEYS 2007c). Due to the financial crisis and the reduction of the budget that the government allocates to education and related activities, the role of ESF support is immense. Therefore, the quality of implementation can really influence the educational reality in the Czech Republic. The role of the MA depends on personal situations within the management of MA. It is worth mentioning that, over the years, the situation has improved and recently, functional co-operation between different parts of CZ-MEYS was established and the preparation of new programming period is being realized across the ministry. Due to many administrative and personal changes in the Section for Managing the Structural Funds, the departments responsible for assessment and evaluation, as well as implementation of projects, had various difficulties with competencies as revealed in the external evaluation report *Annual review of progress of CZ-ECOP, 2010* (MEYS 2011b).

Calls for national individual projects, as well as for other individual projects, are prepared by the MA; calls for grant projects within the global grants are prepared by Intermediate Bodies, but are subject to prior approval by the MA. During the call preparation, other stakeholders and experts may be addressed. When the call is being prepared, round tables are organized where important stakeholders can send their representatives. Whether the broader discussion is organized or not partly depends on the current situation or atmosphere at the MEYS. However, regions are always included.

The representation of stakeholders

Relevant stakeholders are represented in the Monitoring Committee (MC), which monitors the fulfilment of the programme and its effectiveness and proper implementation. The MC also participates in evaluating and approving the drafts regarding the CZ-ECOP Implementation Document, implementing the programme, approving changes and reallocating the text

of calls in some cases. The MC is based on the partnership principle and its members are representatives of the MA, partner ministries, regions, social partners, non-governmental non-profit organizations, Paying Authority, and Certifying Authority. As almost half of the members are regions (thirteen members out of thirty), the greatest impact is felt in regions that are perceived as being influential members of the MC. NGOs have only two representatives in the MC; therefore, their influence is not very strong.

Promotion of partnership

Partnership is defined in implementation documents (MEYS 2007c) as the relation between two or more subjects that is based on joint responsibility and co-operation during preparation and implementation of the project. In the case of partnership without financial contribution, activities such as consultation, piloting of innovative materials, co-operation between schools, and professional guarantees are accepted, but there is no financial contribution provided to the partner for participation in the project implementation. In the case of grant projects and individual projects (submitted by the entities that are allowed to establish financial partnership by legal regulations), the participation of partners with financial contribution is possible, on the fulfilment of defined criteria (i.e. the expenditures that incur to the partners of the applicant, which participate in the creation and implementation of material activities of projects, and are part of recognizable costs of the project). For the purpose of defining the partners' share in project implementation, it is necessary to come to an agreement between the applicant and the partners.

Shaping the educational welfare market in the Czech Republic

This section of the chapter showcases how two very specific sets of bureaucratic decisions, concerning the types of grants to be awarded and programme targeting, shape the achievement of ESF social and educational

inclusion goals in a very difficult national context. The analysis is focused on the calls for applications launched under the key area of intervention 1.2 *Equal opportunities for children and pupils*, which includes support for children and pupils with special educational needs.

The decision to award certain types of grants is essential in terms of ensuring the weakest actors in the Czech education system have access to funding which could help them address equality and quality of education issues. The support in the frame of the CZ-ECOP programme is implemented through three types of projects: grant projects supported in the framework of global grants, other individual projects, and national projects (MEYS 2007b).

The global grants represent a decentralized system of support at regional level. The calls for applications for global grants are launched by the MA after negotiating with the regions and other stakeholders. These grants should refer to approved Long-term Development Plans for Education and Education Systems prepared for every single region,³ and thus react to specific situations and problems in the regions. As each region has its own representative in the Monitoring Committee (MC), there is an unclear definition of the competencies of the Intermediates Bodies (the Czech regions). Also, the MA conditions in the form of global grants have a complicated administration. This aspect of implementation was repeatedly questioned in evaluation reports. Each of the thirteen Czech regions has prepared, within priority axis 1.2, two global grants, from which so-called grant projects were supported. Grant projects are usually projects of a smaller extent and are always implemented within the territory of one region. These projects focus mainly on the implementation of services for target groups of individuals and organizations, on the basis of demand specified by the beneficiaries and resulting from the analysis of target-group needs.

3 Regions are responsible for education in their territories. Regional authorities develop long-term policy objectives for their specific region in compliance with the national strategic plan every four years.

Other individual projects are subject to calls for applications launched by the MA. Unlike the global grants, these other individual projects are administered at the central level. The basic condition for the projects is that they must be multi-regional. The only exception is when the applicant is the region itself and its project focuses on solving a specific problem in the area of that region. The projects should focus on the development of national policies and on curriculum modernization.

National individual projects are system projects with only two eligible applicants – the CZ-MEYS and the Czech School Inspectorate. These projects should have an impact on the whole education system. In this category, for example, we can include the implementation of standardized examinations in primary and secondary education, the development of standards for the teaching profession, and the implementation of national comparative surveys. Also, there have been several projects aiming to reduce educational inequalities, mainly through counselling services.⁴

Who are the potential contractors?

The spectrum of potential contractors is quite broad within the above-mentioned key area of intervention. All of the following are allowed to compete for funding: governmental agencies (those organization directed by CZ-MEYS); regions and other regional governments; schools and school facilities (public and non-state); universities (public and non-state); research institutions; NGOs delivering educational services; certified providers of professional training for teachers; trade unions; and private companies (if they have been providing educational services in the two years

- 4 For example: the development of school-counseling centers; the prevention of dropping out of education; the support for the secondary education of pupils from socio-culturally disadvantaged backgrounds; the validation of non-formal education and informal learning in the network of schools providing adult education; minority integration centers (development of guidance, education and support services for socially disadvantaged pupils); and inclusive education support centers.

before applying). Provided that churches run schools or school facilities (for non-formal education, for example), they are also eligible.

The most frequent contractors in key area of intervention 1.2 are NGOs, schools and educational institutions (i.e. legal entities carrying on the activities of schools, and educational institutions in the schools register), universities, and organizations engaged in the area of leisure-time activities for children and youth.

Partnership structures

Partnership is generally supported and regulated by a guide for project applicants from the CZ-ECOP. The scrutinized calls refer in this matter to the guide and do not include any more specific requirements or incentives for project partnership. Partnership structures in the case of the projects funded under key area of intervention 1.2 do appear; nevertheless this comprises a minority of projects. There are no special provisions supposed to stimulate the participation of public-sector institutions in partnership structures. However, under key area of intervention 1.1 (which is aimed at all pupils in ISCED 1–3 schools) we find several projects where a school has established a partnership with a public organization directly supervised by CZ-MEYS.

Who are the potential beneficiaries?

The main target group in the grant projects implemented within the framework of global grants and in other individual projects under KAI 1.2 are pupils with special educational needs. The supported projects focus on helping pupils with special educational needs to overcome their problems and to involve them in the educational process. The vulnerable target groups are mostly defined by physical or social-cultural criteria. The calls (with two exceptions, calls 14 and 43) do not explicitly target Roma pupils and students. However, references to social disadvantages indirectly raise demand for the involvement of this ethnic minority in projects.

The origin of problems connected to children and pupils of Roma ethnicity is understood as a consequence of the low social capital of families and an insufficiently supportive societal-cultural background. The indirect naming of this group as ‘socially disadvantaged’, ‘with different societal-cultural background’ or ‘living in a socially excluded locality’ in project proposals signals the belief that vulnerability in education does not apply to the whole minority group. There is, of course, the issue of ethnic identification, as during the census, more and more Roma declare themselves to be Czech.

One clearly defined group of potential beneficiaries comprises children with special educational needs from nursery schools and preparatory classes for admission to primary schools. In reality, this target group is composed of many Roma children. Last but not least, another target vulnerable group, supported by most of the calls, comprises gifted and talented pupils and students who are not noticeably supported by Czech education policy. It is also worth mentioning that the calls analysed in this report supported a large number of projects aiming to prevent racism and xenophobia, whose beneficiaries were pupils and students, regardless of any special educational needs.

The secondary target group in most projects are teachers and other persons working with the primary target group (e.g. often employees of NGOs).

Based on the analysis of the texts of calls, it is very difficult to assess which potential beneficiaries were eventually chosen. Most of the calls include a long list of potential recipients, and applicants are thus given a large scope for choice. The possibility to target projects on problem groups through their specific selection in the texts of the calls has therefore been rather unused by the managing authority of the CZ-ECOP.

Designing services

The most frequently implemented activities in grant projects and other individual projects under key area of intervention 1.2 focused, among others, on the application and improvement of organizational forms of tuition and teaching methods supporting equal access to education (including the

creation of individual school framework programmes, use of information and communication technology – ICT, and e-learning applications), special pedagogical and psychological services for pupils defined as having special educational needs, non-formal education, teacher training, and the timely provision of the minimum guaranteed care for socio-culturally disadvantaged children. With respect to supported activities, during implementation, a positive trend in their definition in calls can be observed. While some of the first calls include very general formulation of the activities supported, in the following ones gradual refinement and their detailed description can be found.

As regards projects implemented by schools, we identified projects dealing with pre-school children and the transition from nursery to basic schools, and projects based on work with individual pupils and their families (often containing mentoring or remedial education). In a second group we have projects focusing primarily on developing an ‘inclusive school’ (by education of teachers and other pedagogical workers, developing new methods and forms of teaching etc.). In the third group we have projects for special and practical schools (schools with reduced curriculum). In their projects, NGOs mostly covered the following activities: remedial education and mentoring, counselling for pupils and families, and street-work and leisure activities.

Adjustments made during the commissioning cycle

Several problematic areas were identified. First, the low volume of certified funds, and the potential risk of non-fulfilment of the $n+3 / n+2$ rule, is identified as the main risk factor in CZ-ECOP implementation. In this context, the managing authority adopted a series of measures designed to minimize automatic de-commitment (see MEYS 2008, 2009b, 2010, 2011a, 2012). The programme has been streamlining the process of absorbing funds. Measures relating to the optimization of monitoring systems and the professional training of staff were taken, and guidelines for applicants and beneficiaries were amended. The same happened to monitoring indicators and the administration of payments. Second, one area of concern is definitely the quality of monitoring system MONIT7+ and the low quality of services related to this system. The total time for processing the requests is two to six months

in average, which does not correspond to the needs of implementation. Spontaneous and unwanted changes in functionality are another drawback. Third, most employees of the managing authority are graduates without previous experience, which is another element of insufficient administrative capacity. The managing authority and the intermediate bodies struggled with this lack of expertise. However, over the years, the quality of training has improved. Fourth, during the administration of calls, large differences in the quality of the individual evaluators were found. Therefore, in 2009, the MA tightened the conditions for the selection of evaluators and extended the certification. Within each new call, specific training is provided. Furthermore, a new method for the assessment of applications was introduced.

When tracing developments and changes in the commissioning cycle over the analysed period, we can observe the efforts of the MA for improving the processes and refining the texts of the calls for applications, especially in the areas of assessment criteria and requirements for integrated approaches.

Assessment criteria valid for all calls from the operational programme are included in the guides for applicants, while specific criteria which relate directly to a specific call are included in its annexes. As some eligible activities are more desirable and more complicated in terms of implementation (the inclusion of children and pupils with special educational needs in mainstream education, including non-formal education, for example), the project that has such an activity as a main goal will gain extra points (for example, a maximum of seven points within the call 08). The second example of an application of specific criteria is from call 43, where projects that would be implemented directly in social-excluded localities (explicitly defined within the call) were rewarded with four points during the assessment of the application. Of the one hundred points on the applications' assessment scale, eighty-five fall to the criteria applicable to the entire operational programme and fifteen to specific criteria. This ratio did not change in the analysed period. Nevertheless, there have been changes in the set of assessment criteria in the guide for applicants and some more specific criteria were developed. For calls launched after 2011, the financial criteria were evaluated by more points (twenty-three points) than before (twenty points). Over time, there has been a fluctuation of points awarded for the experience of the applicant (between

two and eight points). If we evaluate the development of specific criteria, we can say that, over time, they were refined, they have become more detailed and through them, the MA placed additional requirements on applicants (e.g. call 43 contained a specific criterion – *Applicant implements project in schools in socially excluded localities or in their neighbourhood* – which was awarded four points and implicitly guided applicants to prepare a project for pupils and students from the Roma ethnic group).

In time, the requirement for an integrated approach appears more often and more binding. While in the first calls (no. 8, the first call for applications for global grants) this requirement is not mentioned at all, in calls 14 and 27 (the second and third call for global grants) it is explicitly recommended. Among the supported topics of call 14, we find ‘Integrated and comprehensive programmes of specific primary prevention’, while in call 43 it becomes compulsory. Projects must address issues systematically in accordance with strategic goals and objectives.

Also, very few changes between older and newer calls in terms of market-shaping can be identified. There have not been any major differences, not in the case of potential beneficiaries, nor of potential contractors. The only exception worth mentioning is the exclusion of trade unions, employers’ associations, professional associations, and private companies from the categories of potential contractors. While call 8 (CZ-ECOP) allowed these groups to apply for support, the following calls excluded these stakeholders from applying and implementing projects under KAI 1.2. As was already mentioned above, the definition of supported activities (but not necessarily the activities themselves) in scrutinized calls has become more detailed and robust over time.

Conclusion

Czech education policy is characterized by a lack of steering and continuity. This situation makes the efficient use of ESF funds in education very difficult. Experience shows that a large proportion of ESF money has been

spent on partial issues with limited usefulness. The most serious danger, however, lies in insufficiently premeditated national projects that were launched just because of ESF money (in the situation where there was not sufficient expertise available). This may result in products that will be harmful for the system long after the period of European Structural Funds. Good examples of such projects are teacher standards or standardized assessments.

The projects are designed and implemented in isolation from each other and, sometimes, national education policy and, thus, in many cases do not have the desired impact. This is true also for the big 'national projects' carried out directly by the Ministry of Education. The 'project nature' of ESF activities encourages the carrying out of isolated activities rather than implementing a premeditated and consistent education policy. It has proven to be difficult to continue with the activity once an ESF project is over. The national rules for the ESF framework preclude proper preparation and the diligent development of instruments and thorough discussion in the education community, because the development is hurried to meet the timelines of a project. It also makes it impossible to adjust processes according to deficiencies that are discovered, because ESF projects have to be planned in detail in advance and it is difficult to implement substantial changes during their realization. The implementation of ESF projects in the area of education has the same deficiencies as the implementation of projects in other areas of public policy (Potluka et al. 2010). The problems are not related to an incorrect recognition of important topics, but to the inability to plan and implement a consistent educational policy, either with the help of ESF money or without it.

Nevertheless, slight positive trends can be observed in the preparation of calls which, with better timing and more detailed requirements for the applicants, make references to other public policy documents and research findings, and ask contractors for complex and systematic solutions. Also, some of the initial problematic issues with administration of projects were resolved and improved. The positive influence was undoubtedly because of recommendations and criticism from the European Commission, but also to some extent because of the time experience gained with the implementation of processes.

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4 ESF-funded education delivery under arbitrary rule-making: The case of Hungary



This chapter approaches ESF implementation in Hungary between 2007 and 2012, placing an emphasis on how the education of vulnerable groups is approached by the Social Renewal Operational Programme (HU-SROP). The analysis takes into account the changing political context in

which HU-SROP implementation happens and the consequences of political change in terms of bureaucratic decision-making concerning the commissioning of educational services for vulnerable groups. The chapter is divided into three main sections. The first one describes the programme under focus, the second one analyses the institutional set-up of ESF implementation in Hungary as reflected by national policy documents, while the third takes an in-depth look at how administrative decisions concerning implementation actually shaped the delivery of educational services to multiply disadvantaged children.

Alongside the methods employed in investigating the same set of issues in the other countries included in the *Educational selectivity of the European Social Fund* project, the analysis on the Hungarian case is also based on several interviews with key actors in the managing authority of the HU-SROP and the policy community. Interviews were focused on: identifying their interpretation of the defensible purpose of the management authority; identifying rules in-use governing the development of

guidelines for applicants; day-to-day interactions with contractors during all steps of the commissioning process; the incorporation of the results of the interim evaluation into the management of the programme; their manner of dealing with sunset/sunrise situations; and their risk-averse/risk-taking behavior.

The Social Renewal Operational Programme

The comprehensive goal of HU-SROP is to increase participation in the labour market. In order to realize this goal, the programme implements measures that influence the supply side of the labor market and improve human resources. The programme takes an inter-sectoral approach, including interventions in the field of employment, education, training, culture, healthcare and social affairs, and it seeks to improve the conditions of equal opportunities (HU-SROP 2007). The programme is realized along seven professional and two technical aid priority axes.

HU-SROP is a heterogeneous programme, characterized by a dual approach: a part of priority axes is directly linked to the comprehensive goal of labor market participation (especially priorities number 1, 2 and 6 contain objectives related to the stimulation of employment), while other priority axes are associated with sectoral objectives, projects and interests, contributing to the programme's goals in an indirect manner.

Planning was made difficult by the incidental lack of sectoral conceptions and strategies, or the uneven development of such conceptions and strategies at distinct standards and with very different time scales, mostly without any standardized elements of development policies. Comprehensive sectoral strategies spanning across 'governmental cycles' and nationwide analyses which would provide their bases are lacking. Therefore, planning is often ill founded, impairing the coherence of priorities, as well as the actual content of calls (TÁRKI 2010).

Under the New Hungary Development Plan (HU-NHDP 2007, the Hungarian title of the National Strategic Reference Framework),

centrally managed development programmes in Hungary between 2007 and 2013 were determined in biannual action plans. As opposed to the previous practice during the three-year programming cycle of the Human Resources Operational programme (HU-HRDOP), where only the framework of interventions was provided, these biannual action plans specify the tasks of strategic projects and the content of individual calls in detail.

As a matter of fact, during the course of planning, the conditions of implementation – legal background, the accurate specification, functionality and conditions of use concerning materials and products to be realized, financing of the sustainability of products to be elaborated, consideration and calculation of the extra expenditure concerning involved normative support – were mostly disregarded, impairing the smooth operation, productivity, and long-term sustainability of all innovation results.

The original design of the programme was based on mutually interlinking programme elements that, at the beginning, were originally professionally sound, well founded and coherent. However, mutual interlinking was not enforced during implementation and – partly because of bad time-management – programme elements became dislocated (Expanzió Human Consulting 2011). As a result, the entire system became dysfunctional: while institutional tenders and adaptations should have been based on the results of strategic developments, the results of such strategic developments were not available at the time of launching the project. Hence, the institutions have very often been unaware of the implications of their undertaking at the time of submitting their application. Some of the calls were halted, while others failed to even launch, causing severe obstacles in programme implementation. As a result, the refined modular structure collapsed and, in switching strategies, the operations of the institutional system then focused on correct implementation and absorption, pushing professionalism and efficiency objectives to the background. At the same time, the capacity of the intermediate bodies and the human resources has been insufficient to ensure smooth administration, significantly contributing to delays in payments and decision-making.

While meticulous planning and high-level professional elaboration could, in theory, contribute to the timely accomplishment of development

tasks and the efficiency of the system, the quality and success of the entire development structure has in fact been seriously jeopardized in several ways: poor planning, the concomitant frequency of modifications of the content of constructions/calls, and (resulting from the accruing delays) the lack of time necessary for the professional realization of the projects have proven to be destructive. The system had already collapsed at the beginning of the cycle. Due to interventions from sectoral professional supervision, the lack of planning or project-management capacities, and frequent restructuring, the institutional system had to be re-engineered several times, which fractured the professional and substantial aspects of implementation.

The frequent modification of action plans not only made implementation confusing but also inscrutable. Calls issued constitute a complex and ever-changing system that is hard to understand, even for professionals working in planning and implementation. Hence, social and professional supervision (i.e. democratic control over the OP) has become virtually impossible. As confirmed by our interviewees, the National Development Agency is interested in reinforcing the technical character of evaluations and analyses that are almost incomprehensible even for journalists, for which reason, only a handful of comprehensive news reports that managed to stir public opinion have been published about the HU-SROP. Therefore, very few people are able to see its content and operation, and thus understand its anomalies. At the same time, the tendering system is a hotbed of corruption: starting with the obligation to involve particular partner organizations according to the terms and conditions of individual calls, to the background agreement of winning companies, many stories have spread in closed circles.¹

1 The civil association K-Monitor (targeting corruption, public money, public procurement, cartels), publishes information and letters from anonymous sources revealing such anomalies. In one contribution, a staff member of an application-writing company reveals how they hack into the public-procurement procedures (<<http://www.k-monitor.hu/bejelento/palyazatiras>>).

Progress in HU-SROP implementation

The programme became operational on September 13, 2007, with the approval of Commission Decision C(2007)4306. The first call was launched on March 6, 2007, which is much earlier than in other central and eastern European countries. As shown in Table 4-1, there seems to be significant progress in terms of implementation.

Table 4-1. Data concerning HU-SROP implementation 2007–2012.

Year	No of calls for applications launched	Contracted money in EUR	Percentage of contracted money of total budget of SROP	Total budget of SROP 2007–13 (EUR)	Budget not used for payments of project
2007	9	54,933,527	1%	3,777,935,943	2,933,459,718
2008	46	338,904,544	9%		
2009	112	490,764,180	13%		
2010	83	451,758,356	12%		
2011	34	166,491,655	4%		
2012	129	510,483,707	14%		
<i>Total</i>	<i>413</i>	<i>2,013,335,970</i>	<i>53%</i>	<i>100%</i>	<i>78%</i>

The amount contracted each year from 2007 to 2013 varies accordingly from one to 14 per cent, and between EUR 54,933,527 and 510,483,707 per year. 53 per cent of the total budget of HU-SROP is contracted, but 78 per cent of the total budget is still spent by the end of 2012.

There is a striking imbalance between different key areas of intervention under HU-SROP, which suggests that funds spent on educational integration (HU-SROP 3.3 and 3.4) were far less than those destined for other purposes. 8.7 per cent of the funds allocated to Priority Area 3 were spent for key area of intervention 3.3; 7.86 per cent were spent for key area of intervention 3.4, with the rest going to the first two areas of intervention.

These focused more generally on supporting the dissemination of competence-based education and improving the efficiency of the public education system, developing innovative solutions, and co-operation.

The institutional set-up of ESF implementation in Hungary

National policy documents depict a complex and constantly changing framework for ESF implementation in Hungary. Changes are visible both in terms of policy priorities and organizational structures.

Formal decision-making and institutional role-orientations

In terms of formal decision-making structures, until 2010, the responsibility of planning measures in the area of education for vulnerable groups was divided between the Managing Authority and various departments within the Ministry of Education. Managing the tendering processes in this area would have required a well-functioning development policy co-ordination mechanism, which, however, proved to be weak. Determined priorities were not sufficiently focused, and priorities constantly changed during the process. As a result, the educational development system became so complex that it endangered successful implementation.

With the adoption of a government order on the rules of procedure concerning the use of Structural Funds and Cohesion Funds (*Korm. rendelet a 2007–13 ... 2011*) previously scattered regulations concerning tenders were concentrated in one piece of legislation and deadlines were introduced at several stages of the process. Coinciding with the publication of the action plans, the introduction of the new regulations implied massive changes. Fundamental rules of procedures were defined, like requirements concerning professionalism, simplicity and co-operation to be met by organizations participating in implementation, while the right to fair administration and the right to timely decisions, as defined by law, was

ensured for beneficiaries. At the same time, a broader understanding of fairness – that had never been enforced, yet which potentially could have influenced procedures – was ruled out.

In Hungary, the managing authorities of ESF-funded programmes have a well-defined, mainly technical role. According to official statements, MAs implement and do not initiate (i.e. make policies). Their role is to know what the roles prescribed by Brussels are, and make sure that everything is in line with them. However, latitude is not that limited. Based on the lessons learnt from our interviews with present or former HU-NDA (National Development Agency) officials, there is an iterative process between the government and the HU-NDA, not involving one-way communication. It would be an over-simplification to suggest that the government has intentions, while the HU-NDA and the MAs provide the rules. It is true that the knowledge about what is possible is with the HU-NDA, but professional competence is not a privilege of the ministries. In many cases, there have been fierce professional debates upon certain topics, where the HU-NDA acted more than as simply an implementer. The outcome of such debates, however, depends very much on the political situation, on the personal competences of the participants, and the time-specific context. There have also been situations when HU-NDA staff with adequate experience, competence, and commitment, realizing that there is a challenge the government has to meet and the tools are available in the system, initiated something feasible and the government approved it; this is how the Multiply Disadvantaged Regions scheme was born.

The representation of stakeholders

The co-operation of local stakeholders is considered essential from the point of view of adaptability as well as concerning the contribution of HU-SROP actions to the formulation and implementation of local policies. Hence, HU-SROP intends to promote social dialogue and partnership between governmental agencies and civil/non-governmental organizations and other stakeholders. In acknowledging the role of non-profit, non-governmental organizations in service provision, particular attention is paid

to intensifying their participation in partnership structures and processes, as well as to their interest enforcement role. Instruments to achieve these objectives include capacity development and reinforcement of professional background, facilitating the access of concerned organizations to resources. It is expected that civil organizations will contribute to improving the quality and accessibility of services and satisfying the growing and ever-more differentiated demand for services, particularly in the case of regions and social groups where state organizations and their institutions are unable to provide adequate services.

In early 2005, some of the leading Hungarian NGOs interested in public consultation on the National Development Plan realized that the National Development Office responsible for the planning process was not willing to make the plans public. They set up an informal working group with the aim of monitoring the public consultation of HU-NDP II, called *NGOs for the Publicity of the National Development Plan* (HU-NPND 2008). After 2005, they issued a monitoring report on the public consultation process every year, and they also provided an analysis on the situation from the point of view of the legal and technical background and formulated recommendations for the future work.

Apart from the important fact that a public consultation process did start, the most significant statement is that nothing happened the way it had been planned (HU-NPND 2008). There were delays and changes in the schedule, the name, and the type of documents to be evaluated. The texts of the Action Plans published on the website changed several times without any notification. There were also several modifications regarding the methods of consultation, information about the changes being passed at the very last moments. The second important observation of the group is that the planning documents were made public only at the end of the planning process (HU-NPND 2008). The titles of documents also changed frequently, going from the National Strategic Reference Framework to the New Hungary Programme, and later on to the New Hungary Development Plan. And the bodies responsible for particular fields changed, too; new bodies were set up, and from time to time, totally unexpected changes occurred in the responsibilities of the different agencies.

After 2007, the process changed: after the approval of the planning documents – the National Development Policy Concept (HU-NDPC 2005), adopted by parliament in 2005 for the next 15 years; the New Hungary Development Plan (HU-NHDP 2007); Operational Programmes – it became concerned with the preparation of the calls themselves. HU-NPND concentrated on HU-SROP (TÁMOP) and HU-EEOP (Environment and Energy Operational Programme) and examined the monitoring committees and the Call Preparatory Working Groups (HU-CPWG), and found that the tenders were delayed, especially those where the potential contractor was an NGO.

Having managed to participate in the preparation of programmes and calls as well as in controlling planning procedures, civil organizations set out to gain access to implementation mechanisms. A key instrument to become involved in implementation is provided by a specific type of project, the so-called global grant. The Global Grant scheme has a long history in Hungary: NGOs, especially those working on local development, poverty, community and minority issues, started active negotiations in 2006 about the possibilities of the implementation of this type of programme in Hungary. For a while, it looked like a real success story: by 2007 the National Development Agency elaborated the codes of practice, together with the NGOs with a long record of grant-making. In this scheme, intermediaries break down large European funds into small, absorbable parts using simplified and flexible procedures targeting disadvantaged areas; and they also provide intensive help-desk type of support to the contractors. From 2007 on, it is possible to use this method in Hungary; however, the first call of this type was withdrawn on the very day of its launch without any further explanation. Since then, the introduction of a global grants system has not been attempted. That is, it is not actually in use in Hungary.²

- 2 At the same time, there are examples which prove that the global grant type of breaking large amounts of financial support into small pieces to provide adequate amounts for local projects works. Just to mention two examples: both the Autonomia Foundation in the field of poverty, ethnicity, and the Environmental Partnership foundation in the field of environmental projects operated this way from the early 1990s until the early 2000s. They broke down private foundation money to make them absorbable by

The availability of information

As long as information available on the site of the National Development Agency is considered the measure of transparency, the workings of this agency can be characterized as transparent: there is a lot of information posted on this site, and also a report-generating programme that enables the user to select data according to his or her preferences to create various kinds of analysis. At the same time, this feature is useful especially for professionals familiar with the jargon of EU tenders. According to experts interviewed, there are already far more evaluations, studies and impact analyses posted on this website than an average person or even a journalist can make use of or understand. At the same time, information in plain language is not published on the website.

