

CREATING WELFARE MARKETS UNDER ESF FUNDING:

The case of educational service delivery in Romania

Dr. Cristina Stănuș, Lucian Blaga University of Sibiu

E-mail: cristina.stanus@ulbsibiu.ro

4/10/2013

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Acknowledgment. This paper was supported by the Educational Support Programme of the Open Society Foundations through the *Educational Selectivity Effects of the European Social Fund* project.

Abstract. This paper approaches domestic policy choices concerning the accomplishment of European Social Fund objectives which result in the creation of a quasi-market for educational service delivery in Romania. It emphasizes the selectivity involved in policy decisions concerning ESF implementation with consequences in terms of access to the educational opportunities the ESF creates. The paper focuses on aspects related both to the programming and commissioning processes associated with ESF implementation in Romania and analyses the demand side of the educational service delivery quasi-market involved. The paper combines the analysis of relevant policy documents with the analysis of the documents containing information concerning the above mentioned stages in the commissioning cycle, namely the calls for applications. The analysis is restricted to the ISCED 0-3 education related areas of intervention of the Human Resources Development Operational Programme in Romania between 2007 and 2012. The paper argues that bureaucratic decision-making concerning both technical and substance aspects of programme implementation create a quasi-market for educational service delivery defined by a deliberate attempt to enhance the role of the state in education service delivery, unfair competition between different categories of service contractors, and lack of empowerment of the users/beneficiaries of these educational services.

INTRODUCTION: THE POLICY PROBLEM

This paper approaches domestic policy tools 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 Romania with consequences in terms of differentiated access to the educational opportunities the ESF creates.

The reliance of the public sector on non-state actors for the provision of public services is not new and it is constantly linked with notions such as the limited capacity of contemporary states to provide certain services and the superiority in terms of efficiency and cost-effectiveness non-state actors are able to provide. Sometimes labelled as a retreat of the state, it 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, as it manages to export some of its *modus operandi* to the non-state actors, especially to third sector organisations. A favourite instrument in many public service domains is the creation of markets or quasi-markets for service delivery, 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 financier of public service delivery. Moreover, on most such markets the state retains its service provision role as well. This leads to questions on 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 such markets for service delivery. On 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 the educational services to be provided (and do it 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 so-called programming and commissioning processes. These processes happen in a very complicated political, policy, and institutional context, only to some extent implied in the notion of multi-level governance.

Among ESF core objectives we find helping individuals and groups that are disadvantaged

in getting a proper education or find a job, with notions such as combating social exclusion deeply embedded in all ESF interventions¹. At first glance, a question arises concerning the compatibility between 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 newest EU member states in Central and Eastern, given the difficulties inherent in accommodating national institutions to the workings of the EU and the significant social exclusion problems in the respective societies. 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 the question of the effects of these difficulties in terms of social inclusion. From an ESF economic (human resources development) effects perspective it has been suggested ESF implementation gives too great attention to an absorption logic and too little to the 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. These raise 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 disproportionate access of applicants from Romania's largest cities to EU structural funding (see Institutul pentru Politici Publice 2012) is an argument which could be invoked in questioning the social inclusion effects of the ESF.

This paper approaches the governance of ESF in Romania 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 for increasing the access to quality education of vulnerable groups. In the following sections we discuss the context for this study and approach the theoretical underpinnings of this policy issue.

LITERATURE REVIEW

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, resulted from the mixture between management by results and bureaucratic rule steering, as well as rigidity of decision-making resulted from decision-making in a multi-actor constellation (Lang 2001). Put in other words,

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

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 and coordinating policy and implementation, and steering a public services market. As opposed to national policies in 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 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 three elements are extremely important in exploring differences between countries in terms of impact of structural funds in general: (1) the 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). Up on the institutional ladder, a report commissioned by the DG Regio suggests that partially responsible for failures are the measures adopted by the EU to improve the management of funds, because they 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 catalytic impact in three areas, the innovation of domestic activation instruments, the governance of employment policies and policy framing, 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 the governance one, stresses out 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 a relationship and a discourse one cannot reject, it seems to embody values, it appears pragmatic and sounds inclusive (Fenwick, Miller, and McTavish 2012). 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 formalised (usually embodied in the monitoring committees of EU structural programmes) yet informal relations that spun around formal procedures (Piattoni 2006, 58) are equally important. Informality may be the most suitable response to the volume of the decisions that must be made and the complexity of conflicting goals the 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 organisation is hybrid in character (Vincent-Jones 2008), with welfare provision increasingly a matter of both state and non-state organisations (private companies, third sector organisations). 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, which 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 scepticisms (see Schwittay 2011), while third sector organisations are increasingly considered a solution to the contemporary problems of social and educational services provision. Welfare markets, just like any other markets, produce externalities, may suffer from information asymmetries and imbalances between demand and supply, may prohibit the entrance of new actors on the market or may lead to an increase in costs for the 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 of the societal benefits of education and of democratic control over public services remains. In terms of effects, research has indicated that quasi-markets built on policy approaches that use decentralisation, deregulation, greater levels of autonomy, competition and choice may induce innovation in both how education is organised and how school content is delivered

