



THE 9TH EDITION OF THE INTERNATIONAL CONFERENCE
EUROPEAN INTEGRATION
REALITIES AND PERSPECTIVES

Cross-border Structures and Europeanism

**Improving the National and European
Policies through Impact Assessment' Implementation**

Tatiana-Camelia Dogaru¹

Abstract: Challenges for public policy became more numerous, complex and more interconnected, and modern states are forced to make important changes in the governance process and promotion of citizens' welfare. Focusing on development of coherent public policies, the conventional approaches appear to be insufficient in clarifying and complete understanding of the many problems caused by the growing need for state intervention in all economic and social aspects and require renewal of 'research' methods. Renewing the methods of research stresses the contribution of public policy analysis to understand the current reality. The added value of this kind of analysis consist both in instruments set used, in richness and relevance of the interpretations that this analysis allows, as well as in guiding the national and international interest towards development and using of some instruments of public policy (Lee & Kirkpatrick, 2006). The study looks at the purpose, scope and procedures of impact assessments carried out in the European Commission and several Member States of the EU.

Keywords: Impact assessment; European and national practice; policy analysis

1. Different approaches to Impact Assessment

Impact assessment (IA), as a key element of legislative process and public policy-making has attracted the attention of many international actors. From a conceptual point of view, there is no single or general definition of impact assessment. The IA is better understood both as instrument of public policy analysis (Fischer, Miller & Sidney, 2007; Knoepfel, Larrue, Varone, & Hill, 2007) contributing to a better selection of public policy alternatives (Hirkpatrick & Parker, 2007) and "formal evaluation of activities initiated and coordinated by governmental administration during the policy-making process" (Klaus, Hertin, et al., 2008). From OECD perspective, IA represents an "analytical approach based on information in order to evaluate the possible costs, consequences and effects of a planned instrument of public policies (OECD, 2001).

Impact assessment has been defined as "a set of logical steps to be followed when you prepare a policy proposal. It is a process that prepares evidences for political decision-makers on the advantages and disadvantages of public policy options by assessing their potential impacts [economic, social and environmental]" (European Commission, 2009). The database on the practice of impact assessment in the EU Member States (DIADEM) defines impact assessment as follows "a systematic, mandatory and consistent of social, economic or environmental aspects or impacts [such as benefits and/or costs] of affecting external interests of governments, of regulation proposals and other kinds of public policy instruments, to: (a) subtend the public policy decisions before adopting; (b) assess external impacts of

¹Assistant Professor, PhD, National School of Political Studies and Public Administration, Romania, Address: 6 Povernei Street, Sector 1, Bucharest, Romania, Tel.: +4021.318.08.97, Corresponding author: dogaru_tatiana@yahoo.com.

regulatory and administrative practices; (c) assess the accuracy of an earlier assessment” (Radaelli et al., 2006).

Synthesising the meanings, it can be noted that main role of IA is “to inform decision-makers about the potential consequences of their policies”, aiming to improve decision-making processes by systematically collecting information about the likely impacts of a planned policy and thereby providing the basis for deciding on “the best policy”. In many countries IA is strongly related to a “better regulation’ agenda” that aims to improve the quality of regulation and reduce administrative burden. In a synthetic form, the overall aim of impact assessment is to assist the Government to make their policies more efficient being an important factor in responding to the impact determined by international markets and budgetary constraints on modern economies and the consequences of competing policy demands. From the aspects mentioned above, we can outline the dual nature of impact assessment, each with its own methodological approaches: (a) as a technical tool for analysis of the consequences of planned governmental intervention, providing information to stakeholders and decision-makers; (b) as a legal and institutional procedure linked to the decision-making process of public interventions.

At European level the introduction of impact assessments has been inspired by the results of OECD projects, namely Recommendation on improving the quality of government regulations, adopted in 1995 (OECD, 2008). In 1986 the European Commission launched the first system of impact assessment through the “business impact assessment” system (Renda, 2006). Under a series of critics, the European Commission proceeded to a new initiative. The year 2002 marks the start of new steps initiated by the European Commission on IA, and one year later (2003) entered into force integrated impact assessment model (Integrated Impact Assessment). In 2005, European Commission published the updated version of the Guide - the elaboration of impact assessment, where can be found a detailed description (European Commission, 2009): (a) impact assessment procedures and methodologies; (b) questionnaires to verify the impact of various policy alternatives; (c) criteria recognized for assessing development impact, and (d) minimum standards for consultation process.

