

Public Disclosure Authorized

# Romania

## Functional Review

### PRE-UNIVERSITY EDUCATION SECTOR

## Final Report

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## **Acronyms**

<b>BEEPS</b>	<b>EBRD-World Bank Business Environment and Enterprise Performance Survey</b>
<b>BFGD</b>	<b>Budget Finance General Directorate</b>
<b>ECD</b>	<b>Early Childhood Education</b>
<b>EBRD</b>	<b>European Bank for Reconstruction and Development</b>
<b>GDP</b>	<b>Gross Domestic Product</b>
<b>MERYS</b>	<b>Ministry of Education, Research, Youth and Sports</b>
<b>MOF</b>	<b>Ministry of Public Finance</b>
<b>NDBE</b>	<b>National Database of Education</b>
<b>NGO</b>	<b>Non-Governmental Organization</b>
<b>OECD</b>	<b>Organization for Economic Cooperation and Development</b>
<b>PIRLS</b>	<b>Progress in International Reading Literacy Study</b>
<b>PISA</b>	<b>Program for International Student Assessment</b>
<b>PPU</b>	<b>Public Policy Unit</b>
<b>ROF</b>	<b>Rules of Functioning</b>
<b>RON</b>	<b>Romanian Lei</b>
<b>TIMSS</b>	<b>Trends in International Mathematics and Science Study</b>
<b>WB</b>	<b>The World Bank</b>

## **Executive Summary**

### **Sector Performance: A Short Perspective**

**Romania's ability to compete in the global market for goods and services will depend on its ability to transform itself into a knowledge-based economy.** This depends on having a highly-skilled workforce, which depends, in turn, on the relevance and quality of the education received by its children. To be relevant, the content of education delivered in the schools today needs to be better aligned with the requirements of a knowledge-based economy. To achieve better learning it is necessary to improve the quality of teaching. The challenge is to bring the level of achievement of Romanian children in key subjects, such as mathematics, science, and reading comprehension in mother tongue – to current levels found in most European countries. Romanian 15-year old children were found to be one year behind their counterparts in Europe in science, two years behind in mathematics and three years behind in reading comprehension.

**Substantial investment of funds in the education sector has not produced the desired results because of a failure to concurrently improve utilization and efficiency.** The Ministry of Education, Research, Youth and Sport (MERYS) has been trying hard to improve education in terms of both relevance and quality. It has considerably increased its investments in the education system in recent years. Between 2000 and 2009 the Ministry has more than doubled the expenditure per-student on pre-university education from 1,416 Lei (measured in 2009 prices) to 3,868 Lei<sup>1</sup>. However, the increase in expenditure did not result in improved learning. This is partly because in education it takes a long time to translate higher inputs of resources into higher levels of achievement, but mainly because allocating more resources into an education system as is, without fundamentally changing the way it operates and improving the utilization and efficiency of these resources cannot result in much change. Thus the additional resources that were provided to the pre-university system in Romania are yet to produce the desired improvements.

**In the past four years the Ministry has drafted several versions of a new Education bill containing very ambitious strategies that aim indeed at fundamentally changing the way the education system operates, but this has not yet been enacted into law by Parliament.** One was not submitted to Parliament, one was enacted by the Prime Minister in front of Parliament but annulled later by the Constitutional Court and one was submitted to Parliament in April 2010, passed the Chamber of Deputies and is now being debated in the Senate. It is important to note, however, that the implementation of the Ministry's ambitious strategy is

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<sup>1</sup> Own calculations based on expenditure data obtained from Eurostat (2000-2006) and Ministry of Public Finance (2007-2008) and student enrolment numbers from MEYS.

dependent not only on changes in the education law and on factors that are within its own control, but also on factors that are beyond its control – particularly general civil service and Ministry of Finance rules relating to the structuring and staffing of ministries and the management of financial resources respectively.

## **Key Challenges and Recommendations**

### **1. *The structure of the pre-university education sector is sound; its effectiveness can improve with stronger sector leadership and intra-agency collaboration and coordination***

All the key functions that need to exist in an education sector exist in the Romanian pre-university education sector, either inside the Ministry or in external, subordinated agencies. There are four such agencies and they engage in five functional areas that require high levels of specialized expertise. The four agencies are the Institute of Education Sciences (IES), the National Center for Assessment and Examinations (NCAE), The Romanian Agency for Quality Assurance in Pre-University Education (ARACIP) and the National Center for Vocational Education and Training Development. The five functional areas are education research, curriculum development, testing and measurement, quality assurance and vocational & technical education. Curriculum development is placed inside the IES. This sector structure avoids excessive proliferation of agencies, while allowing sufficient functional differentiation and specialization. The only question in this regard relates to the placement of curriculum development inside the IES. This is a suboptimal arrangement that is likely to constrain the capacity of both.

There are currently no duplications and overlaps among the four agencies, but their functional proximity, as well as some level of competition, do create potential for overlap and require strong coordination of action. The outputs of these agencies can complement each other and can provide a more complete and coherent picture of the state of education in the country than is currently available to the Ministry, but this is not yet done. All four agencies employ knowledge workers for whom a collegial environment that permits free thinking, innovation and creativity, while minimizing bureaucracy, is very important and all, by virtue of being outside the Ministry, are much better positioned to provide such an environment.

#### ***Recommendations:***

- The current structure of the sector, differentiating highly specialized functions and placing them in specialized agencies, needs to be retained. Due to its extremely important role in education reform, as well as the very large volume of activities expected under it, the curriculum development function needs to be placed in an agency on its own rather than inside the Institute of Education Sciences.**

- Mechanisms need to be put in place to ensure close coordination among all of the subordinated agencies in the sector as well as the integration of their outputs.
2. *The Ministry's current organization structure does not conform to good practice and is not conducive to promoting accountability; nor is it suitable for the decentralization when fully implemented.*

Many organizational units in the Ministry consist of unrelated functions and tasks which cannot be effectively managed by one unit manager and are not conducive to team work. Unitary functions and those that are closely related and need to be in one organizational unit are dispersed among several units. There are functional gaps, where key functions are not assigned to appropriate organizational homes, and functional overlaps, where several units are mandated to carry out the same function, or very similar tasks. The structure is designed largely to support the execution of functions rather than the execution of educational programs, or operations, even though operationally the structure of work in the pre-university education system distinguishes between pre-primary, primary and secondary education, treating them as distinct levels or programs. It is difficult, therefore, to hold anybody specifically accountable for each level, program, or operation. Finally, when decentralization is fully implemented the structure will need to reflect the new division of labor among the national, regional, local and school levels. Civil service rules which prescribe a mandatory number of staff for the establishment of organizational units - Offices, Directorates and General Directorates - are a major contributor to the largely dysfunctional structure of the Ministry and the power to change such rules does not lie with the Ministry.

***Recommendation:***

- The Ministry needs to develop a new organization structure more in line with key principles of organization structuring, with the structure of operations and with its changing role in the sector. The structure needs to incorporate accountability in the sector. Although some minor changes may be implemented right away, a comprehensive structuring exercise can be undertaken, only after the Government reviews and revises the civil and public service rules for the structures of ministries.
3. *The Ministry needs to better focus its work on its leadership role in the sector. Senior managers in the Ministry spend much more time on operational, rather than strategic, issues.*

The key functions of teacher education, curriculum development, authoring of textbooks and instructional materials, provision of physical facilities, assurance of quality, assessment of learning and testing & examinations are all outside the Ministry. Of all the key, education-specific functions, only the running of the schools, inspection and in-service training of teachers remain in the Ministry. The running of the schools is already quite de-concentrated to the schools

and the Inspectorate Offices and will be devolved completely to the schools and the local authorities with decentralization. Much of what is left for the Ministry to do already today, and certainly in the future, is to lead: to set overall objectives, provide strategic direction, mobilize resources, and monitor performance. It is also to integrate and oversee the system as a whole and be accountable to the Prime Minister, the Parliament, and the general public.

The Ministry needs to focus much more on this work. Currently, decision-making in the Ministry is highly centralized at the top with very limited delegation of authority to lower levels. Even its very high-level managers devote most of their time to operational issues and to four types of activities: (a) responding to numerous requests for information both from within and without the system, (b) responding to numerous requests for operational decisions coming from far afield and all levels, (c) managing projects, and (d) doing general administrative work. This situation is characteristic of the entire civil service and is deeply entrenched in custom and culture. It will take many years to change, but the pace of change can be greatly accelerated if systematic effort is made to change and if the Ministry focuses on a few key areas of change at a time in a planned way.

### ***Recommendations:***

The Ministry should lighten the load of pure operational work carried by its senior and top managers in order to enable them to devote more time to strategic work. Specifically, it is recommended that:

- **The Ministry analyzes the current level of delegation of authority, the reasons for its pervasive nature and the conditions required for making the organization culture in the Ministry more conducive to delegation. The objective will be to identify opportunities, and necessary actions, for extending delegation to lower levels.**
- **The Ministry analyzes the flow and types of requests (a) for information and (b) for decision coming to, and moving within, the Ministry. The objective will be to find ways to redirect some of the flows and authorize lower levels in the Ministry to respond to the requests. This study needs to be conducted in conjunction with the study on delegation, as well as on the Ministry's organization structure, in case the idea of establishing a unit to deal with all external requests for information is explored.**
- **The implementation of all Structural Fund projects, which is currently located in many of the Ministry's non-project-implementation units should move to the proper project implementation units (whose capacity needs to be greatly enhanced).**

**4. Decentralization needs to move fast, in line with the capacity of schools, inspectorate offices and local authorities to assume devolved responsibilities, and needs to be consolidated.**

The Romanian Government had decided several years ago to decentralize the management and delivery of public services and the Ministry of Education developed a Strategy for Decentralization in Pre-University Education already in 2005. In 2006, Parliament passed a general law sanctioning this move, but progress in the education sector (as well as in all other sectors) has been slow. The Ministry did take several steps towards decentralization, but its basic approach has been to bundle the implementation of decentralization together with all other elements of its planned education reform, among others, because there is a need to match devolution of responsibilities with capacity and because some key areas of capacity depend on other elements of the reform. However, Parliament is yet to reach consensus on the details of the reform. Consequently, action on decentralization is pending.

One key role of the Ministry in the next few years will be to implement the transition to full decentralization. However, partly because it is waiting for an education law to pass, the Ministry does not yet have an implementation strategy and an operational plan for decentralization. In this context, it is important to note that the success of such a transition will depend largely on the Ministry's ability to mobilize its inspectorates for this purpose. The inspectorates have the power to determine the success and the speed of the transition. They have a staff complement of 1,504 spread over the country's 42 counties which, with the right incentives and training can help a lot by being the Ministry's change agents, convincing teachers, headmasters and local authorities of the utility and importance of decentralization, as well as helping schools to cope with the new responsibilities. The Ministry has already started this mobilization activity. It changed the organization structure of inspectorate offices introducing decentralization as a focus area.

***Recommendations:***

- While pushing for a new education law, the Ministry should not wait for its passage and should actually proceed with its decentralization effort. There needs to be (a) a top manager to develop a decentralization implementation strategy, monitor and oversee the transition to decentralization, on behalf of the Minister, and (b) a senior manager to develop and implement an action plan based on the strategy.
- The decentralization implementation strategy needs to include (a) an analysis of the current role of the inspectorate and the development of a new conceptual framework for it, integrating into it the role of being change agents and resource persons for the schools, (b) training of the inspectors to become effective change agents and support persons, (c) development of guidelines and materials for the performance of the newly devolved functions. Due to the complexity of decentralization, close monitoring and early warning is important. Monitoring tools will have to be developed and it is also

**recommended that the Ministry commission Action Research on the progress of the transition. This can be done by the Institute of Education Research.**

##### **5. *The capacity of the Ministry to absorb project funds is severely constrained***

Project work has significantly changed the nature of work in the Ministry. The Ministry currently has 58 Structural Fund projects under implementation managed by its different directorates and subordinated agencies and not by specialized project implementation units. About 100 additional projects are in the process of contracting. Although the size of a project varies - most projects are up to EUR 5.0 million - each project is extremely labor intensive, because of the large number of items to be procured and disbursed, as well as a large number of procurement and disbursement rules. All the people managing and implementing the projects must be regular staff of the ministry and although there is a small unit in charge of helping them, they spend between 15% and 60% of their time on the projects, pushing aside their core functions. The issue is not just the inadequate attention to core business, but the inability of the Ministry to absorb additional external project funds. The indicator of this inability is the rate of execution of existing projects. While more than half of the time has already elapsed on ten 3-year projects whose implementation started in September/October 2008, the Ministry has been able to disburse only between 0% and 12.8% of the funds available in these projects. There are signs that the next wave of projects that started in September/October 2009, will also suffer from substantial delays in execution, unless the capacity of the Ministry is improved. The seriousness of the situation was brought to the attention of the Ministry while the functional review was taking place and the recommendations below were made verbally and in the Inception Report. To the Ministry's credit, significant action has already been taken to address this issue.

##### ***Recommendation:***

- **Immediate steps must be taken by the Ministry to improve its capacity to absorb more projects funds and prevent an untenable situation from developing when a third wave of already-approved structural fund projects commences implementation. Specifically, the Ministry should re-define the role of its specialized project support unit to become a fully-fledged implementation unit, improve its capacity and move the implementation of all Structural Fund projects from the various functional units to it. To improve its capacity, the Ministry should significantly increase the number of staff in the unit, based on a technically-sound work load analysis. Assuming that the Civil Service Authority's freeze on employment continues, the Ministry should consider two options and select at least one: (a) re-deploy staff from within (from units that are not as busy, or that are engaged in less critical work), or (b) negotiate a change in the rules for projects funded from European Structural Funds which require the Ministry to assign its own regular staff to the positions of project manager, procurement specialist,**

**financial specialist and legal specialist. The Ministry needs to be allowed to hire external contract staff and pay them from project funds.**

The Ministry has already re-defined the role of the specialized implementation unit. It is moving into it 40 members of staff from other units to take care of the day-to-day activities and management of structural fund projects. The implementation of the projects is expected to be removed from all the non-implementation units to the specialized implementation unit. Based on this, two further recommendations are made below:

- A monitoring mechanism needs to be developed in order to closely monitor the progress of all 58 structural fund projects currently under implementation in the newly-defined and enlarged implementation unit. Standard implementation indicators need to be monitored monthly so that corrective actions can be taken, if necessary, as soon as delays in implementation occur.
- The bulk of the work that will be carried out by the 40 persons who were moved to the specialized implementation unit is going to be in procurement, disbursement and general project administration/management. Procurement and disbursement are highly specialized jobs and these people are not likely to have the specialized skills needed for their execution. It is necessary to give these people some initial crash courses in these areas and then, over time, to augment it with further training in these areas.
- It should be understood that while the implementation of the projects has moved to the implementation unit, matters of substance – such as the objectives, content and scope – remain in the hands of the respective units in the Ministry where the projects belong functionally.

## ***6. Management culture and practices in the Ministry are not aligned with good practice***

Information on the management culture and practices in the sector was obtained through in-depth interviews as well as a Management Culture and Practices' Questionnaire. The questionnaire contained 44 questions, all of which were based on general management theory and focused on what are considered to be 'good practice' behaviors of managers in 16 practice areas. Key findings include the following:

- A strong culture of bureaucracy exists in the education sector, manifested by limited delegation of authority and long, complex work procedures. This is characteristic of the civil service generally, including the Ministry of Education, but is somewhat less prevalent in the Ministry's subordinated agencies.
- Overall coordination in the sector, which is a leadership role of the Ministry, needs to be strengthened. Internal coordination within the Ministry is stronger and within the various subordinated agencies much stronger.

- Neither organizations in the sector, nor individuals in these organizations, are rewarded well for good performance and penalized sensibly for poor performance. Good performance is not sufficiently acknowledged and poor performance is not sufficiently confronted. Financial rewards are not possible in the current environment, but other forms of reward such as promotion, higher responsibility or job enrichment are not practiced.
- There is a growing appreciation of the need to be transparent and actually a higher level of transparency inside the Ministry. Leaders and managers in it are beginning to share more background information on important decisions and are providing clearer briefings on what is going on in the Ministry or in the sector. Indications are that this will further improve in time. The level of transparency is higher inside the subordinated agencies.
- The level of transparency to the environment too is growing, though not as fast. The Ministry is doing better than it did in the past, but needs to respond even more clearly and completely to requests for information. Prominent among the stakeholders who are calling for a higher level of transparency are the three teachers' trade unions.
- The Ministry is weak in providing information and explanation proactively to its stakeholder and the media.

***Recommendations:***

- **There is a need for fundamental change in management culture and practices.** Because cultures and practices take years to change, any action aimed at changing them should be continual. As a starter the Ministry and its subordinated agencies should launch an on-the-job, mandatory general management training program for all persons in management positions.
- **The Ministry needs to work with the Civil Service Authority,** which is in charge of the design and administration of promotion examinations, to introduce key knowledge, skills and attitudes from its training program into these examinations so that the promotion of people into management positions, or from one level of management to another, is more closely related to the knowledge, skills and attitudes they need as managers.

***7. Key conditions for the exercise of accountability are lacking in the education system, the Ministry and its Agencies***

It is not possible today to use performance agreements and apply a chain of accountability alongside the chain of command in the education sector and inside its organizations, because key conditions for them are not yet in place. In the chain of command, neither the schools, nor the county inspectorate offices, and nor the Ministry itself, are given sufficient freedom and latitude to organize, design and carry out operations the way they deem fit, which is one key condition. In the functionally-based structure of the Ministry there are no units, and no managers, in charge

of pre-school education, primary education or secondary education, who can be held accountable, directly, or indirectly if it is assumed that accountability should lie first with the school principals and then with the county inspectorates, for the learning achievements of children in these programs. Further down the line of command within the Ministry there are additional obstacles: Unit Terms of Reference (Rules of Functioning, or ROFs) as well as job descriptions, which have been written by the unit managers and by the job-holders with no professional advice or supervision, and which have legal status, often do not specify responsibilities adequately, or at all, and do not refer to accountabilities. Objective-setting practices are regarded both by managers and by staff as impractical and performance appraisal practices are regarded as insignificant paper exercises, thus reinforcing the inability to hold people accountable. Finally, one last condition for the exercise of accountability is to reward good performance and to penalize poor performance, but there is currently very limited scope for both in the public sector generally and within it in the Ministry, its inspectorates and its schools.

***Recommendations:***

- An improvement in the degree of freedom the Ministry and its agencies have in organizing their operations, and managing their human and financial resources can only come in the context of a general improvement for all ministries and agencies in the public sector. However, an opportunity does exist to give schools greater freedom to manage their affairs, once the Ministry goes ahead with decentralization as is recommended later below.
- At the Ministry, the organization structure needs to better reflect the structure of work in the school system, i.e. the operationally distinct education programs that produce school graduates at different levels and in different tracks. The structure needs to make it possible to hold somebody accountable for each education program. .
- There is a recommendation elsewhere in this report to re-conceptualize and re-write completely all the unit ROFs and all the job descriptions in the Ministry and its subordinated agencies. It is recommended that all the responsibilities and accountabilities of units and people be clearly specified in these guiding documents.
- It is recommended further that the Ministry conduct a study to review its current practices in the setting of objectives and the appraisal of performance with a view to identifying and then improving the conditions that need to be in place for the effective performance of both tasks.

***8. The Ministry's core strategy is too ambitious relative to its capacity***

Despite the fact that the Ministry has been devoting very limited time to the development of high-level policies and strategies, as indicated earlier, it does have a core strategy with vision, mission, and 11 strategic thrusts. It also has a large number of narrower strategies within each broad thrust. The core strategy was developed by a Presidential Commission in 2008. The

strategy is very well-aligned with the external socio-economic environment and is supported by a wide consensus in the country. It serves as Romania's national education strategy and its existence is one of the strongest aspects of the education system. Many of the more specific elements in the core strategy were developed by the current Ministry and are reflected in a draft Education Law submitted to Parliament earlier in 2010. The wide consensus does not, however, apply to all the additions made by the Ministry when the new law was drafted. There is strong disagreement on how to implement some of the elements of the strategy which may lead to the failure of the proposed law. Thus, while the political feasibility of the law is in doubt, the political feasibility of the Core Strategy is not.

It is important to note in addition that while the core strategy is technically feasible, its financial feasibility is not clear, since the Ministry has not calculated the costs, and has not prioritized the 11 strategic thrusts and the many narrower strategies in each of them. It has not calculated the human and financial resources that will be required for implementation. All of the strategies are medium to long-term strategies and some require huge undertakings by the Ministry and its subordinated agencies. Prioritizing them requires a medium-term financial framework, which is not yet in place. An underlying assumption of the core strategy is that many of the strategies will be implemented simultaneously. The sector does not, however, have the human resource, supervisory, administrative and managerial capacity to do this.

***Recommendation:***

- **The Ministry should complete the work involved in the development of its core strategy. It should calculate costs and attempt to prioritize the strategic thrusts and the strategies and methodically assess its capacity to implement them and then develop operational plans to implement them. The Ministry's ability to carry out these tasks is limited but can be developed. The best way to proceed would be to get technical assistance and design it so as to ensure transfer of knowledge to a number of staff in the Ministry – particularly in the design of operational plans, the calculation of costs and the assessment of the different facets of feasibility.**

***9. There is very little applied research on basic non-pedagogical issues in Romania***

There is very little applied research on basic, non-pedagogical aspects of education in Romania. There are no research institutes dedicated to education other than the Institute of Education Sciences under MERYS. At the universities, the focus is on teacher training and education psychology and didactics. The bulk of their work is to provide the necessary didactical modules to the curriculum of persons who have specialized in some non-education discipline and want to be certified as teachers. Subjects in areas such as comparative and international education, history of education, anthropology and sociology of education, public policy in education, economics of education, statistics of education and education finance are not taught. There are

also few publications and little, if any, research in these areas. No educators and researchers are being trained today for positions in these areas in higher education in Romanian universities. The Institute of Education Sciences with 55 professional staff is doing some limited research which is mostly pedagogically-oriented research, and lack of funds is pushing it away even from this research into peripheral areas such as the development of materials, training and counseling, where it can obtain external funding.

***Recommendations:***

- **The Ministry should strengthen education faculties in Romanian Universities so that they can train a generation of high-level university professors, researchers and practitioners in the areas indicated above. The way to strengthen these faculties will be to establish scholarships' programs for graduate studies in Romania and abroad and competitive grant and contract research programs for researchers, practitioners and PhD students. All of these programs should have conditions requiring the recipients to carry out their specific studies and select their research topic on issues of interest to the Romanian education system. The Ministry should develop a policy and research agenda to help guide the granting of scholarships and research grants. Also, a medium to long-term plan should be made by the Institute of Education Sciences to develop the capacity to carry out research in the non-pedagogical areas of education – particularly economics of education, education financing and (with the growing use of, and reliance on, international and European benchmarks) comparative education.**

***10. The system of providing textbooks is fragmented and lacks overall vision and strategy and oversight.***

The function of providing textbooks and instructional material to the schools is very fragmented and there seems to be no agency, organizational unit, or person whose mission it is to consider overall policy and make sure that the right books will be provided to the right schools, at the right time and the lowest cost. The overall function is split among four agencies, none of which fully oversees the provision. The catalogue of approved textbooks includes 1448 titles with multiple options for textbooks in each subject. Schools are free to select any textbook on the approved list, which opens the door to the selection of a large number of different titles in each subject/grade. This is likely to lead almost automatically to a smaller number of books in each title that is purchased by the schools, shorter production runs in the publishing houses and higher costs. Also, electronic books and internet-based sources of information are gradually becoming feasible in the schools and in many countries there is a growing switch from paper-based instructional support to digital and internet support. This requires much thinking on the future role of textbooks in school and at home. In the absence of a unitary organizational home for the function, the Ministry is not yet thinking of this development and preparing for the switch.