The predominance of excessively professional and technical information inhibits the formation of opinion and thus the articulation of criticism. An illustrative example is that an evaluation report, concerning the bias of allocations favoring mayors loyal to the government, posted on the site during the previous government cycle went completely unnoticed until an insider called the attention of a journalist, who published the story that later became the source of an interpellation at the parliament.

The assessment of applications

An important change that concerns our inquiry relates to the assessment of projects: the joint order 16/2006 (28 December) issued by the Office of the Prime Minister and the Ministry of Financial Affairs prescribed that the pre-evaluation of applications for support over HUF 50 million has to be accomplished by two experts. In case the scores given by the two evaluators differed significantly (by more than twenty points), the Intermediate

local communities. A recent example is the distribution of European Economic Area and Swiss development funds to local NGOs by a consortium of NGOs (<<http://norvegivilalap.hu/en>>; <<http://www.svajcivil.hu/hu/in-english>>).

Body ordered a new pre-evaluation. When the Evaluation Committee disagreed with the recommendations of pre-evaluators, if providing a written justification it could request the re-evaluation of the application, and make its suggestions based on this new evaluation. In case the decision of the Evaluation Committee differed from the recommendation given by experts, it had to explain it in detail in a written statement. The last stage of the process was decision-making at the HU-NDA, where the recommendations of the committee were approved or changed (in the latter case, the decision, again, had to be supported by a detailed written statement).

This government order did include prescriptions regarding the experts; the responsibility was with the Intermediate Body that had to follow the rules defined by the NDA. The pre-proposal committee is not tied by the opinion of experts; it could make recommendations concerning the support of the project, including conditional support, decreased amount support and refusal. Thereupon, the NDA approved or disapproved of the recommendation of the pre-proposal committee within five days. While it had to justify any divergences from the recommendations of the pre-proposal committee in writing, the same rule did not apply with respect to the recommendations given by experts.

A further modification followed, which among others reduced the decision-making and contracting deadlines, thereby making the successive control activities run parallel, and transferred the responsibility regarding minor modifications in the decision-making procedure from the government to the ministries. In June, a decree of the minister of national development was issued about the changes in the operation system of the NDA (Ministry for National Development 2012). Although this decree does not explicitly contain any changes of the decision-making procedure, it is obvious that the number of people and bodies participating in the screening and decision-making procedure has been minimized since.

In the summer of 2012, a public procurement tender was published to find professional and financial evaluation service providers for the applications within the framework of SROP 1, 2, 3, 4, 5 and 6 priorities. The individuals and companies, selected from a list of professionals and certified for this activity, that used to provide these services, were notified in November that the previous offers should be considered devoid of purpose.

Risks and adjustments in the commissioning cycle

According to the evaluation report on the third priority axis (Expanzió Human Consulting 2011a), due to constant redesigning, delays and stopped payments, the seven-year implementation cycle of development plans concerning public education shrank to three years in practice. This, in itself, proved to be detrimental to the professional effectiveness of the priority. Background reasons include, first, a lack of focus in planning and, second, problems of implementation. As for the former, in the case of strategic projects, the Ministry of Education failed in its dual role as the owner of institutions and the governing body of the profession: it was unable to design stable and professionally planned activities for organizations implementing priority developments. As for the latter, due to the lack of capacity at intermediate bodies and the Managing Authority, administration was insufficient, resulting in delays in decision-making and the fulfillment of payments. The fragmentation and weakness of co-ordination and strategic management, leading to the dissolution of the two-year planning cycles, resulted in the overall instability of the development process.

The two key implementing agencies of strategic projects (Educational Research and Development Institute and Education Ltd., a background institution of the Ministry of Education) repeatedly lost the professional staff needed to implement professional programmes. Such losses were largely due to the unpredictability of funding: project management repeatedly found itself in a difficult position because, as projects became fragmented, it was impossible to secure the wages defined in the application to the staff hired specifically for the project. Hence, keeping the newly set up professional and project management teams together (providing continuous funding for their salaries and wages throughout the entire cycle) constituted a major difficulty for implementing organizations, putting the success of the development programme at severe risk.

Moreover, our expert interview pointed out a serious professionalization problem at HU-NDA level, mainly the fact that most of the staff is unaware of the specifics of the regulation they are supposed to implement. For instance, they have no idea that EU tender monies can be invested in public services as well as in additional activities (i.e. innovation). The

reason behind this misunderstanding (i.e. the ignorance of the fundamental shift in legitimate tender goals) is that decision-makers at the HU-NDA failed to realize that new rules apply. Another example is the permanence of the belief that the duration of projects cannot exceed two years (the time span of action plans), which is not the case. As a matter of fact, most people at the HU-NDA work according to a set of beliefs, strictly following rules that, in reality, do not apply. In certain cases, there is no rational explanation behind this behavior; in other cases, the explanation is that the decision-makers want to play a safe game. The informal rules they follow prevent what they see as future problems. This is especially true when equal opportunities are involved in the calls; as the system is motivated to avoid failures, staff try to limit the pool of possible applicants so that the winners should not fail. This way, those who are in the worst position (those who need the money and support the most) will not be able to apply, or even if they apply, they will not win. This way, the risk of the system is forwarded to the potential target group, and the selection mechanism starts.

Other major problems of implementation are owed partly to the bureaucratized nature of the system, and partly to misconceived rules of procedure, leading to difficulties concerning planning:

Unprepared and bureaucratic contracting processes and insufficiencies of the project flow managed by the NDA and MA severely hindered the launch of projects. It is encouraging that these procedures have been simplified since. However, according to the new rules of procedure, the background institutions possibly hosting a project cannot take part in the planning process of strategic projects, even though they could become project hosts based on legal authorization and as a result of ongoing developments. (Breaking up prioritized developments was made necessary only by the Action Plan logic.) Therefore, the working groups in charge of planning cannot fully build on already available experiences of background institutions during the planning process. (TÁRKI 2010)

In addition, the electronic programme designed to trace implementation processes was not really suitable to accomplish this task, account for delays and corrections, and make information regarding the professional content behind project indicators available.

Breaking with the previous practice (when they had been ordered according to the degree of background influence), applications were

evaluated in the order of arrival after 2004. The two evaluators assigned to every application had at least three years experience in the given professional field. After pre-evaluation accomplished according to these rules, applications were presented before the evaluation committee that included representatives of civil organizations, which probably helped in constraining illicit influences. However, these mechanisms were swept away by the change of government: the evaluation committee was abolished, pre-evaluators are no longer employed, and the entire evaluation procedure was outsourced to a firm that processes all applications, so that the managing authority only gets a list of applications to be signed, without a chance to control the allocation of funds. Since Brussels has no means to influence the methodology of selection, it has no authority to inhibit this practice. Moreover, as nobody sees through the system, there is no social control, and consequently, scandals are successfully avoided.

These systemic problems are deeply interconnected with the market-shaping decisions included in the calls for applications launched under the operational programmes.

Market-shaping decisions in the calls for applications

Two key areas of intervention of the HU-SROP are directly relevant for educational integration. These are the key areas of intervention: 3.3 *Decreasing the segregation of severely disadvantaged and roma pupils, promoting their equal opportunities in public education*; and 3.4 *Supporting the education of groups with different educational needs, and the integration of pupils with special educational needs, intercultural education*.

Calls pertaining to KAI 3.3 are addressed to (multiply) disadvantaged and Roma children, and contain objectives related to the enhancement of educational opportunities that the constructions seek to realize, by supporting desegregation efforts and equal access to quality education, providing tools for inclusive education, and supporting second-chance programmes and lifelong learning. The focus lies on developing innovative teaching

methodologies and providing teacher training. Besides the transformation of the public education system, services offered by civil organizations (such as a specific form of supplementary education called *tanoda* or 'learnery') are supported within the framework of this area of intervention.

KAI 3.4 seeks to provide for the specific needs of students belonging to national minorities and migrant groups, as well as students with special educational needs. The focus here lies on language and (inter-)cultural education, on the one hand, and on providing specialized professional services, on the other. A characteristic of calls under this KAI involves talent-development programmes, which have practically displaced other kinds of approaches more focused on educational inclusion and equal access to services.

Under KAIs 3 and 4 of the third priority axis, there were nine and eighteen calls launched, respectively. However, these figures include some doubles, as separate calls target non-convergence regions (Central Hungary) and convergence regions (the rest of Hungary), with identical content. The only difference between these two types of calls is that, obviously, different amounts are allocated to each, corresponding to the size of the territory covered and the number of potential applicants. Developments to be implemented in the framework of tenders are planned and prepared through strategic programmes with a single applicant. A further distinction represented in the code of calls refers to the generic types of applicants, which may be either local self-governments or civil and church organizations. Responding to the 27 calls under scrutiny, there are 483 already accomplished projects, altogether.

Who are the potential contractors?

Most calls for tenders regarding educational integration (SROP 3) include civil and church organizations besides local self-governments among eligible beneficiaries of funds. Schools themselves and the educational staff are, in a technical sense, indirect beneficiaries, as it is the maintaining organization that can apply for support. In reality, however, local NGOs are generally unable to make use of this opportunity. Owing to their meager financial

and human resources capacities and the structural constraints implied in application procedures, few of them can actually enter this market. In addition, local power hierarchies and the widespread consequences of political divisions also sew up the stockings of many of these organizations. As a result, civil actors are not just unable to meet requirements in providing better services but cannot fulfil their important role in controlling state action, either.

Potential contractors are classified into two groups: public institutions and institutions belonging to local self-governments and non-governmental organizations.

Individual calls do not contain further specification on this classification. As a matter of fact, the obliteration of differences has long characterized the Hungarian tender system: in order to compensate for the lack of resources of governmental institutions, non-profit/civil organizations established by these institutions became useful in terms of further financial support. Although recent legal regulations have introduced restrictions for gradually eliminating so-called public foundations – which are no longer eligible applicants – there are still foundations and associations founded by public agencies or individuals which are closely related to institutions which maintain schools, hospitals, etc., and can apply for EU funds.

Similarly, there are non-profit/civil organizations clearly associated with political parties, including the governing party. By way of complementing the tender system, governments and ministries dispose of their ‘own resources’, claimed and distributed by ministers among civil actors who they consider to be worthy of such support (i.e. those belonging to their circle of potential supporters). Given that EU funds are a far greater resource, mechanisms to distribute these (also along political lines) have been introduced. With the removal of checks and balances from the system, opportunities to directly influence the selection of applicants have increased; there has been plenty of anecdotal evidence whereby evaluation procedures were prolonged until one expected contractor came out as the winner. Today, there is no need to employ this practice.

Potential contractors of calls never include for-profit organizations, yet it is obvious that the business sector finds several ways to make use of EU funds under the calls we focus on. One of these means is to get hired

to write applications, which has special significance in the case of calls for disadvantaged segments of the population. In disadvantaged regions, for-profit organizations with meager capacities to prepare applications – but with good contacts – undertake this task in exchange for having themselves written into the application as managers, trainers or providers of some other sub-contracted services, so that they can benefit from the project. The harm caused by such widespread practices goes beyond the misallocation of (a part of) resources intended to support the target groups; they also cause harm by preventing the concerned applicants from learning the art of writing applications and thinking in terms of projects.

The above statement cannot be supported by data or other research results. It is based on our own experience, and the experience of the evaluators. We were told stories about local project applications, coming from the disadvantaged regions, in which project managers, advisors or trainers with a significant NDA or IB experience had emerged. As one of our interviewees, a former NDA staff member, told us, the IB welcomes those projects in which they find their own former staff. They share a common language, they know how to communicate, and they know whom to ask when in doubt and what to ask. As far as formal implementation is concerned, they are very successful. However, as far as the empowerment of the local communities is concerned, this has a very harmful influence. (In order to mitigate such imbalances in the opportunities of applicants, several governmental and civil initiatives – such as the Network Supporting Roma Projects – were introduced.)

Not in the calls under our scrutiny, but under economic development operational programmes, an application-writing agency was caught and sued, when the evaluators realized that many applications were following a very similar pattern, as if they had been written by the same person (Galambos 2008). It seemed that all the applications had been made by an agency, the profiting of which was built into the implementation of the local micro enterprises. According to one of our interviewees, the authorities were wrong. There was no fraud: the application-writing capacities were used by the small enterprises, based on expected mutual profits.

Another possibility is to create civil organizations. In Hungary, this opportunity is open to basically anybody; it is totally legitimate for

for-profit organizations to use civil organizations they have established as a resource. An extreme example of this practice is that, within the framework of the call HU-SROP 3.4.4/B-11/2 (*Establishing a talent-support network – Hungarian Genius Integrated programme for Supporting Talent*), where HUF 300 million (approximately EUR 1,071,429) were distributed to support talent-support programmes, HUF 10 million (EUR 35,714) were given to a golf club operating in three centres in the countryside; and two baseball teams also received HUF 10 million each from the same budget.³ This outcome obviously sharply contradicted the original objective of the call.

The appearance of churches as potential contractors in the calls is nothing new. At the same time, with the passage of time and especially after the change of government, the Roma and pro-Roma NGOs that used to provide outstanding results became outcasts and dismissed as potential contractors. A case in point is that of Roma special colleges, managed by the larger churches, which received huge dedicated funds in order to realize a form of talent management that had been undertaken by the Romaversitas Foundation with great success for over ten years. At the same time, Romaversitas had no chance to submit an application, as it is not a church.

Partnership structures

Partnership structures, constituting a general requirement of tenders, mostly refer to the co-operation of governmental and non-governmental agencies. Usually, no bonus points are awarded for any kind of partnership structure; however, it is often a compulsory element of the call. What is more, in several instances even the identity of the partner is prescribed: it is one or another professional or training agency. As a matter of fact, in the case of many successful applications, one assigned professional partner might not be able to perform its duties everywhere to an appropriate professional

3 <<http://atlatszo.hu/2012/12/27/tizmillios-eu-tamogatasok-veszteseges-golfpalyaknak/>>.

standard. Often, there is no available information regarding the capacities of such dedicated institutions.

The occurrence of another problematic type of partnership is not rare among calls, though this practice has not yet gained ground in the calls under our scrutiny. The participation requirement of members of the target group is expected to be met by identifying the National Roma Self Government as an obligatory partner in the case of Roma integration projects. This is an elected body; it is doubtful if it is in command of the professional competences that ensure equal opportunity measures in an employment or educational project.

Who are the potential beneficiaries?

The definition of potential beneficiaries of calls is very complicated. In practice, there are two kinds of beneficiaries: one which directly receives tender money, and another that benefits from it indirectly. Beneficiaries of the first type can be roughly categorized in three groups: researchers and developers, teachers directly dealing with children, and the infrastructure. The potential beneficiaries belonging to the second type of call, aiming at educational integration, are (in theory) the children to be integrated; however, as the calls do not specify the amounts that should be spent on them, the question is whether the financial support they receive in the form of services really serves their interests.

To find out about the potential beneficiaries is challenging from another point of view. Until modifications to the law in 2005, it was illegal to register minority affiliation. Act LXXVII of 1993 on the Rights of National and Ethnic Minorities states: 'It is the individual's exclusive and inalienable right to take on and declare their affiliation to a national or ethnic group or a minority. Nobody is obliged to proclaim that they belong to a minority'. However, the changes in 2005 made it obligatory that those who want to participate in the minority self-government elections have to register at the local notary. These lists are destroyed after the elections; the data cannot be used for any other purposes. However, the mere fact that it was possible to set up a system of ethnic registration

was a real breakthrough in the history of sensitive data-management in Hungary. For targeting reasons, however, the governments have preferred to replace ethnic targeting with social and regional targeting, because the equal-opportunities guide which is an annex to most calls warns applicants that if they register a person as Roma or as having disabilities, they can do so only if they have that person's definite, unambiguous and voluntary consent. There is no special form available to have this consent in writing, but the guide is very strict about the documentation of the consent after receiving appropriate information. Whether or not the applicant and/or contractor meets this expectation is very difficult to gauge. By now, in the case of certain calls, this is included in the sustainability reports, but the handling of these data is more than problematic.

Furthermore, according to another approach, regional specificities qualify certain groups as potential beneficiaries. In any case, there have been attempts to allocate different amounts of support from the same type of source to better-off regions and regions that are more in need; however, the calls in question did not make any distinction in terms of content, although disadvantaged regions not only require more, but also different kinds of support.

The Interim Evaluation Report of HU-SROP is informative with regard to the effects of centralized programmes insensitive to regional differences:

Independent development programmes were missing, constituting a fundamental planning problem, reiterating the previous HU-HRDOP period. Hungarian regions struggle with significantly different educational problems. It would have been possible to allocate the majority of development resources to the most disadvantaged regions. Instead, the content of the priority was designed in such a way that resources were evenly shared, targeting the widest circle of final beneficiaries. [In addition], some calls and measures were designed poorly, while others were over-designed and did not meet the applicants' interests. (TÁRKI 2010)

The interim synthesis report suggests that the fragmentation of developments implemented in the most vulnerable micro-regions (HU-MVMR) justifies the revision of SROP, in order to see what integrated operations are needed and possible (KPMG 2011). HU-MVMR represents a specific

methodology of targeting vulnerable populations on a territorial basis and the implementation of complex development projects in such localities, requiring simultaneous HR and infrastructural innovations. The authors of the report hold that the complex and integrated approach adopted in the HU-MVMR regions requires the connection of European Social Fund and European Regional Development Fund (ERDF) developments so as to bring better results.

The diluted definition of a target group can be compensated by better aiming mechanisms. Thus, the same report recommends: 'to concentrate the critical part of development resources on certain strategic areas. This concentration can be content-related, institution-related or regional (targeting the most underdeveloped regions). Avoidance of the spread of investments across the entire country (spaying effect) should be a considered' (Expanzió Human Consulting 2011b).

Designing services

The educational services eligible with the greatest frequency in the calls for applications under the two key areas of intervention analysed here belong to ten types: teacher training; development of competence-based education; skills development; parenting programmes; integration activities in kindergarten and school (in the framework of the national programme called *Integration Pedagogic System*); elaboration of individual development plans; talent support; development of pedagogical methodology; support of school success; motivation of learning; facilitating the transition between school types.

It is noteworthy that, while it should be the ultimate objective of most calls, when it comes to the articulation of activities, desegregation of schools is mentioned only once. Theoretically, other activities may contribute to desegregation as well; however, the fact that applicants do not explicitly refer to the problem of segregation when defining activities clearly shows their attitude towards the educational difficulties of Roma children. Namely, school staff and educational professionals readily accept new and innovative pedagogical methods. However, they are at a loss as to what to

make of the concept of social integration and are reluctant to adopt efforts contrary to the interests of the prejudiced majority society.

Although adult training and teacher training is mostly addressed by calls not included in our sample, the predominance of activities related to the dissemination of new methodologies – especially teacher training, but also partly the development of competence-based education, a complex category – is striking in our research material, too. Primarily, HU-SROP 3.3 (introducing inclusive education) includes this kind of goal. As a consequence, more than half of the activities (including, besides teacher training and the introduction of competence-based education, the development of pedagogic methodologies, curriculum development, etc.) concern children only in an indirect manner, while the special services and programmes offered to them directly amount to slightly less than half of the mentioned activities.

Call design

A common feature of the calls for application under investigation in this research (with the exception of the methodological standard of learneries in respective calls) is that they do not make reference to any background materials like professional studies or policy documents. This absence clearly suggests a lack in professional and legal backing of development projects. As repeated failures of previous attempts to solve the educational problems of Roma children and the permanence of segregation in education suggest, educational inclusion or integration are not at all unambiguous concepts that could direct development strategies in the right way. Furthermore, the lack of definition also enables serious abuses, that is, the spending of funds on assets unrelated or even contradicting the original goals.

At the same time, the fundamental objectives of the call are greatly detailed (comprising about one page out of an average forty-page application guide). The definition of objectives is not necessarily copy-pasted from the relevant sections of the OP; in many cases this is an elaborate text specifically written for the given call. The other relatively detailed description can be found under the title 'activities ineligible for support' (three pages), followed by the specification of eligible and ineligible expenditure (two pages).

Substantial orientation of applicants is also provided by evaluation and monitoring criteria; with time, these tables have become designed in a way so that the applicant can be more or less sure that fulfilling these requirements, as long as the application is submitted in time, guarantees success.

The rest of information is mainly administrative and uniform across different calls. Hence, some aspects of the applications under scrutiny in our research (like contribution to sustainable development or gender balance) may be detailed in annexes comprising several pages, but do not form integral part of the calls (i.e. they represent additional requirements that be fulfilled quasi-mechanically). Some other aspects, in turn, that appear to be crucial from the point of view of development projects in general and educational inclusion in particular (innovation, educational inclusion, Roma integration) are, surprisingly, entirely absent from the text of most calls for application under the studied KAIs.

Adjustments in the commissioning cycle

The idea behind SROP is to promote individual developments, organized in tenders, which are built upon priority developments accomplished in the framework of national strategic projects. However, this system of ‘decentralized development’ did not work in the case of public-education innovation.

Previously, funds destined for integration in education and the inclusion of Roma pupils had often been spent by schools that desperately needed the money to, for instance, invest in infrastructure. Such misuses of funds were meant to be avoided by a more focused and structurally elaborated development system. The expectation was that the complex call on competence-based education and equal access in innovative institutions (SROP-HU 3.1.4.) would lay the foundation of local developments, forcing their embedding in local policies. However, this never really happened. One explanation to this failure is that grant applications were over-regulated and thus the actions and possibilities of local governance were limited. As observed in the interim evaluation report, ‘essentially, school-improvement logic was applied in the application that was written for local governments’

(Expanzió Human Consulting 2011a). Another, even more fundamental reason was the lack of conception and coherence with other measures:

A fundamental feature of the priority – as compared with the previous development plan – is that it is not based on an accepted educational strategy of development programmes that is embedded in broader tools or a system of goals of educational policy. Partly as a consequence of this, and partly because of the weakness of the government's strategic management, the compatibility of the development programmes with other measures of educational policy was ambiguous. (Expanzió Human Consulting 2011a)

Also, partly because of insufficiencies of deliberate planning, developments did not apply market-compatible tools in every case. Furthermore, implementation was thwarted due to operational factors as well. The time alignment of applications necessary for network co-ordination required by the decentralized development system was not realized, which is mainly owing to the collapse of the action-plan system, building on two-year development cycles. The interim evaluation report on the priority is very pronounced on the problem of implementation.

In this way, while the public education priority of SROP was originally supposed to adopt an integrated approach in the innovation of public education and rely on local agents in accomplishing goals, it failed at both the conceptual and operational levels. As the interim evaluation report of the priority states:

The priority originally included a strong development goal related to education management: local municipalities, quality policies, measurement and evaluation, evidence-based decision support, and a preparatory system, none of which was represented during implementation. This fact negatively affected the effectiveness of development outcomes and their sustainability. (Expanzió Human Consulting 2011a)

Other relevant aspects

During the writing of this chapter, there has been the news of the dismantling of the National Development Agency (NDA); up to now, this has been an independent institution, but the agency is going to operate in the form of

offices integrated into the various ministries. The positive aspect of this institutional transformation is that it supports the management of programmes according to different fields of expertise; the negative consequences relate to the accumulation of huge sums of money at ministries that henceforward will officially dispose of EU funds as well. As a consequence of this shift, the tendency of the simplification of the decision-making process will certainly be intensified. Originally, a lot checks and balances were built into the system of distributing EU funds (that, by the way, were readily abused); decisions were prepared, evaluated and reviewed at each stage of the procedure, by a variety responsible persons and commissions (and if the outcome was disliked by certain powerful political actors, reviews went on and on until the desired result was produced). With time, the intent to maintain appearances was weakened and controlling mechanisms have loosened up to the point that, with the present institutional change, a major screening agency (i.e. the HU-NDA itself) has been completely removed, so that the government now has full authority to determine the allocation of EU funds.

The lack of transparency and arbitrariness in decision-making, characterizing the entire tendering system, impacts our research methodology as well. Annual implementation reports are not rendered available for the public, therefore we had to work, rather, from synthesizing reports. Furthermore, it is very hard, or next to impossible, to investigate the enforcement of horizontal goals. Relevant data could be retrieved from maintenance reports; however, it would not only be very difficult to classify such data, but the very access to the source of data is denied: these data are to be found in the very system where all raw data concerning applications are contained – a domain secluded from public scrutiny.

Conclusion

The Hungarian educational system is highly selective and failing to compensate for the social disadvantages of children. Schools have proved to be unable to mitigate social differences among children, while the so-called

tracking starts very early and is multiply reinforced later on. Children from different social backgrounds follow diverging educational paths. Differences in the quality of educational service are exacerbated by the unequal distribution of pedagogical quality and financial resources among schools. In order to prevent the permanence of differences, primary schools should become fair, meaning that they should be able to handle differences among children and include all kinds of students. Reforms can focus directly on the programmes implemented by schools, the school structure, or the means of professional accountability. However, none of these interventions can, in themselves, effectively change the public education system.

EU commissioning under HU-HRDOP and HU-SROP has primarily concerned programmes within schools, focusing on methodological innovations and attitudinal changes demanded by the introduction of competence-based education and educational integration. At the same time, massive structural changes that could really influence selectivity have been dismissed. Apart from the partiality of reforms that, as it were, concerned only a small segment of education, the mechanism of innovation (i.e. the tender system) also contains an inherent limitation: in assigning tasks of methodological innovation and transformation of perspectives to local educational agencies, the national scope of managing reforms has been given up.

An important step forward was that, after 2007, only institutions not segregating students were eligible to receive support for infrastructural development. This was one of the rare moments when a governmental conception concerning integration was represented in regulations regarding the distribution of national and EU funds; in addition, this conception was well thought out and supported by impact analyses. However, despite the intention to support educational integration, especially of Roma children, the implementation of programmes was hampered due to the inadequacy of mechanisms: reliance on soft incentives only, while neglecting more forceful instruments of compulsive power proved to be ineffective in carrying out major transformations.

The change of government in 2010 brought a radical change in educational policies: the programme of educational integration, announced in 2002, was swept away even at the level of rhetoric. The new act on

national public education, entering into force in 2012, just like the rules of implementation and governmental statements concerning educational matters, contains no references to equal opportunities or related terms like fairness, educational integration, inclusive institutions, desegregation or any combination these. The absence of such notions does not necessarily imply the overthrow of the principle; however, the entire legislation and the particulars regarding its implementation presume the increase of inequalities in opportunities.

Such developments are manifest in the change of the content of constructions: calls under HU-SROP 3.3 aiming at educational integration were replaced by others supporting auxiliary services operating in locations coping with segregation, like learneries (i.e. afternoon schools) and second-chance schools; the focus of HU-SROP 3.4 on interculturalism was, in turn, shifted to promote talent management. The most striking change is that objectives related to educational integration have been replaced by ambitions related to talent management. Thus, under the exact same codes, projects with very different content have been launched. The case mentioned above concerning the golf club and baseball teams coming out as winners of a call supporting talent management is an extreme example. However, the tendency to overturn the programme of educational integration, elaborated and strongly supported by the previous government, is obvious.

The tender system is still managed by rigid – and in many ways dysfunctional – mechanisms and heavily controlled by state actors. Obviously biased decisions – such as the assigning a single professional organization (loyal to the government) as a compulsory partner in several calls – are only the explicit examples of favoritism to become apparent. The system itself is a hotbed of mild corruption, such as when training firms are selected, without real competition, to supply services for central strategic projects. Of course, the tender procedure is obligatory, but the system allows for a procedure where there is only one possible candidate that fits the criteria of the tender. However, its most important deficiency, from the point of view of civil involvement, remains the insistence on heavily centralized, bureaucratic and nontransparent procedures that not only allow for arbitrary choice of partners but also impose structural constraints on civil participation and influence.

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5 Rule rigidity in face of public pressure: The case of Romania



The manner in which educational service delivery under the European Social Fund (ESF) is managed is best understood in terms of a welfare market or quasi-market (Gingrich 2011). However, we may expect significant differences from one country to another, namely a variation which is strategically articulated by political decision-

makers. In the particular context of EU structural funding, the main mechanisms for strategically manipulating the market for educational service delivery are programming decisions, which include all aspects concerning the set up of the programmes created to pursue the ESF social and educational objectives, as well as the integration of these programmes with national educational policy. Deriving from these, the programming decisions made by the authorities managing the ESF funded programmes, further shape and direct the market for educational service-delivery. Most of these aspects are actually matters of domestic policy concerning ESF implementation, which suggests extremely different results obtained by very similar programmes in different EU countries might be explained by looking at the content of national policies and national policy-making processes.