(Lubienski 2009). Other results link the introduction of educational quasi-markets in countries like Britain 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 decentralisation, deregulation and outsourcing reforms of public services in Western European states. It places states in the triple role of regulator, financier, 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 on the market, information asymmetries, imbalances between demand and supply, and the consequences for the consumers/beneficiaries of the services. In the following section, we build on the emerging welfare markets literature and previous empirical research centred on EU structural funding in the make-up of an analytical framework which could help us assess the effects of these domestic policy choices on educational service provision.

ANALYTICAL FRAMEWORK

ESF implementation involves a quite complex institutional structure, supposed to ensure proper commissioning, monitoring, evaluation, and financial control, which is pretty much predetermined by the EC. This structure involves a separation of implementation, payments, 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, structure 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 the managing authority of the RO-SOPHRD, along two dimensions: the institutional dimension (the set up of the

programme, macro-level) and the bureaucratic discretion in implementation dimension (how the national managing authority exerts its 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 set up of the management of ESF funding in Romania: the focus of the programme, the relationships between the managing authority and the so-called intermediate bodies, the place of managing authorities within the broader national institutional framework. Also, they refer to the organisation of drafting of calls, which has deep influence on the content of calls and consequently on shaping the market for educational service delivery.

Informal aspects refer especially to institutional role orientations developed by the managing authority, 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 what types of rules the managing authority shapes for itself, be them formal and informal, and how do 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 v. goal orientation or emphasis on results)? All this becomes a question of such an entity uses a mixture of formal rules and informal policy instruments to steer such a programme (and the society as such) into a certain direction. In what concerns EU structural instruments this mixture is mostly visible in bureaucratic decision making.

In terms of governance of partnership an 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 authority on one side and relevant societal actors on the other side. What was the significance of partnership during programming? What societal actors were in 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 the 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 that affect all or most

members in society, such as attaining a certain health status in society; 4) goals of individual organisations and programs, 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 organisation/programme is of paramount importance.

The *bureaucratic discretion dimension* reflects the regulatory decisions made by the managing authority 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 projects stages. Most of these decisions are reflected into the calls for applications the managing authorities issue in exercise of their role.

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

The programme targeting decisions focus on the design of the educational and social services required to be provided and the shaping of the supply structure. In terms of design of services the emphasis falls upon the choice of services which are subject to the 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 we have 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?

The following section of the paper approaches the methods and data used.

METHODS AND DATA

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). Second, and equally important, is an aspect that stems from evaluation studies emphasizing that EU structural funds have a too complex set of objectives resulted from the preferences, interests and interpretations of all involved actors to be actually able to effectively approach them all (see Lang 2001, 11–12).

The research objective is addressed in a multi-method and cumulative research design with two prioritised components, one qualitative and one quantitative.

The first component is the qualitative analysis of the by-laws and of the executive decisions of the managing authority. 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 MA websites, and other relevant documents.

The second component involves the analysis of the applicant's guides issued by the management authority under all calls concerning education and social inclusion, focused on mapping the structure of incentives used to shape the quasi-market of educational services. This stage involves the content analysis of all applicants' guides issued by the management authority under all calls relevant from an educational vulnerability point of view. Data was collected between October 2012 and January 2013. The following sections of this paper present the main findings. The next section focuses on institutional aspects of ESF implementation in Romania.

THE INSTITUTIONAL DIMENSION

The analysis of national policy documents has pointed out several areas in which domestic policy decisions have created conditions with the potential to hinder the social and educational inclusion outcomes expected of the RO-SOPHRD. 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, has led to increased formalisation 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. 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 in their operation several goals. The balancing of these goals has the potential to influence the behaviour and decisions of the managing authorities, going down to the market-shaping decisions mentioned above. Democratic and efficient implementation is a sweeping goal associated with ESF-funded national programmes. On 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 absorption of funds. Rather than balancing these goals, the managing authority seems to prioritise them, with programme level absorption focused goals usually coming first.