***Recommendations:***

- **Conduct a study on the provision of textbooks and instructional material in the pre-university system to focus (a) on the organizational aspects of this provision, the policies affecting it, the efficiencies and costs and (b) on the potential scope, timing and logistics of switching from textbooks to electronic books and libraries. Based on the study determine if there is a need to create a unitary directorate in the organization structure for this function.**

[Additional information on the provision of textbooks to the schools, which may lead to a modification of this recommendation, will be obtained during Output 2]

***11. The demand for information and analysis is weak; the management of information as a resource is undervalued, under-staffed and under-financed.***

Most people in the Ministry consider information at best as an operational, technical and administrative asset, not as a strategic instrument of policy, strategy and communication. There is a small group of people called 'IT Unit' inside the Ministry's Directorate for Patrimony, Modernization and Investment, but there is no organizational home for the management of information in the Ministry. The demand for information and analysis is weak. High-level decision-makers and managers are not asking for much information or analysis, unless they have requests for information coming from Parliament, NGOs or the press. The supply of information and analysis is equally weak - not because the information is not there, but because it matches the level of demand. Much information is there, including the National Data Base of Education (NDBE) developed in 2005/6 with WB funds, but it has not received resources for updates or maintenance since December 2007 and is being serviced free of charge by a private sector agency. Those who do need information often do not rely on the information coming out of the NDBE and go to the National Institute of Statistics (NIE). Though the raw basic data serving both systems is collected from the schools jointly by county inspectorate offices and county NIE offices in the same annual exercise, the processed data coming out of them is often different. The demand for information and analysis in the subordinated agencies is much stronger and they are developing and using their own data bases. Several directorates in the Ministry too are developing small data bases in their own areas and for their own use.

The importance of having information and analysis in the sector for the purpose of public discourse has risen critically. An information processing market is developing in Romania, where a variety of newspapers, magazines and TV channels are competing in the market over the provision of information to the public on the performance of the government, including the education system. A growing volume of requests for information is coming from these agencies. This is likely to increase even further as decentralization progresses. The mass media will be watching the schools, but they will hold the Ministry accountable for what they see and will come to it for further information and explanation.

***Recommendations:***

- The Ministry should set up a general directorate for information management. The directorate should be tasked with bringing about a paradigm change in the thinking of managers and staff about information, to increase the demand for, and supply of information and analysis and facilitate their use in policy and strategy development as well as daily operations. It is recommended that the Ministry allocate to this directorate the needed human and financial resources even if this means shifting people and financial resources from other organizational units which are engaged in less strategic functions.
- The Ministry needs to conduct a comprehensive Information Needs Analysis in order to review all the information that is collected, the information that is available and not collected, the potential uses and users of the information.
- There is a need to also examine all the ‘private’ data banks created by various directorates in the Ministry, as well as in its external agencies, to ensure that there is no duplication and potentially to integrate them into the NDBE. Data processing should be fully coordinated with the National Institute of Statistics to ensure that information provided by both on key statistics, such as numbers of schools, classes, teachers and pupils are identical.

***12. Political instability and politicization slow down the pace of reform and constrain the capacity to operate efficiently***

The debate about education policy and strategy in Romania is highly politicized. Romania has a multiparty system in which it is very difficult to reach consensus on these matters. Mechanisms for dealing with political diversity are weak and much skill and experience in coalition-building are needed. Thus, changes of government are frequent, resulting in much instability not only in the political system. In the education sector, the combination of general political instability in Government with a failure to unite behind a law aimed at implementing a national education strategy is posing the strongest threat to near-term progress at this time, because of the Ministry’s dependence on the enactment of a new education law in Parliament.

Politicization is characteristic also in the actual daily management in the public sector. All Ministries, including the Ministry of Education, Youth and Sports, have high-level political appointees who make many of the administrative and executive decisions in their ministries. In the Ministry of Education with its country-wide system of schools, the appointment of school inspectors, particularly Inspectors General, at the county inspectorate offices is very frequently based on political interests and consideration. This hinders the ability of the Ministry to appoint the best available people for these key positions in the system.

***Recommendations:***

- While continuing the effort to pass a comprehensive education law, the Ministry should proceed in reforming all areas where change, as defined in its core strategy, does not require a national law. If necessary, the Ministry can adopt an incremental approach to reform, rather than attempt to accomplish a full-scale reform all at once.
- The job of a General Inspector is a top professional job that should be completely de-politicized.

***13. The number of schools and teachers is excessive and needs to be rationalized***

With two million fewer students in the pre-university system since its peak in 1985, an excessive number of schools and teachers exists and is greatly constraining the capacity of the system, among others, by spreading its limited financial resources too thinly. A year ago there were 3,315 schools with less than 15 students. In an attempt to rationalize the schools' network, the Ministry closed down 991 schools and is expecting to be able to close and/or merge other 2,000 schools in 2011-2012 if funds for the busing of children from closed schools to nearby open schools, and for the repair and upgrading of these schools, are available. If Romania were to revert to the student teacher ratios of 1992/93, this would allow it to operate the school system with almost 20 percent fewer teachers. The savings would amount to approximately 0.3 percent of GDP, or 7 percent of the education budget. The savings could be used to increase the salaries of the remaining teachers, provide for better and more learning materials, and the refurbishing of buildings in need of repairs. To its credit, the Ministry has already managed to reduce the number of teaching positions by 18,000 in 2009 and by another 15,000 this year. However, this adjustment needs to continue, given the prevailing demographic changes (United Nation's population forecasts shows that the school age population could decline by a further 17 percent in the coming 20 years). Both the network rationalization and the per-student school financing introduced in January 2010 are likely to result in further reductions in the teaching positions. The number of teaching positions also depends on other elements such as the curriculum, or the class size.

***Recommendations:***

- The momentum created with the closing of 991 schools and the window of opportunity that exists while there is strong political will to tackle the excessive number of schools need to be utilized. The Ministry needs to look for opportunities to mobilize the funds the financial resources that will make it possible to complete the rationalization of the schools' network.
- Continue with implementation of per student financing along the lines currently envisioned in the draft education law

- Widen the per-student financing formula, which is currently covering only teachers' salaries, to include also non-salary recurrent costs, and allow school principals the ability to re-allocate across budget lines.
- Funnel the entire capital budget from the state to schools via local governments (as opposed to transferring it straight to schools or county inspectorates) and make allocations conditional on making progress on school consolidation.
- Eliminate upper limit of class size norms and let principals be in charge of weighing the trade-offs between pedagogical and financial concerns.
- Put in place a list of "protected schools": schools whose closures would impair access to education because no other nearby school exists.
- Use the 4<sup>th</sup> grade and 8<sup>th</sup> grade external assessments to put in place a rigorous program to monitor learning outcomes to ensure that larger class sizes do not result in poorer learning outcomes.

*14. The management of relationships with stakeholders is fragmented and inadequate; the potential services and support they can provide is not fully and well utilized*

The Ministry has three organizational units responsible for the relationship with stakeholders yet its relations with stakeholders and NGOs are not sufficiently open and strong. There is today more external transparency in the Ministry than there was in the past, but the level of transparency differs depending on who is the Minister and how politically sensitive is the issue. Access to information is still easier for those who have personal contacts in the Ministry or its agencies, and both are not yet utilizing transparency proactively enough as a tool to gain greater public and stakeholder trust and support.

The teachers' unions are important stakeholders in the education system. The Ministry needs to re-conceptualize its relationship with the unions and to develop a strategy on how to turn them into a force that will help, rather than hinder, reform. This will require the Ministry to increase the level of transparency in its communication and discussions with them.

*Recommendations:*

- In the context of its reorganization, the Ministry should do away with as much of the current structural fragmentation in this functional area as possible, place the relationships with all stakeholders under one or two roofs and appoint professional managers for the function, who would develop a vision, a mission and a strategy. Send the managers on training so as to improve their performance
- Conduct a study on the changing role of teachers' unions in Romania that will also propose a long-term strategy on how to mobilize them as a force that will help reform.

## *15. Skills, competencies and deployment within the teaching and non-teaching forces require improvement*

Romanian teachers in the pre-university system need to be more competent in didactics, more knowledgeable in information technologies and more skilled in the teaching of subjects such as Science and Entrepreneurship. The Ministry has norms for the deployment of teachers, but the norms have not kept pace with the declining work load. It is suspected that the distribution of teachers among regions, counties and schools in the system is no longer well-linked to operational requirements.

With respect to non-teaching staff in the Ministry and its agencies no skills-needs analyses have been conducted in recent years and no strategies for staff development are in place. The most serious skills gaps are in two areas: general management and project management and implementation. There is a shortage of project managers, procurement specialists and accountants and those that are there do not possess the required levels of competency. The largest number of non-teaching staff in the system is found in the Ministry's 42 inspectorate offices. It is not clear if the number of staff in these offices is related to the work- loads that they currently carry. This will be reviewed in the context of Output 2 work.

### ***Recommendations:***

- With respect to teachers, the Ministry has already introduced a new certification requirement in the draft education law. They will have to complete a Masters degree in Didactics. With respect to non-teaching staff in the Ministry, as well as its subordinated agencies, it is necessary to conduct a thorough skills' needs analysis, determine skills' gaps and develop training programs aimed at closing them. Importantly, the onus of staff development should be partly switched from the organization to individual members of staff. The ministry and the agencies may provide staff with incentives to pursue self-development on the job and, at least partly, during working hours.
- The Ministry needs to embark on a program that will bring the number of staff in it and in the sector generally, into better alignment with operational work- loads. Wherever possible, the Ministry needs to develop guiding norms for the number of staff needed based on work-load analysis.
- The Ministry needs to re-deploy staff from areas of excess to areas of shortage based on priorities.
- The central government needs to facilitate the entrance of sectoral Ministries into outsourcing and contracting arrangements as one way to overcome the freezing of staff recruitment and the shortage of staff in critical areas.

## Moving towards an Action Plan

The 15 issues discussed above are not equally important in terms of overall impact. However, any prioritization of the issues is naturally subjective and requires substantial input from the Ministry itself. To facilitate that process, we have taken a first step to place recommendations into three groups based on our perception of priorities, as presented in the table below.

<b>Priority 1</b>	<b>Priority 2</b>	<b>Priority 3</b>
<ul style="list-style-type: none"><li>1. Organization structure of the Ministry</li><li>2. Politicization</li><li>3. Capacity to absorb project funds</li><li>4. Excessive number of teachers</li></ul>	<ul style="list-style-type: none"><li>5. The Ministry's core strategy</li><li>6. The Ministry's work focus</li><li>7. The Ministry's approach to reform</li><li>8. Management culture and practices</li><li>9. Skills Mix &amp; Competencies</li><li>10. The function of managing information resources</li></ul>	<ul style="list-style-type: none"><li>11. Functional proximity among agencies in the sector</li><li>12. Accountability</li><li>13. The management of relationships with stakeholders</li><li>14. Management of Instructional Assets - textbooks</li><li>15. Scientific research on Education</li></ul>

An action plan has also been designed. The action plan consists of six components based on classical business lines. The activities in the action plan are not organized on the basis of the prioritized problem areas reflected above, because many of the activities across these problem areas are interdependent. There are 39 activities in the 15 problem areas [see Annex 1] and in many cases activities in one problem area can start only once activities in another area are completed. Therefore, the only practical criterion for prioritizing is **sequencing**, and the highest priority goes to those activities with which the action plan must start so that, once completed, others can proceed.

## **I. Methodology and Scope of the Review in the Education Sector**

1. ‘Sector’ is defined here as a system that has boundaries as well as an ‘external environment’, from which it receives inputs and to which it sends its outputs. The inputs may be classified either as different forms of support (financial, political and social), or as different forms of ‘demand’ (giving the system its mandate, telling it in different ways, and with different levels of authority, what to do). These inputs greatly influence the way the system operates. Inside the system are all the agencies that play a **dedicated and significant role** in it. Immediately outside the boundaries of the system are the agencies that provide the support to, and make the demands on, the system.

2. Based on this approach, the pre-university education sector will be regarded here as consisting of the following components:

- The relevant part of the Ministry of Education, Research, Youth and Sports (MERYS)
- The county inspectorates
- The schools
- The Institute of Education Science and within it the Curriculum Council
- The National Center for Assessment and Examinations
- The National Center for Vocational Education and Training Development
- The Romanian Agency for Quality Assurance in Pre-University Education

3. All of these will be covered in the review. In addition, the review will cover key institutions in the immediate environment of the pre-university education sector, including the following:

- The teachers’ unions
- Parents associations
- Parliament
- The Ministry of Finance
- The Civil Service Authority
- The National Institute of Statistics
- NGOs operating in the education sector
- The Press; and
- Local authorities

4. The review is divided into two phases. In the first phase, for which this report is written, the review will focus on the national level – the Ministry and the other agencies inside and outside the system at this level. In the second phase the review will cover the county inspectorates, local governments and the schools.

## **II. Sector Performance: Perspective and Challenges**

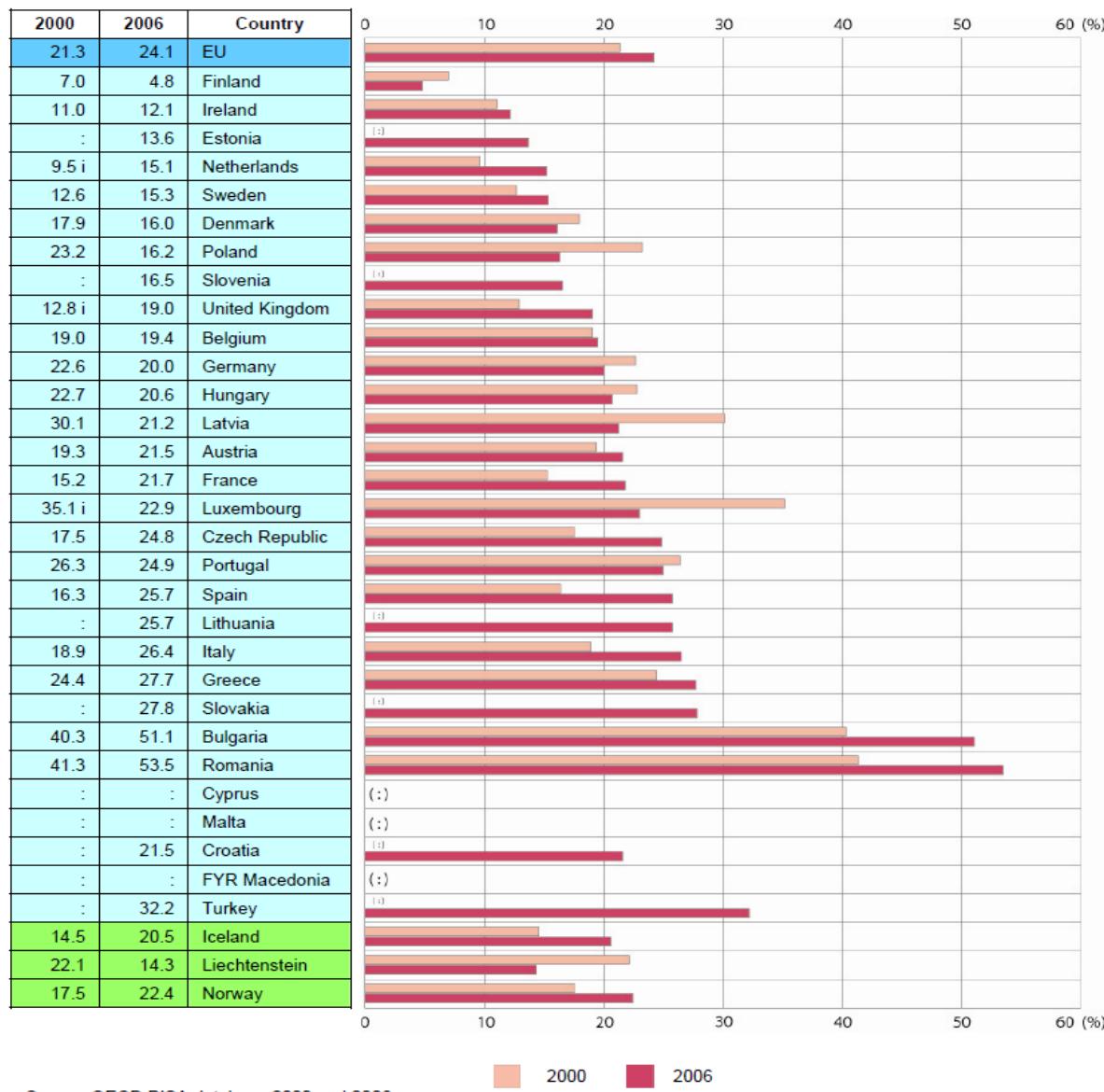
5. Although Romania is mired in a deep recession which is forcing policy makers' attention to the short-term, addressing skills shortages requires a long-term perspective and Romania cannot afford to ignore this. With all likelihood, in the post economic-crisis world, financial resources will be more limited and more expensive and export growth will be restrained by potentially slower growth in Romania's main trading partners. Restoring and sustaining growth in this context require reforms to boost competitiveness and increase labor productivity. Boosting labor productivity, however, requires having in place a skilled workforce that can innovate and adopt new productivity-enhancing technologies. Romania has a problem on this front. Just before the onset of the crisis (in 2008), firms in Romania reported that finding skilled workers was one of the top three binding constraints (after the tax regime and corruption) to doing business (EBRD-World Bank Business Environment and Enterprise Performance Survey (BEEPS) 2010). Also, as will be discussed below, firms' sentiment about the inadequacy of the available skills is backed up by evidence generated from assessments of students' competencies.

6. Romania's education sector's main challenge is related to weaknesses in the quality of education. Romania's youth are – for the most part – attending school and graduating but domestic and international assessment data suggest that many of them may be graduating from school without acquiring the necessary skills to succeed in life and in the labor market. As can be seen in the table below, a large proportion of Romanian students at the age of 15 – 41.3% in the year 2000 and 53.5% of the 15-year olds – scored at Level 1 in the OECD's Programme for International Student Assessment (PISA) Reading Literacy Proficiency Test. This level indicates “serious deficiencies in students' ability to use reading literacy as a tool for the acquisition of knowledge and skills in other areas.”<sup>2</sup> Children who took these tests in the years 2000 and 2006 are today in the labor market. They will remain there in the next 40 years.

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<sup>2</sup> Source: OECD PISA data Base, 2000 and 2006. Similar findings apply for scoring in science and mathematics, and they are confirmed by similar surveys: MSS 2003 for 8th graders, PIRLS 2001 and 2006 for 4th graders. Also TIMSS 4th and 8th graders 2007 (TIMSS & PIRLS International Study Center, Boston College, 2008).

**Table 1: The Percentage of Pupils with Reading Literacy Proficiency Level 1 and Lower on the PISA Reading Literacy Scale, (2000 and 2006)**

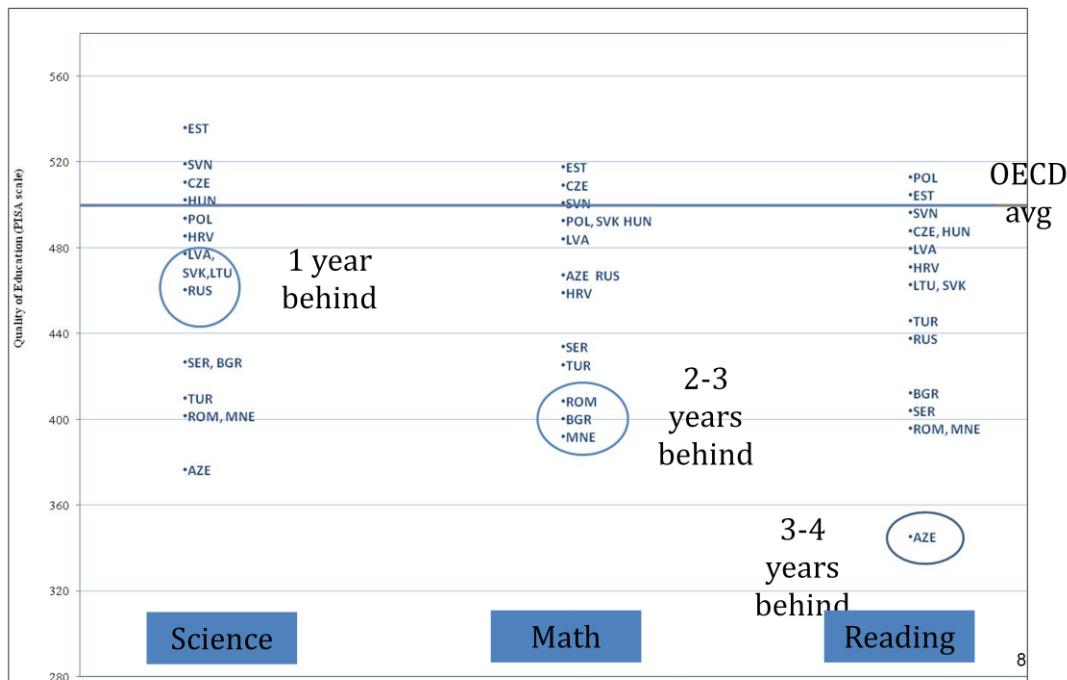


Source: OECD PISA database 2000 and 2006.

2000      2006

7. The achievement of Romanian children in other key subjects, such as Science and Mathematics are equally poor. As can be seen in Figure 1 below, at age 15 they lag on average one year behind their counterpart in most of OECD countries, including Romania's neighboring ones, in Science and 2 to 3 years behind in Mathematics.

