

Assessment of the social impact of policies in Romania

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- *Does your country have any experience with (social or any other) impact analysis as a standard procedure in the preparation of policy measures?*

In Romania, the issues related to social impact analysis were introduced in the following compulsory laws:

- DECISION no. 775 of 14 July 2005 for the approval of the Regulation on the procedures of drafting, monitoring and assessment of public policies at central level;
- DECISION no. 1226 of 10 October 2007 for the approval of the Regulation on the procedures, at the Government level, of drafting, endorsement and submittal of public policies documents, draft regulations, as well as of other documents, for the purpose of being adopted/implemented;
- DECISION no. 870 of 28 June 2006 on the approval of the Strategy for the improvement of the drafting, coordinating and planning system of public policies at the level of the public central administration.

All the draft public policies must be drawn up according to the model approved by the Decision no. 775 of 14 July 2005 for the approval of the Regulation on the procedures of drafting, monitoring and assessment of the public policies at central level, including the following points:

- Initiating institution;
- Statement of the issue;
- Policy name;
- Purpose;
- General objectives/specific objectives;
- Beneficiaries;
- Proposals of solutions (for each proposal the following shall be specified: economic, social, ecologic impact, estimated budget);
- The consultation process (organisations, conferred institutions; consultation results – proposed alternate solutions, points of view, expressed standpoints);
- The recommended solution (the benefits/risks, detailed impact, targeted groups, monitoring/assessment methods and terms, performance indicators, forecasted achievement terms, estimated budget are presented).

– *In which field / to what kind of policies does it apply?*

All the procedures described in the DECISION no. 775 of 14 July 2005 for the approval of the Regulation on the procedures of drafting, monitoring and assessment of the public policies at central level, including the risk assessment stage apply to the public policies implemented by laws, except for the laws of individual nature, the laws approving the methodological norms set forth by the law, the laws by which the international documents are submitted for approval, as well as the documents transposing the Community norms into the domestic legislation.

The bills with an impact on the social, economic and environmental field, on the consolidated general budget or on the legislation in force are drafted based on public policies documents approved by the Parliament or the Government.

The ex-ante impact analysis of the bills

The ex-ante impact analysis of the regulations is the procedure applied by the ministry in charge within the process of drawing up bills, after the completion of the public policy planning stage. The purpose of this analysis is to identify the possible consequences on the economy, business environment, legislative framework, society, as well as other issues that are relevant for the bills. At the same time, this analysis also ensures the performance of the process of consultation with the stakeholders and the civil society.

The main difference as compared to the ex-ante impact analysis of the public policy is that the accent falls on assessing the impact for an already chosen proposal, which is included in the bill. There is a specific form for this type of assessment – substantiation and presentation instrument.

The impact analysis of a regulation refers to the normative aspects corresponding to the manner in which a certain solution of the public policy is implemented, solution for whose implementation several laws might be required. Thus, the impact of a sole law may require additional explanations, in which the impact is presented in a more detailed manner as compared to a public policy solution, which may be more general.

– *What assessment criteria have been put forward?*

The criteria for the detailed ex-ante impact analysis of the public policy (DECISION no. 870 of 28 June 2006 on the approval of the Strategy for the improvement of the system of drafting, coordinating and planning of the public policies at the level of the public central administration).

Since the detailed ex-ante impact analysis of the public policy is a long-term process that requires high use of human and financial resources, and since such resources are always limited in the administrative structures, the ministries must assess the situations in which the ex-ante impact analysis of the public policy may be applied. In most of the cases, a general ex-ante impact analysis of the public policy that may be carried out within the ministries by those who word the public policies is sufficient. In spite of the foregoing, there are several types of policies/plans/projects for which a detailed analysis is crucial:

- certain investment projects regarding the environment protection, transports;
- public policies with significant social impact;

- public policies with significant impact on the state budget;
- public policies on the privatisation;
- public policies that take into account the need of a bank loan;
- intersectorial public policies involving several stakeholders.

In order to prevent the inefficient use of the human and financial resources, periodical procedures and assessment levels must be introduced both for the ex-ante analysis, and for the ex-post impact analysis of the public policy. At the same time, the need to carry out the ex-post impact analysis of the public policy must be ascertained and, at the same time, precise tasks and the levels of liability of the involved institutions must be set. There are several methods to analyse the impact of the public policies that depend on the historical evolution of the public policies system and on the political framework, as well as on the administrative and financial capacity of the country. The public policy impact analysis process must be an integral part of the public policy wording cycle, mentioning at the same time a correlation of the budget planning cycle.

Depending on the field of the problem approached in the public policy, general or detailed ex-ante impact analyses of the public policy may be carried out. Although the assessment methods are different, the approach based on the national decision-making model is the same both for the general ex-ante analysis, and for the detailed one. The degree of completion of the ex-ante impact analysis is not depending on the type of public policy document. It depends on the type of the problem that needs solving.

The general ex-ante impact analysis of the public policy is a forecasting procedure that uses the qualitative assessment approach in order to identify the possible socio-economic consequences that are likely to occur after the implementation of a specific public policy.

The detailed ex-ante impact analysis of the public policy is a forecasting procedure that uses the quantitative assessment approach (cost-benefit, cost-effectiveness analysis) in order to identify the possible socio-economic consequences that are likely to occur after the implementation of a specific public policy.