While democratic ESF implementation is nominally assumed, practice usually falls short of democratic practices. In Romania, civil society stakeholders repeatedly stress out 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 wide open the question of accountability. The critical aspect in terms of ensuring democratic implementation seems to be the ability of the managing authorities to effectively use partnership as governance mechanism. In this respect there seems to be quite some resistance.

Nominally, all the managing authority pursues social inclusion, education and employment goals, that is it attempts to reach a strategic level for social and economic service that affect 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 it seems to give priority to the programme goals of absorption. This prioritisation seems to be linked to increasing political and public pressure over the managing authorities to increase the degree of funds absorption. At the same time, it is linked to the broader frame of administrative capacity or quality of national institutions.

The emphasis on the technical, financial and administrative aspects of the MAs duties suggests an unwillingness of the MA (by its own initiative or incentivised by national policy-makers) to assume greater responsibility in shaping ESF implementation. The MA regards the programme description as fixed and, even when taking steps to do some changes to the programme, seem to be very careful not to overstep this boundary. When challenged on this topic, the MA usually hides behind its apparent lack of policy discretion, averting blame

towards national policy-makers or, more often, towards unspecified decision-makers in Brussels. The prioritisation of technical programme goals in the sense described above is intertwined with an over-formalisation of the day-to-day operation of the managing authority.

OVER-FORMALISATION

Public organisations are more complicated and formalized in respect of the activities that are regulated or overseen by the central government (Rainey and Bozeman 2000, 451–56), and ESF-funded programmes are no exception. Managing authorities for ESF programmes are public organisations, 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 them public or private. In the case of the RO-SOPHRD managing authority there is an obvious over-formalisation, usually blamed on EU rules and procedures, yet more likely the result of the MAs being overwhelmed by bureaucratic procedures which resulted in severe delays in processing applications, contracts and reimbursements.

Procedures and interactions with contractors are most often suffering from over-formalisation. The RO-SOPHRD experienced severe problems due to the under-staffing of the management authority. Yet all these problems were addressed with higher formalisation 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. Communication with contractors is also affected by formalisation; being most of the time reduced to contacts through a help-desk which has worked intermittently. Moreover, communication with contractors is impersonal, with MA employees avoiding to take personal responsibility for the content of their communication with contractors. While over-formalisation of interactions with contractors and procedures makes implementation difficult, the managing authority rejects proposal for simplification made by the interim evaluation reports.

We also find stances of over-formalisation in the relationship of the managing authority with diverse governmental bodies. When the issue of co-ordination with other operational programmes is under discussion, the MA merely reports 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 (ACIS).

Another area of over-formalisation concerns how more or less unexpected situations which appear during implementation are dealt with. When the degree to which Roma population is being reached by RO-SOPHRD is unexpectedly under discussion, the MA responds by requiring the establishment of a formal workgroup on the topic guided by a set of formal

rules endorsed by the managing committee. Over-formalisation in this case results in the actual establishment of a workgroup taking more than a year. No results of the working group could be identified a year later after it was established.

PARTNERSHIP AS GOVERNANCE MECHANISM

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, it soon becomes obvious the management of partnership depends to a great extent on its definition.

Partnership is first and foremost discussed in relation to the programming process. Yet various shortcomings could be identified. Civil society organisations express discontent at how their suggestions and ideas were taken into account into the programming process. While programming documents were relatively public, third sector organisations found themselves in the position of not being able to significantly influence content. This suggests central government driven programming was 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, we find nominal representation of stakeholders such as NGOs, trade unions, professional associations, local and regional governments, etc. Discontents are expressed concerning the meaningfulness of representation, or the actual influence these actors are able to exert during the implementation process. We find a 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 Institutul pentru Politici Publice 2012). This is furthered by the lack of intention to involve stakeholders in drafting the calls for applications.

A very interesting aspect of partnership as a governance mechanism comes 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” (RO-SOPHRD Annual Implementation Report 2007). Such structures work at regional and county level and help

policy coordination 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 (Consiliul de Coordonare Națională a Pactelor Regionale pentru Ocupare și Incluziune Socială 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 behaviour of the managing authority.