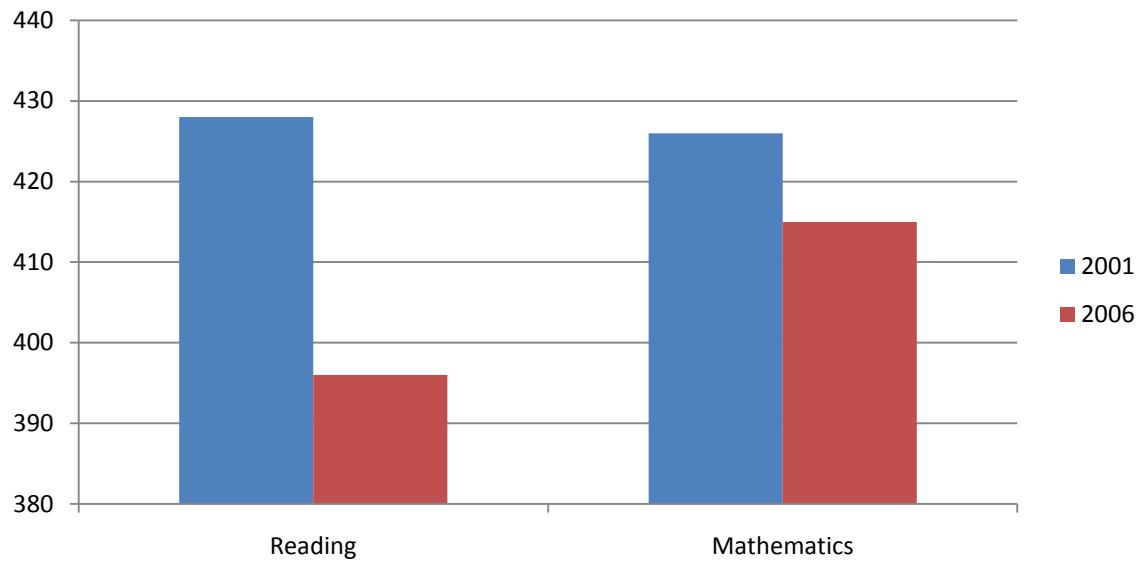
**Figure 1: International perspective on test scores (PISA)**



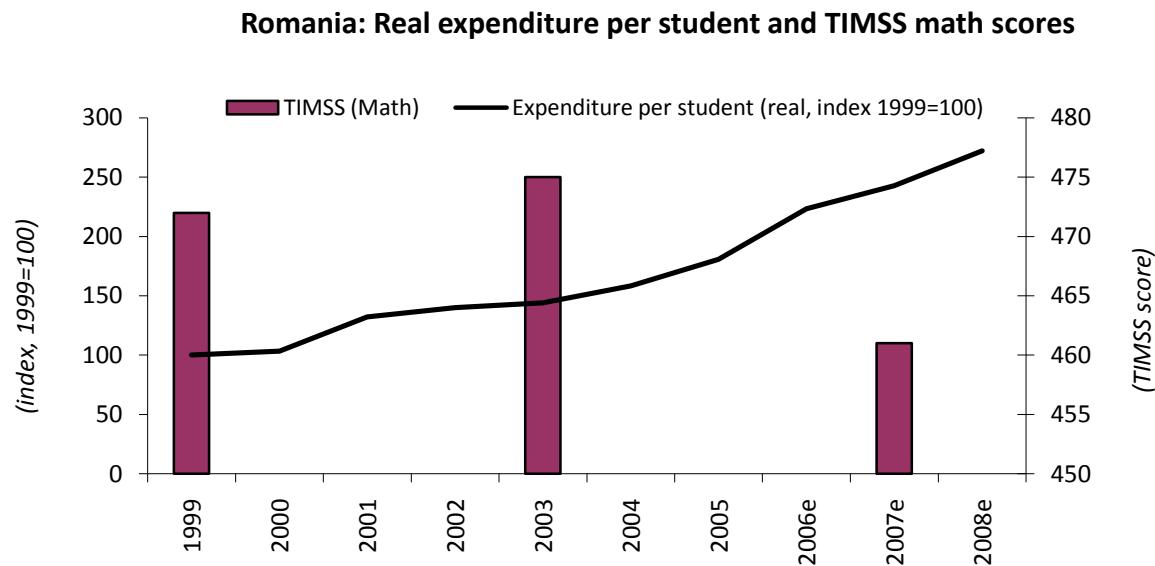
Source: OECD PISA 2006

8. Not only is the current level of quality a problem, quality has also declined in recent years, despite large increases in spending per student. For instance, in PISA, Romania fell further behind between 2001 and 2006, especially in reading where its score dropped significantly (see figure below). In TIMSS, a small improvement was observed between 1999 and 2003, only to be followed by a very large decline in 2007. And, as figure 3 below shows, these declines took place while spending on students increased substantially.

**Figure 2: Romania PISA scores for math and reading in 2001 and 2006 (OECD average is 500)**



**Figure 3: Rising spending but not yet improvements on results**

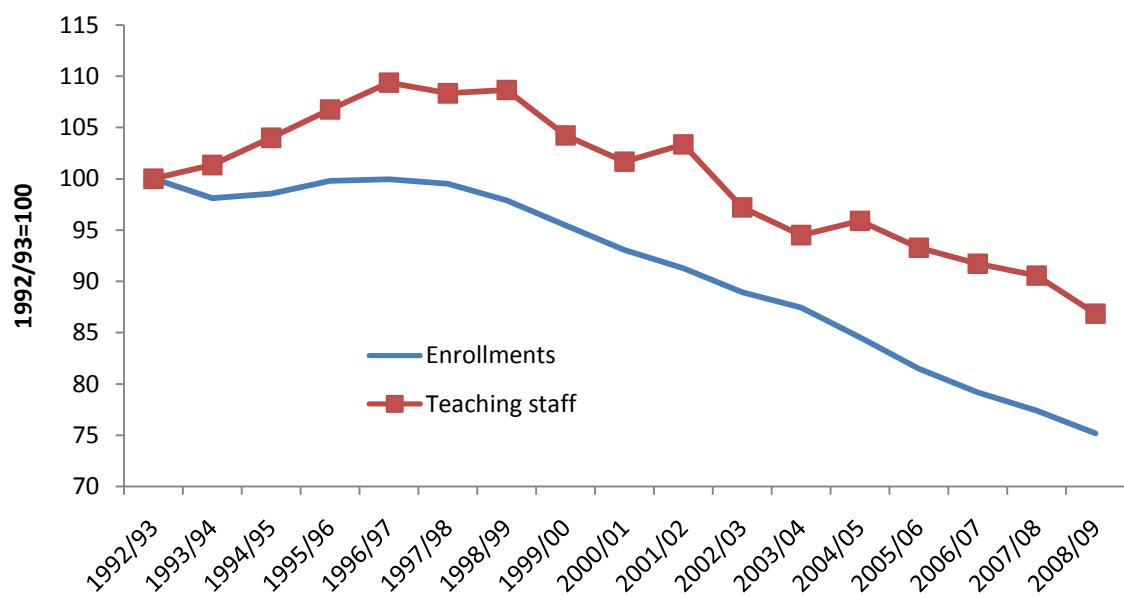


9. Moreover, the learning gap between urban and rural student is large and has widened in recent years. Students in rural areas score significantly lower than their urban peers and this difference has been increasing. For example, results from the international PIRLS 4<sup>th</sup> grade reading assessments show that scores were 5 and 11 percent higher in urban areas in 2001 and 2006, respectively, compared to rural areas. PISA 2006 findings were similar, with students from

large cities scoring 10% higher in mathematics, 13% higher in science, and 22% higher in reading.<sup>3</sup> The results of students' national testing after the 4<sup>th</sup> grade and national exams after the 8<sup>th</sup> grade confirm these findings.<sup>4</sup>

10. There are two main reasons for the rising costs alongside stagnant or declining quality: first, the inability of the pre-university sector to adjust staffing and the numbers of schools to the declining student cohorts (brought about by lower birthrates after 1989).<sup>5</sup> Second, the difficulty in stemming pressures to increase teacher wages without commensurable increases in performance. Since 1985 (when numbers peaked), the number of school age children (age 7-18) decreased by 2 million, a drop of more than 40 percent. Unfortunately, numbers on teachers, students and schools are only available starting in 1992/93 (i.e. several years after the decline started). Since then, student numbers have declined by more than 900,000. By contrast, the number of teachers only declined by 13 percent (a decline of 30,000 teachers) since 1992/93.

**Figure 4: The decline in student numbers has not been matched by an adjustment of the number of teachers**



<sup>3</sup> MERYS Annual Report 2008, pp. 62-64.

<sup>4</sup> Ibid. pp. 96-102.

<sup>5</sup> The number of live births dropped dramatically in the years following the collapse of the Ceaușescu regime (from around 375,000 per year, on average, in the late 1980s to 315,000 in 1990 and 275,000 in 1991). This significantly smaller cohort of students born in 1991 has been gradually affecting the pre-university system and has now started to affect the university system. The cohort born in 1991 is graduating from high school in or around the year 2009. Source: Eurostat

## **2.1. Importance of the Review in the Education Sector**

11. No country can afford to have an education sector that is failing to perform. Countries do not become rich and, then, decide to invest in their workers. They become rich by investing in physical and human capital. Romania's progress to higher income will have to move along the same path. The country will need higher labor productivity and this will require more skilled workers. This is well recognized by the Romanian people and Government – from the children, parents and communities, to the Ministry, the Government, employers and society in general. The current status of pre-university education is not acceptable to them. There is consensus on this as evidenced by the signing of the National Pact for Education (March 2008) by all political parties and by representatives of 22 trade union and student organizations, parental association, and NGOs. The key concerns as expressed in the 2007 report of the President's Commission on Education and Research for the Knowledge Economy were:

- The rates of students who complete secondary school, as well as the number of those who enter and complete higher education are not large enough for a knowledge economy
- The content of education received by these students is not sufficiently relevant to the needs of Romania's economy and society today
- The level of scholastic achievement in key content subjects, such as mathematics, science and reading comprehension in mother tongue is too low. It is below current levels in most European countries. Although the Government has been making some progress, the pace of this progress is worrying.

12. The concern is not just purely educational – it is also financial. The Government has been trying hard to improve education on all three fronts, particularly in the area of scholastic achievement. It has considerably increased its investments in the education system, but the increases have so far failed to bring about the desired improvements.

13. The Government's national education strategy calls for a fundamental reform in education in Romania. If implemented, the strategy will help the Government change almost everything that matters in any education system:

- The distribution of power in the system, through genuine and far-reaching decentralization
- The curriculum, through a revision of content and a stronger focus on competencies, designed to improve both the relevance and the quality of education at all level
- The education and certification of teachers, as well as the mode of in-service training delivery for them (adding e-learning), which is designed to improve the quality of instruction in the classroom; and
- The design and conduct of quality assurance, testing and assessment, which aims at improving the quality and timeliness of feedback on the success of instruction.

14. Even though all of these are important, the game changer is decentralization. For decentralization to succeed, it is necessary to empower the education system as a whole: to empower the schools so that they can effectively assume the responsibilities and authority devolved to them, to empower the Ministry so that it can play the very different role emerging for it as a result of decentralization, and empower its key agencies in the sector so that they can carry out their roles, which are growing both in work load and in significance as a result of the new core strategy. The importance of this review is accentuated by the pre-eminence of this decentralization. Empowerment comes at a price: it requires a more sophisticated accountability relationship between the actors. In exchange for more authority the empowered actors needs to accept higher levels of accountability. Higher levels of accountability mean first and foremost to account for results achieved and not just to account for actions taken. In the education sector the main results are the learning achievements of the students. Much attention in this functional review is directed at improving accountability in the education sector.

## 2.2 Threats to future performance

15. *Politicization of education* - The strongest threat to future performance of the education system is the combination of political instability in the Government with excessive politicization of the system. Romania has a multiparty system with two large parties and several small ones. It is virtually impossible to make a majority government in it. Changes of government are frequent and every change brings to the Ministry of Education a new minister. In the last four years the Ministry has had six ministers. Accompanied by a high level of politicization, this instability can bring progress in the education sector to a halt.

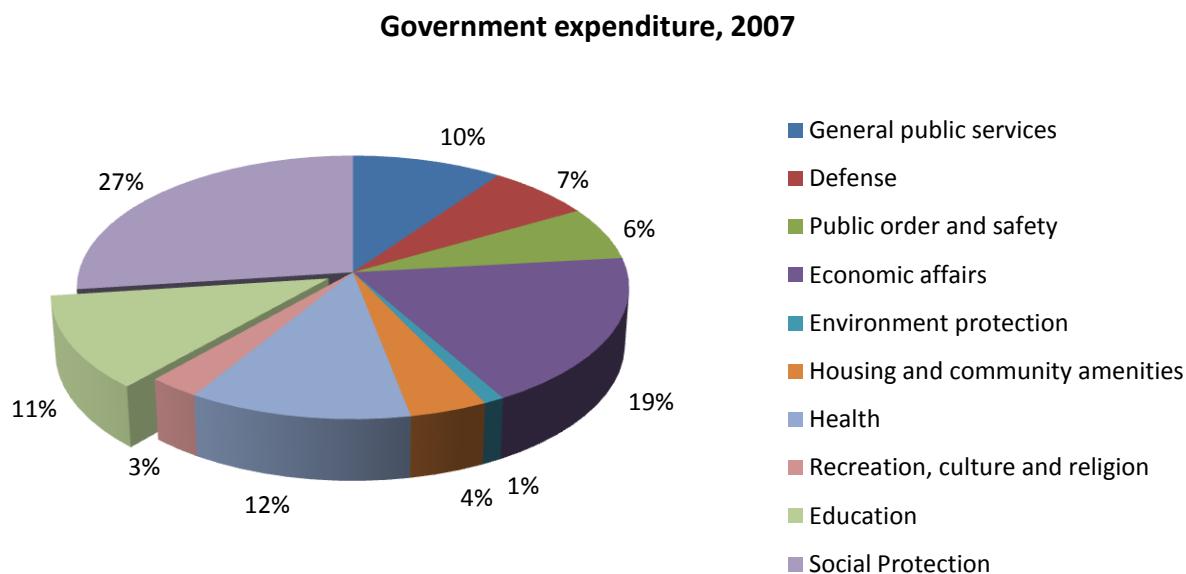
16. *Culture of bureaucracy* - The threat to the future performance of the education system is that this culture will slow down the implementation of reform which is at the heart of the sector's national strategy. All agencies in the education sector form hierarchical bureaucracies. They have highly defined structures, clearly delegated authorities and very detailed procedures, or 'methodologies' that focus strongly on control. The procedures are enshrined in legal documents and are therefore very inflexible. Authority in these agencies derives more from a person's position in the hierarchy than from a person's expertise. As stated by one agency director "the risk to reform is the level of regulation and methodologies... Reform will fail if we don't shorten our methodologies and perhaps re-write some of them. It will be very complicated to implement reform in our very bureaucratic way. Our education thinking is ahead of its too bureaucratic environment."

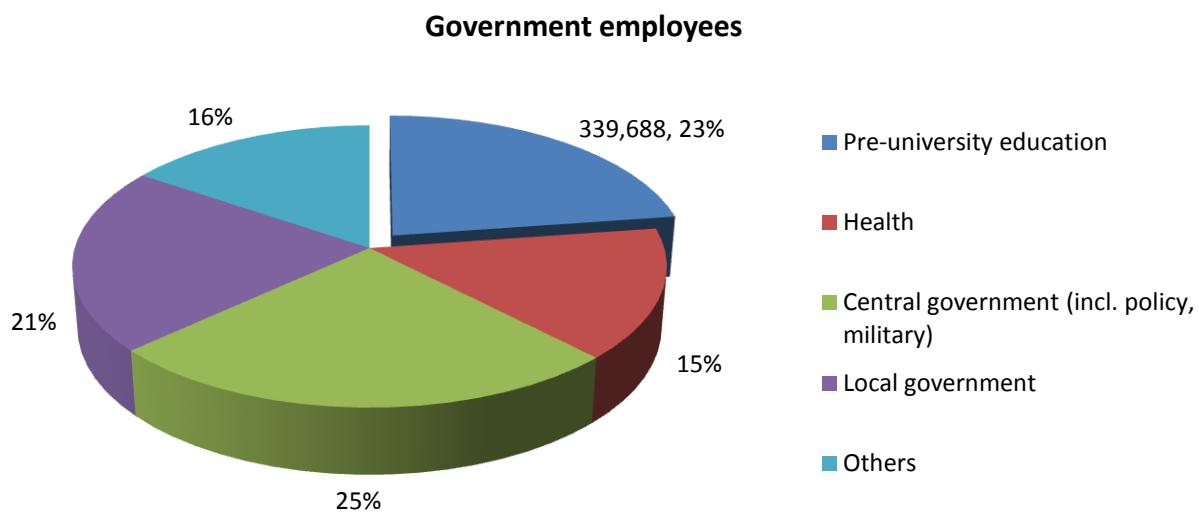
17. *Failure to mobilize support for reform at the level of the Inspectorate* - The threat is that if the Ministry does not convince the inspectors that they are a very strategic and important instrument of decentralization, and provide them with incentives to perform well their strategic role, decentralization will face serious obstacles at local authority and school levels. For decentralization to succeed it is necessary to convince all the parties involved, from the teachers to the principals, the local authorities and the inspectors that they will benefit from it. It will also be necessary to help them learn the new ways of working. The Ministry cannot do the

convincing and render the help directly to the teachers, principals and local authorities; it will have to do this through the inspectors. The inspectors will help the local authorities (who don't need convincing) and will convince and help the principals, who will in turn convince and help the teachers. A failure to mobilize the inspectors will then have a great impact on the mobilization of all the others.

### **2.3. Financing and Staffing in the Sector: Allocations of budget and staff across the sector, Trends over time; Comparisons with EU countries**

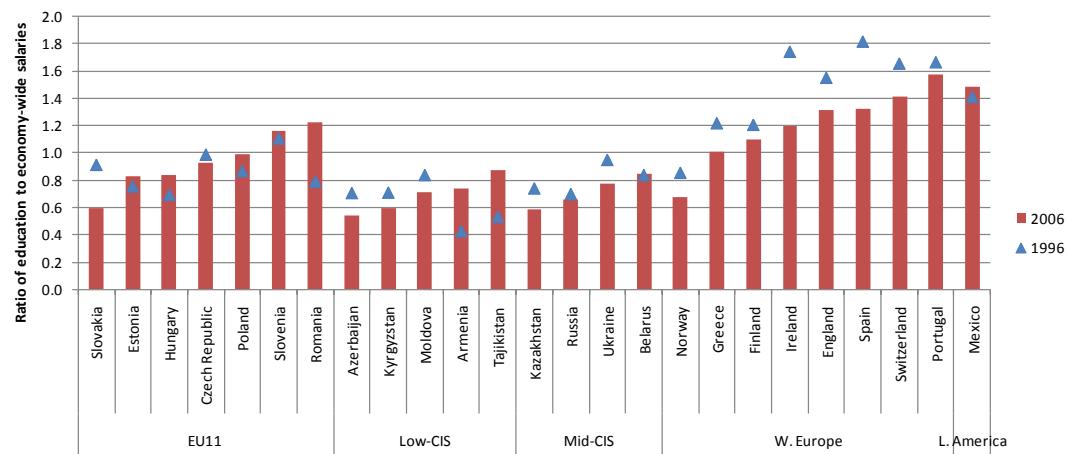
18. As mentioned earlier, a main challenge in the education sector from a budgetary perspective is to stem pressures to increase wages without commensurable increases in the value that teachers bring to the education sector. This is difficult in many countries around the world because teachers are usually well-organized, aided by the fact that they often have one main employer (the Ministry), one funding source (tax revenue) and represent a relatively homogenous interest group.





19. As discussed above, the sector has been unable to downsize the overall number of teachers in line with declining student numbers; while measures were undertaken in 2009 to reduce 18,000 positions (and additional 15,000 positions are expected to be reduced in 2010), the oversized number of staff is aggravated by the increases in remuneration per staff member in the period from 2000 to 2008. Although somewhat dated, compared to other countries in Eastern and Central Europe the ratio of education to economy wide salaries in Romania appears at a relatively good level based on data for years 2006 (Figure 5 bellow); the picture may look differently for more recent years, but comparable data are not available.

**Figure 5: Ratio of salaries in education sector to economy-wide salaries compared to other countries<sup>6</sup>**



Source: World Bank staff calculations based on CIS Statistical Committee database, Eurostat and OECD At a Glance 2008

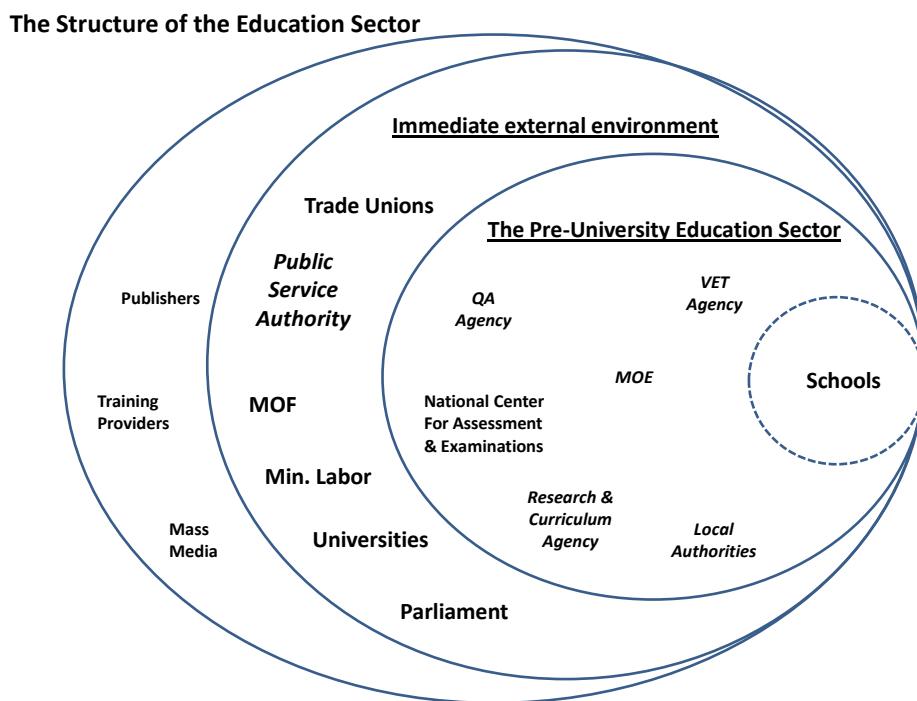
20. Given the large number of staff in the sector, their demand for better paid jobs – and the political capture mentioned earlier – the sector remains vulnerable to erratic and fiscally unsustainable wage increases unless the Ministry pushes through mechanisms to link teacher pay to performance. A good example of this vulnerability is illustrated by the 2008 Parliamentary decision to increase teacher wages by 50 percent. In an instant that vote (and law) rendered the education budget fiscally unsustainable.

<sup>6</sup> To make the numbers consistent across countries, the data on Romania and other EU countries come from Eurostat and are on “Monthly labour costs” (which should be very closely related to gross monthly earnings) in the “education sector” and “average, economy-wide”. Using the same data source comes at a cost: the Eurostat figure suggests that education wages are 22.1 percent above economy-wide wages (in 2006) whereas the Statistical Institute data suggest that the gap is only 16.7. In both cases, however, the main message is the same: education workers make significantly more than the average worker in Romania.

### **III. The Structure of the Sector**

#### **3.1. Configuration, Roles and Relationship**

21. In relation to the pre-university education sector, the term ‘structure’ refers to the way the sector is set up - the configuration of inter-related agencies, the roles and functions carried out by each and the relationships among them. As indicated earlier, the sector is made up of the relevant part of the MERYS, its 42 Inspectorate Offices, the schools, four individual agencies that deal with research, curriculum development, examinations and assessments, quality assurance, and vocational education and training. As is reflected in the diagram below, many important agencies are found in the immediate environment of the sector. These include teachers’ associations and trade unions, central government agencies, Parliament, universities, NGOs and parents associations.



22. *Configuration* – The Ministry and the agencies in the sector are arranged in a combination of hierarchical relationships and network relationships. MERYS is the lead agency in the sector and there is a hierarchical relationship between it, the 42 inspectorate offices and the schools, as well as between it and the four individual agencies which are legally subordinated to it. The relationships between the Ministry and the teachers’ unions, NGOs and parents’

associations is a network relationship. This is also the relationship among the four key agencies listed above. The roles played by each of these players are reasonably clear and there are generally no overlaps. There is, however, potential for overlap between the National Center for Assessment and Examinations, the Romanian Agency for Quality Assurance in Pre-University Education and the Institute of Education Sciences. These three institutions are addressing a common concern: the quality of education in Romania. Each is coming to it from a different angle, but the areas on which they focus are often close and complementary, while the relationships among them are quite competitive. On one hand, this situation opens the door for overlapping work; on the other, it enhances performance and creates many opportunities to complement each other's work and thus gain greater benefits than each on its own. While there are no overlaps currently, there are also few cases of complementary collaboration. This situation calls for leadership, very close monitoring and coordination.

23. The curriculum development function is placed inside the Institute of Education Sciences. Although there is a link between pedagogically-oriented research and curriculum development, the link is not a strong enough reason to place the two functions in one agency and the benefits of this placement are not clear. The set of skills required in curriculum development is very different to that required in pedagogically-oriented research. The placing of the two functions under one organizational roof would not make it possible to save personnel or increase versatility in the Institute. Curriculum development is one of the largest and most important elements of the Ministry's education reform plan. It will be one of the busiest elements of reform. Placing it inside the Institute will greatly increase the work load of the Institute's top management at a time when the Institute will have to significantly change orientation and significantly increase the volume of its research (as will be seen later in this report). It will add an unnecessary layer of management between the director general of curriculum development and the Ministry. In many countries, curriculum development is found in a distinct, specialized agency and the review team believes that in this case too this key function will benefit from such an arrangement.