From a governance perspective, the introduction of market-based mechanisms for educational service delivery implies more than what is

normally labeled as market governance (see Meuleman 2011, Peters 2011, 2006). The particular structure of EU structural funding makes it necessary to combine market governance with the more traditional style of hierarchical governance, and with the more recent governance of networks. Such a combination is an uneasy one, since it involves both formalized and informal aspects at the same time, so it becomes important to assess its impact on the effectiveness of ESF funded programmes in achieving policy-defined social and educational goals. The informal aspects are particularly important in EU structural policy, they are actively encouraged by the EC in order to improve programming and implementation and help cope with the democratic deficit of the EU (Peters 2006, Piattoni 2006).

From this perspective, the present chapter details the main findings concerning ESF implementation in Romania since 2007. It focuses on the Sectoral Operational Programme Human Resources Development (RO-SOPHRD) and its components directed at the ISCED 0–3 levels of the national education system and the access to education of disadvantaged and/or vulnerable groups. It highlights aspects of domestic policy which are relevant for the achievement of ESF goals in Romania and attempts to characterize the quasi-market for educational service delivery created by the above mentioned programme, emphasizing the empowerment of certain categories of public service providers and the lack of empowerment of the users. In the following section, the RO-SOPHRD is briefly described.

The Sectoral Operational Programme Human Resources Development

Among other EU funded programmes in Romania, the Sectoral Operational Programme Human Resources Development (RO-SOPHRD) is apparently the most problematic (KPMG 2011), despite the fact that it seems to have been the most successful in terms of disbursement of funds (measured as percentage of total available funds contracted at the end of 2012). Its shortcomings were widely debated in Romanian mass media in the past

years, with a clear emphasis on the low absorption rate (placed at less than 10 per cent at the end of 2012, including only funds already reimbursed by the European Commission) and related financial and administrative aspects. Beyond these, the story of RO-SOPHRD is much more complicated and should be seen in a broader framework of policy learning, policy failure and blame avoidance (see Howlett 2012).

The RO-SOPHRD debuted under not so favourable auspices in 2007, with a not-so favourable ex-ante evaluation report (Panteia 2007) and some delay in getting the approval of the European Commission. The ex-ante evaluation report stresses out shortcomings in the analysis of the social and economic conditions and the SWOT analysis behind the strategy proposed, the lack of co-ordination between the different operational programmes, the insufficient attention given to sectoral approaches and the involvement of social partners, and the complexity of the proposed management structure. Several aspects are of particular relevance for the educational selectivity issues approached by this project. First, the evaluators notice that the social and economic analyses single out low participation in continuing vocational training (CVT) and the backwardness of the rural areas, yet there is little reliable (statistical) information on CVT, the job market for school leavers or even educational attainment. Second, the evaluators believe the analysis is missing out on the very important challenges of changing the structure of education and strengthening vocational education and training (VET) and research and development (R&D) in higher education.

The programme's debut was marred by the discontent expressed by coalitions of third-sector organizations (TSOs), whom complained about the fact that programming did not take into account the need of the sector for a replacement to the defunct pre-accession funding for TSO projects. However, given the structure of the programme, TSOs soon found out that, unless working on education issues or being certified providers of professional training, their sole possibility to access funding was the social economy component of the programme. This became obvious by 2010, when 1,816 applications were submitted in response to a call for projects aimed at developing the social economy in Romania. This call for projects was closed in January 2011. Later, this call for applications was unilaterally cancelled by the managing authority of the RO-SOPHRD.

The first implementation problems appeared as soon as the first calls for applications were launched, due to the initial reliance on strictly the employees of the management authorities for assessing applications (AMPOSDRU 2008). Delays in the assessment of applications submitted in 2008 developed into a cascade of delays affecting the launch of calls, assessment of applications, signing of contracts, and reimbursements to contractors. The interim evaluation report stated that the average time between the submission of an application and the signing of a contract is forty weeks (KPMG 2011). Moreover, the MA admitted that the average delay in processing a reimbursement request is about forty days (RO-RAI, 2011), while also admitting that some projects might be delayed for as long as eighty-six days. Stakeholders (Public Policy Institute 2012, Council for National Co-ordination of Regional Pacts for Employment and Social Inclusion 2013) and the mass media report even longer delays.

The delays in assessing applications, signing contracts and reimbursing contractors have had significant social and economic consequences. The Romanian media reported cases of large projects catering to the needs of disadvantaged children shutting down in the middle of the implementation period and of private companies providing goods or services to contractors experiencing cash-flow problems (for one example, see Toma 2012). Large projects catering to the needs of disadvantaged children were shut down in the middle of the implementation period; private companies providing goods or services to contractors went unpaid and experienced cash-flow problems.

Moreover, media coverage of implementation repeatedly stressed that very expensive and very ineffective projects received funding and identified several cases of misuse of money involving politicians and their families or business partners. There was a widespread perception that RO-SOPHRD was a waste, spending huge amounts of money on less significant projects. This was helped by the inability of the Romanian government to promote the programme and showcase its potentially huge positive impact on Romanian society and economy. Monitoring by the EC discovered that the problems facing the programme were dominantly structural ones, deriving from the (in)actions of the Romanian government in general, and the managing authority in particular (KPMG 2011). The structural problems

are further enhanced by what the contractors believe to be an abusive attitude and deficient communication in the relationship of the MA with the contractors and a 'criminalization' of the contractors (Council for National Co-ordination of Regional Pacts for Employment and Social Inclusion 2013).

In terms of national policy concerning ESF implementation, in Romania several key issues which should have been solved from the beginning actually produced serious problems. First, implementation was hindered by the failure of the central government to properly regulate relevant areas. These situations cover both financial and administrative aspects, such as provisions concerning procurement, or the eligibility of applicants with debts to the state, the status of civil servants working on project implementation or problems derived from the fact that Romania still uses annual budgeting. At the same time, such situations also cover educational policy aspects, such as the creation of a national agency in charge of qualifications, or the differentiated status of schools in terms of budget execution. The annual implementation reports repeatedly identify such situations. Second, problems arise from the institutional structure, mainly the role and functions of the intermediate bodies and their relationship with the managing authority. Third, there is lack of a regionally differentiated approach: the Bucharest-Ilfov Development Region, by far the most affluent in Romania, is treated equally along with the North-East Development Region, which is the EU's poorest region. While the entire Romanian territory is covered by EU convergence objectives, a regional approach was definitely needed given the social and economic discrepancies between Romanian regions.

The context in which EU structural funding is being disbursed in Romania is defined by the persistent framing of the topic in terms of money spent/degree of absorption, specific to both political discourse and media coverage. This persistent framing actually works as an incentive for the management authorities for all EU funded programmes to direct their actions towards maximizing the amount of money spent, disregarding aspects concerning goal achievement and programme effectiveness. At the same time, there is public pressure, from the EC, the central government, some politicians and the mass media, to ensure the money is spent properly, which seemed to lead to a disproportionate attention given to administrative and financial aspects.

An important aspect of ESF implementation in Romania, obvious in the case of the RO-SOPHRD, is the difficulty in admitting policy failure and the blame-avoidance strategies of the managing authority. Policy failure is obvious if we observe that the management authority failed to take into account aspects such as the fact that is physically impossible for seventy people to assess applications for a EUR four billion programme, or that the indicators' system must account for individuals or organizations that benefit from multiple activities financed by this programme. The analysis of documents issued by the MA for this particular operational programme reveals a quite positive tone, emphasizing achievements, despite the seriousness of the issues affecting programme implementation, and the continuous blaming of the contractors and central government policy-makers (see also Council for National Co-ordination of Regional Pacts for Employment and Social Inclusion 2013). Blame avoidance goes as far as failing to explain why the European Commission has repeatedly rejected requests for changes to the programme, because they were found to be poorly supported by factual arguments and situation analyses.

The progress in implementation was quite slow. After the initial push from 2008, when seventy-two calls for applications were launched, in the following four years the managing authority managed to launch a total of forty-two calls for applications (twenty-six in 2009, thirteen in 2010 and three in 2011). Up until December 2011 the success rate of applications was 35.68 per cent, while 598,324 beneficiaries were recorded (out of a programme target of 1,650,000). At the same moment, the managing authority reported worryingly low figures for several macro-indicators associated with the programme: 20.32 per cent of the overall target for students/pupils supported in their transition from school to active life, 14.16 per cent of overall target for participants in second chance programmes. Approximately 6 per cent (EUR 166 million) of the amounts contracted by December 2011 are for 'measures for the increase of participation in education and lifelong training, including through the reduction of early school leaving and gender segregation' (EU intervention field code 73). At the same time, a number of 102 contracts for a total of EUR 83.76 million were annulled, due to contractors declaring it is impossible to ensure the financial resources necessary, sometimes because of the changes in regulations concerning pre-financing of projects.

The institutional set-up of ESF in Romania

This segment of the analysis is dominantly a meta-analysis of data and findings of the MA of the RO-SOPHRD and of the external evaluators of the programme. It puts available data and information on programme implementation in the analytical framework of this book.

Formal decision-making

According to national rules, the managing authority of the RO-SOPHRD has large decision-making powers concerning the programme and its implementation, going as far as being given the prerogative to initiate changes to the programme, to draft and, if necessary, to change the general implementation framework, to draft the assessment criteria, to monitor and evaluate (jointly with the Authority for the Co-ordination of Structural Instruments, RO-ACIS) the programme. The MA has dominantly used its prerogatives in the areas concerning administrative and financial aspects of implementation, monitoring, and assessment. It has to be noticed that the MA has attempted to make changes to the programme proposing reallocations of funds between and within different priority axes. However, the EC has found the arguments insufficient to justify the reallocation of funds and rejected the proposal.

One important aspect is the degree of formalization the MA attempts to introduce even within those parts of day-to-day activity which require a governance of networks approach. It is the case of the workgroup created to approach the issue of Roma access to ESF funding, which was not operational for more than a year after its creation was approved because some formal regulations needed to govern its activity were not yet approved. Another symptom of excessive formalization lies in the manner in which the issue of co-ordination with other structural instruments is approached. The only course of action the MA followed was that of formally requesting the Authority for the Co-ordination of Structural Instruments (RO-ACIS) to act in this direction. Formalization or bureaucratization of the programme

is the most contentious issue in the relationship between the MA and the contractors. An analysis made by a national structure which groups together the Regional Pacts for Employment and Social Inclusion points out unilateral changes of sensitive aspects of contracts, especially those concerning pre-financing of projects, alongside ambiguity and divergent interpretations of the legal framework by different employees in the MA, resulting in diverging solutions given to contractors for the same problem and a focus on producing documents rather than results, reflected in how the MA deals with the contractors and assesses the impact of the programme (Council for National Co-ordination of Regional Pacts for Employment and Social Inclusion 2013).

Monitoring and evaluation are relatively separate activities within the MA, being the responsibility of distinct units. This is partially due to the fact that evaluation of EU funded programmes in Romania is largely centralized in the hands of the RO-ACIS. This is also reflected in the separation of the advisory boards, the RO-SOPHRD having two distinct boards, one in charge of evaluation and one in charge of monitoring. There is some communication between the two boards, yet it is unclear to what extent it results into better linking monitoring and evaluation activities. Monitoring is deeply connected to the process of reporting and reimbursement requests, a fact which was also pointed out by the interim evaluation (KPMG 2011). This actually results in frequent mentions in the annual implementation reports (especially in AMPOSDRU 2008, 2009, and 2010) that there is more progress in reaching the quantitative targets of the programme than reflected by numbers, because interim reports of the contractors were not yet processed by the MA. This fact is due to the initial reliance on printed reports, an online reporting system was proposed only in 2011.

Programming within the RO-SOPHRD happens at MA level, where a special unit for drafting calls exists. In 2008, the personnel in this unit received training on this topic (see AMPOSDRU 2008). However, this unit has a very long list of prerogatives, which includes extensive supervision of the activity of the intermediate bodies, all activities related to the technical assistance component of the RO-SOPHRD, drafting of assessment criteria, and a significant workload of administrative and financial aspects (such as procurement for technical assistance projects). This suggests drafting of calls unavoidably became a minor activity. However, very little information is actually available on how the process of drafting calls

happens and whose decision is it to launch a call or another. It can be said with certainty that programming of calls happens strictly within the MA (and possibly IBs), without communication with stakeholders or even the monitoring committee of the programme.

The MA is largely unreflective on the impact of the calls for applications until very late (see AMPOSDRU 2011), when the first mentions of using call content to better adapt the programme to the social and political context appear. This is mentioned in relation to two very problematic education-related components of the programme, namely the teacher training component (with low achievements in terms of numbers of people trained, just 14,507 people by 2011 out of a programme target of 75,000) and the number of CVT programmes developed (45 by 2011 out of a target of 700). Changes to the programme are reduced to some changes to the calls, yet these changes usually go in the direction of further bureaucratizing the programme (changes to eligibility criteria, lists of activities, and provisions concerning the applicant's contribution to the budget of a project).

The MA of RO-SOPHRD describes its vision in the following terms:

... we focus on reaching a high degree of absorption of ESF funding and ensuring a technically and administratively efficient management of projects to support of developing human resources in Romania and to effectively contribute to social and economic cohesion in an enlarged European Union'. The mission of the MA is 'to strengthen [its] administrative capacity in order to be able to fulfil its role generated by Romania's accession to the EU, ensuring full compliance with EU legislation.'¹

It is obvious from how the vision and mission of the MA are formulated that it assumes a purely technical and administrative role of implementer of a governmental policy. The mention of the degree of absorption of funds into the vision of the MA suggests the unwillingness (of the policy-maker or of the MA) to assume greater responsibility in shaping ESF implementation in Romania. The programme description is very much regarded as fixed, despite the changing context of implementation.

1 Information available on the MA website, translated into English by the author. <http://www.fonduri-ue.ro/posdru/index.php/posdru/informatii-generale/autoritatea-de-management#care_este_misiunea_si_organizarea_amosdru>

Representation of stakeholders

Stakeholders are formally represented in both the monitoring and evaluation boards of the programme. Yet it can be observed that dominant on both boards are the representatives of central government institutions and agencies. The monitoring committee is comprised of representatives of 37 different stakeholders, some of them with several representatives; yet only seven are non-governmental entities, out of which a trade union, an organization representing employers, three Bucharest-based NGOs, and the Civil Society Development Foundation (FDSC), an NGO involved directly in the disbursement of PHARE funding in Romania.

While stakeholders are formally represented, their impact on the programme can only be as high as the impact of the board they are members of. The monitoring committee of the RO-SOPHRD is a particularly weak structure, which seems to be completely dominated by the executive leadership of the MA. The committee meets only twice a year, even after the programme enters into crisis and is suspended by the EC. Reports of the meetings published by the MA, as well as details included in the national implementation reports, show that the committee is 'told', 'trained' and 'briefed', rather than consulted or allowed to make suggestions of adjustments to the programme. It is also the role of the monitoring committee to legitimize the introduction of new rules and procedures, when the MA feels it cannot legitimize them simply by using the argument that they are required by the EC.

Stakeholders are not involved in implementation of the programme in other ways than as contractors, the MA choosing not to involve them in programming, monitoring and evaluation of the programme.

Promotion of partnership

The definition of partnership used in national policy documents makes reference to the 'principles of partnership, as defined in community [EU] regulations' (RO-RAI 2007), which suggests a formalized view of partnership, resulting from how the MA understands that the concept can be operationalized in practice. National policy documents concerning ESF

implementation stress out two elements in terms of partnership: the extent to which efforts to encourage projects implemented in partnership is successful (percentage of projects implemented by a partnership, consistently pointed out to be over 70 per cent) and the effects of the Regional Pacts for Social Inclusion and Employment. The latter are designed to be the best practice in terms of partnership Romania reports as a result of ESF implementation.

The Regional Pacts for Social Inclusion and Employment are 'participatory processes of regional public policy and strategy making, by the use of all existing funding opportunities, especially of the ESF. The Regional Pacts bring together representatives of local governments, central government offices at the local level, civil society and clergy, with responsibilities in the area of employment and social inclusion' (RO-RAI 2007). Such structures are supposed to work at regional and county level, as well as workgroups. In 2007, the MA reported seven out of eight pacts were operational, and also reported the existence of county structures and 55 workgroups. However, later implementation reports show little progress in actually drafting regional policy documents and strategies; in 2010, only preparatory activities such as trainings and preliminary policy studies are conducted (AMPOSDRU 2010). A year later, the MA bluntly reports that it is their estimate that the members of the pacts are involved in the implementation of 70 per cent of all RO-SOPHRD projects (AMPOSDRU 2011). Some of the most notable results of the pacts are thought to be consultancy services provided in the process of writing 170 applications, training for the employees of institutions represented in the pacts, and policy studies concerning the human resources development in regional policies (AMPOSDRU 2011). The most important aspect concerning these pacts is the fact that, in the end, as implementation problems became obvious, they transformed into an important vehicle to criticize the MA and its actions, acting as advocates of the contractors.

References to partnership are also relevant from a governance-of-networks perspective. In the 2007 implementation report (RO-RAI 2007), the MA offers a glimpse into how it dealt with the process of consultation of stakeholders during the drafting of the programme. The list of stakeholders consulted actually contains a list of central government institutions and agencies, while it is also mentioned that 'wide-scale consultations were

conducted with the social partners, civil society organizations, local governments and other relevant actors' (RO-RAI 2007). At the same time, CSOs complained of the lack of meaningful consultation of the sector by the MA.

Availability of information

Information is readily available on official websites, even though not always in the most user-friendly manner. All the documents needed for the present component of the analysis were available on the official RO-SOPHRD website. However, key aspects of implementation are opaque, most notably details referring to the projects funded (official Romanian websites include only lists, while some project descriptions may be found on the main ESF website) and the assessment and reimbursement process. This latter aspect is particularly important given the delays in assessing applications and reimbursing contractors, which leave many applicants or contractors wondering for months or even years about the result of their applications or reimbursement requests.

Civil society organizations have also pointed out opacity in terms of decisions and actions taken to deal with the crisis of the programme, most notably the refusal to make public the action plans and the progress reports submitted to the EC (see <<http://www.romaniacurata.ro/articol-3369.htm>>) in response to the June 2012 report of the audit conducted by DG Employment. This comes as a particularly sensitive issue, since the interim evaluation report actually stated that the MA had failed in implementing the recommendations of the auditing reports of DG Employment (KPMG 2011). A coalition of NGOs has actually managed to obtain the text of the report, from an unspecified source, and published it on a website.

Adjustments during the commissioning cycle

The key notion to this part of the analysis is 'sunrise/sunset' issues (see J. Bradley 2005). 'Sunset areas' refer to negative side effects of the programme, while 'sunrise areas' refer to new directions that need to be followed

or better instruments that could be used to further help the achievement of desired goals. Sunset or sunrise areas may be identified both in terms of substance and procedure. This analysis closely follows the qualitative analysis of programme implementation made by the MA in order to point out that important sunrise/sunset issues are ignored even when pointed out by the external evaluations of the programme. This situation sometimes arises from the dominant framing of RO-SOPHRD implementation in terms of money spent, while sometimes it seems to be related to ignorance of key aspects of the social and economic context in which the programme is supposed to be implemented.

A key area is the disproportionate access to funds of large potential contractors, such as public universities, which is visible from the beginning (see figures reflected in AMPOSDRU 2008 – 49 per cent of all contracts signed in 2008 involve universities). This is a key issue which to this day is being ignored by the MA and the Romanian government, despite the fact that by 2011 they report almost 600 per cent success in the support to the universities (see data in AMPOSDRU 2011).

A second area is the preference of the MA for strategic projects (visible in their expressed desire that publicity actions in 2008 would lead to an increase in applications for strategic projects, since these are perceived to be more effective in terms of spending the financial allocation for RO-SOPHRD, while the contractors seem to prefer the smaller and more easily manageable in practice grant projects (by the MAs admission, 73 per cent of all applications submitted in 2008, see AMPOSDRU 2008). It is exactly this distinction between strategic and grant projects which the interim evaluation finds to be not very beneficial to programme effectiveness, which is why the recommendation is that such a distinction should be scrapped (KPMG 2011). This recommendation has been, to this date, ignored, despite supplementary findings showing the grant projects have been more successful in reaching the dominant MA goal, that of absorption. This has happened because the large strategic projects were prone to financial blockages when implemented by public sector contractors within the framework of annual instead of multi-annual budgeting.

The main area which should have been approached by the MA is reflected by macro-indicators of a quantitative nature. Numbers collected

by the MA itself show that the RO-SOPHRD is a programme which manages to successfully target the younger and better educated segments of Romanian society. Warnings appeared since the ex-ante evaluation, which pointed out that, despite Romanian population getting older, the programme did not address properly the issue of active ageing (Panteia 2007).

Another critical problem concerns co-ordination with other EU programmes, which seems to be largely ignored by the MA, even though it was already identified as significant in the ex-ante evaluation of the RO-SOPHRD. With one exception, the annual implementation reports stress the notion of complementarity between programmes usually thought to have been achieved in the programming process. One report stresses the notion of co-ordination, yet in a much-formalized manner (see above).

A problem specifically identified by the MA is the quality of the assessment of applications on education-related issues, with several annual implementation reports stressing out that problems appeared because evaluators were not familiar enough with the structure and problems of the national education system. However, there is very little action in the area of technical assistance in this area. In the end, the MA contracts out the assessment of applications submitted for some calls. However, which criteria are behind the choice to contract out some aspect of its activity and not another is never spelled out.

A significant problem is the relationship between the MA and the contractors. The latter accuse poor communication, abusive attitudes, the 'criminalization' of the contractors, and the constant abusive unilateral changes to contracts. The situation is further complicated when the MA decides to contract out the help-desk activities and ends up spending almost a year without a functioning help-desk because of a blockage in the procurement procedures. The attempt to transfer blame to the beneficiaries leads to the MA diverting attention of public opinion to some very eye-catching aspects. Thus, in 2010, there was a very public row concerning strategic projects implemented by National Agency for Employment under a poorly working key area of intervention. This was blocked by the MA, which considered salaries to be unacceptable in amount (Realitatea.net 2010), despite the fact that the pay of project personnel was actually in line with the provisions of the programme, and was approved and publicized by the MA itself.

Moreover, the action plan drafted in response to the spring 2012 audit conducted by DG Employment identifies some serious shortcomings in programme implementation which were not publicly admitted by the MA.

Shaping the market for educational service delivery: Calls for applications under RO-SOPHRD

The institutional set-up acts as a very rigid framework for the bureaucratic decisions made by the managing authority during the actual commissioning process. In this section we analyse all relevant call for applications launched under RO-SOPHRD by November 2012.² Out of 114 calls launched by the MA and intermediate bodies of the RO-SOPHRD, only ten are directly relevant to the issue of facilitating the access to ISCED 0–3 education of children and adults pertaining to disadvantaged groups. All these calls were launched under the second priority axis, within two key areas of intervention (KAIs) labeled *Learn a trade!* and *A second chance in education*. Although small in numbers, these calls provide us with a clear view

- 2 The analysis of calls issued under the RO-SOPHRD programme comprises one of the six priority axes of the programme and two different key areas of intervention, leading to a total of ten calls for applications analysed. These calls were selected, taking into account relevance to the ISCED 0–3 levels of the national educational system and to the issue of access to education for disadvantaged groups. The priority axis analysed here, Linking lifelong learning and the labor market (PA₂), accounts for another quarter of the total RO-SOPHRD budget for 2007–13. Within this axis, two key areas of intervention were determined to be relevant for the educational inclusion of vulnerable groups, Transition from school to active life (KAI 2.1.) and Preventing and correcting early school leaving (KAI 2.2.). Another axis approached here, Education and training in support for growth and development of knowledge based society (PA₁) lists among its key areas of intervention Access to quality education and initial VET (KAI 2.1), which deals primarily with teacher training and quality assurance issues. This priority axis accounts for approximately a quarter of the total RO-SOPHR budget (almost EUR one billion).

on how ESF funding in Romania is being used to shape a quasi-market for educational service delivery.

The first major instrument at the disposal of the policy-maker was the decision concerning whether to define or not categories of projects and, thus, shape the commissioning process. The decision was to distinguish between two types of projects, in terms of duration, cost, and territorial scope. The first category, designated strategic projects, are longer (up to thirty-six months), more expensive (between EUR 0.5 and 5 million), and more comprehensive from a territorial point of view (national or multi-regional). The second category, designated as grant projects, are shorter in time (up to twenty-four months), less expensive (between EUR 50,000 and 500,000), and more focused territorially (first and second tier of local government, regional, and multi-regional). Interestingly enough, the territorial dimension of these categories does not take into account the existence of inter-municipal co-operation forms in Romania. A very important distinction between the two types of projects is in terms of application and assessment procedure. In the case of the strategic projects, all applications submitted by a deadline are assessed and then ordered so that the best applications are selected. In the case of grant projects, a first-come, first-served procedure is used, with applications passing the minimal score threshold receiving funding in the order in which they were submitted. Alongside this categorization of projects, we find the very distinctive situation of the different forms of state-aid, which are regulated separately and governed by a different set of general conditions as compared to the types of projects mentioned before.

There is a clear preference of the MA for large projects, as suggested by the fact that fifty-eight out of the 114 calls launched were for strategic projects. In the area of interest to this research project, six out of ten calls launched are for strategic projects. There is also a significant difference in terms of financial allocations for these calls, with 87 per cent of the funds allocated to the calls for strategic projects. Such a division is justifiable from the perspective of the need for structural reforms in the Romanian national education system. Yet, addressing social issues such as early school leaving requires individualized or community-based interventions, which are more easily achievable in the frameworks provided by small projects developed at local level, by schools or CSOs. It is unclear how the impact of the strategic projects is actually traceable at grassroots level.

A second major decision concerns the degree of differentiation between calls launched under the same key areas of intervention. In Romania, there are very little differences from one call to another. Most of the differences actually refer to administrative and financial aspects, with no differences in terms of substance (social issues approached, design of services which projects funded should provide).

Who are the potential contractors?

Another very important instrument in shaping the market, at the disposal of the MA only, is the list of potential contractors included in each of the calls launched under the programme. In the case of Romania, we have a highly unregulated market, driven by the need of the MA to spend as much of the financial allocation as possible. Thus, with the exception of the calls aimed to disburse state aid for professional training, all the calls analysed here present very long lists of potential contractors. Of particular interest are the calls under KAI 2.1 – *Learn a trade*, seeking to disburse funding for the compulsory professional training of pupils and students. Under these calls, vocational schools are facing a not very fair competition with universities for funds aimed at the practical training of students and pupils.

There are no clear-cut differences in terms of lists of potential contractors between the two key areas of intervention analysed here, or between the two types of projects. KAI 2.1 *Learn a trade* has somewhat shorter lists of potential contractors, as it excludes local and county governments and churches, while it includes professional associations. Ministries and central government agencies, county-level government offices including school authorities, research institutes and think tanks, trade unions, employers' associations, and NGOs are eligible under all calls except those for state aid schemes. ISCED 1–3 schools are treated differently from one call to another. ISCED 1–2 schools and public ISCED 2–3 academic schools are eligible under six elected calls from both KAIs, with no rule discernible in terms of types of interventions where they are included. For example, they are eligible under three out of four calls focused on early school leaving (KAI 2.2.). Vocational and technical ISCED 2–3 schools are eligible under eight out of ten calls, being excluded from one of the several calls

labeled *A second chance in education* and from a call focused on mentoring programmes for young graduates at their first job.

A special situation is that of non-state universities, considered by the MA to be ineligible because they are not explicitly mentioned as such by the RO-SOPHRD official documents. Yet, technically and legally, non-state universities are non-governmental organizations and, consequently, eligible for funding. The exception mentioned by the MA is more likely applicable to calls under key area of intervention 1.1, specifically targeted at universities. Another special situation refers to the eligibility of schools. In Romania, in a drive to reduce administrative costs in the educational sector, it was decided that only some schools can be entrusted to take care of the financial and fiscal aspects of their operation. These schools were designated as 'budgetary centres' and asked to process financial and fiscal aspects for other schools as well. Consequently, only the former schools were assigned fiscal registration numbers, which turned out to be absolutely necessary for being able to apply for ESF funding.