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

PROGRAMME FAILURES

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. Delays in the assessment of applications raise question concerning the viability of projects which finally receive funding. Delays in reimbursements are so large that they produced significant social and economic consequences: third sector organisations 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. Unilateral changes to the contracts are frequent; the behaviour of the managing authority is, in this respect, labelled as abusive.

A major failure seems to be not pursuing the underlying goals and rules which were the result of national programming. For example, the set of pre-established monitoring indicators was poorly used in practice.

The programme analysed here has significant structural problems, deriving from the (in)action of managing authority, and potentially affecting the entire commissioning cycle. The MA fails to implement recommendations from the DG Employment and interim evaluators concerning these structural problems. The recommendations refer to the financial simplifications (flat rates, unit costs, lump sums, and others), and the introduction of the global grants. Structural problems are deemed severe enough to produce suspensions of payments.

Moreover, the central governments fail to regulate in time key areas for successful programme implementation 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 have sense on 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 government delays by several years the implementation of the key area of intervention 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. This raises questions concerning the co-ordination with national education policy during implementation.

ENSURING CO-ORDINATION WITH NATIONAL EDUCATION POLICY

The linkages 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. 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 and should achieve. This lack of consensus reflects itself in ESF programming.

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. Romania did not seem to take into account the need to embed into the ESF a mechanism linking the national strategic projects with the smaller grass-roots interventions. Moreover, it ignored recommendations made by the interim evaluator concerning the introduction of a global grants model, similar to the one implemented in the Czech Republic. In this respect, a key factor is the regulatory decisions of the managing authority which actually shape the market for educational service delivery.

SHAPING THE MARKET FOR EDUCATIONAL SERVICE DELIVERY

The commissioning process happening within the framework of ESF programmes involves managing a market for delivery of educational service. This market results from 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 providers in their relationship with service users and, maybe, even of the degree of protection of users. An important question is thus how aware is the managing authority of the market principles applicable to techniques and instruments they are using and how do 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 national level. While there is some negotiation between the members 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 allocation of resources which impact the disbursement of funds on issues concerning the 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 other than central government potential contractors. 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 1, there are significant differences between per capita ESF spending for education and training in Romania, as compared to other Central and Eastern European countries. On the one hand these figures detail the prioritisation 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.

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 2007 - 2013	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			

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

Romania opts for a general human resources development operational programme, which includes, among many other things, interventions focused on ISCED 0-3 education. There is a very poor separation between different types of interventions, resulting in areas of intervention comprising at the same time primary and secondary education and higher education. Interventions of interest to us 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, for children with special educational needs, 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 amount 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).

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

One of the most important issues identified are the territorial disparities in terms of access to and quality of education, in urban-rural terms. Moreover, majority-minority gaps in terms of access to education, with special reference to the Roma, are also pointed out. Most

importantly, ESF funded interventions are linked with national reforms of education, official RO-SOPHRD documents quoting the need to reinforce recent reforms of VET and doctoral studies. The analysis of social problems identified in the texts of the calls for applications shows Romania is using rather generic, catch-all calls.

The social problems addressed by the RO-SOPHRD calls for applications analysed here are early school leaving and the poor correlation between the national education and professional training system and the labour 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 specialised approaches to issues such as school drop-out among Roma children. The situation analysis fails to address narrower problems such as those associated with teaching Romanian to national minorities or the results of Romanian pupils in international comparative assessment.

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. We identify some solitary references to an anti-crisis plan of the Romanian government in two calls launched in 2010. 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 economical, social, and educational; requiring both individualised and community interventions and, sometimes, national policy and interventions. Integrated approaches are explicitly recommended in calls on second chance education.

DEFINING SERVICES AND THEIR USERS

ESF is centred on the notion of capacity building, at individual and community level. Consequently, this notion is frequently mentioned by the managing authority analysed here. However, empirical analyses of the workings of EU development funding have pointed out the ambiguity surrounding this concept and well as 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 approach to ESF implementation in Romania is how the notion of capacity building is translated into demands for educational services.

From this point of view, a key distinction is that 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 programmes 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 many others, counselling for parents or the creation of networks to improve cooperation and information transfer between providers of educational services. Core educational services are very well represented in the demands formulated, with curriculum development and implementation best represented. Only one of the calls analysed here does not request at least one of the core educational services.