24. *Coordination, Integration and Relationships* – It is one of the main roles of the Ministry to coordinate among all agencies in the sector. However, the performance of this role seems to be one of the Ministry's weaknesses. The subordinated agencies operate very much independently of each other. They meet very infrequently – only on an ad-hoc basis when some issue requires communication. Except for such meetings, the communication among them is very limited. The Ministry meets with each of the agencies on a one-on-one basis, not calling them together to report to each other and to it what they are doing and to discuss common concerns. It currently has no mechanism in place for systematic, on-going sector coordination and it does not proactively operate as the sector's coordinator.

25. Integration is a key leadership role which the Ministry is currently not carrying out effectively, diminishing its ability to oversee the sector and influence its performance. Integration differs from coordination: coordination focuses on the division of labor - clarifying which agency will produce what output, to what specifications, when and how; integration focuses on bringing together and linking all the outputs produced by the different agencies, so that they enhance and complete each other, providing a wider and clearer picture. There are three specialized agencies that actively and regularly go to the schools to assess the quality of pre-university education in the country: The Ministry's Inspectorate, The Romanian Agency for Quality Assurance in Pre-University Education and the National Center for Assessment and Examinations. Each of them focuses on different aspects of the education delivered: the Inspectorate focuses predominantly on the teachers and the process of instruction; the Agency for Quality Assurance focuses predominantly on the schools as institutions and the Center for Assessment and Examinations focuses predominantly on learning achievement. The Ministry is not using the findings of each to help clarify and explain the findings of the others. For example, it is not using the findings of the assessments made by the Agency for Quality Assurance to help explain learning achievement as measured by the National Center for Assessment and Examinations.

26. The relationship between the MERYS and the teachers unions are currently adversarial, because of strong disagreements on a number of items in the Ministry's draft Education Law that is being debated in Parliament. The unions are going to lose much power if the law passes, particularly if decentralization proceeds, because they will have to conduct their negotiations with communities and schools and not with the central Government. Based on media reports and discussions with the General Directorate for Legal Affairs, the unions disagree with the Ministry on how to consolidate schools and deal with the excessive number of teachers, how to implement the proposed new requirement that all teachers acquire a Master degree in Didactics. They strongly object to the proposed changes in the tenure system.

27. The relationships between the MERYS and the National Federation of Associations of Parents from Pre-University Education may be characterized as a partnership, where one of the partners is willing to provide active support while the other does not show sufficient interest and does not take full advantage of the support offered. There is actually a formal partnership agreement between the Federation and the Ministry, but there is practically no counterpart in the Ministry to serve as a contact point and a channel for communication. Thus, according to the Federation, the dialogue between the two is very limited. The Federation has a large number of affiliated parents associations in all regions and most counties in the country. It boasts a membership of 2.5 million parents, which when multiplied by two provides access to 5.0 million people. The Federation is not politically aligned with any party. It supports many of the Ministry's positions, yet the Ministry has not mobilized it to help in the current debate on the new Education Law.

28. The relationships between the Ministry and NGOs too is one of partnership – slightly stronger than the partnership with the Federation of Parents Associations, but still not strong enough according to some NGOs. These NGOs feel that the Ministry wants to have some relationship with them mainly to build its image in the public (one of the directorates in the Ministry is indeed a General Directorate for Communications, PR and Image). However, they believe that the Ministry has no vision, strategy or plan on how to mobilize them effectively. Although they are partners, they say, the Ministry is not sufficiently transparent with them. If they get information from the Ministry it is more because of the personal relationships they have with a number of staff than the formal relationships with the Ministry as a whole.

### **3.2. The Effectiveness and Stability of the Sector's Structure**

29. All the key functions that need to exist in an education sector do exist in the Romanian pre-university education sector. The structure this sector is quite effective in supporting the performance of these functions by all of its agencies. It meets the three key conditions of structure effectiveness: (a) it avoids unnecessary proliferation of agencies, but allows sufficient functional differentiation, (b) it avoids duplication and overlap and (c) it places each differentiated function in the most appropriate agency in the sector. ‘Appropriate’ in this context means an agency where the function will, among others, enjoy the environment that is the most conducive to its performance.

30. Firstly, proliferation is moderate and necessary. There are currently five agencies outside the MERYS, four of which were set up to allow for needed functional differentiation in areas that have developed considerably in recent decades and/or that require high levels of specialized expertise: curriculum development, testing and measurement, quality assurance, education research and vocational & technical education. Secondly, there are currently no duplications and overlaps in the performance of these functions among the different agencies or between each of them and the Ministry. Thirdly, all of the functions in question require professional staff with high-level of expertise. These are knowledge workers for whom a collegial environment that permits free thinking, innovation and creativity, while minimizing bureaucracy, is very important. The establishment of separate agencies for these functions has indeed provided the staff in them with an environment much more suitable for their work than the environment in the Ministry. In all the four agencies the levels of collegiality, expertise and sophistication are indeed quite high and the team has also observed a rather unexpected level of creativity and innovation in at least two of the five agencies. Their organization structures are flatter than the Ministry’s structure, with fewer layers of management and in general with no political appointees between senior management and the directors general. Top managers in them are, therefore, much more accessible than top managers at the Ministry, and decision-making in them is not as complex. An analysis of the interviews conducted with these agencies, as well as their responses to the Management Practices Questionnaire, points at a less bureaucratic management culture.

31. The stability of the sector's structure is not guaranteed, mainly because of the high level of politicization in the sector. Political concerns are known to be responsible for frequent structural changes in education (and other) sectors in many countries. Higher education, science, youth affairs and sports are the typical components that governments move around to accommodate political interests, rather than to respond to educational and organizational concerns, but lower-level components can also be moved around for political or other, non-educational and non-organizational, reasons. Returning to the functions discussed in this section, it is important to note that an attempt to bring most of the functions back into the Ministry is most likely to reduce, rather than enhance, their effectiveness.

***Recommendations:***

- The current structure of the sector, differentiating highly specialized functions and placing them in specialized agencies, needs to be retained. Due to its extremely important role in education reform, as well as the very large volume of activities expected under it, the curriculum development function needs to be placed in an agency on its own rather than inside the Institute of Education Sciences.
- The Ministry needs to call and chair a series of two meetings among all of the subordinated agencies to review (a) current work and (b) plans for future work. In the first meetings all areas that can be complementary but are not, as well as all needs/opportunities for integration, need to be identified. A task team needs to be set up to work on the details in these areas and develop a plan for coordination and integration that will be submitted to the second meeting. This will lay the groundwork for future cooperation and collaboration.
- In addition, two mechanisms needs to be put in place to ensure close coordination among all of the subordinated agencies in the future: the first is a regular, periodical meeting between the Minister and the heads of all subordinated agencies, including the head of the Curriculum Center in the Institute for Education Sciences, for the purpose of reviewing plans, progress on their implementation and outputs. The meetings need to take place at least every four months. The second is a more frequent work meeting among the four agencies on the same issues, possibly once a month or bi-monthly, with a rotating chairmanship.
- The Ministry needs to improve its relationships with NGOs and other stakeholder agencies. As will be discussed and recommended later in this report, the Ministry needs to do away with the current structural fragmentation in its dealings with different groups/types of stakeholders and place the relationships with all stakeholders under one roof. It needs to then develop a vision and a mission for these relationships, as well as a set of strategies for their achievement.

#### **IV. Politicization in the Sector**

32. Politicization refers to two phenomena. The first is the subjecting of educational debate to the accomplishment of a partisan political agenda and the second is the introduction of political considerations in decisions that should be based predominantly, and in some cases only, on educational and/or technical, administrative and managerial considerations.

33. Romania has a multiparty system with two large parties and several small ones. It is virtually impossible to make a majority government in it. Changes of government are frequent and every change brings to the Ministry of Education a new minister. In the last four years the Ministry has had six ministers. The rather strong presence of politicization in education policy debates among political parties in Parliament has resulted in an inability to pass a comprehensive education law in the last four years despite repeated attempts by three ministers. As will be seen later in this report, the country has a high-level Pact for Education that received the support of all political parties, teachers' unions, as well as other interest groups with a stake in education; it also has a core strategy that was developed by a Presidential Commission including prominent representatives of all stakeholders in the sector. Yet, all attempts to pass a new education law have not succeeded so far. Although much of the debate in Parliament, and in the country generally, is about matters that can be considered low-level strategies or tactics, there is a lack of political will, or an inability, to reach agreement on them. Mechanisms for dealing with political diversity are weak and much skill and experience in coalition-building are needed.

34. The introduction of political considerations in decisions that should be based on educational, technical, administrative and managerial considerations is prevalent particularly in the appointment and promotion of managers and staff in the Ministry and its subordinated agencies. In the Ministry of Education with its country-wide system of schools, the appointment of school inspectors, particularly Inspectors General, at the county inspectorate offices is subject to much political interference and is sometimes completely political. This hinders the ability of the Ministry to appoint the best available people for these positions and also, due to the high level of political change, results in a high level of turnover.

***Recommendations:***

- While continuing the effort to pass a comprehensive education law, the Ministry should proceed in reforming all areas where change, as defined in its core strategy, does not require a national law. If necessary, the Ministry can adopt an incremental approach to reform, rather than attempt to accomplish a full-scale reform all at once.
- The job of a General Inspector is a top professional job that the Ministry should completely de-politicize.

## **V. Organization Structure of the Ministry and the Nature of its Work**

### **5.1. Structural Issues and Concerns**

35. The structure of the Ministry does not conform to best practice as derived from basic principles of organization structuring and will not fit the changing role of the Ministry once decentralization is fully implemented. Key issues are as follows:

- Organizational units both at General Directorate and at Directorate levels handle unrelated functions and tasks which, because they require totally different sets of skills, knowledge and understanding, cannot be effectively managed by one unit manager and are an impediment to team work. For example, there is a General Directorate for Strategy, Education and Convergence with Lisbon Agenda and Labor Market; there is also a General Directorate for Minority Languages Education, Relationship with the Parliament and Unions. What typically happens in such organizational units is an unbalanced management attention to the different functions and tasks. Those that are within the ‘comfort zone’ of the managers get attention, while the others are neglected.
- Functions that are closely related and could be effectively combined in one organizational unit are split among several units. For example, the function of external relations with stakeholders can be found in three different general directorates, each dealing with a different group of stakeholders. What typically happens in these cases is that nobody is accountable for the overall function, creates a unified approach, a vision and strategies for it.
- Single unitary functions (which are different to functions that are close in substance to each other) too are split unnecessarily. The function of developing strategies for the Ministry and the Sector is found in two units – the General Directorate for Strategy, Education and Convergence with Lisbon Agenda and the Labor Market, and the Public Policy Unit (PPU). The PPU did not grow up in the Ministry organically as a result of a felt need for policy work. It was imposed by central Government.
- Early Childhood Education (ECD) is a central, high-priority theme in the Ministry’s strategy. Unlike other areas which are by now well established, tried and tested in the Ministry, ECD is for all practical purposes new. Implementing this part of the strategy will require leadership and resources. Somebody in the Ministry will have to develop full vision, mission, strategies and plans, coordinate the various players and monitor progress. At the moment, there is no unit dedicated to ECD in the Ministry. The function is not differentiated and there is only one specialist within primary education who is operating in this area. The highly specialized set of skills required for ECD justifies organizational differentiation at this time,

and the scope of the action to be undertaken is large enough for the establishment of a fully-fledged ECD organizational unit.

- There is a group of 5 persons dealing with IT in the General Directorate for Economy and Finance. The group does not appear on the Ministry's organization structure chart at all. It apparently belongs to the Directorate for Patrimony, Modernization and Investments. It keeps a large server with the National Education Data Base (NEDB) and several other operational data bases. It operates as an IT unit, but not as an organizational home for the broader function of information management. There is no organizational home for this function.
- There is a Public Policy Unit in the Ministry. Based on its brief, the PPU should be a strategic unit directly under the Minister, so that it has sufficient clout to perform the role of an in-house consulting group helping the Minister modernize the Ministry, but in practice the PPU appears to be marginalized and unable to carry out this function. It is placed under the General Secretary and does not even appear in the organization chart.
- In addition to four units that are dedicated to the management of projects, almost every single directorate in the Ministry is also managing projects. In some directorates involvement in project management is so heavy that managers and staff are unable to focus properly on their main business. As one director said “we are turning into a project management organization because everything is a project; as director, I am spending more and more time here and less there. Overall, I spend only 60% of my time in my mandate area; 40% of my time is in the projects.”
- The Ministry has terms of reference for each organizational unit called Rules of Functioning (ROF) and also job descriptions for every job. All units have written their own ROFs, and all job-holders have written their own job descriptions without the help of experts in job analysis, the design of work and organization structuring. The ROFs were not reviewed by any relevant specialists in the Ministry. They were sent directly to the Ministry's General Directorate for Legal Affairs to be redrafted as legal documents. The job descriptions were reviewed by the unit managers and then sent to that Directorate. Both of these instruments are supposed to provide managers and staff not only some lists of areas of responsibility but also conceptual frameworks to understand better the rationale for, and purposes of, their roles. Based on an analysis of a sample of ROFs and job descriptions, as well as comments made in the many discussions with unit managers and staff, it is clear that the ROFs and the job descriptions are very inadequate. On one hand, they are perceived by staff as a bureaucratic nuisance; on the other, they are used by staff as ‘protective measures’ to limit their responsibility and accountability.

- The current structure of the Ministry does not reflect two important developments: the switch to program budgeting and the progress on decentralization. The Government has already switched to program budgeting at the beginning of the year. However, the budget programs do not match the division of labor in the Ministry as expressed in its structure. The current structure makes it difficult, if not impossible, to hold any manager accountable for a program in the budget. Decentralization has been on the Government's agenda already since 2005. It is progressing slowly, but surely. The Government has already switched to per capita financing of the schools. When decentralization is fully implemented there will be a change in the roles of several General Directorates and Directorates. For example, the role of the General Directorate for Management, HR and School Network will change and actually may diminish, while the role of the School Inspection Directorate will change and may increase. *[The status of decentralization, including its influence on the nature of work and the organization structure of the Ministry at head office will be addressed in detail during the second round of the functional review.]* These two factors add much urgency to the need to redesign the structure of the Ministry.

36. Civil Service rules regarding the number of staff required for establishing an organizational unit in ministries or other agencies are responsible for the first three key issues reported above. These rules do not give the Ministry sufficient freedom to organize and operate in the most efficient way. According to these rules, all ministries can establish a General Directorate and appoint a General Director only if they have 25 people plus the general director in it; 15 people are required for a Directorate and 5 people for an Office. These numbers have no relationship whatsoever to operational requirements and work load. They have prevented the Ministry from organizing the way it wants and compelled it to create general directorates that make little sense and an organization structure that is highly inefficient.

## **5.2. The Nature of Work in the Ministry**

37. As noted earlier, all the key functions that need to exist in an education sector do exist in the Romanian pre-university education sector. Importantly, however, many of these functions are found in specialized agencies outside the Ministry and not in the Ministry itself. The development of curriculum, the authoring of textbooks and instructional materials, the provision of physical facilities, the assurance of quality, the assessment of learning and testing & examinations are all outside the Ministry. With decentralization, once a new education law is passed, the Ministry will also complete the devolution of school management to the schools, e.g., the hiring of teachers will be done by the schools with some involvement of local authorities. Also, the pre-service education of teachers – with the added requirement to gain a Masters degree in Didactics – is the responsibility of universities. Of all the key, education-specific functions, only inspection and in-service training of teachers remain in the Ministry.

38. On the face of it, this may seem to be too light a load of work for a Ministry, but in reality it is not. The most important role of the Ministry is to set overall objectives, provide strategic direction, mobilize resources, and monitor performance - to oversee the system as a whole. Also, it is to be accountable for the system vis-à-vis the Prime Minister's office, the Ministry of Public Finance, Parliament and the general public. The Ministry does not, however, focus sufficiently on this work. Based on data collected in the interviews and confirmed by every general director and director, the focus is much more on project management, responding to requests for information and for decision and general administrative work. The oversight-thinking-strategizing role receives the least attention and resources.

39. There are two units in the Ministry which report involvement in policy and strategy-related work. One is the General Directorate for Strategy, Education and Convergence with Lisbon Agenda and Labor Market [currently a general directorate without a general director]. In this general directorate 17 out of 26 staff members are in a directorate for relationships with external stakeholders. Nine (9) are covering all other areas. Strategy-related work in this unit seems to be related to the preparation of contributions to strategies being developed by other agencies such as MOF. The other unit is the Public Policy Unit (PPU) which was set up in 2007 as a result of a government decision to set up such units in all ministries with the aim of coordinating strategic planning, strengthening administrative capacity, modernizing public administration and putting in place monitoring systems to assess the implementation of public policies. The PPU has 11 persons and seems to be engaged predominantly in monitoring. It is heavily involved in the preparation of the Ministry's Annual Report. The unit is subordinated by law to the Minister, but has been delegated to the office of the Secretary General. As indicated earlier, it does not appear on the organization structure chart. These two facts are indicative of the status accorded to it – and its function – in the Ministry. No other units in the Ministry seem to engage in policy analysis, policy dialogue and strategy making. General Directors who could conceivably engage in such work reported that 90% of their time is taken by responding to requests for information and decision, project management and general daily operational matters. The inadequate attention to strategy reflects to a limited extent the slow progress of decentralization. As long as the system is centralized, the Ministry will remain largely an operational agency and will have to devote much of its time to operational issues. However, this must not be at the expense of strategic issues since, irrespective of the extent of devolution in the system, the Ministry is the lead agency responsible for strategy.

### **Project Management in the Ministry**

40. Project management in particular requires attention. The Ministry and its subordinated agencies currently have 58 Structural Fund projects in implementation that are managed by its different directorates and agencies; 101 additional projects are in the process of contracting. There are two specialized project implementation units that manage other projects, and a third specialized unit whose role is to help all directorates and agencies manage their Structural Fund

projects. The total amount of money available for use under the projects which are being implemented now is RON 872.045.000. The average size of a project is RON 16 million (about Euro 3.5 million). Though relatively small in money, each project is extremely labor intensive. Two reasons account for this: (a) a large number of procurement and disbursement rules imposed by regulations for projects financed from Structural Funds, and (b) a large number of items to be procured and disbursed, and issues to be resolved in each project.

41. According to the rules for projects financed from Structural Funds, each project must have at least: a project manager, a legal counselor, a person responsible for financial matters, an authorized accountant, and a public procurement person, all of whom must be regular staff of the ministry. The unit in charge of helping all the directorates has only eight positions of which two are vacant. It does not do the work for the directorates. It only helps with advice and follow up on resolving various issues as well as pushing for processing approvals within MERYS, etc. The project managers are usually the people in the various directorates who wrote the proposals. The legal counselors are all in the General Directorate for Legal Affairs. All the rest are regular staff working in various other directorates. Although there is no hard evidence, almost all the persons interviewed confirmed that project implementation and management is consuming much, if not most, of the time of the people who are officially involved in the projects. There are ups and downs in implementation activities, but project managers are said to be working between 15% and 60% of their time on projects. The busiest members in the project teams are apparently those dealing with finance, accounting and procurement. As stated by the person heading the specialized unit whose role is to help all directorates manage their Structural Fund projects (and confirmed by several high-level managers), "They do their own daily jobs after their project work and leave at midnight... they often work 12 to 16 hours a day." Project managers often fill up for them and are said to work equally long hours.

42. There are serious consequences to this situation. One is that project work has significantly changed the nature of work in the Ministry - the content and substance of what it is doing. Staff involved in project implementation and management, who were already working on their core business full-time before the projects came on board, are now expected to do both. They may be working extra time, but they cannot attend to their core business fully and effectively, if at all, on the basis of extra time. Even if all projects are in the functional areas in which they work, the bulk of the work during implementation has to do with procurement, disbursement and technical/administrative issues – not with the substances of their functions. In some cases the projects are not at all in the functional areas of the project managers, e.g. the 8 projects currently in implementation to connect all schools to the internet are managed by the director of the Directorate for Relationship with Professional Associations, Parents, Students' Associations and Employers' Associations. One would be hard-pressed to believe that this director has time to think of his unit's core business.

43. Another consequence is that the Ministry has reached the limits to its capacity to absorb project funds. Looking at disbursements made in ten 3-year structural fund projects that started on November 1, 2008, one can see that in this area too there is actually no more capacity to absorb project funds. For all of these projects, 20 months, i.e., more than half of the time has already elapsed but the rate of disbursement in nine of them ranges from 0 to 12.8%. In one project, disbursement reached 26.2%. Of eleven projects that started between September and December 2009, four have not disbursed any funds yet and the rest have disbursed around 1%. The slow pace of implementation indicates clearly that the ceiling on capacity has been reached. At this pace of implementation, none of the projects is likely to end fully disbursed in three years.

44. In the inception report for this functional review that was written in April 2010 the team wrote that “the new wave of projects that is expected to commence by the end of July 2010 will create an untenable situation, unless the Ministry does something urgently to increase its absorptive capacity.” Since then, the Ministry has indeed taken action aimed at addressing its absorptive capacity. It re-defined the role of the specialized implementation unit and is moving into it 40 members of staff from other units to take care of the day-to-day activities and the management of structural fund projects. The implementation of the projects is expected to be removed from all the non-implementation units to the strengthened specialized implementation unit. The role of the unit is being changed from the mere provision of advice to all directorates that manage structural fund projects to the actual implementation of these projects. The bulk of the work that will be carried out by the 40 persons who were moved to the unit is going to be in procurement, disbursement and general project administration/management. The increase in absorptive capacity, however, needs to be addressed in a wider context. The Ministry needs to shift its attention in a major way towards the more strategic role required of it as the lead agency in the sector. This means not only finding a solution to the issue of project management but also reducing the volumes of requests for information and decision, as well as the volume of purely administrative and often low level work, that reach senior and top management. As will be discussed later in this report, much of this administrative and low-level work has to do with the very low degree of delegation of authority in the Ministry.

#### ***Recommendations:***

- The Ministry needs to develop a new organization structure that will be more in line with the principles of organization structuring and will take into account its changing role in the sector once decentralization is more fully implemented. In designing the new structure, much attention should be paid not only to how it fits the structure of programs in the system (e.g., pre-school, primary, secondary, etc.) and program budgeting, but also to how it fits other key organizational needs. Three of these have to do with the current lack of an adequate organizational home for policy and strategy development, management of information and IT, and management of relations with stakeholders in the system’s external environment.

- The Government needs to review all the rules of civil and public service that apply to the structuring of ministries (and other agencies), remove the rules regarding the number of staff required for the establishment of organizational units and any other rules that take away the freedom of the Ministries to organize more effectively.
- The large number of inspectors and support staff that the Ministry has in 42 county Inspectorate Offices is one of the key strategic assets at its disposal. The Ministry needs to use this work force as the instrument with which it will ensure the successful implementation of its decentralization strategy. The person heading this force of 1,504 inspectors and sitting at the Ministry's head quarters needs to be made the person in charge of, and accountable for, implementing the Ministry's decentralization strategy. Significant financial resources need to be allocated to the Inspectorate in order to train the inspectors for their roles as change agents in, and resource persons for, the schools.
- The steps taken by the Ministry to improve its absorptive capacity need to be consolidated. Action needs to be taken by the Ministry calling for a change in the rules which prevent it from hiring non-regular staff as project managers and other project-related functionaries.
- Procurement and disbursement are highly specialized jobs. The people who were moved into the widened project implementation unit are not likely to have the specialized skills needed for the execution of these jobs. It is necessary to give them initial crash courses in these areas and then, over time, augment the courses with further training.
- It should be understood that while the implementation of the projects has moved to the implementation unit, matters of substance – such as the objectives, content and scope – remain in the hands of the respective units in the Ministry where the projects belong functionally.
- The Ministry can conduct technical studies to analyze and help lighten the low-level operational load currently carried by senior and top managers. One study needs to analyze the current level of delegation of authority in the Ministry with the objective of identifying opportunities for extending delegation to lower levels. The conditions required for making the organization culture in the Ministry more conducive to delegation need to be identified and action taken to address them. The second study can aim at analyzing the flow of requests for information coming to, and moving within, the Ministry and, in conjunction with the study on delegation, finding ways to redirect some of the flow and authorize lower levels respond to the requests.