The main problem in terms of access to the market seems to be the extent to which rules cater dominantly to the needs of public sector contractors. In the application process public sector contractors were exempt from some financial and fiscal eligibility checks, which turned out to be quite troublesome for the other contractors. In 2009, access is made even easier for certain categories of public institutions (universities and self-financed institutions), calls issued in that year put their contributions to the budget of the project much lower than for other public institutions and on equal footing with third-sector organizations. This indicates a preference towards easing access to funds for public institutions, at the expense of non-state potential contractors.

Partnership structures

The principle of partnership is translated into the calls for applications in the inclusion of partnership in the list of assessment criteria. While partnership is not compulsory, applicants are from the beginning well aware of the fact that applying for funding without a partnership structure

is automatically disadvantaging them as compared to other applicants, standing to lose between 5 and 7 points out of 100. In order to prevent partnerships in-name, created just to overcome this disadvantage, the calls provide a very clear operational definition of partnership and require the involvement of partners in at least two of the following components of the project: project preparation, project financing and project activities. The calls go even further and include a template for partnership agreements. While the use of the template was not compulsory, applicants preferred to use it, fearing that the use of other documents might harm their chances of obtaining funding for their project. Later calls (2011) go further and explicitly request that only entities who would be eligible to apply on their own are eligible partners.

There are no compulsory partnership structures. In terms of types of partnerships, transnational ones are explicitly recommended throughout the programme and even monitored by the MA (see annual implementation reports), while cross-regional partnerships are encouraged in all calls for strategic projects. The definition of what constitutes a multi-regional project, however, varies in time. In earlier calls, the requirement is that the partnership structures include entities from three of the eight development regions in the country, while in later calls this is reduced to two. This is an extremely important relaxation of the requirements, with the potential to make the calls for strategic projects more accessible to smaller contractors.

Who are the potential beneficiaries?

An important instrument in shaping the contractor's approach to selecting potential beneficiaries of their services is the manner in which the MA requests them to register the beneficiaries and justify their belonging to one of the target groups. The general conditions applicable to calls, in all their versions, include a form for the registration of the target groups with a very long list of groups designated as vulnerable. While it includes categories such as Roma, refugees, people with disabilities, and other categories usually designated as disadvantaged, the list also includes women and families with more than two children. In the latter case, the designation

as vulnerable groups needs some nuances. It is unclear whether this nuance is taken into account during programme implementation, or any woman recruited by a contractor to benefit from its services will be considered a potential beneficiary, no matter her social and economical status.

As with the lists of contractors, the lists of potential beneficiaries are quite comprehensive and quite misleading. Under calls which identify school drop-out among Roma pupils and pupils from rural areas to be problematic, the list of potential beneficiaries actually lists 'pupils', leaving to the interpretation of the potential contractor and of the people assessing the application whether other pupils can be included. The results of these comprehensive lists are puzzling. For example, calls issued under key area of intervention 2.1 are nominally focused on ISCED 4–5. However, interpreting jointly provisions concerning services and potential beneficiaries, we find out that in certain cases lower ISCED levels are also targeted, namely in the case of educational counseling services.

In terms of groups specifically identified as disadvantaged in the text of the calls, under key area of intervention 2.2, all calls make reference to Roma pupils and their families, pupils with disabilities and their families, pupils from rural areas and their families, pupils with poor school performance, and other vulnerable groups. The latter category appears as such and, combined with the fact that targeting such very specific groups is not specifically embedded in the assessment categories and is only rewarded at the decision of those assessing the application, creates room for contractors to focus on more accessible beneficiaries, as long as they fit into the very broad definition given to vulnerable groups. This is supported by official data released by the MA showing progress on macro-indicators. Thus, at the end of 2011, under priority axis 2, out of the four groups identified as vulnerable by the national legislation, the largest group of beneficiaries was classified under 'Other'. In total, 5,988 people identified as belonging to a national minority (out of which 2,032 were Roma), forty-two immigrants, and 513 people with disabilities benefited from RO-SOPHRD funding, as compared to 30,748 people from other disadvantaged groups.

Macro-indicators reported by the MA need to be read with circumspection, as in 2011 it became obvious that a huge mistake had been made in recording beneficiaries, namely that of distributing indicators to specific

key areas of intervention of the programme (see AMPOSDRU 2011). For example, indicators showing progress in terms of social inclusion were only measured looking at projects under priority axis 6, despite the fact that projects funded under other priority axes also produced results in terms of social inclusion.

Designing services

The manner in which the MA has chosen to define the list of eligible activities has come under heavy criticism in the interim evaluation report. The authors of this report considered the lists of activities drafted by the MA were far too detailed, leaving almost nothing to the discretion of the applicants. Rather than define project activities based on their knowledge of the field, contractors were actually forced to pick from a predetermined list of activities. Given the formalization of the programme, it is likely that many applicants refrained from introducing additional activities, as it would have increased the chances of their applications being rejected. The details in the list of activities sometimes go as far as making a list of innovative activities.

These long lists are also the result of the approach to call drafting. Since there is not much differentiation between calls issued under the same key area of intervention, the list of activities designed for the respective area during RO-SOPHRD programming is maintained as such in all calls. Instead of launching calls for specific groups of activities, for example counseling services or prevention of school dropout among Roma children, the MA issues catch-all calls. This is probably due to the focus on the MA on absorption and their interpretation that catch-all calls will be more effective in terms of amounts of money spent.

By 2010, the MA became much more restrictive in the manner in which it defines and designs the services contractors are supposed to provide. Calls issued in 2010 requests potential contractors to include certain activities only in association with others (see for example call 109).

An interesting category in the lists of eligible activities concerns the so-called monitoring activities. These are in fact research activities,

and are generally restricted to certain types of contractors. Interestingly enough, these contractors are ministries, central government agencies, and central government offices at the local level. Moreover, there are no specific requirements oriented towards ensuring the quality of these activities. In fact, important amounts of money are directed towards research concerning the effects of the ESE, such as mapping the results in terms of professional integration of young graduates, which will probably be used to further orient the actions of the central government, without safeguarding quality.

Call design

Calls are documents difficult to cope with due to their length, some of them going as far as hundreds of pages, with multiple corrigenda. This length is also due to the fact that, despite the claim of keeping them separately, general and specific conditions to the calls are mixed. Large portions of the general conditions of the calls are copy-pasted into the specific conditions. Calls are very misleading for applicants, which has resulted in large numbers of applications being rejected for administrative issues. The biggest problem has been the request of the MA that applications are made anonymous (they should not mention names and places), so that assessment is blind. Large numbers of applicants failed to fully make their applications anonymous and were rejected.

Improving the situation of the Roma as horizontal objective

Poor dealing of the Roma issues within the MA is obvious, starting with the language used, as the annual implementation reports feature a table titled 'Synthesis of actions whose purpose is to intensify the integration in the labor force and, consequently, the social assimilation of minorities' (AMPOSDRU 2011). Social assimilation is considered politically incorrect

terminology in Romanian policy documents and it is never knowingly used, yet it is used repeatedly in RO-SOPHRD annual implementation reports.

While in official documents the MA mentions improvement of the situation of the Roma as a horizontal objective, it has issues in proving this actually happens. This is pointed out by the National Agency for the Roma (RO-ANR), which contradicts on its website an MA declaration that projects worth EUR 250 million are targeted at the Roma population. The ANR actually shows that the projects the MA is referring to (102 in total, fifteen within priority axes 1 and 2) target Roma *among* other vulnerable groups (<<http://www.anr.gov.ro/>>).

One problem with tracking progress in ensuring equality of opportunity and reducing some form of discrimination is that initially, the MA considers only results under key area of intervention 6.3 projects to be relevant, despite the fact that this is an obvious case of a horizontal objective. As such, in 2008 they report that seven projects approach this issue (AMPOSDRU 2008). Moreover, the MA reports that 94 per cent of projects contracted in 2008 declare these principles will be respected. While this numerical approach is not essentially wrong, it is far from telling us the complete story, since there might be a huge difference between declarations of contractors and the actual practice of project implementation. The numerical approach is employed in order to determine progress for all horizontal objectives, yet there is a significant difference in terms of details provided (more detailed for sustainable development), which can be linked to the difficulty the MA seems to have had in actually operationalizing these objectives.

Assessing progress in targeting the Roma is very difficult for the first years of implementation, since the MA normally reports its targeting of vulnerable groups, using a breakdown said to be included in national regulations. This refers to people belonging to a national minority, people with disabilities and others. For example, for 2009, the annual implementation report mentioned that 1,187 people from a national minority (3.5 per cent of total beneficiaries at that point) benefited from projects funded under this programme, without distinguishing between Roma, Hungarians and other minorities (AMPOSDRU 2009). The distinction only appears in the 2011 implementation report, when the MA shows that out of a total

of 589,324 beneficiaries, 28,198 were Roma (4.78 per cent). These figures must be placed against the category defined as *Other disadvantaged groups*, which accounts for approximately 30 per cent of the total number of RO-SOPHRD registered beneficiaries at the end of 2011. The numbers are particularly telling if we focus strictly on key area of intervention 2.1, where approximately 5.16 per cent of the beneficiaries are Roma, despite the focus on early school leaving and the fact that Roma are disproportionately affected by this.

The slow progress in this respect also has a bureaucratic explanation. By 2010, it became obvious that there needed to be a more effective approach to the Roma issues; so the monitoring committee discussed and approved the creation of a workgroup in co-operation with the National Agency for the Roma. However, they opted for a highly formalized procedure, requiring that a Regulation concerning the organization and functioning of the technical workgroup for facilitating the access of Roma to RO-SOPHRD funded projects be developed and later approved by the monitoring committee (AMPOSDRU 2010). This regulation was only approved a year later (AMPOSDRU 2011), which meant the workgroup did not work and we cannot expect it to have impacted RO-SOPHRD implementation in any way.

The RO-SOPHRD dominantly manages to reach the younger and better-educated segments of the Romanian society, as shown by official data. It does not seem able to reach the multiply disadvantaged and less-educated segments of Romanian society and be effective in educational inclusion. The MA fails in admitting that, so far, the programme has failed in reaching the multiply disadvantaged and less-educated segments of Romanian society.

The situation analysis is, from this point of view, a very good example of blame avoidance. The MA suggests in national implementation reports that there is nothing wrong with this trend, as it results from the 'specificity of the objectives of the priority axes and of the target groups' and the 'size of the financial allocation for each priority axis' (AMPOSDRU 2010). Despite programming documents pointing the other way, the MA suggests lower-educated beneficiaries are targeted under PAs 5 and 6, which happen to have a lower financial allocation. At the same time, the difference is

blamed on the extremely different speed of contracting under different PAs (higher for PAs 1 and 2 and lower for 5 and 6). Yet, this latter trend could have been easily corrected by the MA with minor decisions concerning the schedule of calls.

Conclusion

The approach to educational policy issues under the RO-SOPHRD is rather rigid and incomplete. Concrete steps taken in the implementation of the programme fail to respond to some of the problems identified in the situation analysis, most notably the problems of quality of teaching, development of pre-school education, increasing access, and participation in higher education of pupils from rural areas and disadvantaged groups. Moreover, the manner in which the commissioning cycle is managed is unfit to respond to the changing conditions in the educational system and on the labor market. The 2006 situation analysis and structure of the RO-SOPHRD are taken for granted, the MA focusing strictly on administrative and financial aspects. The most obvious symptom of this rigidity is revealed by the content analysis of calls, which shows practically no differentiation between calls launched in specific key areas of intervention. In fact, in terms of definition of social problems approached, purpose, target groups and activities, there is no difference from one call to another.

An underlying cause to the MAs' failure in effectively approaching the issue of using ESF funding to target the needs of vulnerable groups is the public-political context in which the implementation happened. Very early, the emphasis was publicly placed on the rate of absorption and the cases of fraud, which further pushed a highly formalistic and hierarchical organization into a drive to produce regulations and procedures to approach the administrative and financial issues raised in the public space. This shifted necessary attention from issues such as the extent to which Roma benefited from ESF funding, or the impact of overly bureaucratized procedures on contractors. It became very much a matter of dominant goals and

the direction in which the MA chose to steer the ship of RO-SOPHRD, which is a matter of governance (see Peters 2006).

As public pressure increased, the MA became more defensive and less transparent, culminating with refusals to make public the action plans and progress reports requested by the EC in order to reinstate the programme. The blame-avoidance strategies employed have contributed to a severe deterioration of the relationship with contractors, which possibly contributed to further obstacles to implementation.

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6 ESF as a substitute for national education funding: The case of Slovakia



This chapter focuses on how the Operational programme Education (SK-OPE) manages to approach the issues of access to education for vulnerable groups, especially Roma, in Slovakia. Based on an in-depth analysis of policy documents and the guidelines for appli-

cants issued under the above-mentioned programme, it argues that the institutional framework for the implementation of structural funds in Slovakia can be characterized as extremely complicated and unstable, with serious consequences (especially financial) for the contractors.

After presenting the operational programme under focus, the chapter details the context of ESF implementation in Slovakia and presents some data about the progress in implementation. Later on, it analyses the institutional set-up of ESF-funded programmes in Slovakia as reflected in national policy documents. Then, it details the bureaucratic decisions associated with ESF implementation and showcases their potential to induce increased educational selectivity.

The Operational Programme Education

The Operational Programme Education (SK-OPE), which is in the focus of this study, is one of eleven operational programmes implemented in Slovakia between 2007 and 2013. The global objective of SK-OPE is to ensure the long-term competitiveness of Slovakia by adapting the educational system to the needs of the knowledge society, in line with the strategic priority Human Resources set up in the National Strategic Reference Framework 2007–13 (SK-NSRF 2007). The SK-OPE is part of the European Social Fund (ESF), together with the Operational programme Employment and Social Inclusion (SK-OPESI), within the same Human Resources strategic priority, and with the global objective to contribute to the ‘growth of employment, reduction of unemployment, social inclusion and capacity building’. While the former is focused on formal and informal education within the educational system, the latter includes (re)training the labor force (employees or job-seekers). These two areas overlap to some extent and the borderline between the two operational programmes is unclear. Also, the SK-OPE is complementary to the ERDF-funded Regional Operational Programme (managed by the Ministry of Transport, Construction and Regional Development), which supports the reconstruction, renewal and enlargement of existing school premises and their equipment.

Within the SK-OPE, the overall financial allocation for 2007–13 is EUR 600 million for the Convergence Objective (the territory of Slovakia except for the Bratislava Region) and EUR 17.8 million for the Regional Competitiveness and Employment Objective (Bratislava Region). The SK-OPE is managed by the Ministry of Education, Science, Research and Sport (SK-MESRS, which is also the Managing Authority of the ERDF-funded Operational Programme Research and Development). SK-OPE has five priority axes, each with several key areas of interventions (KAIs or measures).

The KAIs 3.1. *Raising the Educational Level of Members of Marginalized Roma Communities* and 3.2 *Raising the Educational Level of Persons with Special Educational Needs*, the focus of this chapter, are part of the

Horizontal Priority Marginalized Roma Communities (SK-HP MRC), which is one of four horizontal priorities established within the SK-NSRF.¹ Its target is defined as increasing the employment and education levels of marginalized Roma communities and improving their standard of living, and should be directly achieved through implementation of six relevant operational programmes, including SK-OPE.

However, the horizontal priorities were set up only in the very final phase of programming of the SK-NSRF (SK-NSRF 2007), as a result of negotiations with the EC. Therefore, the objectives of the horizontal priorities were not the basis for programming of the OPs. Existing relevant programmes, Priority Axes and KAIs had already been formally assigned to them (*Ad-hoc hodnotenie horizontálnej ... 2011: 8*). As a consequence, the activities relevant and necessary for the fulfillment of the SK-HP MRC were not included in the OPs and the co-ordinator of the SK-HP MRC, Office of the Governmental Plenipotentiary for Roma Communities (SK-GPRC), has only a minimal influence on the assessment, selection and commissioning of projects (*Strategické hodnotenie ... 2012: 9*). The participation of the civil society in the programming of the SK-NSRF was very problematic and ineffective, and culminated with a boycott of the programming process by NGOs (Grambličková, Mojžiš and Zamkovský 2011: 13–14). Additionally, at the end of programming, the government changed. Discontinuity in the strategic approach of the old and new administration had an impact on both the content and the implementation mechanism of the SK-OPE and SK-HP MRC.

The SK-OPE basic programming documents refer to, among others, the Concept of Integrated Education of Roma Children and Youth, including Secondary and Higher Education, adopted by the Slovak government in 2004 as the national strategy of Roma integration in the sector of education (Ministry of Education of the Slovak Republic 2004).² The

1 Other horizontal priorities are: Equal Opportunities, Sustainable Development, and Information Society.

2 The document, however, declares problems with the collection and processing of ethnically disaggregated data and subsequent problems with targeting, monitoring and evaluation of interventions focusing Roma. Instead of the missing ethnic

Concept was replaced by a new one in 2008. The new document contains an analysis of the situation, problems and needs of Roma pupils in the Slovak Republic, strategic objectives and indicators for their achievement. The document claims to 'propose topics to be attained through national projects and calls' within the KAI 3.1 of the SK-OPE (Ministry of Education of the Slovak Republic 2008). However, the SK-OPE had been established and launched before the adoption of the new Concept and therefore does not fully match the proposed measures. This chapter argues that the reform policies aimed at the inclusion of Roma and other disadvantaged groups are implemented through centrally planned and commissioned national projects, which tend to substitute national funding for school operations and modernization, rather than demand-driven projects.

Progress in SK-OPE implementation

The SK-OPE was approved by the EC Decision No. K(2007)5476 on November 7, 2007, totalling a budget of EUR 726,825,389 (the EU contribution being EUR 617,801,578) for 2007–13. Of interest to this project are the originally planned allocations for the Priority Axis 3 of EUR 76,470,589 (the EU contribution EUR 65,000,000); the planned allocation for KAI 3.1 of EUR 57,294,118 (the EU contribution of EUR 48,700,000); and the planned allocation for KAI 3.2 of EUR 19,176,471 (the EU contribution was EUR 16,300,000).

data, it uses a proxy category of children from socially disadvantaged environments (which do not include all Roma children and also include disadvantaged non-Roma children).

Table 6-1. Financial allocations for the education of vulnerable groups, SK-OPE, 2007–2012.

Year	Total SK-OPE		KAI 3.1		KAI 3.2		Priority Axis 3	
	# of calls	Allocation (mill. Eur)	# of calls	Allocation (mill. Eur)	# of calls	Allocation (mill. Eur)	# of calls	Allocation (mill. Eur)
2007	0	0	0	0	0	0	0	0
2008	25	184.9	0	0	0	0	0	0
2009	16	334.1	1	13.0	1	8.0	2	21.0
2010**	8	91.5	1*	17.0	0	0	1*	17.0
2011	7	148.5	3	50.5	0	0	3	50.5
2012	17	291.0	2	14.4	1	15.8	3	30.2
Total**	72	1,066.2	7	94.9	2	23.8	9	118.7

* The call was cancelled.

** Including the call cancelled in 2010.

Source: Overview of launched calls. Webpage of the Central Co-ordination Authority. www.nsrr.sk/download.php?FNAME=1358759401.uplandANAME=prehlad_vyziev_31_12_2012.xls

In the second half of the programming period 2007–13, we see an increase in the contracting of national projects in the Priority Axis 3, thanks to large national projects (see Table 6-1). That could be motivated either by concerns that demand-driven projects would not ensure the planned absorption of the allocated funds, or that demand-driven projects are not effective in reforming the education of vulnerable groups and bringing the expected results.

By June 22, 2012 the SK-OPE was the second-least performing operational programme in Slovakia, from the point of view of spending of the planned allocation for 2007–13. The level of absorption (as expenditures certified by the EC) was only 15.82 per cent. Due to the weak financial implementation of the SK-OPE and concerns about the real capacity to absorb its allocated funds for 2007–13 until the end 2015 (rule n+2), on May 16, 2012 the Slovak government decided on the reallocation of funds from the SK-OPE into SK-OPESI. The EC approved the proposed revision on September 19, 2012. The total budget of the SK-OPE was reduced

by EUR 70 million and the new budget of the operational programme was EUR 656,825,389 (the EU contribution after the reallocation was EUR 558,301,578). The reallocation did not affect the KAI 3.1, but the budget of the KAI 3.2 was increased by more than EUR 1.9 million.

Table 6-2. Aggregated contracted number of projects, contracted amounts and share of the total allocation for 2007–2013, SK-OPE.

Year		2007	2008*	2009	2010	2011
Total SK-OPE	projects	0	44	440	554	596
	amount	0	68.9	236.2	310.1	368.4
	%	0	11.2	32.5	42.7	50.7
KAI 3.1	projects	0	0	50	49	50
	amount	0	0	8.4	8.1	33.1
	%	0	0	14.7	14.1	57.8
KAI 3.2	projects	0	0	22	20	19
	amount	0	0	3.9	3.6	3.4
	%	0	0	20.3	18.8	17.7
Priority Axis 3	projects	0	0	74	69	69
	amount	0	0	12.3	11.7	36.5
	%	0	0	16.1	15.3	47.7

* The Annual Report for 2008 indicates only the amount contracted from EU sources. Without national co-financing; which financing differs by type of contractor, it is not possible to calculate from available data the actual total contracted amount including the national co-financing).

The SK-OPE and national education policy

The SK-OPE was prepared during a period of important political change, when a reformist right-wing government was replaced in 2006, after eight years of rule, with a new coalition led by social democrats. The new

government engaged in completely redrafting the basic documents of the programming period 2007–13, including the SK-OPE (among the consequences were delays in beginning the SK-NSRF implementation). Similar to other sectors in Slovakia, in education policy there is also a lack of strategic continuity across political cycles. According to experts, the substantial problem of the Slovak educational system is a ‘lack of vision and consensus across the whole society on what educational system we want to build-up’ (Krčmárik 2012). An agreement on targets and strategy going beyond the governmental changes is missing and each administration adopts new long-term ‘strategies’, which are immediately replaced by new ones.

Typically, the redrafted SK-OPE approved in 2007 by the EC refers in its strategic part mostly to the *Policy Statement of the Government 2006–10* and *Priority Tasks of the SK-MESRS for 2006–10*. The following objectives are formulated for the regional system of education: drawing up a concept of foreign-language teaching in primary and secondary schools; assessing the qualifications status of pedagogical staff in regional schools and the standard of training of graduates from teacher-training colleges; drawing up a draft concept of professional teacher development within the career system; preparing a draft act on the situation of pedagogical staff of schools and school facilities; drawing up a new draft act on education and upbringing (school act) to address changes in the content of upbringing and education in regional schools; drawing up a concept of two-tier educational programme model in vocational education; and drawing up a concept of the education information system.

As noted above, the operational programme was drafted at a time when the existing concepts and acts in education and upbringing were amended, or new ones were drafted and thus, they could not be sufficiently taken into account in its drafting. Therefore, all relevant concepts would be spelled out later, during the preparation of calls for applications (i.e. incremental strategy formation of using the ESF/OP Education) (SK-OPE 2007: 28–9). This means that the SK-OPE draft did not contain detailed descriptions of the needs that it was supposed to address. Instead of this, it included a mechanism of *incremental strategy formation*, meaning repeated and interim analysis and evaluation when preparing the various calls, focusing specifically on programming, channels of intervention, financial structure,

as well as the intervention impacts and variants. The incremental strategy formation should consist of the following steps:

- (a) establishing an efficient partnership of the Managing Authority (MA) with the relevant stakeholders involved, including a certain form of participation of the target group representatives;
- (b) a participative scoping phase co-ordinated by the MA, in which identification of possible priority areas would be complemented and confirmed, on the basis of pre-agreed criteria including their geographic dimension;
- (c) a strategic decision by the MA concerning the selection of priority areas based on outputs from the previous stage;
- (d) implementation of short (three to six months) partnership projects procured from a single source for which analyses of needs, key disparities and development factors would be prepared in the priority areas according to pre-defined clear specifications;
- (e) selection of alternative instruments (activities) by which the needs would be addressed;
- (f) modelling and quantification of objectives and determining the financial allocation – performed by the MA. In the event of insufficient external capacities, consultants can be involved in the process or the strategic process as a whole can be transferred to a suitable partner;
- (g) an ex-ante evaluation of the effects of the different variants including an empirical verification of the intervention mechanisms in the 2004–06 programming period and/or pilot verification of instruments (t months); this can be done by single-source procurement or by a call with sufficiently specific conditions;
- (h) strategic selection of the most beneficial variant by the MA;
- (i) preparing documentation for the call (in ideal cases, in co-operation of the IB/MA and partners, and co-ordinated by the MA, including model cost estimates, methodologies for the implementation of activities, methodologies of monitoring, etc.) (SK-OPE 2007: 163–64).

However, how this procedure actually worked in practice, at least in case of the Priority Axis 3, is not known to us.

The problems and policy priorities in the field of education of Roma children were elaborated only in 2008 in the *Concept of Integrated Education of Roma Children and Youth*, including secondary and higher education, adopted by the Slovak government in 2008 (Ministry of Education of the Slovak Republic 2008). The defined policy priorities include: the creation of adequate conditions for access to education and opportunities to provide quality education for pupils from a socially disadvantaged environment; to improve pre-school preparation in kindergartens and readiness of Roma children to enter elementary schools; to improve the school performance of Roma pupils; to increase the share of Roma students in secondary schools and universities; to decrease the share of Roma children in special education for mentally disadvantaged children; and to support lifelong learning for Roma adults with no completed education from the perspective of labor market.

These objectives were to be achieved through a set of measures, which should be created through national projects funded from the SK-OPE's KAI 3.1. These include measures in several areas, of special interest to us being those focused on pre-school and primary education. Concerning pre-school preparation the aim is to support motivation of parents to place their children into kindergartens, to extend the network of kindergartens into municipalities with a high number of Roma children, to improve the methodological support to kindergartens' staff, and to develop and introduce programmes for involvement of parents and improvement of their co-operation with kindergartens. For primary education the aim is to extend the network of preparatory 'zero' grades; to decrease the number of pupils in classes; to implement a day-long educational system; to create an attractive educational environment respecting the social, cultural and linguistic specificities of children; to take into consideration the educational needs of Roma children in the preparation of school educational programmes; to support programmes of multicultural anti-prejudice education; to develop school-readiness tests and differential diagnostics independent from social and cultural background of the child; to increase a number of special pedagogues in elementary schools to facilitate the individual integration of pupils; and to legally facilitate the schooling of minor mothers.

The institutional set-up of ESF implementation in the Slovak Republic

The institutional framework for the implementation of structural funds in Slovakia can be characterized as extremely complicated and unstable, with several institutions issuing a high number of diverse (sometimes ambiguous or contradictory) obligations, rules, and their interpretations, which are often updated. At the same time, all the documents are binding and their application rigidly controlled. Any violation of the rules (sometimes arbitrarily interpreted) can lead to financial damages, when funds already spent by contractors are considered as ineligible by the authorities. The rules of the game are often modified during the game. As the system of managing documents is hierarchical, any modification in higher document leads to modification of all subordinate documents. Such an environment de-motivates contractors to get involved in innovations, which would create novel situations from the point of view of application of the rules. At the same time, the intermediate bodies, which are subject to many controls and audits from the part of supervisory authorities, are afraid to interpret or create procedures to accommodate the novel situations.

Moreover, how ESF addresses educational vulnerabilities in Slovakia is largely dependent on how certain key notions are (not) defined in national policy documents. Thus, the operational programme, or any other document, does not contain descriptive or normative conceptual definitions of such frequently used terms as 'social inclusion', 'integration', or 'social exclusion', despite explicitly using these notions in programme objectives. The programme documents refer to the Anti-discrimination Act (2004). However, its application in the context of implementation of the EU structural funds is not developed (although the concepts of preventive and affirmative measures, banning of segregation, and Roma mainstreaming would be worth operationalizing in the context of project development).

Instead, the operational programme rather focuses on the definition of eligible target groups, which include 'pupils with special educational needs' as defined by the Article 3 (2) of Act No. 29/1984 Coll. on the

system of primary and secondary schools. Pupils with special educational needs refers to pupils with mental, hearing, sight or physical disabilities, pupils with poor health, pupils with disturbed communication capability, autistic pupils, pupils with development disorders in learning or behavior, pupils with heavy mental disability placed in social care homes, pupils with disorders of mental or social development, and intellectually talented pupils. The pupils' special educational needs should receive special education services corresponding to their needs, which would develop their individual capacity, according to the law. However, researchers conclude that in the case of Roma pupils placed in special education, their individual capacity is in reality not developed, and enrolment in special education rather dramatically limits the pupils' prospect for secondary education and access to the labor market (Friedman et al. 2009: 35–49). The definition of pupils with special educational needs does not include the ethnicity or mother tongue of the pupil.