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

The frequency of these additional services in the lists of demanded/eligible project activities raises 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 direct provision of educational services to the specified target group and limit themselves to such support activities. The relative weight of research activities also needs a discussion, as these are present in almost all calls analysed by us. In the broader ESF context, granting funding for research activities without linking them to the policy-making needs of the state seems an unnecessary diverting of funding otherwise dedicated to social interventions.

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 better programme targeting. Among the eligible activities not included in the above list, the emphasis falls upon labour market-related aspects such as workplace learning activities and training of mentors in enterprises, as well as on very specific services such as summer/Sunday schools and kindergartens and school debut methodologies.

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. While disadvantaged groups of school age are eligible beneficiaries of projects in most of the calls analysed here, the more general category labelled

“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. We must note that some of the calls mention more frequently general categories rather than specific ones. Looking within the broader category of disadvantaged groups, we find some significant differences in terms of targeting such groups. Calls specifically include juvenile delinquents among the lists of beneficiaries of educational services to be targeted by potential projects.

RO-SOPHRD operates with long lists of potential beneficiaries of services, which leave significant discretion to the contractors. In 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 among beneficiaries children which are more accessible than multiply-disadvantaged children from Roma families.

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 groups. Calls do not distinguish properly between the two groups and limits the extent to which money are invested in the teachers and support staff. Technically, there is the possibility that ESF-funded projects spend more resourced on this staff than on the end-users of educational services. While, indirectly, money spent on teacher training or research also benefits the end-users, the matters of proportion and cost-effectiveness of investments are not properly approached by the RO-SOPHRD.

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 it 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 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 categorised as vulnerable under RO-SOPHRD rules and included in the *Others* category.

Beyond the long lists of potential beneficiaries/users of services, there is the matter of how documents define the most educationally vulnerable groups. 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 of parents, which suggests the demand for comprehensive approaches to the problems facing these groups, going beyond the limits of the educational 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 paper.

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 of the educational services demanded 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 Romania 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 is the managing authority, which enjoys significant discretion in the power relationship they establish with applicants and contractors. The least empowered are the beneficiaries/the users of services, who 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, there might be a different situation at grass-roots level.

Within the broader category of contractors we do find some differences. Regular schools are eligible contractors in nine out of ten calls for applications. In all these calls universities and research institutes, churches, trade unions, professional associations and third sector organisations are also eligible. For-profits are eligible in seven out of ten calls for applications. What strikes out as unexpected is the limited presence of local governments among the eligible contractors.

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. Small potential contractors (NGOs, schools) are in clear disadvantage, either because of the decision 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 usually represent funding set aside for central government ministries and agencies. No such calls are to be found in Romania, funding for the strategic national projects being included in the budgets of the calls for large multi-regional or national projects open to a variety of other contractors. Second and equally important is the size of the potential projects, which differs significantly from country to country. The smallest projects should have budgets of 50,000 Euro, which 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 percent of the total budget of the project, while for-profits are supposed to contribute with at least 5 percent. In other calls public entities are exempt from contributing to the budgets of the projects.

In shaping a market for educational service delivery the decision to let some actors on the market and keep other 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 the national government and the managing authority did not pay enough attention to this. Schools from socially and economically disadvantage areas are supposed to compete for funding with central government agencies, universities, the Romanian Orthodox Church, national confederations of trade unions and large NGOs operating on a national level, at the same time. This raises questions concerning the fairness of competition on the market for educational service delivery created using ESF funding.

Other factors further influence competition negatively. The managing authority noticed after some time that not all schools in Romania were actually eligible for funding. This happened due to the fact not all were judged capable by the Ministry of Finance to manage their own budgets. Consequently, some schools were designated as budget centres and asked to manage, alongside their own, the budgets of other neighbouring 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.

Moreover, competition is influenced by professional for-profit consultants, able to capitalise previous experience in other EU countries or local political connections. Our analysis points out toward an ever-increasing role of such actors, due to the complexity and formalisation

embedded in the commissioning process. Due to the use in RO-SOPHRD commissioning of the “first come, first served” principle, things are even more complicated. 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.

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 disadvantage. Yet, such 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 project methodology.

PARTNERSHIP AS PROJECT METHODOLOGY

During the implementation of RO-SOPHRD, the central government and the managing authority have several alternatives at their disposal to stimulate partnership in project implementation. First, partnership can be stimulated by granting bonus points during assessment to the applications submitted by a partnership between two or more actors. Second, partnership 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 making trans-national partnerships compulsory under certain key areas of intervention.