## **VI. Strategic Management and Performance Management in the Sector**

### **6.1. Strategic Management**

#### ***Clarity, realism and usefulness of core strategy***

45. The Ministry is the lead agency in the sector. The most important role of leadership is to provide direction for action – in this case direction for the sector as a whole. The key tool of direction that leaders use is a core strategy which includes an overall vision, a set of high-level strategies (here referred to as ‘strategic thrusts’) and a more specific mission. It is encouraging to see that the Ministry indeed has a core strategy. The core strategy is very well-aligned with the external socio-economic environment: it has clear, well-thought vision and mission, and its eleven strategic thrusts focus on the right areas. There is actually a wide consensus in the country on these vision, mission and strategic thrusts. The team believes that the Core Strategy is feasible both politically and technically.

46. The core strategy evolved over the last three years in a process that started with the setting up of a Presidential Commission in January 2007 to conduct a situation analysis, define the vision and identify the key hurdles that will have to be overcome on the way to achieving the vision. The Commission’s report was made public in July of that year and was followed by a National Education Pact signed on March 5, 2008 by all political parties, as well as 22 organizations including two of three teachers’ unions (one of which withdrew its signature later), student organizations, parental associations and NGOs. Having elaborated on the report, the Commission then produced the core strategy for the education sector later in 2008. The key strategic thrusts in the core strategy are shown in the box below.

#### **The Key Strategic Thrusts in the Ministry’s Core Strategy for the Sector**

1. Restructure the education system
2. Provide the infrastructure, equipment and hardware needed by the Preparatory Grade and Grade 9
3. Reform the curriculum
4. Make ECD a priority in Education
5. Reform the function of assessment: content, process, methodology and certification
6. Speed up decentralization
7. Make LLL routine in all institutions and increase rate of adult participation to 20%
8. Help teaching staff join the nation’s professional elite
9. Focus education on user needs
10. Allocate at least 6% of GDP to education
11. Increase the support of the external environment: get funding from EU and other external agencies

47. Under the current Minister of Education, who came into office in December 2009, the Ministry took the core strategy and drafted a new Education Law. The draft law is much more detailed than the core strategy. The Ministry re-elaborated on the 11 strategic thrusts, developing many more specific strategies for each of them. The draft law is currently being debated in Parliament. It was passed by the Chamber of Deputies and is now at Committee stage in the Senate. The debate focuses on a relatively small number of issues which are not at the level of broad strategic thrusts or high-level strategies. Many relate to university education and are not in the area of pre-university education. They are not technical issues; technically they can be implemented, but they are nevertheless of much concern to different interest groups, including teachers' unions, public universities, private universities and publishers of textbooks. A compromise seems difficult to reach. This may derail the drive for reforms, irrespective of who is in a specific moment in Government, or in the opposition. In the area of pre-university education such issues include, for example, the composition of school councils, the tenure of school teachers and the inclusion of a preparatory grade in the primary schools, as well as Grade 9 in the gymnasium. The political feasibility of the very detailed strategy, as reflected in the proposed Education Law, is therefore in question. The bottom line is, however, that even if the proposed new law does not pass at this time, the vision, mission, and most, if not all, high level broader strategies will survive. It is quite likely that due to the high level of politicization in the education sector, it will take more time to pass a new education law in Parliament. However, as indicated earlier, elements of the strategy could be implemented on the basis of existing laws and should not wait for new legislation.

48. Still, there is a difference between political or technical feasibility and the actual capacity to implement a politically and technically feasible strategy. From a capacity point of view – referring particularly to the availability of financial and human resources to implement the core strategy - feasibility is in doubt. The core strategy was developed by the President's Commission, and the Ministry took it over and moved into the drafting of the new law right away, without first prioritizing all the strategic alternatives and assessing the capacity of all agencies in the sector to implement it. The non-prioritized strategic alternatives represent a huge undertaking. Their implementation will require substantial capacity which is currently not in place. Two examples of the magnitude of the undertaking are found below:

- a) The Curriculum Reform - The switch to competency-based curriculum in all subjects and all grades in the pre-university education sector involves a re-design and re-development of all curricula and syllabi. (Previous revisions carried out under a WB project were considered a first round in what would be a very fundamental change in content and methodology. They also were done before e-learning came into the picture). There are 7 curriculum areas and 25 different subjects/disciplines within them – some that are taught in two or three different grades. The work involved is meticulous and very labor intensive. A very large number of external specialists will have to be hired for this work and a smaller,

but still a considerable number of internal specialist staff will have to supervise them. Once this is done, it will be necessary to re-write textbooks and reproduce other instructional material. The re-writing of textbooks means an evaluation of a large number of them prior to approval for the list. All the teachers will have to be trained (see next section on training). In addition, it will be necessary to develop new tests, or modify existing ones, as indicated in the strategy: new tests for the end of the preparatory grade and Grades 2 and 9, and existing ones for the end of Grades 4 and 6. Moreover, the strategy calls for putting all the contents that must be learnt in school, all the working tools, and all the guides for writing tests in electronic format that will be accessible (based on need) to any student or teacher at any time, on an on-line Learning Management System. It assumes that all schools will be fully equipped with Internet-connected computers and educational software and that the network will be well-serviced and maintained. The curriculum reform is thus a very large undertaking in which several sector players are involved, including the Curriculum section of the Institute of Education Sciences, private sector authors, private sector publishers, training agencies and the National Center for Assessment and Examinations. No assessment of the resources, the calendar time needed to carry out this undertaking (and of all other undertakings) as well as its cost has been attempted yet. It is questionable whether these players have the human resources to guide, manage, supervise and monitor the amount of work implied (assuming that much of the work will be contracted out) and the funds to pay for it. Because the Ministry and all other agencies in the sector have been waiting to see whether the new Education Law passes or not, no performance measures have been put in place, and no linkages can be found between the strategy and current annual operational plans.

- b) Training – Successful implementation of many key components in the strategy depends on training and will succeed only if the people involved in them are trained. Here is a partial and incomplete sample:
- The restructuring of the level of education – the integration of ECD into compulsory education, as well as the addition of Grade 9 to the lower secondary education cycle – will succeed only if the teachers involved in these two levels receive adequate training. About 10,000 teachers may be involved at each end of the cycle.
  - The move into competency-based curriculum will succeed only if all currently employed teachers are extensively trained to teach this curriculum. School principals too will have to be trained. The Curriculum Center at the Institute of Education Sciences is planning to introduce the new curriculum to two grades per annum. If this plan is implemented it will take six years to complete the change. There are close to 200,000 teachers in the primary schools, gymnasias and secondary schools. All will have to be trained. This comes to an average of 33,000 teachers every year just in this area.

- The introduction of curriculum flexibility which allows teachers to plan individual learning and allocate 25% of their instructional time to subjects of their choice (for the purpose of remedial teaching, knowledge strengthening, or the stimulation of potentially high-performance students) will succeed only if all teachers acquire additional pedagogical skills, as well as additional knowledge of subject-matter.
- The decentralization of many key management, administration and technical/professional support functions to local and school levels will succeed only if managerial, administrative and technical personnel are trained to carry out and manage these functions well.
- All of these initiatives need to take place while the challenge of improving the general quality of instruction in the schools remains strong. A very large numbers of currently-employed teachers will have to receive further training. The core strategy anticipates a switch to blended learning and assumes that much of the further training will be delivered on an on-line platform for Learning Management, which will too require additional training.

49. Bearing in mind that many of these initiatives are to be implemented simultaneously (since they are not prioritized or sequenced), it is doubtful that the education sector has the capacity to deliver the massive training programs efficiently and effectively within the assumed timeframe of the core strategy. At least four main players in the sector will be involved: the National Center for Training Pre-University Staff in the Ministry, private sector providers, the Ministry's Teacher Houses in the counties and the local authorities. Even if all of these could be mobilized to deliver the needed training, it is not likely that the teachers themselves will have the time to participate in so much training while also studying for the Master degree in Didactics, which is yet another requirement.

#### ***Recommendations:***

- The Ministry needs to complete the work involved in the design of its core strategy: (a) To prioritize the strategic thrusts and the strategies within each; (b) To determine the resources and time needed for, and the potential cost of, each strategy; (c) To assess the specific implementation capacity of each relevant agency involved, with respect to each strategy and, where necessary, enhance this capacity; (d) To decide on a combination of measures which include enhancing capacity where feasible, extending the time during which the strategy will be implemented and scaling back on some action; and then, (e) To develop full operational plans for the implementation of all activities that remain in the strategy.

The first three steps are iterative and the final priorities and sequencing of implementation will be determined only following the third step.

- Each of the subordinated agencies will have to go through these five steps to develop its own strategy once the Ministry completes the sector's overall strategy.
- The Ministry will require technical assistance to carry out the five tasks listed in the first recommendation. The design of this technical assistance should strongly aim at transfer of knowledge and the development of internal capacity to strategize both in the Ministry and in each of the subordinated agencies.

## **6.2. Performance Management**

50. Performance management consists of two key components: monitoring and taking corrective action. The Ministry's Annual Report on the State of the National Education System is its key monitoring tool. The report is impressive! It demonstrates that data are being collected and shows that there is capacity to analyze it. The report calculates 32 key indicators (taking its guidance from international best practices), looks at trends, makes international comparisons, and does a very good job at commenting on where Romania's key challenges are. For instance, in the 2009 report, the Ministry carefully analyzes a range of indicators to conclude that Romania's main problem is on the level, and deterioration, of quality rather than enrollment or dropout rates.

51. The problem is that the analysis does not seem to inform decision making and to lead to corrective action. The annual report of 2009 shows clearly that quality, measured by learning achievement, is poor and deteriorating. The deterioration that has been going on since at least 2001 was well recorded and monitored, but was not followed by corrective action. The 2009 report shows clearly also that the gap between urban and rural education is widening quite dramatically, but says nothing about any change in policy, strategy or action to address this gap.

***Recommendations:***

- The Ministry must not wait for the passage of a comprehensive new education law. While continuing its attempt to convince Parliament to pass such a law, the Ministry should proceed with the implementation of elements in the core strategy that can be implemented on the basis of existing laws, such as some of the elements of decentralization.

## **VII. Management Systems and Practices in the Sector**

### **General Management Culture and Practices**

52. Information on the management culture and practices in the sector was obtained through in-depth interviews, as well as the Management Culture and Practices' Questionnaire. The questionnaire was administered in the Ministry and four of its main agencies: the Institute of Education Science, the National Center for Assessment and Examinations, the National Center for Vocational Education and Training Development and the Romanian Agency for Quality Assurance in Pre-University Education. It contained 44 questions all of which were based on general management theory and focused on what are considered to be 'best practice' behaviors of managers. The questions focused on the following 16 areas of best practice:

- Organization and division of work
- Team work
- Definition of outputs and setting of objectives
- General and operational planning
- Follow-up on, and monitoring of, action
- Measuring outputs and evaluating outcomes
- Taking corrective action
- Performance appraisal
- Rewarding good performance and confronting poor performance
- Staff development
- Internal and external Coordination of action
- Delegation of responsibility and authority
- Practicing accountability
- Practicing transparency
- Use of data and information
- Managing time

53. The distribution of answers provided by the respondents reflects generally a shared perception that the Ministry and its agencies are being managed satisfactorily in many, though not all, of the 16 areas. This perception is not confirmed, however, by the data collected in the in-depth interviews that followed the questionnaire and the documentary materials provided to the team. The interview data and the documents reveal a very different picture, particularly at the Ministry. The discrepancy suggests that some of the management practices were not fully understood, or appreciated – an issue discussed in more detail in the chapter on the management of human resources. It may also reflect a response to the scoring method, which did not allow the respondents to select a middle score, and a resulting reluctance to be 'too critical' despite the assurances of anonymity. The team believes that data collected in the in-depth interviews and

found in the documentary material provides a more realistic assessment of the quality of general management in the sector.

54. Nevertheless, the performance of managers in some areas was reported in need of much improvement even by the overly optimistic respondents. These areas include, for example, the organization of work (not well-balanced and logical), the acknowledgement of good performance and provision of constructive feedback (lacking), staff development (lack of concern and action), and the management of meetings. Interestingly, the responses to the questions also reflect a perception gap between managers and staff. In many areas the ratings given by managers with respect to the different practices (by implication, with respect to how they manage) were better than the ratings given by their staff. Of the 16 managers who completed the questionnaire at the Ministry, 15 thought that “managers set clear, detailed objectives and explain them” well or very well. Only one did not agree. Among staff, six out 15 did not agree. Managers rated coordination among agencies, delegation of authority and the discussion of policies with staff much better than non-managers. Based on the in-depth interviews, and still based on the questionnaire, the team concluded that there is ample room for improvement in the management skills and attitudes of managers in the Ministry and its agencies. Several key findings are discussed below.

## Culture of Bureaucracy

55. A very strong culture of bureaucracy exists in Romania’s public sector generally, including its education sector.<sup>7</sup> Too many decisions that should be made at agency or inspectorate and school levels are made at the top of the hierarchy in the Ministry. There is preoccupation with ‘methodologies’, or procedures. Lengthy, multi-step procedures have to be followed and many conditions (such as the submission of much information) have to be met to reach the top and get the decisions. If there is accountability, it is accountability for following the procedures. One reason for this situation may be the extreme standardization and control that prevailed before 1989 when conformity with party line was required and nobody expected initiative. This resulted also in a deeply entrenched risk-averting behavior.

56. The agencies outside the Ministry are subject to this bureaucracy in their dealings with the Ministry, but have less bureaucracy internally. Two reasons account for this: their smaller size and their flatter organization structures. It is much easier for staff and lower level managers to access the top managers and directors and get the needed decisions, as long as these decisions are within the authority of the respective agencies. Agencies such as those dealing with curriculum, examinations and quality assurance are producing very concrete outputs and in them

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<sup>7</sup> See Management culture in Eastern Europe: Romania in a period of transition

Dalton, Kevin George and Kennedy, Elizabeth (2006) *Management culture in Eastern Europe: Romania in a period of transition*. International Journal of Knowledge, Culture and Change Management, 6 (7). pp. 119-128.

the preoccupation with procedures is often replaced by preoccupation with output. They can be much better held accountable for output.

57. There is very limited delegation of authority to make decisions in the Ministry. Leaders and top managers tend to pull most decisions up to their level, while staff, lower-level managers and even senior managers tend to push most decisions to them. Both tendencies may be explained by risk-averting behavior – a behavior that can be seen also in the formulation of ROFs and job descriptions. Top managers don't trust the managers below them and their staff, nor do they do much to develop their staff so that they can trust them. Lower level managers on the other hand are reluctant to take responsibility, lest they should be penalized for mistakes. The result is that leaders and high-level managers get involved in daily operational decisions, while senior managers and managers below them who could have dealt with these decisions are, at best, only recommending action to their superiors and then waiting for approval and supervising the implementation of these decisions. This situation has two consequences. The first is that there are long delays in action; the second, perhaps even more importantly, is that high-level managers, who should focus most of the time on strategic issues, focus most of the time on operational issues. As indicated earlier in this report, leaders have little time to think, to strategize and to lead.

## **Coordination**

58. The coordination exercised by the Ministry inside the sector as part of its leadership role is weak, as discussed earlier. The external coordination exercised by each agency with other agencies in the sector varies depending more on inter-personal chemistry among the leaders than on need, but is generally inadequate. Internal coordination in the Ministry and individual subordinated agencies is generally better than external coordination between them; it is, however, better in the agencies than in the Ministry.

## **Rewarding Good Performance and Penalizing Poor Performance**

59. The subordinated agencies in the education sector have been performing generally well relative to the Ministry, under conditions of severely constrained capacity, but have not been rewarded in any way for their performance: their budgets were cut and their staffs were reduced, while the Ministry's budget and staff have actually increased until this year, despite the fact that its performance cannot be characterized as excellent (see details in the chapter on human resources). At the individual level the situation is not much different. Overall, managers are quicker to confront poor performance than to reward good performance. Pay is not used as a reward for good performance not just because of the financial crisis but also because Civil Service and Ministry of Finance rules do not provide for its use as a reward. Promotion within grade levels depends on the passage of time and the passing of some examinations more than (if

at all) on performance. Appointments to higher level positions, moves from one job to another, too are not used as tools to reward performance.

## **Transparency**

60. Internal transparency is not used by top level managers in the Ministry to enhance trustworthiness in the Ministry or to improve the understanding of staff on what is going on in it or in the sector. Staff do not usually get background information to important decisions which are not related directly to them and briefings on what is going on in the organization or in the sector are rare. Policy development is not participative. Discussions on policy are confined to the highest levels in the Ministry – often the Minister and his/her close advisors. Once policies and strategies are decided, the rationale for making them is often not made sufficiently clear.

## **Transparency and the Growing Influence of the Media on the Education Sector**

61. There is today more external transparency in the education sector than there was in the past, but the level of transparency differs both by period (depending on who is the Minister) and by subject (depending on how politically sensitive it is). Access to information is still easier for those who have personal contacts in the Ministry or its agencies, and both are not yet utilizing transparency proactively enough as a tool to gain greater public and stakeholder trust and support. They respond more clearly and fully to requests for information and explanation that are initiated by agencies and people in the environment, but they do not provide information and explanation proactively.

62. Being in a highly politicized environment, where the influence of the mass media on public opinion has grown impressively since the fall of the Communist regime, this can constrain the ability of the Ministry and its agencies to carry out their strategies. The growth of mass media in Romania has been great: the number of dailies increased from 36 in 1989 to 80 in 2005, the number of magazines increased at the same time from 459 to 2044, the number of private radio stations increased from 4 in 1993 to 443 in 2006, the number of TV broadcast hour increased from 1,795 in 1989 to 35,040 in 2005, and the number of journalists increased from 2,060 in 1989 to 20,000 in 2000. This has been accompanied by a major shift in the role of the media from the promoter of the state and its ideology to a watch dog of civil society who is watching and reporting every possible misstep, real or perceived. There are today in Romania reporters specializing in education and newspapers and magazines with regular sections devoted to education. Some have frequent editorials on education. The risk of not being transparent, and the need to avoid the manipulation of incomplete and imprecise information by the press, are much higher. A good example of how the media is influencing the Ministry and compelling it to take action though reactively is what happened in 2006 with the Baccalaureate examinations: the media discovered that the tests were leaked to the schools and the students, and it came out with the information. As reported by the director general of the Center for Assessment and

Examinations, “*When the press wrote on the disclosure of the actual tests we decided to create every year several similar test variants – even more than ten - and to select one of them at the morning of the test.*”

## **Results-Based Management and Accountability**

63. Management in the Ministry and the system as a whole is not results-based, performance agreements are not being used and accountability is generally not practiced. Although the chains of command in the Ministry and in the system as a whole are clear, it has not been possible to apply chains of accountability alongside them. Key conditions required for effective application of accountability have not yet been met. One condition is that organizations and managers who are to be held accountable must be given sufficient freedom and latitude to design and carry out action in the most efficient way. For the Ministry to be held accountable by Government – by Parliament or the Prime Minister, this means for example to be able to design its organization structure and to manage its financial and human resources in what it considers the most efficient way. But, as seen earlier in the discussion on the Ministry’s organization structure, this is currently not possible because of rules imposed by central Government authorities.

64. Two other conditions are (a) that there must be an organization or a manager in charge that can be held accountable, and (b) that the output/outcome for which they will be responsible and accountable must be very specific and measureable. The most important result in education is learning. Learning achievement is specific and measurable, but is the product of work in many areas, at many levels and in many agencies and units. None of them can be held individually accountable for the level of learning achieved. The best alternative to meet these two conditions is to appoint managers for programs, to define their roles as the coordinators and integrators of all the inputs that come into these programs and to hold them accountable at least for this role.

65. In education systems it is easy to define programs since work is organized in the schools primarily by levels – pre-primary, primary, secondary and higher – and secondarily by area of concentration – general/academic, vocational/technical, etc. However, the organization structure of the Ministry distinguishes only between pre-university education and university education. Within pre-university education, the organization is not based on the work-related programs but on functions that are not directly related to these programs, such as the recognition of degrees and diplomas, the management and human resources in the school network, and the development of policies and relationships with stakeholders. There is one program-based General Directorate for Life Long Learning, but in it all of the programs from pre-school education to secondary education are lumped together indistinguishably. There are no directorates or directors responsible for them. The only person who can be held accountable by the Minister is the General Director, and the General Director has no program-based manager below her to hold accountable.

66. Finally, further down the line of command below the level of general directors, directors and office heads are non-management staff. However, they too cannot be held accountable for their performance, because current practices of objective setting and performance appraisal are not effective. Both are regarded by managers and staff as impractical and insignificant paper exercises. One reason is that sector's environment is highly dynamic and shifting, sending a constant heavy flow of queries, requests and demands into the Ministry. As a result, much of the work in the Ministry is determined in an ad-hoc fashion and unplanned matters get priority over planned work. Several managers said in the interviews that this makes it difficult to realistically set even short-term objectives and to introduce performance agreements.

***Recommendations:***

- There is a need for fundamental change both in the management culture and practices particularly, but not only, in the Ministry. Managers in the education sector need to think and act differently to how they have been thinking and acting for many years. Culture and practices do not change overnight by an edict from the top. They take years to change, but the program of action that would lead to change must be multi-faceted and must start now.
- One element in such a program is management training. It would be good as a starter to provide an on-going, on the job training program for all persons in management positions. The most effective way would be to design the program as a series of specific, short (1 to 2 days) practice-based modules, each focusing on one or several related practices. The Management Practices Questionnaire, with its 16 areas of best practice, can provide a starting point for the design of the modules. The program may be delivered over a period of, say, two years and each of the different modules may be offered several times during this period so that all managers have an opportunity to take it. The program needs to be mandatory.
- The Civil Service Authority which is in charge of the design of promotion examinations needs to introduce key knowledge, skills and attitudes from such training modules into the examinations so that the promotion of people into management positions, or from one level of management to another, is more closely related to the knowledge, skills and attitudes they need as managers.
- All unit ROFs and all job descriptions for management jobs need to reflect the concept of accountability as well as best-practice behaviors related to accountability. Each job description need to include a profile of the mix of skills and level of competency needed for carrying it out effectively. As indicated earlier in this report, effective ROFs contain clear conceptual frameworks, including the rationale for the functions they cover and the work they are supposed to do. Some specific ROFs need to reflect specific best-practice behaviors. The conceptual frameworks for the ROFs of organizational units that deal with stakeholder relations, for example, need to reflect the thinking about transparency, be clear on the difference between reactive and proactive transparency and on the roles of these units in each.

- To enhance accountability, the organization structure of the Ministry needs to be much closer to the structure of work in the school system. It needs to be redesigned so as to reflect this structure of work, i.e. to reflect the education programs that produce school graduates at different levels and in different tracks. It will have to combine effectively program-based units with necessary function-based units that cut across the programs.
- With the switch to program budgeting, the Ministry also needs to ensure that its budget programs correspond to the organization of work and its organization structure.

## **VIII. Knowledge and Information Management**

67. The use of information and analysis in the Ministry and the education sector generally is too limited. Information is not treated as a key resource in strategic and operational management, supporting policy formulation, planning, prioritizing and monitoring. It is not used to help identify underperforming schools, counties and regions, to measure client satisfaction and encourage local stakeholders to get involved. To be used effectively in all of these areas, it needs to be managed well – and this is not happening yet. It is useful to distinguish between general information and analysis that is the product of research work, typically done at universities, research institutes and think-tanks, and more specific information and analysis that is the product of data collection and analysis done inside the Ministry and its agencies.