The SK-OPE additionally quotes a definition of 'a child from socially disadvantaged environment' from the *Concept of integrated education of Roma children and youth*, including the development of secondary and higher education:

... a child with learning and attitude difficulties occurring on the basis of dysfunctional social conditions resulting from social exclusion (e.g. poverty, unemployment, alcohol addiction, violence, inadequate education of parents, non-standard housing and hygienic conditions and the like). Socially disadvantaged environment shall mean an environment, which – with regard to its social and language conditions – leads to the assumption that a child would not master the schoolwork of the first grade of primary school over one academic year. As the definition of a [socially disadvantaged environment] suggests, those are mainly such difficult children who live in unfavorable social conditions. Their parents are not able to bring up their children and are not capable of understanding the children's basic needs. (Ministry of Education of the Slovak Republic 2004)

Although the definition does not refer explicitly to ethnicity, it is mostly used as a proxy term for children from marginalized Roma communities. The SK-OPE does not develop this concept, but calls within the Priority Axis 3 explicitly refer to children from socially disadvantaged environment as beneficiaries (SK-OPE 2007: 63).

Formal decision-making and institutional role-orientation

The SK-OPE is managed by SK-MESRS, which is also the Managing Authority for Operational programme Research and Development. The SK-MESRS entrusted, via formal delegation agreements, tasks related to demand-driven projects of both operational programmes to the intermediate body, the Agency of the Ministry of Education, Science, Research and Sport of the Slovak Republic for EU Structural Funds (SK-ASFEU). This is an independent organization established by the ministry and managed by a general director appointed by the Minister of Education, Science, Research and Sport. One SK-OPE key area of intervention (2.2 *Support to Lifelong Learning in the Health Sector*) has a different intermediate body, the Ministry of Health. The intermediate bodies are responsible for programming, administration of calls for applications, assessment, the administration of contracts, financial management and control of projects, communication, and other tasks in relation to demand-driven projects. The intermediate bodies are co-ordinated, methodologically guided, and supervised by SK-MESRS' specialized departments.

The SK-ASFEU prepares an annual indicative schedule of calls for the submission of demand-driven projects, which must be approved by the SK-MESRS. The calls for submission of demand-driven projects are drafted by the SK-ASFEU at the request of the ministry, which defines eligible applicants, activities and expenditures for the call, as well as the assessment and selection criteria for project proposals. The intermediate body should theoretically create working groups for drafting of calls, which are issued after approval by the SK-MESRS. Calls to be prepared within the KAI 3.1 must be consulted upon with the SK-GPRC. However, the information on actual preparation of calls in working groups or their composition is unavailable. An evaluation report states:

In some instances, the lack of consideration given to the selection of members for working groups engaged in preparing calls (where it was a question of calls which, in terms of their character were repeated, the entire process was not repeated in its full scope), i.e. the absence of some of the parties concerned, has had an impact on the quality of draft calls; the draft calls are subsequently submitted to a Managing Authority to be approved in a very short period of time prior to their issue, which may

have a direct impact on the draft call quality assessment by a Managing Authority. (Ernst and Young 2010: 28)

The monitoring of demand-driven projects is ensured by intermediate bodies and aggregated by the Managing Authority, which also monitors the national projects. Evaluations of the SK-OPE are procured centrally by the SK-MESRS' specialized departments responsible for respective OPs; they are typically subcontracted to external consultancies via public procurements. There is no specialized body or committee supervising the evaluations of the operational programmes (terms of references, public procurement, reports). The evaluations' terms of references are not published, only the final reports are available, after a process of review by the managing authority and intermediate bodies. This fact has been criticized by a member of the SK-OPE's Monitoring Committee, who requested that the terms of references are made available to both the members of the Monitoring Committees and the public on the ministry's webpage.³

The SK-OPE is managed by the SK-MESRS, which is the central administrative authority for national education policy. The ministry is responsible for policy-making and implementation, including the development of the national educational strategy; state educational programmes and educational standards; authorization of curricula and schoolbooks and educational materials; experimental testing of innovative managerial, organizational, and educational processes and educational contents; establishment and management of system of educational fields; accreditation of projects and organizations providing training for teachers; and others.⁴ The SK-MESRS became Managing Authority for the SK-OPE in 2006.⁵ The ministry charged its Section of EU Structural Funds with the tasks of the Managing Authority. The SK-MESRS entrusted its tasks related to demand-driven projects to the two above-mentioned intermediate bodies.

3 *Minutes* from the 5th regular meeting of the Monitoring Committee for the Operational programme Education. June 6, 2011. Available at: <<http://www.minedu.sk/data/att/2570.pdf>>.

4 By-laws of the SK-MESRS.

5 Slovak Government Resolution no. 832/2006 (October 8, 2006).

We can therefore conclude that the SK-MESRS is at the same time the policy-maker for general educational policy in Slovakia and implementing institution for national projects. This should facilitate co-ordination of the national education policy and use of the ESF for its purposes. Implementation of the demand-driven projects was entrusted to other institutions. While the KAI aimed at education of personnel in the health sector is directly implemented by the other central authority responsible for the health policy, the Ministry of Health; other KAIs are delegated to the implementing agency, SK-ASFEU, which is independent (although linked) from the policy-making. This could be the reason why demand-driven projects can be more disconnected from the reform policies in education, compared to the national projects managed directly by the SK-MESRS.

Promotion of partnership

The SK-OPE declares that it applies the partnership principle in implementation: 'participation of social partners and regional and local government authorities is foreseen in the gradual shaping of strategy, in progress monitoring, evaluation and selection from the submitted grant applications and in ensuring publicity' (SK-OPE 2007: 9). The defined eligible activities of all KAIs specifically mention the notion of partnership.

However, in practice, as described in previous sections, the application of the partnership principle in programming on the operational level was weak and rather formal. Application of the partnership principle in the programming of the calls, at least in case of the priority axis under focus of this study, and promotion of partnership principle in project development and implementation is also absent.

Key aspects of the commissioning cycle

One aspect worth mentioning in the context of commissioning is the inequity in contracts between the MA (or the intermediate body) and the contractor. The contract template is issued by every MA and published

together with every call. The contract is extensive (sixty-two pages long – eight pages of contract and fifty-six pages of binding *General Contract Conditions to the Contract on Provision of Non-Refundable Financial Grant*). Moreover, the contract includes provisions stipulating that the contractual relation is regulated also by the *Guide for Contractors* issued by SK-ASFEU and other documents (*Management system ... 2013; Financial Management system ... 2013*), which can be modified unilaterally. The contractor must accept these modifications or request termination of the contract. This fact is criticized by watchdog NGOs:

... the contracts between [Managing Authorities] and [contractors] are very unbalanced in what concerns the rights and obligations of the contractor on one hand and of the state on the other. In the past, there were published cases, when contractors, without being at fault, were not receiving payments for activities delivered exactly according to the project and reported in line with guidelines and rules. Contractors are not protected against arbitrary actions from the side of the [Managing Authority], which can terminate the contract for any minor violation of the contract [by the contractor] with serious financial consequences for the contractor. On the other side, the contractors must, in case of violation of the contract by the [Managing Authority], circuitously seek the protection of their rights in court. (Grambičková, Havlíček and Nemcová 2010: 8)

Availability of information

The information concerning SK-OPE implementation is available on the webpage of the Managing Authority and the intermediate body under the Managing Authority. The SK-ASFEU webpage includes the SK-NSRF, the full SK-OPE description, the programme Manual of the SK-OPE, other basic documents at the national and EU levels, guides for applicants and contractors, all current and past calls for submission of demand-driven projects and lists of approved projects and contractors.⁶ However, the list

6 However, information on one cancelled call is missing and neither the SK-MESRS nor SK-ASFEU provided the text of the respective call for applications, despite several requests.

of contractors is unsearchable and not very user-friendly. Moreover, there is no information available to the general public on unsuccessful applications or on the names of people involved in the assessment of applications.

However, the documents are dispersed in diverse places of the webpage and it is difficult to find the needed information if the user is not familiar with the site. Moreover, the documents are written in very technical language and are unintelligible for those persons without good knowledge of the structural funds machinery.

Open and critical information on problems in programming and implementation of the SK-OPE cannot be found in the evaluation reports either; problems are usually indicated indirectly or in technical terms. According to the owner of one consultancy involved in OP evaluations, if an evaluation report would be openly critical the company would never be contracted again. The best information sources on actual problems are the minutes from the meetings of the monitoring committee, where members representing non-governmental actors (self-governments, social partners) and, especially, the EC, express them openly. However, the minutes are very long and probably the public and journalists do not pay attention to them.

Other relevant aspects of the institutional settings

The main features of the use of the EU Structural Funds in Slovakia and their effectiveness are: extreme formalism; rigidity of rules; and a lack of result-oriented logic. The progress in implementation is monitored and reported in terms of spending of funds and in regularity, rather than the results and impacts that the spent funds have brought. Similarly, the audits and evaluations focus on the financial aspects, rather than assessment of achievement of results and impacts and their effectiveness and efficiency. Typically, with very few exceptions, Slovakia has not implemented any of the financial simplifications, proposed by the EC (flat rates, unit costs and lump sums) with the aim of ensuring smooth delivery (reduction of administrative burden), positive impact on results, legal certainty for contractors, and reducing errors in the system. According to the author's personal experience with other Slovak operational programmes, the reasons

for not adopting the simplifications consist in rigidity of the Certifying Authority and Auditing Authority (Ministry of Finance), which underline the risks of misuse of funds. Consequently, the Managing Authorities of respective operational programmes lack methodological guidance for the introduction of financial simplification and are afraid of possible irregularities within ex-post checks by the Ministry of Finance.

Calls for applications and their educational selectivity impact

In this section, we analyse the calls for applications launched under SK-OPE in an attempt to assess their educational selectivity impact.

Who are the potential contractors?

According to Slovak rules, ESF interventions can be delivered through two types of projects: national projects and demand-driven projects. The former, commissioned by the Managing Authority (SK-MESRS) are to be used for the implementation of education reforms (in line with legal or national strategic documents) for the entire country; the Ministry of Education directly commissions such projects to specific entities.⁷ The latter are submitted by diverse eligible entities following calls published by the intermediate body working under the Managing Authority, the Agency for EU Structural Funds of the Ministry of Education, Science, Research and Sport of the Slovak Republic (SK-ASFEU) and awarded on a competitive

7 The calls for submission of national projects are formally issued and published, and they specify the entity that they address and who is authorized to submit the proposal. Both calls and proposals are usually prepared in close co-operation between the Managing Authority and the entity, which would later be eligible to submit the national project.

basis. The assessment and selection criteria for demand-driven projects are formally extremely rigorous and constrictive. Such formalism, on one hand, limits the access of many potential applicants to the funding and requires the assistance of professional consultants or for-profit consultants, specialized in writing applications for and administering structural-funds projects. On the other hand, it does not prevent – but, together with a lack of transparency and public control, rather facilitates – the biased and corrupt commissioning of projects. Moreover, the formalism in the assessment process leads to the commissioning of relatively conventional and standardized projects⁸ rather than projects made to the measure the target groups and innovative projects, which can be more effective and efficient in dealing with the social inclusion of disadvantaged children.

Potential eligible applicants within the analysed Priority Axis are both from the public and private (non-for-profit and for-profit) sector. The former includes state, regional and municipal authorities and organizations established by them, the Slovak Academy of Sciences, state and public universities, and public media. The latter includes NGOs, social partners, private and church schools, non-for-profit counseling organizations, and for-profit companies.

However, the actually launched calls were much more restrictive. Out of four published calls for the submission of demand-driven projects within the KAI 3.1, which focused on educating children from marginalized Roma communities, three calls (SK-OPV-2009/3.1/01-SORO, SK-OPV-2011/3.1/02-SORO and SK-OPV-2012/3.1/04-SORO) limited the eligibility of applicants to public and private primary or secondary schools and school authorities (and their subordinate institutions). The remaining call within the KAI 3.1 launched in 2011 (SK-OPV-2011/3.1/03-SORO) was also open to regional authorities and NGOs. The reason for such an extension of eligible applicants was that the call was linked to the implementation of the Local Strategies for Comprehensive Development

8 In the case of the scrutinized KAIs, a typical project contains the elaboration of a new educational programme in a given school and the purchase of new teaching equipment.

(SK-LSKxP) of Roma communities, which had been prepared by municipalities and micro-regions and approved by the SK-GPRC between 2008 and 2010. These could contain project aims to be delivered by other entities involved in SK-LSKxP; and without an enlargement of the scope of eligible applicants, the approved SK-LSKxPs could not be implemented. The single call for submission of demand-driven projects within the KAI 3.2 (SK-OPV-2009/3.2/01-SORO), aimed at the secondary education of persons with disabilities, was open for special secondary schools established and run by state, regional governments, churches or private secondary special schools, public counseling and prevention centres, NGOs, and other private non-for-profit entities providing services in the field of education and special education. The concentration of calls on schools can lead us to a hypothesis that the use of the ESF resources is intended, at least partially, as a substitute for funding schools by the state (in Slovakia, all primary and secondary schools, including private and church schools, receive equal funding from the State per pupil).⁹ Although such a practice can be perceived as positive from the point of view of sustainability of the ESF investment, it seems to be in contradiction with the principle of additionality of the EU Structural Funds.

A second factor shaping the market is the contractors' obligation to financially contribute to the implementation of the approved projects. The applicant has to provide a sworn statement on the availability of financial resources for compulsory co-financing, as well as a stable and sufficient cash-flow for smooth project implementation. Moreover, the SK-OPE managing authority or the intermediate body can request the applicant to prove its financial capacity. No financial contribution is requested of contractors

9 The so-called normative funding includes resources for the wages of school employees, the educational process, heating, operational costs and teacher training. The funding depends on the type of school, weather conditions in the area where the school is located, and the qualifications of teachers. In 2013, the funding ranges from EUR 768.48 (for centers of practical education in mildest climatic conditions and with the lowest qualification of teachers) up to EUR 4,448.04 (for centers in harshest climatic conditions and with better-qualified staff) per pupil and year. (Source: <<http://www.minedu.sk/data/att/4373.pdf>>).

directly funded from the state through the state budget, or the budget of central authorities (such as central authorities and organizations established and funded by them, state universities, state elementary and secondary special schools, School Regional Authorities, pedagogical and psychological guidance centres, special pedagogical guidance centres founded by school regional authorities, diagnostic centres, re-education homes, curative and childhood sanatoria, public media, and the Slovak Academy of Sciences). The logic of this rule is that in the case of state-funded organizations, the co-financing would be paid from the state budget resources anyway. Other contractors, both public (regional and municipal authorities and organizations established and funded by them, public universities) and private (NGOs, social partners, church and private schools, and others), have the obligation of 5 per cent co-financing. While this can seem an equal approach to diverse types of contractors, the consequences handicap potential not-for-profit contractors. Unlike public entities (regional or municipal authorities, schools and other organizations established and funded by them, public universities), and churches¹⁰ (including church schools or other organizations established and funded by churches), not-for-profits are not connected to any public financial resource. At the same time, not-for-profits often provide services of public interest (social services, work with marginalized populations, and others) and, in many cases, substitute missing or insufficient public services which should be provided by public authorities according to the Slovak law.

Long delays of payments and reimbursement from the SK-OPE and other OPs in Slovakia create additional problems for contractors (Košťál and Plesch n.d.). According to the law and the implementation rules (interpreted by the Ministry of Finance as Certifying Authority for the Structural Funds), entities, which have debts to the public budget, are not eligible for funding from the Structural Funds. At the same time, delays in payments

10 Churches recognized by the State receive yearly contributions for the remuneration of priests and operational costs of church administration (head-quarters) and they are exempt from several tax obligations. Additionally, the state restituted large properties to churches after the fall of the communist regime.

(of several months, in extreme cases of several years), often due to over-complicated administrative structures and procedures at the national level and the unceasing instability of rules, make many contractors unable to fulfil their fiscal obligations (typically to pay social and health insurance for their employees involved in the project implementation). As an extreme paradox, we identified a state agency, which was established and funded by the SK-MESRS, that received delayed payments from the SK-MESRS.¹¹

Additionally, the contractor's contribution must be financial (in-kind contributions are not accepted) and applies on each expenditure within the project. This rule is seen as very restrictive by many, as some entities, typically private not-for-profits, which are dependent on grants, are not able to ensure the co-funding of certain types of expenditures. For example, while a corporate donor would be willing to financially support a direct activity with children even at a higher intensity than the obligatory co-financing, it would not support the co-financing of ESF publicity or other indirect project activities requested by the SK-ASFEU.

A third factor limiting the access of possible contractors of projects is the minimum project budget required by the calls for applications, which is at least EUR 100,000. Such a high threshold limits the access of worse-off entities, for example small or low-budget schools,¹² or private non-for-profits with more complicated access to funds for co-funding of the project. Higher budgets lead to higher requirements in terms of project management and administrative procedures. Additionally, smaller entities cannot effectively and efficiently spend high project budgets for eligible activities.

The SK-OPE calls for applications do not place any restrictions on the territorial scope of the projects submitted by different types of applicants. Projects can have any territorial coverage if they are in line with provisions concerning eligible activities. For example, a regional authority is allowed to

11 See: National Institute for Education, <http://www.educj.sk/buxus/generate_page.php?page_id=168>.

12 It is also the case of better-off schools where, due to the poor economic situation, pupils' parents cannot afford to support the school through the otherwise common practice of diverse semi-obligatory/semi-voluntary contributions approved by parents' council.

apply with a single project, which includes several or all schools established and financed by the regional authority (in such cases, individual schools included in the project cannot submit individual projects). NGOs (which were eligible applicants within only calls SK-OPV-2009/3.2/01-SORO and SK-OPV-2011/3.1/03-SORO) can plan activities in several regions or within the whole territory of the country (except the Bratislava Region, which is not eligible under the Priority Axis 3) within a single project.

In addition to calls for demand-driven projects, the SK-MESRS has commissioned three national projects with country-wide coverage to two state organizations. According to Slovak rules, calls for national projects had to be published, even if there was only one potential eligible applicant. The Methodology and Pedagogy Center, responsible for the continuing education and training of teachers of pre-school, primary and secondary schools within the whole country, was commissioned with two national projects aimed at supporting the education of Roma children in elementary schools (SK-OPV/K/NP/2011-1) and the pre-primary level of education (SK-OPV/K/NP/2012-2) to be funded from the KAI 3.1, with respective allocations of EUR 28.5 million and 7.4 million. The remaining call for submission of a national project (SK-OPV/K/NP/2012-4), addressing The Research Institute for Child Psychology and Patho-psychology, has a budget of EUR 15.8 million and concerns counseling activities for and the prevention of social pathologies in schools.

Partnership structures

All scrutinized calls, both for national and demand-driven projects, specify that the 'partnership principle is not applied under this call'. However, the partnership principle in the design and delivery of projects is envisaged in the SK-OPE. Its SWOT analysis states among the weaknesses of the current Slovak educational system the 'low level of partnership between sectors, self-governments, employers, labor offices, educational institutions and other social partners in creating the content of education' (SK-OPE, 2007: 76). At the same time, among the opportunities we find references to:

... facilitating the involvement of the private sector and businesses in drawing up of learning programmes, creating partnerships for the development of education on the regional level, with an emphasis on the relationship between the regional development strategies and the structure of branches of studies and training. (SP-OPE 2007: 79)

The partnership principle is developed in both Roma-oriented KAIs 3.1 and 3.2, focusing on the education of persons with special educational needs and including eligible activities which could benefit from these partnership structures: ‘on-the-job vocational education and training’; ‘design of programmes to develop co-operation between schools; pedagogical and psychological guidance centres; special pedagogical-guidance centres; children-integration centres; re-education homes; curative and childhood sanatoria; specialized facilities reporting to the Health Ministry (e.g. children’s psychiatric department in hospitals, curative and upbringing facilities); and other professionals’ and ‘programmes supporting international co-operation in sharing experience (best practice)’ (SK-OPE 2007: 110–11). Also, other eligible activities defined in the SK-OPE could bring added value if designed and implemented in an effective partnership. However, this never materialized, as the calls for submission of projects never included the possibility to apply in partnership. Paradoxically, the assessment criteria of submitted projects award applicants with extra points for ‘partnership, participation in international networks and level of involvement’ within the assessment category *Administrative, Expert and Technical Capacity of Applicant*.

Although the SK-OPE rules do not encourage formal partnerships of applicants and contractors and the actual launched calls disable them, informal, even illegal, partnerships between applicants/contractors and for-profit companies, which specialize in Structural Funds operations, are common practice. Most potential applicants do not have the technical capacity for SK-OPE project preparation and the management of successful projects. Additionally, many activities cannot effectively be implemented by the contractor itself (for example, training of teaching staff). Instead of the transparent formal involvement of other entities capable of delivering such activities (for example, entities with proven skills in ESF project management or with a certified effective training programme for teachers, whose capacities could be scrutinized within the project application assessment),

these are procured by contractors through manipulated tenders.¹³ The common practice is that a consultancy helps the applicant to write the project (often for free) and ‘ensures’ that the application is successful. After receiving the funding, the contractor subcontracts via manipulated public procurement the same or other previously agreed entity for the delivery of certain services (management, training) or goods, often overpriced. Many, including several interviewees, believe that without such ‘assistance’ or without political backing, it is almost impossible to be successful in applying for the funding. Therefore, potential applicants who are not involved in clientelistic networks, or are not willing to participate in corruption are discouraged, or even disadvantaged in accessing EU funding in Slovakia. An academic survey among 520 municipalities in Slovakia, shows that 93–7 per cent of municipalities believe that ‘over-standard relations with persons or organizations directly or indirectly involved in the distribution of EU funds (authorities, evaluators, consulting agencies connected to political parties controlling respective ministries)’ are indispensable or crucial for the success of a project. Within the same survey, 45–54 per cent considered that a bribe must be offered in order to have a successful project (approximately 20 per cent of municipalities did not want to answer this question) (Mindová 2012).

Who are the potential beneficiaries?

The SK-OPE defines the persons with special educational needs, who are the target group of Priority Axis 3, as: ‘1. Pupils with a special upbringing and educational needs; 2. Pupils coming from a socially disadvantaged environment; 3. Persons with disabilities; 4. Members of the marginalized Roma communities’ (SK-OPE 2007: 63).

13 This leads to high numbers of audit findings resulting in ineligible expenditures at project level and financial irregularities at the OP level (leading to financial corrections applied by the EC at the national level).

However, the SK-OPE and other programmatic documents do not contain any methods for the identification of individuals from marginalized Roma communities (or any other ethnic minority), who are among the target groups. There are no guidelines for ethnic identification and data processing (including rules for data protection) on beneficiaries from the target groups, which could be used for monitoring and evaluation. The general formal rule in Slovakia is ethnic self-identification of individuals. However, within the projects, this principle is not operationalized and project contractors alone report on the number of participants (beneficiaries) from marginalized Roma communities and ethnic minorities in the monitoring reports. They do not have to sustain these numbers with any consent forms or self-identification acts made by beneficiaries. Interestingly, in the case of beneficiaries with disabilities, the contractors must document the belonging of beneficiaries to the eligible target group by written declarations and copies of documents certifying the disability.

The only available data source used in relation to the identification of marginalized Roma communities is the *Atlas of Roma Communities* (2004). This contains only hard data on all identified Roma communities in Slovak municipalities. The degree of marginalization, segregation or social exclusion of any identified community should be assessed based on available indicators in the Atlas. In policy practice, any of the Roma communities included in the Atlas is considered a marginalized Roma community. Moreover, there is no operational mechanism for linking an individual (project participant/beneficiary) with an identified (marginalized) Roma community. The other three target groups of this priority axis are legally defined and their operational identification is possible.

The calls under focus of this analysis refer to potential beneficiaries that can be grouped into two categories: personnel of providers of educational services (teachers, employees of school authorities, NGOs and others) and clients of the educational services (pupils, students, trainees, parents). While identification of the former is relatively easy, the latter is very problematic, as described above. The first call (SK-OPV-2009/3.1/01-SORO) required that pupils from marginalized Roma communities must be at least 15 per cent of all pupils in the schools where the projects' activities were to be delivered. Two other calls (SK-OPV-2011/3.1/02-SORO

and SK-OPV-2011/3.1/03-SORO) required that pupils from marginalized Roma communities comprise at least 50 per cent of all beneficiaries of projects. In all three cases, the participation of Roma children from marginalized communities in project activities must be proven only by the sworn statements of the applicants and later, if the application is successful, by declarations of contractors in narrative reports. However, the information provided cannot be objectively verified. Thus, it is hard to assess whether vulnerable children from marginalized Roma communities are actually benefiting from the projects. The remaining call under the KAI 3.1 (SK-OPV-2011/3.1/03-SORO) scrutinized here does not contain any requirements concerning the share of beneficiaries from vulnerable groups. The single call under the KAI 3.2 is reserved for special secondary schools, which are, by definition, attended by disadvantaged students with disabilities.

An additional problem to the very weak monitoring of the participation of disadvantaged beneficiaries in the projects results in improper SK-OPE monitoring and its inadequate and incorrect set of indicators. According to an independent evaluation commissioned by the SK-GPRC, the outputs, results, and impact indicators are incorrectly categorized (for example, most SK-OPE indicators are labeled as result indicators, but in reality they are either input or output indicators) and do not fulfil criteria of SMART indicators¹⁴ (all indicators have low relevance, most are not specific enough).

Designing services

All launched calls include among their eligible activities the preparation and development of teaching materials, innovative methods and forms of teaching, the development and implementation of educational programmes, and teacher training. Additionally, all calls allow the procurement of educational equipment, including computers and software, textbooks, and other school

14 Specific, Measurable, Available, Relevant, Timebound.

equipment used within the educational process. This suggests the explicit use of ESF funding to substitute national funding for the day-to-day operation of schools. In the opinion of several people interviewed by the author of this chapter, the possibility of gaining modern and expensive equipment is the main motivation for many schools to apply for ESF grants. Activities aimed at the training of teachers and development of teaching methods, materials and programmes, which the schools should implement according to Slovak law, often serve to reward teachers (the training increases their formal qualifications and consequently their wages) and are often subcontracted through manipulated public procurement to consultancy companies, which help the schools obtain funding (and are supposedly involved in corruption in the commissioning of projects). The perception of ESF projects as primarily opportunities for the renewal and supply of equipment of schools, rather than for innovations in the education of disadvantaged pupils (as several experts from private consultancies specialized in project development for schools have admitted), is strengthened by the attitudes of many teachers, who do not believe that a more effective education of Roma children from marginalized communities is possible at all.

Alongside eligible activities aimed at training of teachers and development of teaching methods, materials and programmes, and the purchase of equipment and technologies, which are always included, individual calls for applications also contain distinctive eligible activities such as: tutoring, education in Roma language and culture; the further education of persons with disabilities; alternative forms of education, counseling, prevention of social pathology; and the establishment and operation of detached classes of secondary schools.

Some of the above-mentioned activities have proven to be effective tools in education of Roma children (for example, tutoring within several NGO pilot projects of education in the Roma language and culture curriculum has developed since pre-accession PHARE programmes). These are not, however obligatory activities and applicants can decide to opt for other eligible activities, which are less specific for the needs of Roma children. Taking this into account with an ineffective monitoring system (it is not possible that Roma children can actually benefit from the project, and project's impact on them is not measured), and a biased assessment

and selection of submitted projects, the scrutinized calls for submission of projects do not guarantee that supported projects actually respond to particular problems of education and the inclusion of vulnerable children in the Slovak educational system and provide additional (complementary) support to them. Eligible activities enumerated in the published calls are too extensive and insufficiently specific, and therefore the substitution of national funding is highly probable.

Stumbling blocks in the commissioning cycle

The calls for applications have a standardized design, with a very complicated structure and technical language. Therefore, they are almost unintelligible for persons with no experience in the Structural Funds technical aspects and jargon. A call in itself (for example, SK-OPV-2012/3.1/04-SORO) is fourteen pages long, but encompasses seventeen annexes, including among others the entire SK-OPE with its nine annexes and *Management system of Structural Funds and Cohesion Funds* with its thirty annexes. Most of the texts of the calls are identical and copy-pasted from the SK-OPE or other programming documents. Approximately only two pages (aggregated) contain specific information on the call: eligible activities, eligible applicants and eligible target groups. These parts are also copy-pasted from the OP documents (SK-OPE and the programme Manual) and are therefore not specific enough, which can lead to ambiguities. The calls do not contain any definition of concepts or requirements related to terms like desegregation, educational inclusion, vulnerable groups, Roma integration/inclusion, anti-discrimination, equal opportunities, equal access or other features which are crucial for inclusion and development policy. SK-OPE documents often use these terms normatively. It seems that these terms are used without any understanding of the concepts behind them.