In Romania, provisions aimed at stimulating partnership in project implementation seem to work, since the managing authority reports it is the case for 70 percent 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 window-dressing ones. Some steps to ensure meaningfulness are provided starting with the 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 the 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.

Transnational partnerships seem to be specifically encouraged in Romania, as all calls include mentions in this direction. This is also reflected in the annual implementation reports of the RO-SOPHRD, which invariably report how many projects funded involve a transnational partnership structure. Multi-regional partnerships are also encouraged. Calls provide very specific definitions of partnership, as well as templates for partnership agreements. These are sometimes interpreted by applicants in a overly-formalised manner, which potentially influences the flexibility of the partnership structures.

CONCLUSIONS

The ESF-funded programme analysed in this paper has some structural problems, related to its institutional set-up and the (in)actions of the national authority entrusted with managing it. 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, the programme presents 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 paper has focused on the programming and implementation issues more likely to hinder the realisation of access to education and quality of education goals. From a market perspective, this paper has analysed the demand side and pointed out the decisions that contributed significantly to shaping demand.

The analytical framework used to assess whether the RO-SOPHRD acts as enabling environment for increased access to quality education of vulnerable groups emphasises two dimensions, the institutional and the bureaucratic ones. The institutional dimension covers aspects related to the set-up of the programme, 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 out the fact that the managing authority analysed in this paper takes on a role of technical-administrative implementer of the ESF-funded programmes and rarely makes attempts to use the policy-making prerogatives which were granted by the central government. This is linked to how it manages (not) to balance the complex public goals normally associated with such programmes. The managing authority of the RO-SOPHRD seems to make a hierarchy of goals and place the programme goal of absorption above all, either because it caved in to public pressure on this or because it prefers avoiding politically sensitive areas. Among the sweeping goals, the democratic character of programme implementation is largely ignored.

This links with the resistance to partnership as a governance mechanism, reflected by the protests of civil society organisations regarding their involvement in programming, the apparent inability of the monitoring committee to exercise democratic control over the managing authority, and lack of stakeholder involvement in implementation, namely in the drafting of calls for applications.

The focus on absorption rather than substantive goals and over-formalisation of the *modus operandi* of the managing authority mutually reinforce. Over-formalisation affects the relationships the managing authority establishes with other central government agencies, the intermediate bodies, and, most of all, with the applicants and contractors. It leads to significant delays in assessing applications, contracting, and reimbursing contractors. Despite these problems, the managing authorities tends 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.

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 being disconnected from national education policy making and implementation, the most striking example being the lack of a mutual interlinking of strategic and grass-roots interventions funded by the RO-SOPHRD.

From the bureaucratic decision-making perspective ESF in Romania is even more complex. The social issues approached are defined emphasizing territorial disparities in terms of access to and quality of education, with the identification of groups such as Roma pupils or pupils with disabilities among the must-have beneficiaries of educational services funded. In terms of educational services demanded the emphasis falls upon core educational services. However, the MA does not 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.

Romania presents the case of a limitative approach to social and educational inclusion. It empowers large potential contractors, such as central government agencies and universities, in a drive to maximise 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 did not include any type of linking mechanism between strategic and grass-roots interventions. RO-SOPHRD records notable results in the use of partnership as a project methodology, even though the meaningfulness of some of the partnership structures resulted in debatable.

An important feature of the domestic policy choices concerning ESF implementation in Romania seems to be the choice to maintain and enhance the role of the state as educational service provider. 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 the central government still remains the power-broker, even when there is openness to partnership as a governance mechanism. Another important feature concerns the partial acknowledgment by the central governments and the managing authority 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.

Our analysis shows, once more, the importance of domestic policy decisions in pursuing the overarching goals of the EU structural instruments. The analysis in this paper is limited by its focus on the demand side of the educational service delivery markets created through ESF in Romania. The conclusions and policy lessons could and should be refined by an analysis of the supply side of the market, namely the reaction of the potential contractors to the demands for educational services formulated by the state through the RO-SOPHRD.

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ABBREVIATIONS

CSOs	Civil society organisations
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
ESF	European Social Fund
EU	European Union
IB	Intermediate body
ISCED	International Standard Classification of Education
MA	Managing authority
NGOs	Non-governmental organisations
PA	Priority area
RO-SOPHRD	Sectoral Operational Programme Human Resources Development, Romania
VET	Vocational education and training