### **8.1. The Availability of General Information and Analysis on Education in Romania**

68. There is very little basic research on non-pedagogical aspects of education in Romania – whether by Romanian scholars or by scholars from other countries. There are no research institutes dedicated to education other than the Institute of Education Sciences which is subordinated to the MERYS. At the universities, the focus is on teacher training and education psychology and didactics. There are 50 public universities and 40 private ones in Romania. Ten (10) public universities have education departments and 28 have teacher training departments. There are several additional teacher training departments in private universities. The bulk of their work is to provide the necessary didactical modules to the curriculum of persons who have specialized in some non-education discipline and want to be permitted to teach/accepted by MERYS as teachers. Subjects in areas such as comparative and international education, history of education, anthropology and sociology of education, public policy in education, economics of education, statistics of education and education finance are not being taught.

69. In the past, universities were engaged only in teaching while academic institutes engaged in research. This tradition that was common in Eastern Europe is changing rapidly, but the universities are still in transition, focusing more on teaching than on research. There are few publications and little, if any, research in the non-pedagogical/psychological areas indicated above. According to the Pro-Rector of the University of Bucharest, no educators and researchers are being trained today for positions in these areas in higher education in Romanian universities. The Institute of Education Sciences used to do some basic research in the 1990s when it had close to 200 people, but its staff was cut by almost a half since then. Today it has 105 positions, of which only 79 are filled, and only 55 are professional. The research done at the Institute is applied. Some of it is done at the request of the Ministry and some is self-initiated, but is in response to the Ministry's strategic thrusts. The Institute has academic freedom and can publish its research, but has no budgets for publishing. Its studies appear on its website. Lack of funds is pushing it away from research into peripheral areas such as the development of materials,

training and counseling, where it can obtain external funding but where it also competes with other public and private agencies. The Institute has been involved, for example, in the introduction of guidance and counseling – or psycho-pedagogical services - in the schools. Currently, its professional researchers devote 20% of their time to non-research activities.

***Recommendations:***

- It is necessary to strengthen education faculties in Romanian Universities with the aim of training a generation of high-level university professors, researchers and practitioners in the areas of **economics of education, financing of education, sociology and politics of education, comparative and international education, testing and measurement and curriculum design and Development**
- The Ministry can establish, in collaboration with the universities a scholarships program for graduate studies in Romania and abroad to help grow this generation of professors, researchers and practitioners.
- The Ministry can also establish a research fund for education professors and PhD students to carry out in close collaboration with it some specific studies, as well as follow-up pilot projects, of importance to Romanian education, based on a policy research agenda set up by it. Topics such as the reasons for the low level of scholastic achievement in the schools and the reasons why performance is not improving despite greater investments in education can be on this agenda. Based on such studies, and based on experience in other European countries, the Ministry can conduct a series of pilot projects to test the effect of promising instructional methods and practices.

## **8.2. The Availability, Management and Use of Information within the Ministry**

70. The demand for information and analysis in the education sector, particularly in MERYS, is weak, not reflecting the potential number of users, uses and applications. The number of objects, with respect to which information can be collected, analyzed and reported, for example, is very large. It includes students, teachers, non-teaching staff, schools, classrooms, study subjects, textbooks, examinations and tests, budget and expenditures, etc., etc. The number of potential users too is large, including high-level decision-makers in Parliament and the Ministry, managers, operational planners and project planners, county inspectors, local authorities, school principals, parents, NGOs and the press. But the demand for information even from operational staff in the Ministry who could use much of the information in their daily work is limited to only few of the potential uses. One piece of evidence that reflects the weak demand is that the various databases on education in the Ministry have not been merged. This means that no one has been using them to do analytical work. For instance, the school ID in the database on test scores is different from the school ID in the National Education Database. There has been also no attempt to merge finance data from Treasury with education data. Clearly, the supply of information and

analysis is weak and limited not because the information is not there, but because it simply matches the level of demand from the system.

71. There is one exception with respect to the weak demand for information: it is the new and dynamic information processing market that has emerged in Romania and is growing rapidly. A variety of agencies – mainly newspapers, magazines and TV channels - are now competing in the market over the provision of information to the public on the performance of the government, including the education system. Thus, the importance of having information and analysis in the sector for the purpose of public discourse has risen critically.

72. The Ministry thinks of information, and treats it, at best as an operational, technical and administrative asset, not as a strategic instrument of policy, strategy and communication. This is despite the fact that the volume of information available, or potentially available, the multiplicity of current and potential users, uses, objects, and applications, as well as the emergence of the information processing market, make information a most strategic asset. This is evident not only from the interviews that were conducted with the IT group, as well as many of the senior and top managers. It is evident also from the fact that the Ministry does not currently have a viable overall framework to systematically look at the users and uses and does not have an organizational home for the management of information. There is actually nobody in charge of developing such a framework, or increasing the internal demand for information and analysis, matching and coordinating the supply and generally building the capacity of the Ministry to utilize information and analysis effectively.

73. The human and financial resources allocated by the Ministry to the function of information management are critically inadequate. As indicated earlier there is an IT group of six persons dealing with a number of basic data bases in the Directorate for Patrimony, Modernization and Investments. These include the National Data Base of Education (NDBE), as well as data on the school network, on the Baccalaureate examinations, on the titular examinations for teachers and on the admission of pupils to high schools. One of the persons is a lead person, but not a manager.

75. The NDBE is considered the principal source of information on the education system in the Ministry. It started functioning in 2005/6 but is still not performing satisfactorily. The data is reliable, since the same instrument for data collection is used by the National Institute of Statistics and the Ministry, and only one yearly data collection exercise is carried out jointly by them. The National Institute of Statistics has a Department for Education and Health Statistics with 7 staffers. It also has a directorate for statistics in each county. It collects the data annually from each school unit jointly with the Ministry's Inspectorate. Only one questionnaire goes to the schools annually. The questionnaire is collected by the inspectors and delivered to the County Directorate of Statistics where the data is then entered into the system and aggregated. From there the data is transmitted digitally to the National Institute of Statistics as well as the

Ministry. But the data available from the county offices is not always timely uploaded at the Ministry and the IT group dealing with the data base – which is an excellent instrument - has not received any resources for updates or maintenance since December 2007. It is being serviced and maintained free of charge, as a favor to the Ministry, by a private sector agency outside the Ministry. Thus, the data base is not used at its full capacity to conduct the large number of potential analyses and to produce operational and strategic reports.

76. While this is taking place in the IT group, various directorates in the Ministry, as well as agencies outside the Ministry, are developing their own data bases and the data bases are not compatible. The Institute of Education Sciences, which is a big consumer of education data, does not use the Ministry's NDBE. It is using general data on the education system only from the National Institute of Statistics and financial data on the system only from the Ministry of Finance. As one manager in the Ministry itself said, “the Ministry’s data is not trustworthy in the eyes of the users; data from the National Institute of Statistics cannot be challenged by Parliament”.

77. The Ministry, as well as each of its agencies has websites on which considerable information is available to the public. For example, on the Ministry’s site, for example, there are many documents and reports, regarding its structure, laws and regulations governing education, methodologies, programs and projects. The site includes also examinations’ results and other information useful to students, parents and teachers. ARACIP publishes, among others, information on the networks of public and private authorized and accredited school units and a registry of experts in evaluation and accreditation. The Institute of Education Sciences publishes its reports and the National Center for Assessment and Evaluation publishes documents subject to public debate, examinations syllabi, examinations and tests results and reports, other statistics and analyses, international test participation and results, etc.

***Recommendation:***

- The Ministry needs to set up a general directorate for information management and appoint a high-level general director to head it. The role of this general directorate needs to be first and foremost to bring about a paradigm change in the Ministry’s thinking of information, from an operational asset having to do with computers, networks and data bases to a strategic asset having to do with policy, strategy and performance – and later having to do with knowledge management.
- Moreover, a way must be found to give this function the attention it deserves, as well as the human and financial resources it requires. If the freeze on recruitment and the severe constraints on the budget continue, the Ministry needs to shift people and financial resources from other organizational units which are housing less strategic functions.
- The Ministry needs to conduct a comprehensive review of information, analysis and reporting needs in the pre-university education system and, based on it, upgrade and update its NDBE,

while also rationalizing the proliferating ‘private’ data banks. The Ministry must ensure that an adequate operational budget is provided for it.

## **IX. The Management of Textbooks**

78. There is no unitary management for the function of textbook provision and management. There is no agency, organizational unit, or person whose mission it is to make sure that the right books will be provided to the right schools, at the right time and the lowest cost. It is suspected that the cost of this provision is higher than what it could be.

79. The overall function is split as follows: the curriculum, on the basis of which the books are written and the guidelines to authors are issued by the curriculum center in the Institute of Education Sciences; the authors are contracted by publishers to write the textbooks; the assessment and selection of the textbooks is done at the National Centre for Assessment and Examinations. The price of the selected textbooks is negotiated by the Ministry with the publishers. The decisions what books to purchase are made by the schools and aggregated at the Inspectorate offices. The inspectorates order the books from the publishers and the publishers deliver the textbooks to the inspectorate offices. The Ministry is sending the money to the Inspectorates who then pay the publishers.

80. This fragmentation, where nobody regards it his/her responsibility to manage the entire function, may have resulted in an expensive textbook provision policy – a matter that requires further examination. The policy is that all textbooks that are evaluated and that receive an average score of 7 and up and fall within the lowest cost offer plus 30% can be on the approved list. In some subjects there are currently 20 alternative textbooks, some written by the same authors or published by the same publishing house. Presently, the catalogue of approved textbooks includes 1448 titles. The multiplicity of options for textbooks in any given subject and grade, and the freedom to select any textbook on the approved list, open the door to the selection of a large number of different titles in each subject/grade, leading automatically to a smaller number of books in each title that is purchased by the schools. The larger the number of titles, the smaller the number of books in each and the smaller are the production runs in the publishing houses. Smaller production runs usually mean higher costs. The issue of costs may be reviewed more broadly. Electronic books are becoming more and more common and some countries are beginning to experiment with switching some of the provision from paper textbooks to e-textbooks, starting with school libraries. Their hope is that this will reduce the cost of provision while not limiting the number of titles. Romania may be able to do so too in the future since all schools are now being connected to the internet.

### ***Recommendations:***

- The Ministry needs to conduct a study on the provision of textbooks and instructional material in the pre-university system. The study should focus (a) on the organizational aspects of this provision, the policies affecting it, the efficiencies and the costs and (b) the potential, timing and

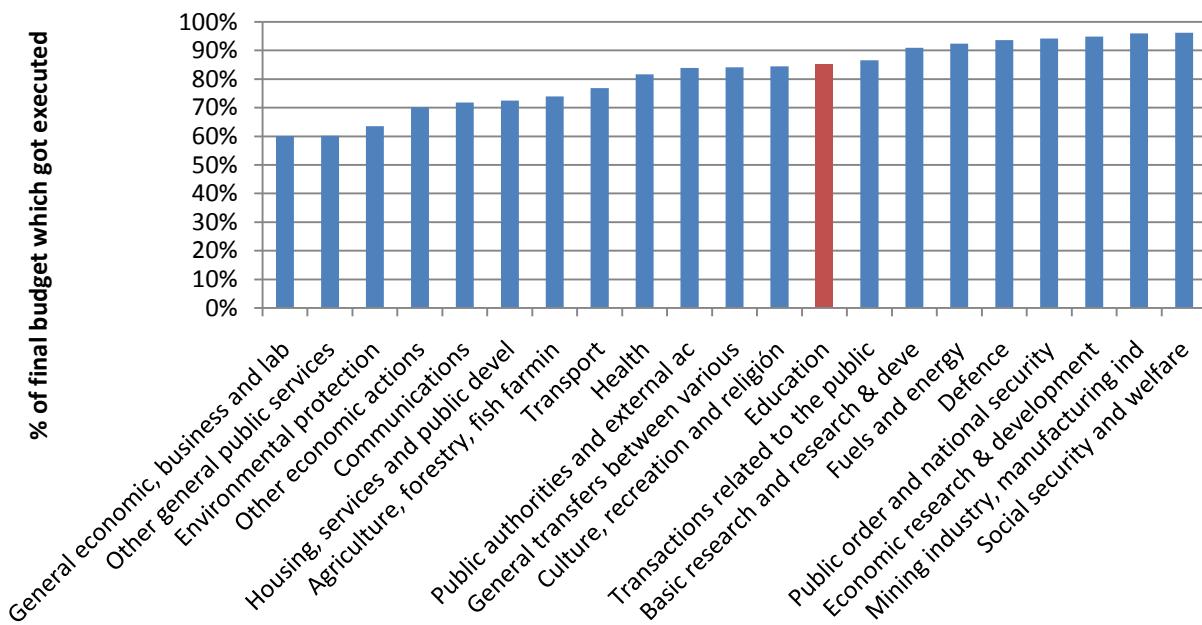
logistics of switching to electronic books and libraries. The Ministry needs to establish a unitary organizational home for the management of textbooks. Based on this study it will determine whether there is a need to create a full unit in the organization structure to manage the textbook provision function, or to create a full-time, high-level dedicated job for it. The key tasks of such a unit or a job will be to develop a conceptual framework, a vision and mission for the provision, to think further of e-libraries and e-learning, design pilots and experiments, propose policies and coordinate and manage.

## X. Budgeting and Financial Management

### 10.1 Credibility and Policy-Orientation of Budget Proposals

81. There are several signs that the credibility of the budget proposals could be improved in the education sector. An important part of a credible budget is its realism: are the budget requests realistic in terms of available financial resources, and in terms of the sector's ability to execute them? On both counts, there seems to be scope for improvements. First, the credibility of the budget is not being helped by the sector's aspirational budget demand of a fixed ratio of GDP – 6 percent – which is not only not affordable at the current juncture but it also makes it explicit that the education sector seeks resources, irrespective of the performance it delivers and irrespective of how many students it needs to service. Given the large inefficiencies (related to the oversized network), this aspirational budget amounts to a substantial increase in resources – without a commitment to address inefficiencies – and undermines the credibility of the sector's budget requests. Second, the credibility of the budget is also not being helped by the fact that the sector's allocated budgets were only being executed at an average rate of 85 percent during the period 2006-2009. While an 85 percent execution rate (for the education sector as a whole) is better than many other functional areas (see graph below), it still raises questions as to whether or not the sector can effectively spend the money which it is being allocated.

Figure 6: Average percentage of final budget which got executed (2006-2009)<sup>8</sup>



<sup>8</sup> The graph shows “expenditure” as a percentage of “final budgets”, by functional areas in the budget classification. Thus, “education” covers expenditures made on education, irrespective of which administrative unit (e.g. central vs. local government) carried out the expenditure.

Not surprisingly, the under-execution in education in recent years has mainly revolved around problems executing the (growing) capital expenditure budget. As capital spending ballooned during the period 2006-2008, budget execution dropped (see table 1 below).

**Table 1: Budget execution in education, by economic classification**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Personnel costs</b>	95.4%	88.2%	93.8%	90.2%
<b>Non-personnel recurrent costs</b>	92.5%	84.5%	78.7%	77.2%
<b>Capital costs</b>	80.9%	66.8%	72.7%	74.2%
<b>Total</b>	91.6%	81.5%	83.7%	83.4%

Source: World Bank calculations based on data obtained from MFP

82. There is also room for improvements in terms of making budget proposals more policy-oriented. Although there are signs that this is beginning to change, the budget proposals are still input-oriented, and based on historical costs. Discussions with both people involved in the budget discussions on both the MFP and the MERYS side suggest that there is virtually no back and forth discussion on spending versus results (e.g. on unit costs, on the success or failures of certain programs, etc). And there is also no discussion of the trade-offs involved in spending resources one way versus another. At the current juncture, an important budgetary trade-off which does not seem to be part of the budget discussions is whether to continue to accept relatively low class size (which come at a cost) versus trying to increase class sizes (which may require some temporary investments, e.g. to purchase school busses, to refurbish schools, or help re-train teachers) and use saved resources on other ways to increase the quality of learning.

83. A recent example of this situation is the development of the new per student cost standards to finance all schools. Although the standards are linking results to spending for the first time, and are highly likely to change profoundly the incentives in the system, they were not formulated in sufficient collaboration with educationists in the Ministry. The trade-offs involved in selecting some, and not other, standards were not considered, and the standards are little understood outside of the budget directorate.

84. Another example of the budget not being policy-oriented is the fact that the Ministry's budget deliberations – both the internal one and the one with the MFP – are not informed by performance and results. Performance-informed budgeting can take many forms, from strictly linking resources to performance to making sure that information on performance is part of the deliberations. So far, information on performance does not seem to play much (if any) role in the discussions. The Ministry has experimented for the past five years with program budgets, where

performance indicators are included; but the experiment has been largely tangential to the actual budget discussions which still seem to be incremental.

85. To make the budget more credible and policy-oriented, a change in mindset is needed. An important problem is that the *financing* of education is not seen as a policy instrument. In other words, leadership in the Ministry and the people who work on the budget, do not use the “power of the purse” that they have: the fact that money can influence behavior, that incentives can be incorporated into financing mechanisms, and that the Ministry can use its budget as a tool to get other actors in the system to do things they would not otherwise do. Currently, the budget preparation is seen as an accounting exercise with the aim to come out with amounts of money needed to pay for things that the education law says has to be done. An example of this can be seen in the treatment of the large budgetary increase for capital expenditures in 2006-2008. The allocation of these large increases would have been an opportune moment to push local actors to accelerate school optimization in exchange for capital expenditures. Instead, the money was handed out based on the needs in the non-optimized system. The large capital budget spend during those years could likely have had a much bigger impact had they been handed out, conditional on local governments showing progress in optimizing their school network.

86. One reason why the financing of education is not recognized for its potency is that there is an unhealthy and too wide separation of accountants and economists on the one side of the Ministry and education specialists on the other side. From the perspective of the education specialists, there is a perception within the Ministry that important education-related decisions are being entrusted into the hands of accountants and economists in the budget directorate who do not have the needed level of expertise in education and do not sufficiently involve the education specialists in the Ministry. And on the side of the economists and accounts, there is frustration that decisions are being made without taking into account (or even trying to estimate) their fiscal implication.

87. All other issues observed by the team are common to all sectors and all ministries and are dealt with in the review of Public Finance. The bulleted paragraphs below are aimed at confirming their existence in the pre-primary education sector, but the detailed descriptions as well as the recommendations on how to deal with these issues are found in that report.

- The process of cash release by the Budget Finance General Directorate (BFGD) to the ‘spending authorities’ through the monthly ‘credit opening’ is often delayed, negatively affecting the management of expenditure in the Ministry. The delays result from the large number of checks and verifications which take a long time to go through and sometimes from limited availability of overall funds at the Treasury. The Ministry has experienced cases where cash arrears were generated as a result of late release or insufficient consideration of payment schedules related to existing commitments.

- There is no effective system to advise the Ministry and its subordinated agencies that funds have been released. The agencies have to rely on frequent informal checks by telephone with the financial staff in the Ministry and they have to rely, in turn, on frequent checks with Treasury.
- The transmission of payment order to Treasury is manual. The Law on Public Finance (500/2002) requires spending authorities to bring paper payment orders (*ordonantare*) to the Treasury branch offices. The process is cumbersome and time consuming, involving significant paperwork and many signatures. The process could be automated and done on computer, but problems related to the granting of legal authorization for electronic signature are preventing the automation.
- Each main spending authority and all public institutions with a budget of more than € 100 000 must have an internal audit unit. The Ministry has such a unit, but the number of auditors in it is too low and many positions for internal auditors are not filled. The unit is engaged in excessive ad-hoc internal audit missions that impair its effectiveness. Management at the Ministry has a low interest in the unit. It is not clear how efficient and effective is the unit's monitoring and control of expenditure.

***Recommendations:***

- Develop a medium-term strategy for addressing inefficiencies in the sector through school closures, and downsizing staffing numbers to enhance the credibility of budget requests – and incorporate such strategy into future budget discussions.
- Seek agreement at the Ministerial level for the education sector to keep whatever savings are generated by addressing inefficiencies. That is, if staff numbers will be reduced by 20 percent, the education sector gets to keep those savings. Moreover, reach agreement on the fact that addressing inefficiencies costs additional resources in the short term, (e.g. to purchase additional busses, refurbish schools, and re-train teachers).
- Create a more policy-oriented budget, by redesigning the program budgets around four core programs, each with clear measurable outcomes and each with outcomes that can be expected to materialize within a reasonable time horizon. Some natural programs to organize around would be the level of education:
  - ✓ A pre-school program (with school readiness as the outcome)
  - ✓ A primary school program (with PIRLS and the national 4<sup>th</sup> grade test as the outcomes)
  - ✓ A lower secondary school program (with TIMSS/PISA and the national 8<sup>th</sup> grade test as the outcome)
  - ✓ An upper secondary school program (with a PISA type administered to 17 and 18 year olds, and the national school leaving exam as the outcome).

- Reach agreement with MPF that:
  - ✓ program holders would have more flexibility to spend resources allocated for such programs (i.e. accountability needs to shift from a control regime to one that focuses on learning outcomes).
  - ✓ budget allocation would be medium-term (e.g. a program holder for primary education would have a four year planning horizon and be held accountable for increasing learning outcomes over this horizon).
- Convert the capital budget into “programs” (or “projects”) with conditions tied to receiving them, as a first step toward using education resources more as a policy instrument.
- (Addressed to MFP’s budget directory): Train staff at MFP’s budget directory to better challenge the education budget. The budget proposal needs to be challenged by looking at what the main programs.

## **10.2. Consistency and credibility of Public Investment Program**

88. Until 2006, the education sector did not have much of an investment program. In 2004 and 2005, capital spending amounted to less than 4 percent of the education sector’s budget and discussions with staff in the Ministry suggest that this was the situation throughout much of the 1990s: resources were spent on wages, first, then goods and services and minor repairs, and whatever was left went to capital improvements. As a result, schools gradually deteriorated, and very few resources were available to expand capacity where needed (e.g. in popular urban schools where booming enrollments sometimes led to double or even triple shifts). In 2006, this started to change, as more resources started to become available: the capital budget tripled between 2005 to 2006. By 2006, the capital budget amounted to 15 percent of the education sector’s budget and it rose further to 17 percent in 2007 and 2008.

## **XI. Human Resource Management**

### ***Teaching Staff***

89. The number of staff in the pre-university education system is not aligned with its operational needs, or with its core strategy. It is a subject of much debate in the Ministry, the government and the public in general. The most contentious issue relates to the number of teachers.