The formal procedures of commissioning are described in detail in the internal procedure manuals of both the SK-ASFEU, as intermediate body under the Managing Authority (which manages demand-driven projects) and SK-MESRS, as Managing Authority of the SK-OPE, which manages the national projects. The project must be submitted both online via an IT

Monitoring System (SK-ITMS) and in hard copy (the application deadline requires both an online and a hard-copy submission). The SK-ITMS is perceived as user-unfriendly and many applicants fail to input the project properly, with the consequence that the application is not assessed at all. Hard copy submissions also have detailed requirements, which increase the risk of rejection for formal reasons (for example, requirements for the envelopes).

The first step of assessment is a formal check of the application. The SK-ASFEU or SK-MESRS' staff check the eligibility of applicant, the project's location in an eligible territory, compliance with the call's objective, financial limits, time frameworks, the eligibility of the target group, the use of compulsory programme indicators (however, the indicators are not properly set up at the level of the SK-OPE itself), the applicant's financial contribution, and the completeness of the application (absence of some of the eleven mandatory annexes leads to applications being rejected; others, if missing, can be requested by the SK-ASFEU), and eligibility of the budget items. This phase of the commissioning cycle is exercised by administrative staff of the SK-ASFEU. Project managers within the SK-ASFEU are often not experts in the topic being addressed by the projects (i.e. education of disadvantaged pupils), but rather in administrative procedures, and therefore their ability to assess innovative or non-conventional project's compliance with formally defined objectives, target groups and, to some extent the eligibility of some budget items, is limited.¹⁵

Only project applications successful in the first stage become the subject of expert assessment exercised by internal or external evaluators. The applications are assessed according to a set of criteria approved by SK-OPE's monitoring committee and published together with the calls. There are five groups of criteria with different weights: project relevance (22 per cent), methodology of implementation (32 per cent), budget and efficiency (20 per cent), administrative, expert and technical capacity of applicant

15 This risk is not so high in case of national projects, as they are developed within the SK-MESRS with participation of specialized departments and before the official submission, all ministries' departments comment it; the national project's assessment is rather formal.

(20 per cent) and project sustainability (6 per cent). Finally, the projects are selected based upon scores received within the expert assessment and available financial allocation. The final decision on selected projects is in the hands of the Minister of Education, Science, Research and Sport.

The requirement of approval by OPs' monitoring committees (Government of the Slovak Republic – Central Co-ordinating Authority 2013a) of the assessment and selection criteria, leads to lack of flexibility. Consequently, approved assessment criteria do not take into consideration the specificities of calls and refer to concepts not used in the respective calls or in the OP at all. In case of the scrutinized calls of the Priority Axis 3, the partnership principle in project design and implementation is not applied; however, it can be rewarded within the assessment. Similarly, the pilot testing of new approaches at the national/international levels, and the transfer of knowledge from abroad can be rewarded, although such activities are eligible only in one call (SK-OPV-2011/3.1/03-SORO). Or, the assessment includes a question on the principle of equal access and equal opportunities, and the prevention of all forms of discrimination, although these important concepts are not at all developed and operationalized in the Structural Funds' implementation in Slovakia.

Another important aspect is linked to the issue of integrated approaches to social problems identified in calls. The call SK-OPV-2011/3.1/03-SORO is part of the implementation of a comprehensive approach, so only municipalities with SK-LSKxP approved by SK-GPRC are eligible applicants for this call. Otherwise, the contribution of proposed projects to integrated approaches is not assessed at all (the evaluation criteria do not include questions about whether the proposed project is linked to any strategic development document relevant for the field/territory covered by the project).

Conclusion

Some of the main features of the use of the EU Structural Funds in Slovakia are extreme formalism, rigidity of rules and the lack of a result-oriented logic. More specifically, this chapter finds that the reform policies aimed

at the inclusion of Roma and other disadvantaged groups are implemented through centrally planned and commissioned national projects, which tend to substitute national funding for school operation and modernization, rather than innovative demand-driven projects bringing an added value to the mainstream educational system.

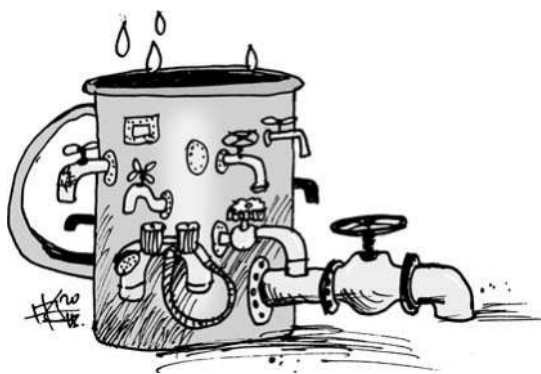
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7 The educational selectivity effects of bureaucratic discretion: Conclusion and policy recommendations



Most academic and practitioner approaches to EU structural funding emphasize the role these might (and do) play in the fulfilment of the social contract between the EU and its citizens. Consequently, the discussion is often framed in terms of effectiveness;

efficiency; and compliance with EU standards in terms of expenditures, public procurement, publicity, environment, and equality. However, effectiveness, efficiency, and compliance are to a large extent dependent on an institutional framework which is the direct result of domestic policy to accomplish EU objectives codified in the structural funds programming documents (or the lack of it).

This chapter approaches the extent of the gap between the social policy objectives set through regulatory competences in multi-level governance and the structure of incentives it breeds in practice, with a broad range of implications for the capacity of the government to control for an equitable distribution of services at the community level. In order to do this it studies the managing authorities of ESF-funded national programmes and their role in transposing the general regulation of market driven service funding

of educational inclusion policy objectives into effective commissioning-procurement-purchasing cycles (quasi-markets).

The topic of this chapter lies at the intersection between the analyses concerning the role and impact of structural funds (Aiello and Puppo 2012, Barca 2009, J. Bradley 2005, Lennert and Robert 2010, Tomé 2012, Varga and in't Veld 2011) and the notion that (quasi-)markets for educational services are created through a somewhat imbalanced demand and supply mechanism in an environment defined by political and policy decision (Adnett and Davies 1999, Bradley and Taylor 2010, Gingrich 2011, Lang 2001, Waslander, Pater and van de Weide 2010). A key aspect of the comparative effort rests on the notion that, despite the introduction of quasi-market mechanisms in welfare provision in the five countries via the same mechanism (ESF funding), there might be significant variation from one country to another, in the manner described in the literature for mainstream welfare state reforms.

Three research objectives are pursued. First, the chapter analyses the institutional set up of the management authorities for ESF funds in the five countries. Key aspects approached here are the framing of social and educational inclusion in national policy documents, the fact that managing authorities are still developing and shaping informal and formal rules, and the degree to which national governments have given policy-making discretion to these institutions. Second, the chapter empirically assesses the characteristics of the educational welfare markets created through ESF-funding in the five countries, emphasizing the actors involved and their degree of empowerment, rules concerning competition, and the motivations behind the market-shaping bureaucratic decisions. At the same time, we focus on the extent to which bureaucratic discretion influences positively and negatively the achievement of broad social and educational inclusion goals in a democratic and effective manner.

The analysis in this chapter is based on comparative data collected as part of the *Public Sector Stream of the Educational selectivity of the European Social Fund Project*, as well as on the meta-analysis of the country case-studies included in this book.

The institutional dimension: Complexity and over-formalization

The analysis of national policy documents has pointed out several areas in which domestic policy decisions concerning ESF programming have created conditions with the potential to hinder the social and educational inclusion outcomes expected of the national ESF programmes. The relative inexperience in dealing with the complex set of formal rules and procedures used for the implementation of EU structural funds has affected the manner in which policy goals were balanced, how it has led to increased formalization and to a relatively poor use of partnership as a governance mechanism, as well as to relatively poor monitoring of the programme and delayed responses to unexpected situations. These were aggravated by the public-sector discomfort with the informal aspects of governing ESF-funded programmes and significant shifts in national sectoral policies as a result of changes in the political composition of national governments. All these aspects have produced effects in all areas of intervention of the ESF-funded programmes, not just in the education sector.

Balancing complex public goals

Managing authorities, like any other public sector actors, need to balance several goals in their operations (for the distinction between different types of public goals see Peters 2011). The balancing of these goals has the potential to influence the behaviour and decisions of the managing authorities, down to the market-shaping decisions mentioned above. Democratic and efficient implementation is a sweeping goal associated with ESF-funded national programmes. At the next level, we find cross-cutting goals such as environmental protection and gender equality, which derive from how the structural instruments are set up. ESF-funded programmes are supposed to achieve strategic levels in terms of social inclusion, education, and employment. Programme-level goals are usually defined in terms of their absorption of funds. Rather than balancing these goals, the managing

authorities seem to prioritize them, with programme-level, absorption-focused goals usually coming first.

While democratic ESF implementation is nominally assumed in all countries, at least some of them fall short of democratic practices. For example, in Hungary, there is a major discussion on how the managing authority for HU-SROP makes available information concerning programme implementation, because it is widely believed that technicalities used in reporting make any democratic oversight of the programme quite difficult. This can also be said of the SK-OPE. An overly technical approach to implementation and public communication about it also works as a mechanism of blame avoidance. At the same time, during the implementation, democratic elements constantly disappear (for example, preparatory working groups). In Romania, civil society stakeholders repeatedly stress that the managing authority rejects any kind of outside input and assumes its independence equals accountability to nobody. Moreover, it even manages to actually dominate the monitoring committee of the RO-SOPHRD, which leaves the question of accountability wide open. The critical aspect in terms of ensuring democratic implementation seems to be the ability of the managing authorities to effectively use partnership as a governance mechanism. In this respect, with the exception of the Czech Republic, there seems to be quite some resistance of the national managing authorities (see Partnership as governance mechanism).

Nominally, all the managing authorities studied here pursue social inclusion, education and employment goals; they attempt to reach a strategic level for social and economic service that affects all or most members in society. This also applies to the cross-cutting goals embedded in many of EU's structural programmes: environmental protection, gender equality, and others. However, in day-to-day operations, the five managing authorities seem to give priority to the programme goals of absorption. In Hungary, this happened specifically after the refined modular structure of the HU-SROP fell apart, as mutual interlinking between strategic developments and tenders for projects was not enforced. In Romania and Bulgaria, this prioritization seems to be linked to increasing political and public pressure over the managing authorities to increase the degree of absorption. At the same time, it could be linked to the broader frame of administrative capacity or the quality of national institutions.

The emphasis on the technical, financial and administrative aspects of the MA's duties suggests an unwillingness of the MAs (by their own initiative or incentivized by national policy-makers) to assume greater responsibility in shaping ESF implementation in the five countries. The MAs regard programme descriptions as fixed and, even when taking steps to do some changes to the programmes, seem to be very careful not to overstep this boundary. They usually make use of their prerogatives to change the programme only for such aspects. When challenged on this topic, MAs usually hide behind their apparent lack of policy discretion, diverting blame towards national policy-makers or, more often, towards unspecified decision-makers in Brussels.

The prioritization of technical programme goals in the sense described above is intertwined with an over-formalization of the day-to-day operation of the managing authorities.

Over-formalization

Public organizations are more complicated and formalized with regard to the activities that are regulated or overseen by the central government (Rainey and Bozeman 2000: 451–6), and ESF-funded programmes are no exception. Managing authorities for ESF programmes are public organizations, working in a complex political and administrative context, which requires them to balance formal aspects deriving from EU rules with specific formal aspects of the national administrative system. At the same time, managing authorities are imposing these formal, public-sector specific rules to all the contractors, be they public or private. In the case of the managing authorities analysed here, there is an obvious over-formalization, usually blamed on EU rules and procedures; yet it is more likely that MAs being overwhelmed by bureaucratic procedures results in severe delays in processing applications, contracts and reimbursements in three of the five countries analysed here.

Procedures and interactions with contractors most often suffer from over-formalization. For example, in Romania the RO-SOPHRD has experienced severe problems due to the under-staffing of the managing authority.

Yet all these problems were addressed with higher formalization of procedures and interactions with contractors, resulting in long lists of binding instructions and decisions usually changing implementation rules for projects which had already commenced. This also happens in some of the other countries. Communication with contractors is also affected by formalization; in Romania communication is most often reduced to contacts through a help-desk which has been working intermittently. Moreover, communication with contractors is impersonal, with MA employees avoiding personal responsibility for their communication with contractors. This latter aspect can be said to affect, to a large extent, the managing authorities in Romania, Hungary or Bulgaria. The analysis of Slovak and Hungarian domestic-policy documents shows that all communication around the ESF-funded programmes can be hidden behind structural-programmes jargon. While over-formalization of interactions with contractors and procedures makes implementation difficult, managing authorities reject proposals for simplification (as has been proposed by the EC in Slovakia and the interim evaluation in Romania).

We also find stances of over-formalization in the relationship of the managing authorities with diverse governmental bodies. In Bulgaria, formalization affects the relationship between the managing authority and the intermediate bodies with whom it has shared responsibility. Concerning implementation, formal communication channels seem to be the norm, while more dynamic and informal communication is discouraged. The most notable symptom of formalization in Hungary is the slow disappearance of the working groups designed to assist with planning (drafting of the two-year national action plans used as reference in implementation). Their dual formal/informal nature, designed to help the managing authority cope better with the demands of implementation, did not seem to fit the *modus operandi* of the managing authority. Another example of over-formalization in Romania is the stance taken by the MA on co-ordination with other operational programmes, namely reporting that it has taken the necessary steps to ensure co-ordination by making a formal written request to the Authority for the Co-ordination of Structural Instruments (RO-ACIS).

Another area of over-formalization concerns how more-or-less unexpected situations, which appear during implementation, are dealt with.

When the degree to which the Roma population is being reached by RO-SOPHRD comes unexpectedly under discussion, the MA responds by requesting the establishment of a formal working group on the topic, guided by a set of formal rules endorsed by the monitoring committee. Over-formalization in this case results in the actual establishment of a working group taking more than a year. No results of the working group were identified a year later after it being established. Not unexpectedly, given previous experience in the Czech Republic, over-formalization manifested itself in calls to have rules concerning partnership structures for project implementation specified in a law, despite the obvious rigidity which could have been introduced by having this aspect regulated in a law rather than an executive decision. Before dealing with partnership at the project level, managing authorities had to deal with partnership as a governance mechanism.

Partnership as governance mechanism

Managing partnerships is a task that management authorities in the five countries approach quite differently. While partnership, in any form, is usually associated with network governance and deemed to be essential to reaching societal goals in a democratic manner and without placing a too heavy burden on the state (Fenwick, Johnston Miller and McTavish 2012, Geddes 2000), it soon becomes obvious that the management of partnerships depends to a great extent on its definition.

In all the five countries, partnership is first and foremost discussed in relation to the programming process. In this respect, all countries present, to various degrees, significant shortcomings. In most countries, the civil society organizations express discontent at how far their suggestions and ideas were taken into account into the programming process. In Slovakia, things went as far as having coalitions of NGOs openly boycotting the programming process, which they described as problematic and ineffective. In Hungary, a coalition of NGOs had to exert a great deal of public pressure during programming to get the central government to make some key documents public. In Romania, documents were relatively public, yet

third-sector organizations found themselves in the position of not being able to significantly influence content. This suggests central-government-driven programming processes were the norm, despite the formal involvement of non-central government stakeholders. Hierarchical governance has kicked in, despite formal rules creating conditions for inclusive programming processes (network governance).

A second area of interest in terms of partnership is the actual involvement of non-central government stakeholders in the evaluation and monitoring of the programmes, as well as in the drafting of calls for applications. This would normally be a continuation of the partnerships established during initial programming. In this respect, in all five countries, we find nominal representation of stakeholders such as NGOs, trade unions, professional associations, local and regional governments, etc. Discontent is expressed concerning the meaningfulness of representation, or the actual influence these actors are able to exert during the implementation process. For example, in Romania, we find the dominance of central-government actors in the bodies supposed to take charge of the monitoring and evaluation programme, and an obvious dominance exerted by the managing authority over the monitoring body, a fact pointed out by the description of the relationship included in the annual implementation reports of the RO-SOPHRD, as well as by other analyses (see Public Policy Institute 2012).

In the Czech Republic, Hungary and Slovakia, different mechanisms to involve these actors in drafting calls for applications (drafting of national action plans in Hungary) have been set up, yet they do not seem to work. In Hungary, the working groups involved in drafting these plans disappear at some point during implementation. In the Czech Republic, a 2011 evaluation report suggests this possibility was not explored, despite its potential beneficial effects, and recommends it to be used in the following stages of implementation (Potluka et al. 2011). In Slovakia, stakeholders were not involved at all in call drafting. In Bulgaria and Romania, the managing authorities prefer an in-house drafting of calls. In the former case, transparency is so low that only very late during implementation did the BG-OPHRD managing authority submit the text of the calls to public debate before making a final decision.

A very interesting aspect of partnership as a governance mechanism comes from Romania, in the form of Regional Pacts for Social Inclusion

and Employment. These are designed to be ‘participatory processes of regional public policy and strategy making, by the use of all existing funding opportunities, especially of the ESF. The Regional Pacts bring together representatives of local governments, central government offices at the local level, civil society and clergy, with responsibilities in the area of employment and social inclusion’ (AMPOSDRU 2008). Such structures work at the regional and county levels, and help policy co-ordination and provide assistance to potential contractors. As the implementation problems of the RO-SOPHRD became more and more visible, the regional pacts assumed a very critical position of the MA, emphasizing that problems facing the programme are structural in nature, the result of the action or inaction of the central government and the MA, and emphasizing the blame-avoidance strategies of the MA (Council for National Co-ordination of Regional Pacts for Employment and Social Inclusion 2013). In fact, a coalition of over 800 stakeholders, created by the MA to aid its efforts of implementation, became one of the fiercest critics of the attitude and behavior of the managing authority.

The most important issue seems to be the extent to which programme-level partnership is being defined by the national MAs in a manner reminiscent of hierarchical governance, which either leaves no room for shaping the partnership according to the preferences of the members or, in all, gives immense leverage or control to a single member of the partnership structure. The propensity of managing authorities to act as such, or to attempt to control this partnership structure, leaves with them a significant responsibility concerning programme failures.

Programme failures

The five ESF-funded programmes analysed in this book are, nationally, considered to be some of the worst-performing structural programmes. The similarities between the five programmes become highly visible if we attempt to describe their failures.

A major failure seems to be in not pursuing the underlying goals and rules which were the result of national programming. In Hungary, a very complicated system aimed at ensuring the co-ordination of interventions

funded by HU-SROP has never been implemented. In the Czech Republic, Hungary and Romania, the set of pre-established monitoring indicators was poorly used in practice. Moreover, changes to the political composition of the national governments (Hungary, Slovakia) led to sectoral policy shifts, which resulted in sudden shifts in terms of programme goals and rules.

The lack of predictability in the relationship with potential contractors is a key aspect here. We found significant delays in the assessment of applications, contracting, and reimbursement to contractors in all countries. Delays in the assessment of applications, quite common in all five countries, raise question concerning the viability of projects which finally receive funding. In Romania delays in reimbursements are so large that they produced significant social and economic consequences: third sector organizations had to halt projects and effectively abandon beneficiaries, some financially over-exposed universities are now in technical bankruptcy, and private companies who provided goods and services to RO-SOPHRD contractors are experiencing cash-flow problems. Moreover, reports from all countries suggest constant changes to the administrative and financial implementation rules, some applied retroactively. Unilateral changes to the contracts are frequent in Romania and Slovakia, in the case of RO-SOPHRD the behavior of the managing authority is, in this respect, labelled as abusive.

All the programmes analysed here have significant structural problems, deriving from the (in)action of managing authorities, and potentially affecting the entire commissioning cycle. Managing authorities in Hungary, Romania and Slovakia fail to implement recommendations from the DG Employment and interim evaluators concerning these structural problems. The recommendations refer to the publication of comprehensible information concerning the programme (Hungary), financial simplifications (flat rates, unit costs, lump sums, and others; Slovakia and Romania), and the introduction of the global grants (Romania). Structural problems are deemed severe enough to produce suspension of payments in three countries: Bulgaria, the Czech Republic and Romania.

Moreover, central governments fail to regulate key areas for successful programme implementation in time, or make fiscal and procurement related decisions without taking into account their potential effect on structural programmes. The Romanian government makes fiscal policy changes which seem to make sense in the short term (such as provisions

concerning the frequency of tax payments for private companies) and manages to hinder RO-SOPHRD implementation (companies are not longer able/willing to meet the fiscal eligibility criteria of the RO-SOPHRD). The same government delays the implementation of the key area of intervention by several years, by failing to create a national agency for professional qualifications in time, and fails to see that not all schools in Romania are technically eligible to apply for RO-SOPHRD funding. The Hungarian government fails to provide the necessary framework for the completion of key national projects, the results of which were supposed to guide the selection of small grass-roots projects. This raises questions concerning the co-ordination with national education policy during implementation.

Ensuring co-ordination with national education policy

The links with national education policy are embedded to various degrees in programming documents, since these are based on a situation analysis which comprises the national education system. Differences between the five countries appear during the implementation process, in the form of changes to national education policy not followed by changes in programmes implementation, or changes in implementation not triggered by shifts in national education policy.

The countries analysed here present various degrees of consistency and continuity in national education policy. For Hungary, Slovakia and Romania, we can emphasize the lack of continuity across political cycles, associated with the lack of a national consensus on what the educational system should look like or achieve. This lack of consensus reflects in ESF programming.

In the Czech Republic, a national policy shift was triggered by a 2009 decision of the European Court for Human Rights which found the Czech state guilty of systemic discrimination against Roma children. A national strategy soon followed; yet by 2011, its implementation status, including through CZ-ECOP, was still unclear. In Hungary, a shift in national education priorities is reflected in programme implementation, resulting in a scaling back of efforts directed at vulnerable groups and the introduction of components targeting socially and economically better off groups. For example, Romania

experiences a significant shift in education policy at the beginning of 2011, with changes in the sphere of VET important enough to justify a discussion on the validity of VET-related interventions in RO-SOPHRD. To this day, such an issue was not approached by the managing authority, the supervisory boards of the programme, the Ministry of Education or the Romanian government. In Slovakia, a change of government produced major changes in terms of programming and, lacking the time to fill in the details, resulted in the introduction of a mechanism of incremental strategy formation.

Sometimes it is the institutional structure itself which leads to ESF-funded interventions being disconnected from national education reforms. In Slovakia, the decentralization of implementation led to demand-driven projects (smaller projects) being disconnected from the national projects deeply linked to education reforms. In Hungary, such a situation was taken into account and a mutual interlinking of programme components was introduced, yet it was never put into practice. Romania and Bulgaria do not seem to have taken this into account. In the Czech Republic, the use of the global grants model seemed designed precisely to approach this particular aspect. Further analysis is necessary to determine whether this model has produced better results in terms of linking small projects/interventions to national strategies and national education reforms. In this respect, a key factor are the regulatory decisions of the managing authorities, which actually shape the market for educational service delivery.

Bureaucratic decisions shaping the markets for educational service delivery

The commissioning process within the framework of ESF programmes involves managing a market for the delivery of educational services. This market results from the allowance of entry decisions made in policy documents on topics such as who is to provide practical training for pupils enrolled in ISCED 2–3 vocational and technical schools, who is to provide assistance to children at risk of early school-leaving, who is allowed to train

teachers, and so on. At the same time, this market is regulated via decisions on the characteristics of the educational services provided, as well as through conditions in terms of users of these services. It involves competition for funding, which raises questions concerning the relative power of providers allowed to enter the market and what are the best mechanisms to ensure competition is fair. It also involves consideration of the relative power of providers in their relationship with service users and, maybe, even of the degree of protection of users. An important question is thus how aware the management authorities of ESF funded programmes are of the market principles applicable to techniques and instruments they are using, and how they govern and steer this market in practice. The first step in shaping the market is determining its size, through the allocation of resources for education in the national ESF-funded programmes.

Resource allocation

Resource allocation under ESF should be a matter of differentiation and negotiation between different agencies and networks at the national level. While there is some negotiation between the member states and Brussels, the process is (or should be) determined by national specificities. In this section, we point out some of the major decisions concerning the allocation of resources made in the five countries, which have impacted the disbursement of funds on issues concerning access to quality ISCED 0–3 education of vulnerable groups. Two types of decisions are relevant from this point of view: those concerning the breakdown of funds in different operational programmes, priority axes and key areas of intervention; and those concerning the manner in which funding is distributed, namely types of projects and their accessibility to potential contractors other than the central government. It must be said that resource allocation seems to be mandated and hierarchically managed by the central governments, with very little or no involvement of other stakeholders.

As shown in Table 7-1, there are significant differences between the countries studied here in terms of ESF spending for education and training, with per capita programme expenses being five times smaller in Bulgaria than

in the Czech Republic or Hungary. On the one hand, these figures detail the prioritization of education in national policy-making. On the other hand, they show that any analysis of the extent to which these programmes reach vulnerable groups has to take into account not only the ratio of funds allocated to these groups, but also absolute amounts. It must be noted that, for the Czech Republic, in addition to the CZ-ECOP, this step of the analysis also includes the Operational Programme Prague Adaptability.

Table 7-1. ESF spending on reforming education and training systems in the five countries, 2007–2013.

Country	Operational Programmes	Reforming education and training systems – total expenses	Reforming education and training systems – per capita expenses
Bulgaria	Operational Programme Human Resources Development	155,357,828 €	20.23 €
Czech Republic	Operational Programme Education for Competitiveness	1,098,352,050 €	108.57 €
	Operational Programme Prague Adaptability	18,530,000 €	
Hungary	Operational Programme for Social Renewal	982,908,394 €	97.64 €
Romania	Sectoral Operational Programme Human Resources Development	683,832,021 €	31.71 €
Slovakia	Operational Programme Education	233,660,000 €	43.32 €

Notes: Per capita expenses calculated using total population in January 2007. Sources of data: EC for spending data, Eurostat for population data

The Czech Republic divides ESF funding into three different operational programmes, separating the human resources development interventions from interventions centred on the national education system. The Educational Competitiveness Operational Programme (CZ-ECOP) is managed by the Ministry of Education and clearly separates interventions by level in the national education system. Moreover, these interventions are decentralized through the mechanism of global grants for regions. There is a clear differentiation between interventions aimed at inducing structural change throughout the national education system (the national individual projects and multi-regional individual projects) through policy and methodologies development, and interventions at grass-roots level (grants available in each region as a result of the global grants scheme) focused on educational service provision.

In Hungary, the core of ESF education-related interventions happens within the Social Renewal Operational Programme (HU-SROP), which has two major components: one focused on labor-market participation, and the other focused on sectoral objectives, projects and interests. Two key areas of intervention are focused on decreasing the segregation of severely disadvantaged and Roma pupils, promoting their equal opportunities in public education, and supporting the education of groups with different educational needs. Many of the interventions seem to have focused on the grass-roots level with little attention paid to structural change, especially after the politically induced 2010 reshuffle of the HU-SROP. In terms of types of projects, Hungary opted for several instruments: key/strategic projects, which are supported without a call for applications, in a two-stage assessment process, and are supposed to produce infrastructure of public benefit or investments having priority employment effects; global or indirect grants, which result in bodies such as non-governmental organizations acting as grantors for small grass-roots projects; and tenders, which may involve one or two stages in the application process, with more complex issues subject to two-stage calls. The system is highly complicated, as it also takes into account the types of potential contractors, with some not eligible to apply for certain types of projects. The global grants component, introduced in 2008, was never made operational.

Slovakia also has a dedicated programme for education, the Operational Programme Education (SK-OPE), while a completely different ESF programme is focused on employment and social inclusion. The SK-OPE singles out the reform of the VET and defines separate areas of intervention for marginalized Roma communities and children with special educational needs. In a clear co-ordination of ESF interventions with reforms in the national education system, there is a distinction between national projects, aimed at strategic policy and methodologies development and commissioned directly by the ministry of education to different entities, and demand-drive projects which are the core of grass-roots interventions.