The ex-ante impact analysis of the public policy is a set of instruments and methods used in the public policy planning stage, during the process of preparing the public policies documents. The purpose of this analysis is to identify the main socio-economic consequences that are likely to occur as a result of the implementation of a certain public policy, as well as the company's reaction in this respect. Given the fact that the ex-ante impact analysis of the public policy enables the decision makers to choose the best solution among all the alternatives, it must be carried out in an incipient stage.

– *What are the actual stages of a typical impact assessment?*

The main stages of the ex-ante impact analysis of the public policy are:

- Definition of alternative(s)' resources and results;
- Analysis of resources and outcomes;
- Impact analysis for the alternative(s);
- Analysis of beneficiaries and stakeholders;
- Identification of the decision-making criteria;
- Setting the weight of each criterion;

- Assessment of the alternatives according to the criteria;
- Identification of the best alternative.
 - *Who carries out the assessment? Who organises it? What other stakeholders are involved, in what stages? How is the objectiveness of the assessment guaranteed?*

The ex-ante impact analysis of the public policy is an activity that takes place at the beginning of the public policy wording process, when the public policies experts and those involved in their planning, with the help of a qualitative and quantitative study method, try to make forecasts regarding the impact that may be exercised on the society as a result of the public policy implementation.

The draft public policies are drawn up by the specialised directorates subordinated to the public policies units within the ministries and other specialised bodies of the public central administration. The impact assessment is a stage of the activity of identification and selection of the public policy versions, which is carried out within the institution that initiated the public policy, in cooperation with the non-government organisation, of the social partners, professional associations and involved representatives of the private sector, affected by or interested in the manner in which such problem is solved. Within the Ministry of Labour, Family and Equal Opportunities, consultations and debates are organised with the trade unions and employers' federation within the *Social Dialogue Commission*, being focused on the draft public policies.

The detailed impact analysis of the public policy may be outsourced and carried out with the support of independent experts by the ministries in charge. It is advisable for the persons wording the public policies within the ministries to know the basic methods and assumptions used by the experts and to be able to assess the quality of the analysis outcomes.

The proposals substantiation activity consists in drafting studies and analyses that provide information with respect to:

- problem solving opportunity;
- presentation of the proposals;
- estimated budget for each proposal;
- estimated budget of the identified proposals (economic, social, ecologic - if appropriate);
- alternates assessment criteria and the selection of that recommended to be implemented;
- action plan for the recommended proposal.

Different institutions/organisations of the civil society are consulted in the process of solution proposals identification and the specific contribution of each consulted institution/organisation in the identification and substantiation of the proposals (including therefore the contribution to the carrying out of the impact assessment) is specified.

For each solution proposal, the impact in economic, social and possibly ecologic terms must be mentioned. The impact is briefly described, being possible to attach to such analyses more detailed analyses based on the complexity of the presented proposals and on their impact. The medium and long-term benefits and risks, as the case may be, are set forth, for each presented proposals.

For the recommended solution proposal, the impact that the implementation of the recommended solution proposal shall have from an economic, social and possibly ecologic point of view shall be presented. The social groups targeted for such public policy option, as well as the extent to which they shall benefit or shall be affected as a result of the recommended option implementation are described.

For the sake of objectiveness, the types of analyses carried out in substantiation of the recommended option (e.g. cost-benefit analysis, risk analysis) and the main conclusions thereof are listed. The documents attached to the draft public policy must include the relevant materials for the substantiation of the recommended proposal.

Example of how a given impact assessment has informed the debate its subject

Further to the public debates organised for the purpose of drafting the bill on the establishment of the Social Observatory, it was decided that the Steering Committee of this new structure of the MLFSO should also include, apart from other attending actors, representatives of the employers' federations and trade unions. Their attendance is especially important due to the measures that they impose on the national authorities in connection to life quality increase and for the purpose of implementing concrete measures for fighting against the poverty.

Annually, the departments of the MLFEO propose studies in the field of labour and social protection in order to be performed by the National Institute of Scientific Research in the field of Labour and Social Protection. These studies also consider the legislative proposals undertaken by the Ministry of Labour by its government programme. If in relation to a legislative proposal a study that was not executed by the National Institute of Scientific Research in the field of Labour and Social protection is required, then the necessary analyses are performed by the experts of the Ministry, but they are not longer of scientific nature.

The website of the Ministry of Labour, Family and Equal Opportunities includes the section *Projects under debate* where the bills and the related substantiation notes are posted. In this section, for a determined time period, the public may post suggestions and proposals for the completion of the proposal. At the expiry of the term, a public debate in which the bill and the suggestions received on the Web Page are discussed takes place.

At present, there is no information in Romania related to the impact on poverty. For this purpose, within the institutional reforms, the Social Observatory shall be established at the level of the MLFEO. The legislative proposal was debated by the Social Dialogue Commission and at present is included in the agenda of the Government of Romania.

The main assignment of the Social Observatory is to provide information on the poverty and social exclusion situation existing in Romania. The Observatory becomes thus a barometer of the social needs identification, a base for developing the strategic planning in the field of social protection and social inclusion. The main function of the Social Observatory shall be of stating proposals and recommendations in the decision-making process, when the public policies of social inclusion are made.

What are the key issues that should be discussed during the Peer Review?

The national mechanisms models of the other participant countries should be considered.

Source

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