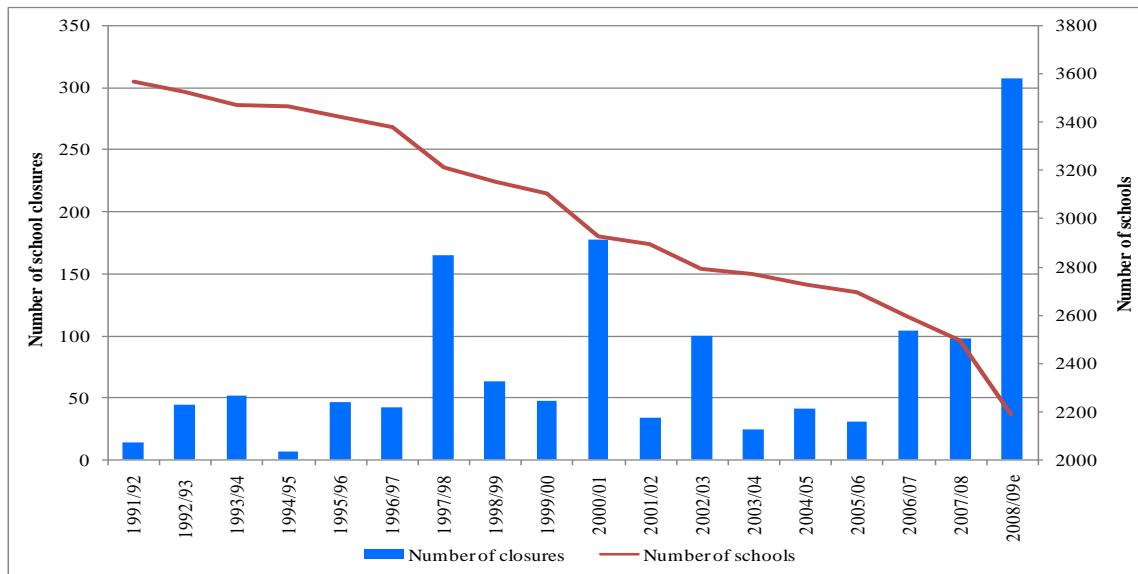
90. There is an excessive number of teachers in the school system. Downsizing of the system is critical to free up resources to improve the quality of education. There are almost one million fewer students in Romanian schools today than there were just two decades ago. And even though birthrates have started to improve, Romanian schools and classrooms will continue to be underutilized for the coming decade or two. In 1992/93, there were 16 students for every teacher employed. In 2008/09, the ratio had fallen below 14. While a difference of two students (per teacher) may not sound like a lot, it translates into a substantial additional cost per student – an additional cost which does not seem to have translated into better learning outcomes. Consider this: if Romania were to revert to the student teacher ratios of 1992/93, this could result in operating a school system with almost 20 percent fewer teachers (at a savings of approximately 0.3 percent of GDP, or seven percent of the education budget). These savings could be used to increase the salaries of the remaining teachers, provide for better and more learning materials, and refurbish buildings much in need of repairs.

91. Downsizing an education system is hard because it involves laying off staff and closing schools but experience from neighboring Bulgaria suggests that it can be done with the right policy instruments and political will. In terms of policy instrument, Bulgaria introduced per student finance (as Romania recently has) starting in January 1, 2007. This implied that the bulk of financing for education to Bulgaria's 264 municipalities now comes in the form of a large earmarked grant based on the number of students in the municipality. Municipalities can decide for themselves how many schools they want to maintain. Not surprisingly, many municipalities quickly decided they could do with one, two or three fewer schools and larger class sizes and started approaching the ministry of education with requests for school closures. In addition, Bulgaria started using its capital budget much more strategically: rather than just handed it out based on a bottom-up assessment of "needs", it decided to make it conditional on making progress on consolidation of schools. Municipalities that wanted to refurbish schools or purchase school buses had to close down or merge schools. Finally, the Minister of Education and the Minister of Finance made it clear when they came to power in 2005 that improving efficiency in the education system would be a priority.

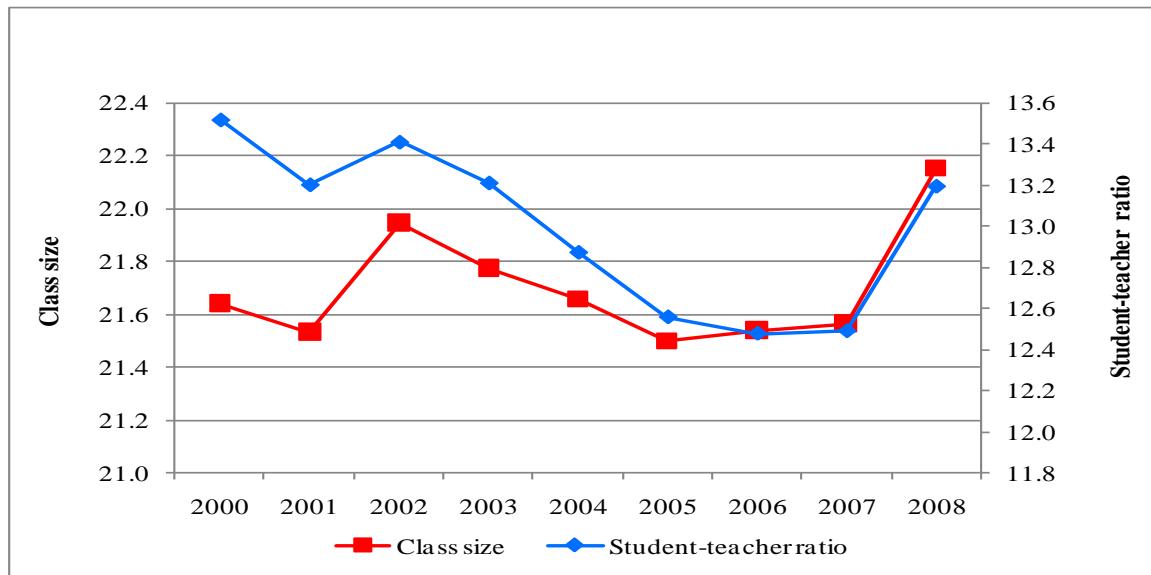
92. The results are shown in the figures below. After many years of unsuccessful attempts to close schools (interrupted by brief spikes in 1997 and 2000, Bulgaria has seen a sharp increase in

school closings since the new rules were put in place). Moreover, even in large schools, the average class size had been gradually decreasing. However, facing better incentives and greater freedom to take action, school principals in these schools turned around this trend: average class size in large schools rose for the first time (albeit only marginally) in 2008/09.

#### Estimate of the Number of Public School Closures in Bulgaria 1991/02-2008/09<sup>9</sup>



Source: World Bank calculations based on Bulgaria National Statistical Institute website and estimates for 2008/2009. Average Class Size and Student-teacher Ratio, 2000-2008 in Bulgaria



<sup>9</sup> Somewhat crudely, we estimate the number of “school closures” as the difference in the number of public general education schools between two years (i.e. the “net change” in the number of schools). Thus, in principle, there could be more school closures in a given year if new schools were opened during that year.

***Recommendations:***

- Continue with implementation of per student financing along the lines currently envisioned in the draft education law.
- Continue the school optimization efforts supporting it by allocating resources for busses and rehabilitating schools receiving students from closed units.
- Create a formula for the entire non-capital part of the financing for schools, and allow school principals the ability to spend the amount flexibly.
- Funnel the entire capital budget from the state to school via local governments (as opposed to transferring it straight to schools or regional inspectors as is currently the case) and make allocations conditional on making progress on school consolidation. That is, if local governments want state resources for buses or refurbished schools, they will get such funds in exchange for closing down or merging schools.
- Eliminate upper limit of class size norms and let principals be in charge of weighing the trade-offs between pedagogical and financial concerns.
- Put in place a list of “protected schools”: schools whose closures would impair access to education (because no other nearby school exists). In Bulgaria, such schools were defined as schools whose closure would result in children having to travel more than 25km on a flat road (and a shorter distance on a mountainous one).
- Use the 4<sup>th</sup> grade and 8<sup>th</sup> grade external assessments to put in place a rigorous program to monitor learning outcomes to ensure that larger class sizes do not result in poorer learning outcomes.

***Non-Teaching Staff***

93. The number of non-teaching staff in the system as a whole (including the Ministry, the inspectorate offices and the schools) has grown considerably in recent years and cannot be fully justified. Data available for the years 2005/6 to 2008/9 shows that while student enrolment in pre-university education during this period dropped by 2.0%, and while the number of schools dropped by 2.3%, the number of non-teaching staff grew by 33.8%. It is true that during these years many schools received computer laboratories and added laboratory personnel to their staff and that some big schools added accounting staff, but these two factors do not fully explain the increase of 17,939 people in the system. The Ministry does not currently have sufficient data to break this number down by job category and tell whether or not this growth is justified.

94. In the Ministry itself, the number of non-teaching staff seems to be too large. There are 489 positions and 360 staff in it [these numbers do not include staff in the 42 county inspectorates]. Thirty five (35) positions are management positions. The ratio of staff positions to

management positions is on the high side: 37/1. The reason may have to do with Civil Service rules. As indicated earlier in this report, Civil Service rules require 25+1 staff to establish a General Directorate, 15+1 staff to establish a Directorate and 5+1 staff to establish an Office. These rules compel ministries and other agencies to increase the number of staff when they want to establish a management position for a general director, director or head of office. This situation is exacerbated sometimes, when the decision to establish a management position emanates from a need to increase the level of remuneration of some persons, rather than from an organizational need.

95. But total numbers do not tell the whole story. Some directorates and offices in the Ministry, and all of the external agencies, are actually short of staff relative to their current work load. In the Ministry, all directorates that are managing projects are overloaded with work and do not have enough people to carry this work load. As indicated earlier, many of their staff are working very long days. In some external agencies the number of staff positions has been cut by almost a half in recent years, and in most the actual number of staff is much lower than the number of approved positions. Two additional factors complicate this situation: firstly, the cuts in personnel are not accompanied by cuts in ROFs. The agencies need to continue doing their work as prescribed by the ROFs. Thus, there is a big mismatch between people and work load and generally between money and mandate in each of them. Secondly, because of the shortage of money these agencies are tempted to branch out, or diversify, into areas of work which are not their core business, but where they can get more money. By doing this, they increase their work load while also changing the nature of their work.

It is also highly likely that the number of staff in some units in the Ministry - and particularly in the Ministry's external agencies - will not be sufficient to meet the requirement of future workloads. As discussed earlier in this report, the feasibility of the Ministry's core strategy has not been assessed yet. Nevertheless, based on an examination of major components in the strategy and a cursory analysis of the resources that will be needed to implement these components, the team has concluded that the strategy will add a very large load to the current, already full, work load in the areas of curriculum development, examinations and assessment. Re-distribution of staff in the Ministry may contribute to a better alignment there, but will not solve the problem sufficiently. In the two external agencies dealing with curriculum and examinations and assessment there is no scope for re-distribution of staff.

## **11.1. The Skills Mix and the Levels of Competence in the Sector**

### ***In the Teaching Force***

96. There is consensus in the education system that Romanian teachers in the pre-university system need much higher-level didactical skills than they have and that the lack of didactical skills is one of the reasons explaining the poor results of Romanian children in international

achievement tests, compared with children of other European countries. This consensus is also the reason for the introduction of a new requirement for teacher certification in the Ministry's core strategy – the requirement to complete a Masters degree in Didactics. Among others, Romanian teachers need to introduce the use of digital content into education, improve the teaching of languages and address socio-economic disadvantages as well as diversity; they need better skills to help make science more attractive and make entrepreneurship more appealing to children, and to reinforce creativity and innovation.

### ***In the Non-Teaching Force***

97. The situation is not as clear with respect to the mix of skills and levels of competency in the Ministry and its external agencies. The Ministry and its agencies do not have strategies for training and development. No skills-needs analyses have been conducted in them in recent years. All managers are university trained; most have a master degree and some have a Ph.D. But most, if not all, come from a background of teaching and few, if any, have education, training or experience in administration, general management, project implementation, customer relations, etc. This ingredient – the knowledge, skills and experience - is missing in the mix. Competency can be acquired through experience on the job and some of these managers may have acquired a reasonable level of competency in management; but the responses of managers to the Management Practices Questionnaire indicate significant shortcomings in this skill area. Among the rest of the staff, most people are university educated and at least one third has a master degree. The most serious skills gaps are in two areas: general management and project management and implementation. The second has been discussed earlier in this report. There are simply not enough project managers, procurement specialists and accountants in the mix and those that are there do not possess the required levels of competency. The first is discussed below.

98. The roles of the managers in the Ministry, as well as the entire management culture, are in need of re-definition. There has been a general move in management cultures all over Eastern Europe from the authoritarian models of the past to the more modern HR model of the present. This model which emphasizes decentralization, participation, teamwork, flexibility and performance management, is regarded in most countries today as 'best practice'. In the Ministry, more than 2/3 of the managers and the staff are 40 years old or older. This means that they were educated before the fall of Communism in a very rigid, non-free-thinking school environment. They have been in the Ministry a long time in a highly centralized, hierarchical and legalistic culture, in which bureaucratic formalism and conformity prevailed. Roles, functions and jobs were enshrined in legal documents and the people performing them were not able, or did not wish, to take any action that would seem to go beyond their narrowly-interpreted responsibilities. Today, new knowledge, high-level thinking, conceptualization and analysis are required. Attitudes relating to responsibility, initiative and risk-taking need to change too. This

requires fresh blood, but will have to be accomplished also with current personnel through intensive staff development, as well as important changes in the rules, procedures and practices surrounding managers.

99. Based on the Management Culture and Practices Questionnaire and information collected in the interviews, managers in the Ministry are talking about staff development, but they do not link staff development to performance appraisal and actually do not get opportunities to go on, or send their staff for, training.

100. The situation in the external agencies is somewhat similar, though not as pronounced. In these agencies there is a general shortage of people in all professional areas and specific skills' gaps in some, such as statisticians, curriculum specialists and test-writing experts. In the Institute of Education Sciences, only 26 of 56 professionals are PhDs; some are in the process of getting the degree. Being a research institute, where the required levels of competency are usually acquired at the Ph.D. level, this suggests that there is room for improvement.

101. Based on the Management Practices Questionnaire, as well as the interviews, it may be deduced that management cultures in these agencies are changing faster than in the Ministry. One can observe a higher level of energy and creativity in them. Yet even in these agencies there is still a need for people with higher-level analytical skills in whatever they do. As one of the directors summarized, "for me, the lack of skills relates to the ability to conceptualize..., I need people who can be more analytic and can develop policies - people who can respond to European initiatives, prepare proposals, join European/international working meetings and represent us well... Right now there are only two of us who can do this job. I need more."

## **11.2. The Deployment of Staff in the System/Sector**

102. There are in the Ministry norms for the deployment of teachers, as well as the deployment of some categories of non-teaching staff, such as inspectors. But, the norms have not kept pace with the declining work load which has resulted from demographic trends and a declining school population. It is suspected therefore that the distribution of teachers and other staff among regions, counties and schools in the system is not well-linked any longer to work load and operational requirements and may not be equitable as well. While this has to be further investigated, (and the team will attend to it during the next round of this review) one illustrative example with respect to non-teaching staff is provided below.

103. The largest category of non-teaching staff outside the schools is the category of school inspectors and their support staff. There are more than 1,600 inspectors in the country, spread among 41 county inspectorate offices and the Bucharest inspectorate. A review of the number of inspectors' positions in each of the 42 offices in the 2007/8 school year in relation to the number of teachers in the pre-university institutions there during that year – which represents the work

load - reveals that there is no correlation between the two. The ratio of teachers to inspectorate staff varies from 50.8 to 127.2. Counties with more or less the same number of teachers have very different numbers of staff in their inspectorate offices and counties with the same number of staff in their inspectorates have very different numbers of teachers. For example, the counties of Alba (with 2,650 teachers), Gorj (2678 teachers) and Satu Mare (2628 teachers) had 39, 35.5 and 32.5 staff respectively in their inspectorates. The counties of Arges (4,421 teachers), Suceava (4,495 teachers) and Cluj (4,316 teachers) had 40, 45 and 53 staff respectively in theirs.

104. These numbers indicate that the deployment of inspectorate staff by the Ministry may not be based on operational requirements and equitable. The existence of minorities, which may increase the work load, does not explain the differences. In the first set of examples, comparing Satu Mare with Alba and Gorj, Satu Mare is the only county with a large minority population, yet it has the lowest number of inspectorate staff. To take another example, two counties, both with minorities and both roughly with the same number of teachers, still reflect significant differences in inspectorate staff: Bihor with 4573 teachers had 42 staff in its inspectorate while Cluj with 4316 had 52.5. The Ministry is suggesting that not all 1,500 staff in the county inspectorates are inspectors or support staff for the inspectors, but has not provided yet more detailed information to confirm this and help assess the situation more precisely. This situation will be further examined during the second round of the review.

105. It may be noted here that the Ministry is regularly monitoring several HR indicators and the numbers are reported in its annual reports, together with some European benchmarks. However, with the exception of one general indicator, all other HR indicators relate to teachers. The Ministry does not yet monitor and report indicators related to non-teaching staff and to many other aspects relating to both teaching and non-teaching staff, such as recruitment, promotion and transfer, age and education background, deployment, and training. The indicators monitored include the following:

- Total number of staff employed in the education sector as a percentage of active persons in the population
- Total Number of teaching staff
- Share of qualified teaching staff
- Share of full time teaching staff
- Proportion of female teaching staff
- Number of students per teacher

***Recommendations:***

- The Ministry needs to embark on a program that will bring the number of staff in it and in the sector generally, into better alignment with operational work- loads. The starting point is to analyze the work load in operations today - in each functional area - in a methodical and

systematic way. The additional work load that will have to be undertaken in implementing the Ministry's core strategy must be assessed too. Wherever possible, the Ministry needs to develop some guiding norms for the number of staff needed to carry out a unit of work. It then needs to determine the number of staff needed by multiplying the number of unit in the work load with the normative number of staff needed to carry out one unit.

- Knowledge of the number of staff needed will not yet align the number with regular operational requirements and with the added requirements of the core strategy. The next step will have to be to compare the required number of staff with available staff and determine the staffing gap as well as staffing excesses. The next steps will have to be re-deployment of staff from areas of excess to areas of shortage, contracting out work and, if necessary, prolonging the target times by when different components of the core strategy have to be implemented and scaling down some of them.
- The Ministry and each of the subordinated agencies need to conduct a thorough skills' needs analysis, comparing available skills with required skills in each job category and determining the skills' gaps. These analyses need to be followed by training programs aimed at closing the gaps. From an organization culture point of view, there is a need to switch from the thinking that only the organization is responsible for staff development, while the individual staff have no responsibility for their own development. Much development can take place on the job at the initiative of individuals, doing independent reading and study. The use of electronic media for self-development needs to be encouraged and supported.

## **CONCLUSION**

106. The review of the pre-university education sector has yielded a list of 15 important problem areas and 39 recommendations for action that need to be packaged for action. Here are the 15 problems:

- 1.** *While the structure of the pre-university education sector is sound, its effectiveness can improve with stronger sector leadership and intra-agency collaboration and coordination.*
- 2.** *The organization structure of the Ministry needs to better conform to good practices in organization structuring and better accommodate the need to exercise accountability; the current organization structure of the Ministry will not fit the changing role of the Ministry once decentralization is fully implemented.*
- 3.** *The ministry needs to better focus its work on its leadership role in the sector. Its senior and top managers need to spend much less time on operational issues and much more time on strategic issues.*
- 4.** *Decentralization needs to move fast, in line with the capacity of schools, inspectorate offices and local authorities to assume devolved responsibilities, and needs to be consolidated*
- 5.** *The capacity of the Ministry to absorb project funds is severely constrained*
- 6.** *Management culture and practices in the Ministry need to be more aligned with good practice*
- 7.** *Key conditions for the exercise of accountability need to be introduced into the education system, the Ministry and its Agencies*
- 8.** *The Ministry's core strategy is too ambitious relative to its capacity*
- 9.** *There is very little applied research on basic non-pedagogical issues in Romania*
- 10.** *The function of textbook provision is fragmented, lacking overall vision, strategy and oversight*
- 11.** *The demand for information and analysis is weak; the management of information as a resource is undervalued, under-staffed and under-financed*
- 12.** *Political instability and politicization slow down the pace of reform and constrain the capacity to operate efficiently*
- 13.** *The number of schools and teachers is excessive and there is a need for rationalization*
- 14.** *The management of relationships with stakeholders is fragmented and inadequate; the potential services and support they can provide is not fully and well utilized*
- 15.** *Skills, competencies and deployment within the teaching and non-teaching forces require improvement*

107. The 39 recommendations for action were elaborated on in the body of the report and are listed in Annex 1. The team added to each recommended action indicators of output and of outcome, as seen in this annex, and also divided the problem areas and recommendations into six components based on classical business lines, as follows:

- Organization
- Strategic Management & Leadership
- General Management
- Management of Financial Resources
- Management of Human Resources; and
- Management & Use of Information.

108. The team then sought to address two further questions (a) the order in which the activities should be carried out and (b) the responsibility for action. In order to address the first question the team attempted to prioritize the activities. It considered six (6) criteria for prioritization:

- The extent to which the Ministry can do something about the problem independently of central authorities in the Government
- The potential impact, or benefit, of addressing the problem
- The potential cost of addressing the problem
- The ‘bang for the buck’, or the benefit/cost ratio
- The length of time to make an impact
- What will be the cost of not addressing the problem

109. Having gone through several iterations of rating, using different combinations of these criteria, the team concluded that any attempt to precisely rank order all of the 15 problem areas will be highly subjective. The team removed politicization off the list, since the Ministry cannot do much about it. The Government would have to address this problem centrally. The team also placed the organization structure of the Ministry on top of the list, since it came on top in almost all iterations, but did not try to force an order of priority on the remaining 13 problems. Instead, it classified them into three groups consisting of Priority 1, Priority 2 and Priority 3 issues, adding the issue of organization structure to the Priority 1 group, as follows:

<b>Priority 1</b>	<b>Priority 2</b>	<b>Priority 3</b>
1. Organization structure of the Ministry	5. The Ministry's core strategy	11. Functional proximity among agencies
2. Politicization	6. The Ministry's work focus	12. Accountability
3. Capacity to absorb project funds	7. The Ministry's approach to reform	13. The management of relationships with stakeholders
4. Excessive number of	8. Management culture and	

<i>teachers</i>	<i>practices</i> 9. Skills Mix & Competencies 10. The function of managing information resources	14. Management of Instructional Assets - textbooks 15. Scientific research on Education
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110. A matrix showing the problems areas by business lines and priority groups is presented in Annex 2. In attempting to determine the order of implementing all the activities, the team quickly found out that it would not be possible to base the order on the priority groupings, i.e., Group 1 first, Group 2 second, etc., because many of the activities in the grouped problem areas are interdependent. In many cases activities in one problem area which is found in one group can start only once activities in another area found in another group are completed. In other words, if the prioritization is for the purpose of action planning, rather than analytic purposes, then the only practical criterion for it is sequencing, and the highest priority goes to those activities with which the action plan must start so that, once completed, others can proceed. For example, the activities aimed at addressing work focus in the Ministry (found under Strategic Management and Leadership and Priority 2) cannot start before some activities related to absorptive capacity (found under Management of Financial Resources and Priority 1) are completed.

111. Equally, activities aimed at addressing the Ministry's absorptive capacity cannot start before some activities of restructuring (found under the Organization business line and Group 1) are completed.

112. A few key sequencing considerations on which the plan needs to be based are presented below and will have to be dealt with when an operational plan, which is much more detailed than this outline plan, is developed:

- It is possible and necessary to start some activities (in different problem areas) in parallel, while others have to be carried out sequentially. The activities related to organization structuring, scientific research on education and the setting up of the three inter-agency coordination mechanisms can start in parallel, but within each of these areas it is necessary to follow a given sequence.
- The very first activity must be a relaxation in the central government's rules regarding the ratio of staff to managers. The restructuring cannot be planned before this is done. The Minister will have to take responsibility for initiating action in this regard.
- The dealing with absorptive capacity can start only once restructuring is completed, because a decision must be made to move all structural funds projects from the various units into an enlarged implementation unit with wider responsibilities. In parallel with the restructuring

exercise, it is necessary to convince central government and the European Commission to change the requirement that all project implementation functionaries must be regular Ministry staff and to allow contracting.

- Activities in three additional areas can start only once the organization structure is changed since they depend on the establishment of new organizational units. These include activities in the area of managing stakeholder relations, managing information resources and providing textbooks.
- A large number of activities require funding and their starting points are the preparation of TA project proposals and their submission to the Structural Fund. While some work on these proposals can start right away, in parallel with other activities, the work cannot be completed before the new implementation unit is set up, i.e., before reorganization is completed.