Romania and Bulgaria have opted for general human resources development operational programmes, which include, among many other things, interventions focused on ISCED 0–3 education. In both countries, there is a very poor separation between different types of intervention, resulting in areas of intervention comprising primary and secondary education and higher education at the same time. In Romania, interventions of interest to this project are divided into two different priority axes, under three labels: quality of education, transition from school to active life, and correcting and preventing early-school leaving. There is no funding specifically set aside for Roma and other vulnerable groups, nor for children with special educational needs, nor for bridging the rural-urban gap or even for ISCED 0–3 level education as a whole. Moreover, Romania opts for a distinction between strategic and grant projects, which is made in terms of territorial coverage, duration, and minimum and maximum amounts of funding available per project, and which is not accompanied by any kind of linking between the two (i.e. some mechanisms to ensure grant projects take into account results of the strategic projects). In Bulgaria, it is easier to identify areas of intervention focused on ISCED 0–3 education, yet the labelling is equally unclear and general in nature: access to education and training for disadvantaged groups and the place of children and youth in education and society. In terms of types of project, Bulgaria has made no distinctions in macro-programming, but has chosen to differentiate between calls in terms of potential project budgets and duration.

The breakdown of available ESF funds, as well as decisions concerning how many ESF programmes to establish and how to divide priorities

between them are the starting point of an even more elaborate effort to shape the market for educational service delivery. The next step is detailed in the following sections and is concerned with the process of defining the issues at stake and the types of educational services to be provided.

Defining the issues at stake

The issues at stake are defined similarly in the five countries, yet with very different degrees of detailing. Each of the five countries identifies issues such as territorial disparities in terms of access to and quality of education, in urban-rural terms (Romania and Bulgaria) or in regional terms (the Czech Republic). Each country identifies majority-minority gaps in terms of access to education, with special reference to the Roma and, in the case of Bulgaria, the Turkish minority. Most importantly, all countries try to link ESF-funded interventions with national reforms of education, with Bulgaria introducing a structural reform prior to 2007, Romania quoting the need to reinforce recent reforms of VET and doctoral studies, and Slovakia trying to correlate a loosely defined operational programme with a major shift of strategy in educational policy. Some of the countries take quite some time in identifying the problems facing the Roma as a substantial issue, the most notable examples being the Czech Republic (under EC pressure following a case lost in the European Court of Human Rights), Romania (failing to properly account for Roma beneficiaries until 2010), and Slovakia (policy priorities concerning education of Roma children are formulated in 2008). Concerning the Roma and children with special educational needs, *de facto* school segregation is an important problem in Bulgaria, Hungary and the Czech Republic.

There are significant differences between countries in terms of details, as reflected by the analysis of the social problems identified in the texts of the calls for applications. From this perspective, we can place the five countries into three different categories: 1) countries using generic calls (Romania); 2) countries using a mix of generic and very specific calls (Bulgaria, the Czech Republic); 3) countries using very specific calls (Hungary, Slovakia).

The social problems addressed by the RO-SOPHRD calls for applications are early school leaving and the poor correlation between the national education and professional training system and the labor market. The framing of these issues emphasizes their nation-wide applicability, with restrained mentions of vulnerable groups disproportionately affected, and seems to prescribe one-size-fits-all solutions, without references to specialized approaches to issues such as school drop-out among Roma children. The situation analysis fails to address narrower problems, which appear in the other countries, such as those associated with teaching Romanian to national minorities or the results of Romanian pupils in international comparative assessment.

Bulgarian and Czech calls for applications mix this approach with a more specific one: emphasizing education for members of marginalized Roma communities and special-needs education. In Bulgaria, these problems are framed quite specifically, with emphasis on the need for both individual approaches and alternative methodologies. The wording used to frame these issues is very telling: there are calls separately approaching the inter-related phenomena of ethnic discrimination in the national education system, the failure to integrate children with special educational needs and the problem of school drop-out among minorities. A specific feature in Bulgaria is the high emphasis placed on the need for out-of-school activities to help solve the problems of the national education system. Among the calls analysed here, only two are defined in very general terms (social inclusion, access to education), while the rest are quite specific in nature. There are multiple calls making reference to education for people with special educational needs, as well as to ethnic discrimination in the national education system. The Czech Republic uses some catch-all calls, making reference to lists of very specific problems including, among others, the situation of multiply disadvantaged children and those with special educational needs, or even of highly specific groups such as children of migrants. Some other calls are quite general in nature. Multiple calls emphasize the insufficient development of inclusive education, while a very specific call links general issues to delinquency, violence and substance abuse.

Hungary uses highly specific calls making references to very narrowly defined problems. Approximately a quarter of all calls emphasize the

cumulative disadvantages and learning challenges affecting children, with three singling out Roma children and two highlighting the problem of unreported segregation of these children. Almost a quarter emphasizes the issue of school drop-out. Multiple calls approach the issue of children with special educational needs, emphasizing the controversial definitions still in use in Hungary, where 70 per cent of multiply disadvantaged children are defined as having special educational needs. There are huge discrepancies between micro-regions. Specific to Hungary are calls which approach the problem of educating minority children in their native tongue, and the problem of teaching Hungarian as a second language to the children of migrants. As national policy shifted in another direction after 2010, we also find more than one call with a focus on the inadequate talent development in the national education system. The situation is similar in Slovakia, where we find very specific calls targeting the education of members of marginalized Roma communities in two different problem-solving frames, one focusing on the need to approach such issues by the use of comprehensive local strategies, and the other emphasizing that the problem needs to be seen through the filter-notion of special educational needs addressed in specialized settings.

The extent to which the issues at stake are defined in a broader framework, linking ESF interventions with other policy areas, is obvious by references or the lack of references to national policy documents and instruments or to policy research. In Bulgaria, we could find no references to national policy documents and instruments. In Romania, there are solitary references to an anti-crisis plan of the Romanian government in two calls launched in 2010. In Hungary, there are some references to the act on public education, the *tanoda* programme, and national policy on equal opportunities. All references in calls from Slovakia focus on national policies concerning the Roma; while in the Czech Republic, only some calls make references to policy documents, especially national policy concerning youth and children. Generally, references appear in the case of calls for applications for large strategic projects (global grants in the Czech Republic, strategic projects in Romania, etc.).

An important aspect of how the social issues at stake are framed in ESF interventions is linked to the notion of integrated approaches, defined here as comprising the full cycle of methodology design, piloting,

implementation and dissemination. The issues at stake are at the same time economic, social, and educational; they require both individualized and community interventions and, sometimes, national policy and interventions. In Hungary, the need to integrate approaches to the issues identified is very commonly found. It is compulsory in calls focused on gifted children and two calls focused on migrant children, and explicitly recommended in seven calls focused on equality of opportunities, in four calls on inclusive education for children with special educational needs, and in two calls on quality assurance. The use of the integrated approach seems consistent, as it is compulsory in areas where there is a lack of methodology in the national education system. In Romania, integrated approaches are explicitly recommended in calls on second-chance education. In the Czech Republic, it is explicitly recommended or compulsory in some calls on equality of opportunities, especially for children with special educational needs, including calls for global grants on this topic.

Defining services and their users

ESF is centred on the notion of capacity-building, at the individual and community level. Consequently, this notion is frequently mentioned by the managing authorities analysed here. However, empirical analyses of the workings of EU development funding have pointed out the ambiguity surrounding this concept, its frequent detachment from the reality of disadvantaged groups and communities (due to an overwhelmingly economic definition and over-quantification), as well as the failure to account for the attitudes and motivations of target individuals (Fudge 2009). An important aspect of our comparative approach to ESF implementation in central and eastern Europe is how the notion of capacity building is translated into demands for educational services.

From this point of view, a key distinction is the one between core educational services and additional or support services. By core educational services, we mean those services delivered to pupils through the traditional education system, such as curriculum/educational programme development and implementation, but also second-chance programmes or

practical training programmes for pupils enrolled in vocational education programmes. Additional or support services comprise, among other things, counseling for parents or the creation of networks to improve co-operation and information transfer between providers of educational services. Core educational services are very well represented in the demands formulated by the five states through ESF mechanisms, as shown in Table 7-2, with curriculum development and implementation (a key aspect of educational reforms in all countries) being best represented.

Table 7-2. Number of calls for applications requesting the provision of core educational services in the five countries, 2007–2013.

Core educational services requested (Curriculum/ education programmes development (including implementation); Literacy and second-chance programmes; Remedial education; Educational counselling and orientation)	Number of calls per country					
	Bulgaria	Czech Republic	Hungary	Romania	Slovakia	Total
None	2	0	3	1	1	7
One	0	0	10	3	2	15
Two	9	0	13	2	5	29
Three	0	5	11	1	0	17
Four (all)	0	8	6	3	0	17
Total	11	13	43	10	8	85

The only other called-for service with a comparable presence is teacher training (see Table 7-2, Table 7-3). However, it is the case of teacher training on specific issues relevant to the social problems approached by the calls which we analysed. At the opposite end, we find requests for services related to the reintegration of juvenile delinquents into schools, as well as for policy elaboration on topics relevant to the call. Other additional or support services which are in highly in demand by the five states are information campaigns, activities to promote partnership, the creation of networks and the transfer of best practices.

Table 7-3. Eligibility of additional educational services/activities under ESF-funded programmes in the five countries, 2007–2013.

Eligible activities	Per cent of calls within which it is eligible
<i>Core educational services</i>	
Curriculum/education programmes development	79.8%
Literacy and second chance programmes	34.1%
Remedial education	42.4%
Educational counselling and orientation	70.6%
<i>Additional services</i>	
Information campaigns	70.6%
Development of family kindergarten and home schooling	16.5%
Counselling for parents	46.1%
Activities focused on health issues of school population	22.4%
Activities to promote partnership between schools and local actors	60.0%
Reintegration of juvenile delinquents into schools	9.4%
After-school programmes	55.3%
Research on education and educational policy	30.6%
Teacher training on specific issues related to the call	75.3%
Development of social skills	31.8%
Creation of networks	56.5%
Policy elaboration on topics related to the call	17.6%
Transfer of best practices, study visits, etc.	65.9%

The frequency of these additional services in the lists of demanded/eligible project activities raises an important question concerning the

proportion of ESF funding for education and social inclusion which is in fact dedicated to them. Unless the calls for applications contain very specific constraints, we can theoretically think of successful applications for projects in the area of education which do not involve the direct provision of educational services to the specified target group, and limit themselves to such support activities. The relative weight of research activities and policy elaboration also needs some discussion. While only 17 per cent of the calls analysed make references to policy elaboration, many more (30 per cent) make reference to research on education and educational policy. In the broader ESF context, granting funding for research activities without linking them to the policy-making needs of the state seems an unnecessary diversion of funding otherwise dedicated to social interventions.

Besides these aspects, we found some differences in approach between the countries we analysed. The BG-OPHRD grants significant discretion to contractors in selecting project activities from a catch-all menu included in each call for applications. There are also some very specific national requirements, beyond the lists of activities mentioned in the above tables, such as the development of activities that would help an understanding of the culture and history of ethnic minorities, scholarship disbursement, different activities involving the use of Roma language, and the development of software to be used by pupils with special educational needs.

In the Czech Republic, we find significant changes to the demands for educational service throughout the implementation process in the form of more and more refined descriptions of the services to be provided/eligible activities. In terms of educational services not included in our list, the emphasis is on the inclusion of disadvantaged pupils in mainstream schools. Interesting is the request for the development of tools to assess the quality of educational services provided in non-formal settings. The emphasis on the inclusion of pupils defined as having special educational needs in mainstream schools is accompanied by an over-specification of details. For example, the calls request potential contractors to develop methodological and consultative centres for pupils with disabilities, which will be requested to provide support to other schools as well. This specification of

details suggests certain methodologies are endorsed nationally and imposed on the potential contractors, an aspect which seems to be missing in the other countries. While from certain perspectives this can be interpreted as hindering innovation, it also suggests a deliberate decision to prescribe methodologies thought to be the most effective in the respective national context.

In Hungary, the demands for educational services articulated in HU-SROP calls for applications seem guided by the belief that EU funds can and should be invested in supporting fundamental public services, in this case, core educational services. In Hungary, the activities outside our predefined list are structurally oriented, focusing on regulatory and operational aspects of educational service provision, support activities, infrastructure development, project development, restructuring of school districts, and stimulating self-assessment by schools. This strategic approach seems to be undermined by a national policy shift; in recent years we find significant changes in the contents of the calls launched under the same KAIs, with educational integration being replaced by talent management, even though the programme goals and objectives were not reformulated in any way.

The demands for educational services embedded in RO-SOPHRD calls are thought by the interim evaluator to inhibit innovation on behalf of the contractors, with lists of eligible activities working like a menu from which contractors cherry-pick for fear that going outside the list might make their applications ineligible (also reinforced by widely held perceptions of the poor quality of the assessment of applications). Another important aspect is the fact that, by 2010, some of the potential activities/services can only be provided by certain categories of contractors, which suggests efforts on behalf of the MA to ensure that the programme targets beneficiaries better. Among the eligible activities not included in the above list, the emphasis falls upon labor-market-related aspects, such as workplace-learning activities and the training of mentors in enterprises, as well as on very specific services such as summer/Sunday schools and kindergartens, and school debut methodologies.

In Slovakia, the manner in which the lists of eligible activities and eligible expenses are defined reinforces the perception of SK-OPE as an

opportunity for the renewal and equipment of schools, rather than an investment into education. Consequently, calls do not provide mandatory guidelines nor do they recommend types of interventions proven to be more effective in areas such as education in inclusive settings, including of Roma children; they leave a lot to the discretion of contractors in terms of defining activities.

Table 7-4. Eligibility of different categories of potential beneficiaries, ESF-funded programmes in the five countries, 2007–2013.

<i>Categories of potential beneficiaries of projects</i>	<i>Number of calls where eligible, per country</i>					
	<i>Bulgaria</i>	<i>Czech Republic</i>	<i>Hungary</i>	<i>Romania</i>	<i>Slovakia</i>	<i>Total</i>
Disadvantaged groups (pupils and others)	10	13	38	4	8	73
ISCED 0–4 pupils	11	11	33	9	1	65
ISCED 5–6 students, participants in adult education programmes	3	7	9	7	1	27
Parents	6	9	26	4	5	50
ISCED 0–4 teachers	7	13	35	5	8	68
University professors and researchers	1	2	5	1	1	10
Employees of governmental institutions or NGOs	0	9	23	2	6	40
<i>Total number of calls</i>	<i>11</i>	<i>13</i>	<i>43</i>	<i>10</i>	<i>8</i>	<i>85</i>

The definition of services to be provided comes hand in hand with the distinction between eligible and non-eligible groups and the specificities of national definitions of vulnerable/disadvantaged groups. As shown in Table 7-4, while disadvantaged groups of school age are

eligible beneficiaries of projects in most of the calls analysed here, the more general category of 'pupils' appears in a similar number of calls for applications. Our selection of calls to be analysed took into account their relevance for social inclusion and ISCED 0–3 education, yet we find among the eligible beneficiaries of large numbers of calls ISCED 5–6 students or employees of governmental institutions and NGOs. In the case of Romania, we must note that some of the calls mention more frequently general categories rather than specific ones. In Slovakia and the Czech Republic, teachers are eligible beneficiaries in all calls and employees of governmental institutions and non-governmental organizations in most of the calls, which could be linked to the specific need of overcoming the discrimination and segregation problems within the national educational systems.

Looking within the broader category of disadvantaged groups, we find some significant differences between our five countries in terms of targeting such groups (see Table 7-5). In the case of Hungary, not all disadvantaged groups are eligible beneficiaries in all calls for applications, which suggests that there are attempts to refine targeting. Only in the Czech Republic and Romania are juvenile delinquents specifically included among the lists of beneficiaries of educational services to be targeted by potential projects. Only half of the Romanian calls specifically target these groups, while others seem to take a more general approach. In Slovakia, calls make specific reference to Roma pupils and pupils with disabilities and exclude other definitions of disadvantaged groups.

All countries seem to operate with long lists of potential beneficiaries of services, which leave a lot to the discretion of contractors. In Bulgarian, Czech or Romanian calls for applications for projects focusing on educational inclusion issues, we frequently find general labels such as 'pupils' on the lists of potential project beneficiaries. This is an invitation to disproportionately include mainstream children who are more accessible than multiply disadvantaged children from Roma families. There are, however, differences. In Bulgaria some of the calls targeting ethnic minorities narrowly specify target groups. In the Czech Republic, the main problem seems to be the fact that calls nominally target children with special educational needs, using a very specific meaning of the term.

Table 7-5. Eligibility of disadvantaged groups in calls for applications under ESF-funded programmes in the five countries, 2007–2013.

<i>Disadvantaged groups</i>	<i>Number of calls where eligible, per country</i>					
	Bulgaria	Czech Republic	Hungary	Romania	Slovakia	Total
Roma pupils	8	13	25	4	6	56
Pupils with disabilities	9	13	14	4	3	43
Pupils at risk of early-school leaving	7	13	20	4	0	44
Pupils from disadvantaged families	6	13	28	2	0	49
Juvenile delinquents	0	13	0	3	0	16
People who did not finish compulsory education	2	10	13	3	0	28
<i>Total number of calls in country</i>	11	13	43	10	8	85

Another aspect concerns the distinction between two groups of beneficiaries: the pupils and students in need of support and the teachers and support staff that need to be trained in order to provide the requested educational services to the first group. None of the countries analysed here properly distinguished between the two groups and limited the extent to which money is invested in teachers and support staff. Technically, there is the possibility that ESF-funded projects in the five countries spend more resources on these staff than on the end-users of educational services. Although money spent on teacher training or research indirectly benefits the end-users, the matters of proportion and cost-effectiveness of investments are not properly approached by national ESF programmes.

In Romania, there is something even more damaging than the list of potential beneficiaries. The procedure for target group registration used until 2011, widely known to all potential applicants, uses a breakdown of beneficiaries into vulnerable groups which does not distinguish between

Roma and other ethnic groups. This had the potential to stimulate contractors to include beneficiaries from other more accessible ethnic groups in their projects. Moreover, the targeting of disadvantaged groups such as Roma pupils and their families, pupils with disabilities and their families, and other vulnerable groups is not automatically rewarded when an application is assessed; all rewards are completely left to the discretion of the person doing the assessment. The breakdown into vulnerable groups is so damaging that MA have reported figures showing the largest of the four vulnerable groups reached by the RO-SOPHRD under priority area 2.1. is *Others*. This is almost six times more than all beneficiaries belonging to ethnic minorities, fifteen times more than Roma, sixty times more than people with disabilities. Women or families with two children, despite their socio-economic status, may be categorized as vulnerable under RO-SOPHRD rules and included in the *others* category. Something similar also happens in Slovakia, where we have the same kind of failure on behalf of the managing authority in defining the programme indicators.

Beyond the long lists of potential beneficiaries/users of services, there is the matter of how each of the national programmes defines the most educationally vulnerable groups. In Bulgaria, we find the specific identification of Roma pupils (in most calls, very few contain references to ethnic-minority students), pupils with disabilities, children with special educational needs and school dropouts. In the Czech Republic, emphasis is on pupils and students with special educational needs enrolled in different levels of the national education system, early school leavers (without completed secondary education), the parents of children and pupils with disabilities or social disadvantage, and institutionalized children. It must be noted that gifted children are also included on the lists of beneficiaries of interest to some of the calls analysed here. In Hungary, the emphasis falls on multiply disadvantaged children (including Roma and/or pupils from socio-economically disadvantaged areas), pupils and students with migrant backgrounds, and children with special educational needs. Some calls also mention students lagging behind, children in state care or young school dropouts. A very special category is of ISCED 1 students who had been qualified as having special educational needs but, after revision, were transferred from a segregated educational environment to an integrated

one. Like in the Czech Republic, later calls for applications identify gifted children as a group of interest for the national programme. In Romania, Roma pupils, pupils with disabilities and pupils from rural and/or socio-economically disadvantaged areas are identified as groups of interest for education-related calls under RO-SOPHRD. The identification always mentions pupils from these groups alongside parents, which suggests that the demand for comprehensive approaches to the problems facing these groups goes beyond the limits of the education system. Early school leavers or pupils lagging behind are also mentioned in some of the calls. Calls also identify 'other vulnerable groups' as being important, much in line with the national breakdown of vulnerable groups approached by the RO-SOPHRD, discussed elsewhere in this book. Calls for applications in Slovakia emphasize the notion of marginalized Roma communities and target pupils and parents in these communities, especially in the case of primary education. Some calls make specific mention of pupils with special educational needs enrolled in special schools; pupils with disabilities enrolled in special schools, and, most importantly, marginalized Roma pupils enrolled in special schools or being affected by a disability.

Very relevant here is the meaning attributed to the 'special educational needs' label in national policy documents and national ESF programmes. Bulgaria, Hungary and Romania use orthodox interpretations of this notion. In the Czech Republic, despite the formal steps taken to address this issue in response to pressure from the European Commission, it is obvious that the national government and the national educational establishment are unwilling to let go of the definition in use, which places Roma children automatically in the category of children with special educational needs and on a special educational route. Starting from similar premises, Slovakia presents significant progress in addressing this issue, a fact reflected by how it identifies vulnerable groups. This combines relative unease with ethnic identification in the wider society and a reliance on self-identification with regional or local targeting, or the statements of the contractors in determining whether this specific group has been reached by ESF interventions.

An aspect relevant to all countries involved concerns the identification of vulnerable groups which are defined ethnically. In Hungary, ethnic

registration is actually considered a sensitive issue, so the contractors have to be able to demonstrate they have the consent of the beneficiaries they report to be of a certain ethnicity. In Slovakia, there is complete reliance on the statements of the contractors concerning beneficiaries belonging to ethnic groups. However, some calls contain eligibility provisions concerning the share of beneficiaries from certain marginalized groups included in ESF-funded projects. Both countries use social or local and regional characteristics to target groups such as the Roma; however these only work partially.

Reaching these vulnerable groups involves (in the case of potential contractors outside the national education system) some problems concerning access to the potential beneficiaries. At the same time, there is the question of how many educational services are to be provided by actors in the national education system (especially schools), and how many are left to other actors. In this direction, the following two sections approach the issue of potential contractors/providers of educational services and the use of partnership as a project methodology.

Market competition and the empowerment of actors

In all the countries analysed, the contractors seem to enjoy significant discretion in making decisions which induce educational selectivity, namely the choice of project activities/services to be delivered and the choice of beneficiaries/users of services. Equally empowered are the managing authorities, which enjoy significant discretion in the power relationship they establish with applicants and contractors. The least empowered are the beneficiaries/users of services. There are, of course, some differences between the countries, with the Hungarian attempt to include Roma representatives in designing better projects addressing Roma issues standing out. However, beyond this, beneficiaries/users seem to have no influence over the design and delivery of educational services meant to address their specific situation. While this is the general approach of ESF implementation in the five countries, there might be a different situation at grass-roots level. Moreover, it is unclear in what way the guides and calls direct

contractors towards participatory approaches to project implementation. An in-depth approach to the types of projects or educational interventions which appear more frequently could help in this respect.

Table 7-6. Eligibility of potential contractors under ESF-funded programmes in the five countries, 2007–2013.

<i>Categories of potential contractors</i>	<i>Number of calls where eligible</i>				
	<i>Bulgaria</i>	<i>Czech Republic</i>	<i>Hungary</i>	<i>Romania</i>	<i>Slovakia</i>
Central government	11	10	20	9	6
Local and regional government	10	13	35	3	2
Universities and research institutes	1	7	6	9	1
Schools	7	7	32	8	7
Other national actors (churches, trade unions, etc.)	0	6	27	9	0
For profits (includes certified providers of professional training)	1	5	14	7	0
Third sector (includes social economy)	1	8	34	9	1
<i>Total number of calls in country</i>	<i>11</i>	<i>13</i>	<i>43</i>	<i>10</i>	<i>8</i>

Within the broader category of contractors, we do find some differences, as shown in Table 7-6. In all the countries, regular schools are eligible contractors in most but not all calls for applications. In Bulgaria, the surprise comes from the absence of third-sector organizations from the lists of eligible contractors included in most calls, given the emphasis placed by the domestic policy-maker on finding solutions to the social problems approached by the calls outside the traditional education system. Moreover, the only category of contractors mentioned in all calls is central government entities. In the Czech Republic, the lion’s share belongs to local and regional governments, followed closely by the central government. In Hungary, very similar to what we previously found out, we find a distribution of potential

contractors per calls which suggests a deliberate attempt to target vulnerable groups. In the case of Romania, what is striking is the limited presence of local governments among the eligible contractors, as well as the much stronger presence of universities and research institutes when compared to the other countries. Almost all calls for applications from Slovakia strictly limit potential contractors to governmental actors and the actors from the national education system. Third-sector organizations are only eligible in calls which specifically mention the need for the comprehensive or integrated development of Roma communities.

Being admitted on the market for ESF-funded educational service delivery and actually making the most of it are two different things, as there are significant differences in terms of know-how and resources between these actors. In at least three of the five countries, small potential contractors (NGOs, schools) are at a clear disadvantage, either because of decisions concerning the size of potential projects, or because they have to compete against actors with superior know-how and resources, such as central government agencies or universities.

Several implementation decisions shape the market in terms of competition. First, it is important to look at the frequency with which MAs launch calls which have a single potential applicant, which is quite high (fourteen out of eighty-five calls analysed here). In Bulgaria, it is the case for more than half of the calls analysed here (six out of eleven), while in Slovakia it is the case for three out of eight cases. At the other end, we find Romania, where no such calls could be identified, with Hungary and the Czech Republic somewhere in the middle (approximately one in ten calls). Second, and equally important is the size of the potential projects, which differs significantly from country to country. While Bulgaria and the Czech Republic allow potential contractors to seek funding for small projects with budgets as low as EUR 10,000, in Romania and Slovakia the smallest projects should have budgets of EUR 50,000 and EUR 100,000. This acts against small grassroots NGOs and schools. Third, there is the matter of the financial contributions of the applicants to the budget of the projects. Romania treats not-for-profits and public entities equally in most calls and requires them to contribute with 2 per cent of the total budget of the project, while for-profits are supposed to contribute with at least 5 per cent. In other calls, public entities are exempt from contributing to

the budgets of the projects. In Slovakia, public entities are also exempt, while all other contractors are required to contribute with 5 per cent of the total budget of the project.¹

In shaping a market for educational service delivery, the decision to let some actors inside the market and keep others out is usually followed by decisions concerning when and how different categories of actors compete against each other. In the case of educational services, this is particularly important given that the providers mentioned above are extremely diverse in terms of know-how and resources. Our data show that national governments and managing authorities did not pay enough attention to this. In approximately a quarter of the calls analysed here, universities and research institutes are eligible potential contractors alongside schools. In a third of the calls, schools are made to compete with for-profits, while in more than half of the calls, schools are set against the central government ministries and agencies. This raises questions concerning the fairness of competition on the market for educational service delivery created in the five countries.

Nationally, some other factors further influence competition negatively. In Hungary, public institutions used an unusual strategy to maximize their access to European funding and established non-profit/civil organizations to apply for financial support. Very late during implementation, steps were taken to gradually eliminate these so-called public foundations from the competition for funding. In Romania, the managing authority noticed after some time that not all schools in Romania were actually eligible for funding. This happened due to the fact that not all were judged capable by the Ministry of Finance of managing their own budgets. Consequently, some schools were designated as budget centres and asked to manage, alongside their own, the budgets of neighboring schools. Only schools acting as budget centres had fiscal registration numbers and were eligible to apply for funding. This effectively excluded any schools from socio-economically disadvantaged areas (rural and urban periphery schools). A correction was made only in 2011 when, following the adoption of a new law on education, the budget centres were disbanded and each school gained the right to manage its own budget.

1 This information could not be compiled for the other three countries.

Moreover, in at least three of the countries analysed here, the competition is influenced by professional for-profit consultants, able to capitalize upon previous experience in other EU countries or local political connections. In Slovakia, our analysis points toward an ever-increasing role of such actors, due to the complexity and formalization embedded in the commissioning process. Romania is where we find the most convincing data on this topic, due to the use in RO-SOPHRD commissioning of the 'first come, first served' principle. Thus, calls for grant projects would close when the total amount of money requested by applicants equals the amount of money allocated to the respective calls. It was administered through an electronic platform, which performed this automatically. Using specifically designed software, professional consultancies managed, on behalf of their customers, to upload large numbers of applications in minutes, triggering the automatic shutdown of the call, before other categories of applicants were able to submit their own applications. In Hungary, for-profits get themselves hired as consultants or otherwise involved into projects or use, much like public institutions, the option of establishing civil organizations in order to access ESF funding. This leads to anomalous cases such as the funding of golf clubs under calls aimed at supporting gifted children.