113. The team experienced a similar situation in trying to allocate responsibilities in the action plan. Initially, it tried to assign responsibility based on the business lines. However, it was not possible to do so, because not all the specific problem areas within each business line can be dealt with by one given organizational unit in the Ministry. The team is proposing therefore to allocate responsibility not by business line, but by problem area. The proposed allocation of responsibilities is shown in the table below (and is subject to discussions with the Ministry representatives):

Business Line	Problem Area	Unit/Person Responsible
<b>Organization</b>	<b>Organization structure of the Ministry</b>	<b>Public Policy Unit (PPU)</b>
	<b>Vertical organization of the sector - Decentralization</b>	<b>School Inspection Directorate in Education and LLL GD</b>
	<b>Sector Structure: Functional Proximity among agencies</b>	<b>Minister</b>
<b>Strategic Management &amp; Leadership</b>	<b>Ministry's core strategy</b>	<b>PPU</b>
	<b>Ministry's work focus</b>	<b>PPU</b>
	<b>Ministry's approach to reform</b>	<b>Minister</b>
<b>General Management</b>	<b>Management culture and practices</b>	<b>Human Resources Directorate (HRD) or Public Policy Unit</b>
	<b>Accountability</b>	<b>Addressed by PPU in organization structure and by HRD in ROFs and job descriptions</b>
	<b>Relationships with stakeholders</b>	<b>Addressed initially by PPU in context of organization structure; then by new unit in charge</b>
	<b>Policy and cost concerns re provision of textbooks</b>	<b>Addressed initially by PPU in context of organization structure; then by new unit in charge</b>
<b>Management of</b>	<b>Capacity to absorb project funds</b>	<b>Addressed initially by PPU in context of</b>

Business Line	Problem Area	Unit/Person Responsible
<b>Financial Resources</b>		<b>organization structure; then by Unit of Projects Financed from Structural Funds</b>
<b>Management of Human Resources</b>	Staffing: excessive number of schools and teachers	School Inspection Directorate in Education and LLL GD
	Skills mix and competencies	HR Directorate
<b>Management and Use of Information</b>	Function of managing information resources	Addressed initially by PPU in context of organization structure; then by new unit in charge
	Scientific research on education	General Directorate for Higher Education

## ANNEX 1

### List of Recommendations by Business Lines, Problem Areas and Monitoring Indicators

Problem Area	Recommendations	Indicators	
		Output	Outcome
<b>Organization</b>			
1.1 The Ministry's organization structure is inefficient and dysfunctional	<p>1.1.1 Government should relax the rigid management to staff formula and remove rules of civil/public service restructuring of ministries/agencies, and number of staff required for the establishment of organizational units; replace them with rules allowing for reasonable oversight without limiting freedom to organize effectively.</p> <p>1.1.2 The Ministry should develop a new organization structure that will eliminate functional misalignments, gaps and overlaps, will be more in line with program budgeting and will take into account the Ministry's changing role in the sector once decentralization is fully implemented. Several alternatives for structure should be examined in a participative way with managers and staff. At least one alternative should be produced to</p>	<p>Rules of civil and public service regarding the structuring of organizational units in Ministries are revised,</p> <p>(b) a new organization structure is in place and operational, (c) Improved unit ROFs are available and (d) new job descriptions are available</p>	<p>(a) All organizational units are focusing 100% of their time on their roles as described in the ROFs and all staff are focusing 100% of their time on their job as described in their job descriptions, (b) no functional gaps and no functional overlaps are reported and (c) job clarity and purpose greatly enhanced.</p>

Problem Area	Recommendations	Indicators	
		Output	Outcome
	<p>address a situation where the Government does not change the civil/public service rules referred to above</p> <p>1.1.3 The Ministry should re-conceptualize and rewrite all unit ROFs and re-analyze and re-write all job descriptions.</p>		
1.2 The structure of the sector at the national level is healthy, but there is potential for overlap among subordinated agencies, need for better coordination of activities and integration of their outputs	<p>1.2.1 Put in place three mechanisms to ensure close coordination among all subordinated agencies and effective ‘post-production’ integration of their outputs, as follows:</p> <p>(a) a <b>High-Level Inter-Agency Committee</b> among the Minister and the heads of all subordinated agencies, including the head of the Curriculum Center to review plans, progress on their implementation and outputs. Meet quarterly.</p> <p>(b) A <b>Joint Inter-Agency Management Committee</b> among the heads of the four agencies to meet bi-monthly on the same issues. To be chaired on a rotating chairmanship.</p> <p>(c) An <b>inter-agency task team</b> to help the Joint Management Committee</p>	<p>(a) The two committees are in place and operational</p> <p>(b) The two reports are approved and being implemented</p> <p>(c) Agencies report that coordination is effective.</p>	<p>(a) No work overlaps emerge among the agencies</p> <p>(b) their outputs are complementary and build on each other</p>

Problem Area	Recommendations	Indicators	
		Output	Outcome
	<p>in its work.</p> <p>1.2.2 The <b>inter-agency task team</b> should review (a) all work in progress and (b) all planned work at the external agencies and identify work areas that need to be synchronized and outputs that need to be integrated. It will submit a report to the Joint Inter-Agency Management Committee which will, in turn, develop a coordination plan and an integration plan for the coming year. Both plans will be submitted to the High-Level Inter-Agency Committee for discussion and approval. Repeat this process annually.</p>		
1.3 Decentralization is not proceeding fast enough and the incremental steps are not being consolidated; The Ministry is not organized well to carry out its decentralization strategy	<p>Recommendations on addressing this problem will be made Output 2 is carried out. One recommendation can be made at this time:</p> <p>1.3.1 Make the inspectorate the Ministry's key tool for the implementation of its decentralization strategy and appoint the person heading it as the top operational manager for</p>	<ul style="list-style-type: none"> <li>(a) Decentralization manager/champion is appointed</li> <li>(b) Financial resources dedicated to implementation are in budget</li> <li>(c) Other incentives in place</li> </ul>	<ul style="list-style-type: none"> <li>(a) The inspectorate becomes an effective tool for the implementation of decentralization</li> </ul>

Problem Area	Recommendations	Indicators	
		Output	Outcome
	the transition to a decentralized system. Provide incentives to mobilize the inspectors, including the allocation of significant financial resources for their training to carry out the roles of change agents in, and resource persons for, the schools.		
<b>Strategic Management and Leadership</b>			
2.1 Political instability and politicization slow down the pace of reform and constrain the capacity to operate efficiently	This problem is common to all sectors.		
2.2 The Ministry's core strategy is too ambitious relative to its capacity. There is generally limited capacity in the Ministry and its subordinated agencies to design, develop and assess strategies	<p>2.2.1 The Ministry and each subordinated agency must complete the work involved in the design of the core strategy. Design and implement a TA exercise to do the following:</p> <ul style="list-style-type: none"> <li>- Prioritize the strategic thrusts and the strategies</li> <li>- Determine the resources and time needed for, and the potential cost of, each strategy</li> <li>- Assess the specific</li> </ul>	<ul style="list-style-type: none"> <li>(a) A new version of the strategy with prioritized thrusts and based on cost and feasibility analysis is available.</li> <li>(b) Operational plans for the implementation of each major thrust and activity are available.</li> </ul>	<ul style="list-style-type: none"> <li>(a) Real progress is not held up by too thinly spread resources and capacity</li> <li>(b) The credibility of the Ministry is strengthened by its ability to meet targets</li> <li>(c) The capacity of the Ministry to strategize improves leading to better future strategies</li> </ul>

Problem Area	Recommendations	Indicators	
		Output	Outcome
	<p>implementation capacity of each relevant agency involved, with respect to each strategy</p> <ul style="list-style-type: none"> <li>- Decide on a combination of measures which will include (a) capacity development,(b) extending planned implementation time and (c) scaling back on some action</li> <li>- Develop full <b>operational</b> plans for the implementation of each of the activities that remain in the strategy.</li> </ul> <p>The design of this technical assistance should strongly aim at transfer of knowledge and the development of internal capacity to strategize.</p>		
2.3 The ministry is not focused in its work on its leadership role in the sector. Its senior and top managers spend too much time on operational issues and too little time on strategic issue.	2.3.1 Review the current level of delegation of authority in the Ministry with the aim of extending delegation to lower levels. Conduct a technical study to determine and classify types of requests for decision. Identify types of decisions that could be delegated, as well as the conditions required to	<ul style="list-style-type: none"> <li>(a) At least three types of decision are delegated and are being made by lower level managers</li> <li>(b) Action research is carried out and report is available</li> </ul>	<ul style="list-style-type: none"> <li>(a) Top-level managers report having more time for policy and strategy work</li> <li>(b) staff report speedier decision-making</li> </ul>

Problem Area	Recommendations	Indicators	
		Output	Outcome
	<p>ensure that the delegation will be successful.</p> <p>2.3.2 Select three types of decisions that can be delegated and delegate them, while addressing the conditions that may have to be met to ensure the success of this delegation.</p> <p>2.3.3 Conduct action research to follow up on the delegation and write a report after one year of implementation. Based on this report take corrective action and, if positive, select the next number of decisions to be delegated.</p> <p>2.3.4 Continue the process for three years and write a final report.</p>		
2.4 The Ministry's approach to reform, which is to bundle together all of its elements and wait with implementation until a comprehensive new education law is passed is slowing down the implementation of reform	<p>2.4.1 Do not wait for the passage of a comprehensive new education law. While continuing attempts to convince Parliament to pass such a law, proceed with the implementation of those elements in the core strategy that can be implemented on the basis of existing laws.</p> <p>Since the law is currently being debated in Parliament, determine a cut-off date which if reached while the law is</p>	<p>(a) Some elements of reform are implemented. These will be detailed upon completion of Output 2.</p>	<p>(a) Greater sense of urgency in the dialogue to reach consensus.</p> <p>(b) Faster implementation. Additional indicators of outcomes will be provided once these elements are decided</p>

<b>Problem Area</b>	<b>Recommendations</b>	<b>Indicators</b>	
		<b>Output</b>	<b>Outcome</b>
	still not passed, then implementation on the basis of existing laws will start.		
<b>General Management</b>			
3.1 Management culture and practices in the Ministry, and to a lesser extent in its subordinated agencies, inhibit work progress. Managers need to acquire new knowledge, skills and attitudes and follow better practices	<p>3.1.1 The HR Directorate of the Ministry should design a project and obtain funding from the Structural Fund to:</p> <ul style="list-style-type: none"> <li>(a) Conduct a Management Practices Survey and a Knowledge and Skills Needs Analysis for managers to identify needs common to all managers and needs that are related to specific functions.</li> <li>(b) Design, develop and deliver a three-year management training program, combining on-the-job, off-the-job and self-administered training.</li> <li>(c) Re-design content of the promotion examinations. Make success in them a condition for promotion into management or within management.</li> <li>(d) Repeat the Management Practices Questionnaire three years in a row.</li> </ul>	<ul style="list-style-type: none"> <li>(a) A Management Practices Survey Report and a Knowledge and Skills Needs Analysis Report are available</li> <li>(b) Funds are mobilized from the Structural Fund</li> <li>(c) A training program based on this report is designed and being delivered.</li> </ul>	<ul style="list-style-type: none"> <li>(a) Improved practices and more effective management as reflected in an improved score on the Management Practices Questionnaire</li> </ul>

<b>Problem Area</b>	<b>Recommendations</b>	<b>Indicators</b>	
		<b>Output</b>	<b>Outcome</b>
3.2 Better conditions for the exercise of accountability are needed to help hold agencies, managers and staff accountable for their performance	<p>3.2.1 In redesigning the structure of the Ministry [Recommendation 1.1.2] introduce into it units or positions that will be dedicated to, and in charge of, each of the following: Early Childhood Education, Primary Education, Secondary Education and Technical Pre-University Education.</p> <p>3.2.2 With the switch to program budgeting, make it a rule that each ‘program’ introduced into the Ministry’s budget must correspond clearly and exclusively to a specific unit in [what will be] the matrix organization structure, so that there is an exclusive ‘budget owner’ for the program. Enforce the rule.</p> <p>3.2.3 When re-conceptualizing and re-writing the unit ROFs and when redesigning the job descriptions for management jobs [Recommendation 1.1.3 ], make sure that the ROFs and the Job Descriptions reflect the concept of accountability as well as good-practice behaviors related to accountability.</p>	<p>(a) New organization structure is in line with the recommendation</p> <p>(b) Programs in the Ministry’s budget correspond to organizational units</p> <p>(c) The revised/new ROFs + job descriptions adequately refer to accountability.</p>	<p>(a) Accountable managers are easier to identify. Accountability enhanced.</p>

Problem Area	Recommendations	Indicators	
		Output	Outcome
3.3 The management of relationships with stakeholders is fragmented and inadequate; the potential services and support they can provide is not fully and well utilized	<p>3.3.1 Do away with the current structural fragmentation, placing the relationships in one General Directorate with three Directorates, each specializing in one coherent group of stakeholders.</p> <p>3.3.2 Train the General Director and three Directors in the management of public, stakeholder relationships, using a short course at a recognized institution, and/or a web-based course (in both cases including certification), and/or independent reading of prescribed material.</p> <p>3.3.3 Following training, conduct a round of introductory meetings with each stakeholder entity, using if necessary a professional facilitator, to lay the foundation for an on-going relationship. Together with these stakeholders develop a joint vision and annual plans</p>	(a) a General Directorate for Public and Stakeholder Relations, under which the relations with all stakeholders are grouped, exists in the Ministry's structure and is operational, (b) vision documents and annual plans exist	<p>(a) The relationships are more effective</p> <p>(b) transparency increases</p> <p>(c) Higher and more effective utilization of services and support provided by stakeholder groups.</p>
3.4 The function of textbook provision is fragmented. No overall vision, strategy and	3.4.1 Conduct a two-part study on the provision of textbooks and instructional material in the pre-university system	<p>(a) The study, vision and strategy are completed and, most likely,</p> <p>(b) A directorate for</p>	<p>(a) The provision of textbooks will be more efficient and less costly</p> <p>(b) The Ministry</p>

Problem Area	Recommendations	Indicators	
		Output	Outcome
oversight. There may be opportunities to significantly lower the current cost of this provision	<p>and develop a 10-year strategy for it focusing on (a) long-term goals and objectives of this provision, (b) policies affecting it, (c) the potential, the need for, and the feasibility of, moving to electronic books and libraries and organizational aspects of it.</p> <p>3.4.2 Consider establishing a unified organizational home for the function in the structure. If positive, establish the unit while dealing with the restructuring of the Ministry.</p>	the provision of textbooks and instructional materials is established.	will be ready for the coming digital evolution in the provision of textbooks
<b>Management of Financial Resources</b>			
4.1 The capacity of the Ministry to absorb project funds is severely constrained	<p>4.1.1 Take project implementation out of all non-project directorates and move it to the unit that currently helps all directorates in the Ministry manage their projects. Change this unit's role from provision of advice to the actual implementation of the projects.</p> <p>4.1.2 Convince the promulgators of the rules which prohibit the hiring of non-regular staff as</p>	<p>(a) a fully-fledged, permanent Project Implementation Unit is in place and operational            (b) all projects in implementation are found in this unit, and            (c) the unit is properly staffed both in terms of numbers and skills</p>	<p>(a) non-performing projects are brought on course; delays minimized; newly contracted projects are implemented on time            (c) additional funds for new projects obtained with improved capacity</p>

Problem Area	Recommendations	Indicators	
		Output	Outcome
	project managers and other project-related functionaries to change the rules; hire as many contract staff as necessary to manage and implement the projects, based on a sound work-load analysis		
<b>Management of Human Resources</b>			
5.1 The number of schools and teachers in the system is excessive	<p>5.1.1 Continue implementation per student financing along the lines envisioned in the draft education law; continue the school optimization efforts by allocating resources for busses, rehabilitation and endowment of schools receiving students from closed units</p> <p>5.1.2 Create a formula for the non-capital financing of schools, giving principals spending flexibility</p> <p>5.1.3 Funnel the entire capital budget from the state to school via local governments and make allocations conditional on progress in school consolidation.</p> <p>5.1.4 Eliminate upper limit of class size norms, letting principals weigh the trade-offs between pedagogical and financial</p>	<ul style="list-style-type: none"> <li>(a) All schools receive a lump sum payment that covers all recurrent costs</li> <li>(b) Too small schools close</li> <li>(d) Learning outcomes in large classes are monitored and used to put on ceiling on size</li> </ul>	<ul style="list-style-type: none"> <li>(a) Schools enjoy greater autonomy, especially re budgets (e.g. ability to reallocate across budget lines), and re ability to determine class size</li> <li>(b) Improved efficiency of spending, reflected in larger average class sizes, larger average school size</li> <li>(c) school closures do not impair access to education</li> <li>(d) Improved learning outcomes</li> </ul>

Problem Area	Recommendations	Indicators	
		Output	Outcome
	<p>concerns.</p> <p>5.1.5 Put in place a list of “protected schools”: schools whose closures would impair access to education (because no other nearby school exists).</p> <p>5.1.6 Use the 4<sup>th</sup> and 8<sup>th</sup> grade external assessments to rigorously monitor learning outcomes to verify that larger class sizes do not result in poorer learning outcomes.</p>		
5.2 The mix of skills possessed by Ministry and external agencies staff is deficient. Key skills are missing; levels of competency among ‘skilled’ staff require improvement.	<p>5.2.1 Conduct a skills’ needs analysis for staff in the Ministry and all subordinated agencies, comparing available skills with required skills in each job category and determining the skills’ gaps.</p> <p>5.2.2 Design a 3-year staff development programs based on it and mobilize fund for it from the Structural Fund.</p> <p>5.2.3 Using the systems of annual objectives and performance appraisal, switch some of the onus of staff development from the Ministry or agency to their staff, requiring each individual staff member to be responsible for his/her</p>	<p>(a) The skills needs analysis carried out and gaps determined</p> <p>(b) Funds for training program mobilized and program executed and (c) annual objectives include mandatory staff development objectives</p> <p>(d) Performance appraisals review the achievement of these objectives and are an input into promotion decisions.</p>	<p><u>Outcome indicators:</u> (a) staff are more efficient and effective at their jobs</p> <p>(b) staff members positively change attitudes towards self-development</p>

Problem Area	Recommendations	Indicators	
		Output	Outcome
	own development, and releasing him/her off work time to go on training or carry out independent study.		
<b>Management of Information Resources</b>			
6.1 The demand for information and analysis is weak; the management of information as a resource is undervalued, under-staffed and under-financed	<p>6.1.1 In the context of reorganization, set up a General Directorate, or a Directorate, for information management and appoint a high-level manager to head it.</p> <p>6.1.2 Shift positions, as necessary based on a work load analysis, from other organizational units which are housing less strategic functions to the new general directorate.</p> <p>6.1.3 Organize a series of three visits to ministries of education known for their effective, strategic use of</p>	<p>(a) A fully-fledged directorate for information is set up and staffed</p> <p>(b) Realistic budget allocations for regular operations and maintenance are made</p> <p>(c) Study tour takes place</p> <p>(d) Funds obtained from the Structural Fund for a project to update/upgrade NDBE.</p>	<p>(a) demand for information and analysis from top management increases appreciably, (b) supply of information and analysis meets the demand</p> <p>(c) Policy and strategy decisions are based on more and better information and analysis</p>

Problem Area	Recommendations	Indicators	
		Output	Outcome
	<p>information. Participants should include the Minister, the director of the new unit as well as a number of key managers in the Ministry.</p> <p>6.1.4 Conduct a comprehensive review of <u>information</u>, <u>analysis</u> and <u>reporting</u> needs in the pre-university education system and, based on it, design a project and obtain fund from the Structural Fund or other sources to upgrade and update the NDBE, while also rationalizing the proliferating ‘private’ data banks.</p> <p>6.1.5 As a condition for obtaining the funding in 6.1.4 above, as well as future funding, agree to provide adequate operational funds, from the Ministry’s own budget allocations, for the on-going maintenance of the NDBE, if necessary by shifting the funds from less strategic operations.</p>		
6.2 There is very little applied research on basic non-pedagogical	6.2.1 The Ministry should organize a national conference (involving all stakeholders in the	(a) the 10-year policy and research agendas are available (b) operational plans	(a) science-based knowledge relevant to Romania’s policy and strategy

Problem Area	Recommendations	Indicators	
		Output	Outcome
issues in Romania	<p>education system, as well as the universities) to discuss and set up education <b>policy</b> and <b>research agendas</b> for the next 10 years in non-pedagogical areas such as <b>economics of education, financing of education, sociology and politics of education, and comparative and international education.</b></p> <p>6.2.2 A number of Romanian universities should establish Education Policy Studies departments in their education faculties and train and engage a generation of high-level university professors and researchers in this field. The Ministry should help the universities mobilize funds for this endeavor from appropriate European and other sources.</p> <p>6.2.3 The Ministry should establish, in collaboration with the universities, a scholarships program for graduate studies in Romania and abroad to help grow a generation of education professors, researchers as well as</p>	<p>for the establishment of Education Policy Studies in up to three universities are available and initial steps are taken</p> <p>(c) a first round of student-recipients of scholarships are studying at universities in Romania and abroad</p> <p>(d) a first round of research grants is given and at least three Ph.D. students and three professors have started research activities.</p>	<p>development needs is available; experts are available to help in the development of policies and strategies.</p> <p>(b) The quality of strategic decisions improves</p>

<b>Problem Area</b>	<b>Recommendations</b>	<b>Indicators</b>	
		<b>Output</b>	<b>Outcome</b>
	<p>highly-skilled practitioners in the areas indicated above.</p> <p>11.4 The Ministry should also establish a research fund for education professors and PhD students to carry out specific studies, as well as follow-up pilot projects, of importance to Romanian education, based on the policy and research agendas mentioned above.</p>		

**ANNEX 2**  
**Problem Areas by Business Line and Priority Level**

	Business Area					
	Organization	Strategic Management & Leadership	General Management	Management of Financial Resources	Management of Human Resources	Management and Use of Information
Priority Level 1	<b>Organization structure of the Ministry:</b> better reflect 'best practice' and meet the requirements of a decentralized system.	<b>Political instability and politicization:</b> (a) reduce weight of political considerations in professional/admin. decision-making; (b) improve continuity of policy and consolidate policy-based action (c) apply an incremental approach to change, rather than 'big-bang' large-scale change.		<b>Capacity to absorb project funds:</b> improve capacity to manage and implement current projects and absorb future project funds.	<b>Staffing:</b> (a) adjust the size of the teaching force to better fit the size of school population; (b) optimize the deployment of teachers.	
Priority Level 2		<b>The Ministry's core strategy:</b> very ambitious relative to current capacity; significantly improve implementation capacity. <b>The Ministry's work focus:</b> improve the balance between operational management and strategic management, between managing and leading.	<b>Management culture and practices in the Ministry/sector:</b> (a) change it to be more in line with 'best practice'; (b) help managers significantly improve their management skills.		<b>Skills Mix &amp; Competences in functional (non-Mgt.) areas:</b> help non-management staff significantly improve their professional, technical and admin. skills.	<b>Availability, use and management of information:</b> (a) greatly improve the demand for information and analysis by managers and the supply of both to them; (b) establish an adequate 'organizational home' for the management of information resources in the sector/ministry.
Priority Level 3	<b>Structure of the sector:</b> (a) improve intra-sector coordination of action; (b) significantly improve the integration of outputs produced by key agencies.		<b>Accountability:</b> design organization structure of the Ministry and the inspectorate, and fine-tune work and management practices to improve accountability. <b>The management of relationships with stakeholders:</b> Better organize and manage this function so that stakeholders can provide more, and better, inputs and support.			<b>Scientific research on Education:</b> (a) greatly enhance research on non-pedagogical aspects of education (e.g. economics of education and education policy studies); (b) develop a new generation of professors and students in these areas; (c) establish Education Policy Studies in universities.
			<b>Management of institutional assets:</b> policy and cost concerns regarding textbook provision			