These imbalances might be corrected by a proper use of the provisions concerning partnership as a project methodology. Competing against central government agencies might put regular schools at a disadvantage. Yet, such a disadvantage might be easily compensated if other categories of contractors were somehow stimulated to include schools in the projects they develop. The instrument at their disposal in this respect is partnership as a project methodology.

Partnership as project methodology

During the implementation of ESF-funded national programmes, central governments and managing authorities have several alternatives at their disposal to stimulate partnerships in project implementation. First, partnerships can be stimulated by granting bonus points during assessment to the applications submitted by a partnership between two or more actors. Second, partnerships could be made compulsory. Third, a certain

partnership structure could be made compulsory, e.g. making NGOs or churches eligible applicants only if they partner one or more schools or make trans-national partnerships compulsory under certain key areas of intervention.

The approach to partnership as project methodology provides some of the most striking differences between these countries. In Romania, provisions aimed at stimulating partnership in project implementation seem to work, since the managing authority reports it is the case for 70 per cent of all contracted projects. However, because partnership structures benefited from bonus points during the assessment of applications, it is quite difficult to distinguish between meaningful partnerships and ones which are simply window-dressing. Some steps to ensure meaningfulness are provided, starting with calls for applications (requiring applicants to describe the actual involvement of partners in several areas), yet these could be quite easily circumvented. Moreover, while partnership is rewarded in such a manner, it is not used to steer projects' implementation in directions which could increase the quality of interventions and their long-term sustainability. For example, while so many of the educational services requested by calls were supposed to be delivered in or around schools, there are no specific provisions requiring a contractor to partner with a school. Consequently, while the overall capacity of Romanian society to address problems such as early school leaving might increase it becomes unclear if the capacity of schools to address such problems on their own will increase. Like Romania, Bulgaria promotes partnership in project implementation but does not make it compulsory, nor does it use it to steer interventions in certain directions.

Hungary has a completely different approach, making partnership compulsory under some calls and even going as far as identifying a compulsory partner, usually a professional training agency or, in the case of Roma integration projects, the National Roma Self-Government. The practice is judged by Hungarian experts as questionable, due to the manner in which the selection of compulsory partners is made as well as to the fact that the National Roma Self Government does not seem to have the professional expertise necessary. Moreover, these compulsory partners may be selective and may refuse to partner some potential contractors, meaning a selection would have been made before there was an application. Despite this problem, the practice of involving the National Roma Self-Government seems,

in itself, promising because it suggests attention is being paid to the need to empower beneficiaries of the projects as well.

In the Czech Republic, partnership as project methodology has a complicated history since the 2004–06 programming period. Partnerships between public institutions and other actors in the implementation of EU-funded projects were subject to some provisions of national public procurement legislation which made them *de facto* not functional. While the legal issues were overcome, the extent to which public sector project promoters/potential contractors are still discouraged to engage in partnership issues remains an important issue (Potluka et al. 2011). Probably deriving from the same earlier problems, current ESF programmes in the Czech Republic distinguish between financial and non-financial partnerships (Stott 2008) and provide potential contractors with rules and template which are judged to induce some rigidity in project implementation. It must also be noted that there is one priority axis in an ESF programme in the Czech Republic which makes international partnership compulsory.

In Slovakia, the SK-OPE develops the partnership principle in programmatic documents with reference to programming and the full cycle of implementation and evaluation, yet in the text of the calls of relevance to education and social inclusion, it is absent. None of the calls analysed by us allows for partnership structures. Yet, in many projects, these partnerships seem necessary. Data from Slovakia suggests that informal, underground partnership structures do exist, usually between main applicants/contractors and consultancies able to assist them in the very complicated process of applying for, contracting and running an ESF funded project. The partnership structures needed to develop and implement essential projects are thus transferred into a grey area, where the relationships between partners are not regulated.

In terms of types of partnerships encouraged, the calls from the Czech Republic are the only ones explicitly encouraging partnerships between public and private entities. The Czech Republic is also the only country which systematically encourages partnership structures comprising both local and national actors. Trans-national partnerships seem to be specifically encouraged in Romania, as all calls include mentions of this direction being taken. This is also reflected in the annual implementation reports

of the RO-SOPHRD, which invariably report how many projects funded involve a trans-national partnership structure. Multi-regional partnerships are encouraged in most countries.² Romania, Slovakia, and the Czech Republic provide (in the text of the calls) specific definitions of partnerships, while Bulgaria and Hungary leave the matter to the discretion of the applicants and assessors of applications.

In some countries, management authorities go as far as providing templates for the partnership agreements and tend to do it consistently, with the exception of the Czech Republic where this template is provided only for some of the calls under CZ-ECOP and for none of the calls under the CZ-PA (Prague Adaptability Programme). In terms of the financial capacity of the partnership structures, all countries except for Hungary require applicants to provide data concerning all partners, and not just the main applicant/project promoter. Romania rewards the existence of a partnership structure during assessment, while in Hungary this only applies to certain calls focusing on education for children with special educational needs, education for children of migrants, talent development in school and support to 'learneries'.³ This suggests a differentiated approach based on the topics approached by the calls, yet it must be corroborated with the fact that in some cases, the partner is predetermined in the content of the call.

Some policy recommendations

The ESF-funded programmes analysed in this chapter have, to various degrees, structural problems related to their institutional set-up and the (in)actions of the national authority entrusted with managing them.

- 2 This information is not available for Hungary, which accounts for the largest portion of the calls analysed here.
- 3 'Learneries' refers here to the *tanoda*, extra-curricular learning programmes aimed at addressing social exclusion.

These structural problems thwart the capacity building efforts of all actors involved, including those who take as their own the issue of access to education for vulnerable groups. Beyond the structural problems, which affect all potential contractors and beneficiaries alike, these programmes present, to various degrees, significant problems in accessing the most vulnerable groups in society, due to the decisions being made in the commissioning process. Without ignoring the structural problems, which were repeatedly approached recently by both national actors and the European Commission, this book has focused on the programming and implementation issues more likely to hinder the realization of access to education and quality of education goals. From a market perspective, this book has analysed the demand side and pointed out the decisions that have contributed significantly to shaping supply.

The analytical framework used to assess whether ESF-funded programmes in the five countries act as enabling environments for increased access to quality education of vulnerable groups emphasizes two dimensions: the institutional and the bureaucratic ones. The institutional dimension covers aspects related to the set-up of the national ESF-programmes, or the domestic policy decisions made during programming, as well as policy decisions of general applicability made during implementation. The bureaucratic dimension covers decisions made during implementation of direct relevance to the creation and operation of an educational service delivery quasi-market.

The main findings concerning the institutional dimension stress the fact that the managing authorities analysed in this book take on the role of technical-administrative implementers of ESF-funded programmes and rarely attempt to use the policy-making prerogatives which were granted to them during programming. This is linked to how they manage (not) to balance the complex public goals normally associated with such programmes. Most of the managing authorities analysed by us seem to make a hierarchy of goals and place the programme goal of absorption above all, either because they cave in to public pressure, or because they prefer to avoid politically sensitive areas. Among the sweeping goals, the democratic character of programme implementation is largely ignored by most of the five managing authorities. This links with the resistance to partnership as

a governance mechanism, reflected by the protests of civil society organizations regarding their involvement in programming, the apparent inability of the monitoring committees to exercise democratic control over the managing authorities, and the slow disappearance of all stakeholder involvement in implementation: namely the drafting of calls for applications.

The focus on absorption rather than substantive goals and over-formalization of the *modi operandi* of the managing authorities mutually reinforce. Over-formalization affects the relationships that managing authorities establish with other central government agencies, the intermediate bodies working under their authority, and most of all, with the applicants and contractors. It leads to significant delays in assessing applications, contracting, and reimbursing contractors in most of the five countries. Despite these problems, managing authorities tend to reject all suggestions towards easing procedures and interactions with contractors and other actors, even when such suggestions come from the EC or the interim evaluators.

Hierarchical governance kicked in during programming and implementation, resulting from the discomfort of the central governments and managing authorities with the informality deemed necessary for good programming and commissioning. This leaves the managing authorities and, to some extent, national governments with most of the blame for the significant programme failures visible in all five countries, despite their best efforts to avert blame elsewhere (toward Brussels or contractors).

From the institutional perspective, and going closer to the field of education, it is also relevant that the institutional structure itself seems to lead to ESF-funded interventions in the five countries being disconnected from national education policy-making and implementation: the most striking example being the failure of Hungary to implement a carefully planned mutual interlinking of strategic and grass-roots components of the HU-SROP. Moreover, it can be argued that, to different degrees, in all countries the implementation of specific ESF educational and social exclusion objectives is pushed to the background by the efforts of the national governments to use such financing to substitute national funding for school operation and modernization. Less obvious in Romania and Bulgaria, this aspect is quite striking in the cases of Slovakia and the Czech Republic.

From the bureaucratic decision-making perspective, the reality of ESF implementation in the five countries is even more complex. There are a significant number of common features. All countries define the social issues approached in a similar manner, emphasizing territorial disparities in terms of access to and quality of education, and identifying groups such as Roma pupils or pupils with disabilities among the must-have beneficiaries of the educational services being funded. In terms of educational services demanded, the emphasis falls upon core educational services. However, none of the countries manages to formulate and enforce provisions concerning the division of funds allocated to the projects between the end-users of educational services (pupils) and groups such as teachers and support staff. The decisions concerning access to the market and who is allowed to compete with whom for funding generally empower governmental actors, to the detriment of schools and, in some countries, of third-sector organizations.

There are, of course, national specificities. Bulgaria provides to some extent an enabling framework for social and educational inclusion, as it allows for very small grass-roots projects to be funded from the BG-OPHRD, and issues separate calls for applications for projects targeting the two groups identified as problematic: Roma and Turkish children in the national education system. The positive effects of these decisions are diminished by the significant discretion granted to contractors in terms of selecting the services they provide and the end-users/beneficiaries, and by the fact that provisions concerning partnership are not used to counteract competitive disadvantages.

The Czech Republic has to effectively deal with the effects of the definition of 'special educational needs' embedded in the national education system before it can effectively provide an enabling framework for social and educational inclusion. This seems to happen in a top-down process aided by the descriptions of the educational services demanded by calls for applications issued in the two operational programmes analysed here. As implementation progresses, the description of the services requested become more and more detailed, as the central government endorses certain intervention methodologies and imposes them on contractors. There is significant rigidity in implementation though, mostly associated with how the issue of partnership as a project methodology is dealt with, and

with the deliberate choice to empower local and regional governments in educational service provision.

Hungary is by far the country with the most elaborate system of targeting vulnerable groups, resulting from the sensitivity surrounding ethnic identification and the subsequent use of regional and socio-economical targeting. This is obvious in how calls for applications define the problems approached and the educational services required to address these social problems, identify potential beneficiaries, and deal with competition among contractors. The positive effects of this are, however, severely undermined by the lack of transparency and predictability in HU-SROP implementation, as well as by a shift of emphasis in national education policy from the strategic approach to social inclusion to support for better-off segments of society. Guidance concerning methodologies of intervention is not provided to small grass-roots projects, despite being embedded in the description of the HU-SROP, because the managing authority fails to properly implement the mutual interlinking of programme components. It must also be noted that HU-SROP is alone in the programmes analysed here to show programme-level preoccupations with the empowerment of the users of educational services.

Romania presents the case for a limited approach to social and educational inclusion. It empowers large potential contractors, such as central government agencies and universities, in a drive to maximize absorption with a minimum of projects funded. It fails to address in due time the issue of eligibility of schools, resulting from inconsistencies between national sectoral policy and the RO-SOPHRD implementation framework. It provides no guidance concerning preferred interventions and methodologies to approach social and educational inclusion issues, mainly because the implementation framework has not included any type of linking mechanism between strategic and grass-roots interventions. RO-SOPHRD records notable results in the use of partnerships as a project methodology, even though the meaningfulness of some of the partnership structures is debatable.

Slovakia disproportionately empowers central and local government actors as potential providers of educational services to vulnerable groups, and (more than the other countries) disadvantages small contractors such as schools and NGOs. Moreover, focusing on vulnerable groups is severely affected by the use of regional and socio-economical targeting and the

reliance on the statements of the contractors concerning the ethnic identification (Roma) of the beneficiaries of projects. The most striking aspect of ESF implementation in Slovakia is the fact that partnerships as a project methodology is not enforced at all.

A common feature of ESF-funded programmes in these countries seems to be the choice to maintain and enhance the role of the state as an educational service provider. While in Hungary and the Czech Republic, this is obvious in the general framing of the programmes, which focus on structural developments of the national education systems, in the other countries this is visible in the policy choices concerning potential contractors and the rules of the competition in the market for educational service delivery. This is linked to the fact that central government remains as a power-broker, even when there is openness to partnership as a governance mechanism.

Another important common feature concerns the partial acknowledgment by central governments and managing authorities of the fact that this is indeed a market for service delivery, which needs to be governed taking into account aspects such as competition, asymmetries of information, or the interests of the users/beneficiaries of services. This leads to a deficient use of market regulatory instruments: namely calls for applications, not taken seriously enough in some of the countries.

Our analysis shows, once more, the importance of domestic policy decisions in pursuing the overarching goals of the EU structural instruments. This dependence on domestic policy also makes it easier to at least fine-tune existing policy. In any of the countries analysed in this book, a national set of policy recommendations would have to address several aspects.

- Even in the cases in which the entire territory of the country falls under the EU convergence objectives, programming and commissioning have to account for territorial disparities identified in each of the countries, possibly in the form of regional calls for applications with budgets which take into account the social and economic development of the region.
- A mutual interlinking of strategic and grass-roots interventions needs to be embedded and enforced in future ESF programmes.
- More attention should be paid to schools as potential contractors, and their capacity to compete on this market. There should be greater

attention in national programming to targeting areas of intervention, and calls for applications should be designed so that schools and grass-roots organizations do not have to compete with actors such as central government agencies and universities. At the same time, situations when there is no competition at all (all schools receive ESF-funding almost automatically) should also be avoided.

- Partnership as project methodology mechanisms can be used to ensure the national education system fully benefit from the intervention and methodologies developed with ESF funding. It could be useful, in some areas of intervention, to make it compulsory for schools to be partners in grass-roots projects.
- The meaningfulness of partnership as governance mechanism needs to be enhanced. This is potentially approached by the European Commission in its preparation for the following budgetary cycle, and could take the form of compulsory rules concerning the involvement of stakeholders in programming and commissioning.

The analysis in this book is limited by its focus on the demand side of the educational service delivery markets created through ESF in the five countries. Our evidence suggests that, under these circumstances, the social service delivery contracting as an instrument of governance is no longer regulating against risks for beneficiaries, but fuels increased social division in access to public services. The conclusions and policy lessons could, and should, be refined by an analysis of the supply side of the market, namely the reaction of potential contractors to ESF-funded programmes.

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Annexes

Annex 1. Operational programmes and priority axes analysed in the book

Bulgaria – Human Resources Development Sectoral Operational Programme

Priority axis no. 4. Improving the access to education and training

- 4.1. Access to education and training for disadvantaged groups
- 4.2. Children and youth in education and society

Czech Republic – Operational Programme Education for Competitiveness

Priority Axis No. 1: Initial Education

- 1.2. Equal opportunities for children and pupils, including the children and pupils with special educational needs

Priority Axis No. 4: System Framework of Lifelong Learning

- 4.1. A system framework of lifelong learning

Czech Republic – Operational Programme Prague Adaptability

Priority Axis No. 3: Modernization of Initial Education

- 3.3. Support for pupils and students with special educational needs

*Hungary – Social Renewal Operational Programme**

Priority Axis No. 3. Providing quality education and ensuring access for all

- 3.3. Decreasing the segregation of severely disadvantaged and Roma pupils, promoting their equal opportunities in public education

- 3.4. Supporting the education of groups with different educational needs, and the integration of pupils with special educational needs, intercultural education

Romania – Sectoral Operational Programme Human Resources Development

Priority axis no. 2. Linking lifelong learning and labour market

- 2.1. Transition from school to active life
- 2.2. Preventing and correcting early school leaving

Slovakia – Operational Programme Education

Priority axis no. 3. Support to Education of Persons with Special Education Needs

- 3.1. Raising the educational level of members of the marginalized Roma communities
- 3.2. Raising the educational level of persons with special educational needs

* In the case of Hungary, the large number of calls for applications under the two selected key areas of intervention led to the selection of the calls for applications most relevant for the educational inclusion of vulnerable groups. The list of calls analysed in the Hungarian case is included in Annex 2.

Annex 2. Calls for applications analysed, Hungary

Number of call	Label of call	Note
TÁMOP – 3.3.1–07/1	Equal opportunities and integration	strategic programme
TÁMOP – 3.3.1–09/1	Equal opportunities and integration	
TÁMOP – 3.3.2./08/1	Supporting the Implementation of Equal Opportunities Programmes	Central Hungarian region and convergence regions
TÁMOP – 3.3.2./08/2	Supporting the Implementation of Equal Opportunities Programmes	
TÁMOP – 3.3.3–08/1	Quality assurance of public education reference institutions for integration, supporting their co-operation with professional service-provider networks	convergence regions
TÁMOP – 3.3.5./A/08/1	Providing support to 'learners'	convergence regions
TÁMOP – 3.3.7/09/1	Support to quality education, and enhancement of lifelong learning through cultural tools in order to establish equal opportunities in the most disadvantaged small regions.	multiply disadvantaged micro regions, state applicants
TÁMOP – 3.3.7/09/2	Support to quality education, and enhancement of lifelong learning through cultural tools in order to establish equal opportunities in the most disadvantaged small regions.	multiply disadvantaged micro regions, NGO applicants

Number of call	Label of call	Note
TÁMOP – 3-4.2/09/1	Inclusive education of children with special educational needs	Central Hungarian region and convergence regions
TÁMOP – 3-4.2/09/2	Inclusive education of children with special educational needs	
TÁMOP – 3-4.4/B-11/2	Development of National Talent Support Network	convergence regions
TÁMOP – 3-4.1.A-08/1	Support to the education of nationality pupils.	Central Hungarian region and convergence regions
TÁMOP – 3-4.1.A-08/2	Support to the education of nationality pupils.	
TÁMOP – 3-4.1.A-11/1	Support to the education of nationality pupils 2nd phase	convergence regions
TÁMOP – 3-4.1.B-08/1	Migrant students in Hungarian public education	Central Hungarian region and convergence regions
TÁMOP – 3-4.1.B-08/2	Migrant students in Hungarian public education	
TÁMOP – 3-4.2.A-11/1	Integration of children with special educational needs	Central Hungarian region and convergence regions
TÁMOP – 3-4.2.A-11/2	Integration of children with special educational needs	
TÁMOP – 3-4.2.B-12	Integration of children with special educational needs (Improvement of specialized services)	Strategic programme
TÁMOP – 3-4.3-08/1	Talent development in school	Central Hungarian region and convergence regions
TÁMOP – 3-4.3-08/2	Talent development in school	

Number of call	Label of call	Note
TÁMOP – 3.4.3 – 11/1	Talent development in schools	
TÁMOP – 3.4.3 – 11/2	Talent development in schools	
TÁMOP – 3.4.4/A/08/1	Development of case maps of extracurricular talent maintenance for the outstanding talent youth who needs special education	Strategic programme
TÁMOP – 3.4.4/B/08/1	Development of National Talent Support Network – Hungarian Genius Integrated Talent Support Programme	Central Hungarian region and convergence regions
TÁMOP – 3.4.4/B/08/2	Development of National Talent Support Network – Hungarian Genius Integrated Talent Support Programme	

Annex 3. Governance of ESF funding in the five countries: Synthesis of findings

Country	Balancing of goals	Over-formalization	Partnership as governance mechanism	Definition of issues	Definition of services and users	Selecting contractors	Partnership as project methodology
	The institutional dimension – creating the structures that govern the market for educational service delivery	The bureaucratic dimension – formulating demands for educational service delivery					
Bulgaria	Managing authority defines itself as implementer of policy, in charge of technical and administrative aspects; focus on absorption	Affects the relationship between the managing authority and the intermediate bodies	Resistance to partnership as governance mechanism; stakeholders not involved in call drafting	Territorial disparities in terms of access to and quality of education; majority-minority gaps; need for reforms of the national education system; emphasis on marginalized Roma communities	Emphasis on core educational services; significant discretion to contractors in selecting activities and beneficiaries; some of the calls for applications specifically target pupils belonging to ethnic minorities; most	Third sector organizations are largely absent from the lists of potential contractors; many calls for applications with a single potential applicant; empowerment of central government actors; very small projects	Partnership is nominally encouraged; it is not used to counteract competitive disadvantages

Country	The institutional dimension – creating the structures that govern the market for educational service delivery	The bureaucratic dimension – formulating demands for educational service delivery		
	<i>Balancing of goals</i>	<i>Partnership as governance mechanism</i>		
	<i>Over-formalization</i>	<i>Partnership as project methodology</i>		
	<i>Definition of issues</i>	<i>Definition of services and users</i>		
	<i>Selecting contractors</i>	<i>Partnership as project methodology</i>		
Czech Republic	<p>in charge of technical and administrative aspects; focus on absorption</p> <p>in call drafting is possible but it is not being used</p>	<p>minority gaps; need for reforms of the national education system; emphasis on the notion of special needs education and ethnic discrimination in the national education system; education of migrants</p>	<p>more refined as the central government endorses certain methodologies and imposes them to contractors; in defining users the emphasis falls on children with special educational needs (SEN); the non-orthodox definition of SEN is pervasive; there are no</p>	<p>are thought to induce rigidity; systematic encouragement of partnerships between local and national actors</p>

Country	Balancing of goals	Over-formalization	Partnership as governance mechanism	Definition of issues	Definition of services and users	Selecting contractors	Partnership as project methodology
	The institutional dimension – creating the structures that govern the market for educational service delivery				The bureaucratic dimension – formulating demands for educational service delivery		
Czech Republic				provisions concerning the division of funding spent on end-users of educational services (pupils) and teachers and support staff			
Hungary	Managing authority defines itself as implementer of policy, in charge of technical and administrative aspects; democratic control is	Affects public communication	Resistance to partnership as governance mechanism; a coalition of NGOs is formed to pressure the government to conduct a transparent	Territorial disparities in terms of access to and quality of education; majority-minority gaps; need for reforms of the national education	Emphasis on core educational services and structural and regulatory aspects of the national education system; differentiated approach	Differentiated approach from call for applications to call for applications; competition between potential contractors is influenced by	Differentiated approach from call for applications to call for applications; compulsory partnerships in some cases, with some negative effects because

Country	The institutional dimension – creating the structures that govern the market for educational service delivery	The bureaucratic dimension – formulating demands for educational service delivery	
<i>Balancing of goals</i>	<i>Over-formalization</i>	<i>Partnership as governance mechanism</i>	
<i>Definition of issues</i>	<i>Definition of services and users</i>	<i>Selecting contractors</i>	
<i>Partnership as project methodology</i>	<i>Partnership as project methodology</i>	<i>Partnership as project methodology</i>	
undermined by availability of information on programme implementation; focus on absorption	programming process; working groups involved in drafting national action plans disappear	system; emphasis on notions such as cumulative disadvantages affecting children and multiply disadvantaged regions; school drop-out; education of migrants	from call for applications to call for applications; strategic approach to social inclusion is undermined by a policy shift following a change of government; there are no provisions concerning the division of funding spent on end-users of educational services (pupils)
		professional for-profit consultants	partners are pre-selected by the central government (e.g. National Roma Self-Government); there is some preoccupation with the empowerment of users/beneficiaries of services

Hungary

<p>The institutional dimension – creating the structures that govern the market for educational service delivery</p>	<p>The bureaucratic dimension – formulating demands for educational service delivery</p>
<p><i>Balancing of goals</i></p>	<p><i>Partnership as governance mechanism</i></p>
<p><i>Over-formalization</i></p>	<p><i>Definition of issues</i></p>
<p><i>Partnership as governance mechanism</i></p>	<p><i>Definition of services and users</i></p>
<p><i>Partnership as project methodology</i></p>	<p><i>Selecting contractors</i></p>
<p>Country</p>	<p>and teachers and support staff; regional and socio-economical targeting of ethnic groups, since ethnic identification is a sensitive issue</p>
<p>Hungary</p>	<p>and teachers and support staff; regional and socio-economical targeting of ethnic groups, since ethnic identification is a sensitive issue</p>
<p>Managing authority defines itself as implementer of policy, in charge of technical and administrative aspects; managing</p>	<p>Empowerment of central government actors and universities due to the preference of the managing authority for launching calls for</p>
<p>Romania</p>	<p>Partnerships are rewarded during the assessment of applications raising questions concerning the meaningfulness of some of the partnership structures;</p>

Country	The institutional dimension – creating the structures that govern the market for educational service delivery	Partnership as governance mechanism	The bureaucratic dimension – formulating demands for educational service delivery	Partnership as project methodology
<i>Balancing of goals</i>	<i>Over-formalization</i>	<i>Partnership as governance mechanism</i>	<i>Definition of issues</i>	<i>Definition of services and users</i>
<i>Selecting contractors</i>	<i>Partnership as project methodology</i>	<i>Definition of issues</i>	<i>Definition of services and users</i>	<i>Selecting contractors</i>
Romania	<p>authority dominates the monitoring body supposed to exercise democratic control over the programme; focus on absorption</p>	<p>programme; rejection of recommendations to simplify procedures</p> <p>not involved in call drafting</p>	<p>education system; school drop-out and the poor correlation of the national education and professional training systems with the labour market</p>	<p>applications for large strategic multi-regional or national projects with budgets over 500,000 Euro; large numbers of schools were excluded for years from the lists of potential contractors due to inconsistencies between national education policy and the RO-SOPHRD</p>

Country	The institutional dimension – creating the structures that govern the market for educational service delivery	The bureaucratic dimension – formulating demands for educational service delivery	
<i>Balancing of goals</i>	<i>Partnership as governance mechanism</i>	<i>Partnership as project methodology</i>	
<i>Over-formalization</i>	<i>Definition of issues</i>	<i>Definition of services and users</i>	
<i>Selecting contractors</i>		<i>Selecting contractors</i>	
Romania	<p>problematic national definitions of vulnerable groups linked to poor system of programme indicators</p>	<p>implementation framework, competition between potential contractors is influenced by professional for-profit consultants</p>	
Slovakia	<p>Managing authority defines itself as implementer of policy, in charge of technical and administrative aspects; overly technical</p>	<p>Resistance to partnership as governance mechanism; CSOs boycott programming; involvement of stakeholders in call drafting is not used</p>	<p>Territorial disparities in terms of access to and quality of education; majority-minority gaps; need for reforms of the national</p>
	<p>Affects public communication; rejection of recommendations to simplify procedures</p>	<p>Emphasis on core educational services; there is no guidance concerning the preferred interventions or methodologies to approach the issue of</p>	<p>Disproportionate empowerment of central and local government actors; many calls for applications with a single</p>
	<p>Not enforced, despite being mentioned in programmatic documents; not used to counteract the competitive disadvantage</p>		

Country	The institutional dimension – creating the structures that govern the market for educational service delivery	The bureaucratic dimension – formulating demands for educational service delivery
	<i>Balancing of goals</i>	<i>Partnership as governance mechanism</i>
	<i>Over-formalization</i>	<i>Partnership as project methodology</i>
	<i>Definition of issues</i>	<i>Definition of services and users</i>
	<i>Selecting contractors</i>	<i>Partnership as project methodology</i>
Slovakia	<p>education system; emphasis on marginalized Roma communities</p> <p>education about implementation undermines democratic control; focus on absorption</p>	<p>social inclusion; there are no provisions concerning the division of funding spent on end-users of educational services (pupils) and teachers and support staff; regional and socio-economical targeting of ethnic groups; reliance on statements of contractors in determining</p>
		<p>potential applicant; preference for large projects (budgets over 100,000 Euro) disadvantages schools and NGOs; competition between potential contractors is influenced by professional for-profit consultants</p>
		<p>of schools and small NGOs</p>

<p>The institutional dimension – creating the structures that govern the market for educational service delivery</p>	<p>The bureaucratic dimension – formulating demands for educational service delivery</p>
<p>Country</p>	<p>Slovakia</p>
<p><i>Balancing of goals</i></p>	<p><i>Partnership as governance mechanism</i></p>
<p><i>Over-formalization</i></p>	<p><i>Definition of issues</i></p>
<p><i>Partnership as governance mechanism</i></p>	<p><i>Definition of services and users</i></p>
<p><i>Partnership as project methodology</i></p>	<p><i>Selecting contractors</i></p>
<p>whether ethnic groups were reached by the programme</p>	<p></p>

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