The integrated impact assessment pays attention to economic, social, environment, and administrative costs, underlying three types: (a) social impact assessment – represents the process of analyzing, monitoring, and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans) (International Association for Impact Assessment (2003, 2011)); (b) economic impact assessment - involves aspects of micro and macro economic impact regarding the selected option; (c) environment impact assessment - represents the analysis of implications and levels that a policy alternative can has on environment (Briggs, Petersone & Smits, 2006).

Related to the stage of policy-making process in which the impact assessment is made according to (Hirkpatrick & Parker, 2007) it can be distinguishes between: (a) ex-ante impact assessment of public policies, and (b) ex-post impact assessment.

2. Procedural Aspects regarding the Elaboration of Impact Assessment

The process of completing an IA is a rational process that should follow a number of phases. Nowadays, many guidance documents are available on how to design an impact assessment, but a summary of those emphasis the following standard steps: (a) identifying the problem - describing the nature and extent of the problem, identifying the key players and affected groups; (b) defining the

objectives - setting objectives at different number of levels and according with the problem; (c) developing policy alternatives - identifying policy options, application of certain criteria to determine potentially valid options; (d) analysing the impacts of the options - identifying economic, social and environmental impacts and population affected, consider the risks; (e) comparing the options - weigh-up the positive and negative impacts for each option based on clearly defined criteria, identifying a preferred alternative, and (f) outlining the policy monitoring and evaluation - identifying core progress indicators for the key objectives of the intervention, providing a broad framework of future monitoring and evaluation processes (European Commission, 2009; Meuwese, 2008). One can remark that similar steps are drawn by Organisation for economic co-operation and development (2008). Nowadays, the IA is stated by procedural rules of governments of the most EU countries.

3. IA Practice at European and National Level

After a long roadmap, the impact assessment [with its extensions, regulatory impact assessment and non-regulatory proposals] is a common tool for policy appraisal in the European Union and its Member States. The study looks at the purpose, scope and procedures of impact assessments carried out in the European Commission and several Member States of the EU.

3.1. Impact assessments in the European Commission

In the European Commission, IA is used for legislative and non-legislative proposals such as white papers, communications and non-binding recommendations. European Commission is one of the most important producers of IA compared to the average of EU Member States (Fritsch et al, 2012). Within the Commission, the different operational Directorates - General conduct evaluations in their respective fields (Poptcheva, 2013). A central quality-control body was created in 2006 under the authority of the Commission President, the Impact Assessment Board (IAB). Work on the impact assessment is carried out by an Inter-Service Steering Group, and the European Commission designs the most parts of the IA behind the closed doors. Nevertheless, the stakeholders can have access to the final version of IA, because the Commission publishes that together with the opinion of Consultation of the Impact Assessment Board on previous drafts and the corresponding legislative proposal.

To ensure consistency across the Commission has been established a standard format for the IA Report. The key points of the impact assessment analysis represent the bullet points for IA report (European Commission, 2009). A particularly aspect of IA in the European Commission is the attention given to the impacts on European Union Member States which should take into consideration in each of the analytical steps when European Commission carrying out an IA. IA is increasingly becoming part of the policy development culture at the Commission, and over the past few years the Commission provided training in IA methodology (European Court of Auditors, 2010). The number of IAs conducted by or on behalf the Commission has increased from 21 in 2003 up to 97 in 2012.

3.2. Impact Assessment in the selected EU Member States

As at EU level, evaluations are carried out at national level within both the executive and the legislature, and/or by external bodies. Impact Assessment has been an important element of the 'regulatory management' agenda in a number of EU Member States for the last two decades and has recently become an almost universal policy-making instrument across the EU27 (European

Parliament, 2011; Staronova, 2007). Indeed, not only Poland and Hungary, but also the Baltic countries the Czech Republic, Romania, Bulgaria, and other Eastern countries pay considerable attention to instruments such as IA. In this paper the focal point is on IA practice in the following countries: Romania and Poland because they are catching-up countries based on indicators for innovation performance. It is important to note that the implementation of IA represents a kind of patchwork in almost all EU member states other than UK which is an example of good practice (De Francesco, Radaelli & Troeger, 2011).

A. Romania – Case Study

Institutional Framework

As Member State of EU, Romania trying to comply to the European regulations and practices in public policies. In the past decade, OECD, European Commission, World Bank carried out a number of studies concerning the evaluation of the public policies management system from Romania. In 2001, Romanian Government has taken the first step in this direction by launching “The strategy for accelerating public administration reform” which stipulated the reform of three priority areas, including “improvement of public policy-making process” (2001-2004). Implementation of the reform strategy considered the following aspects in the public policies sphere (Matei, 2006; Matei, 2009): (a) defining the principles of communication, transparency, efficiency, accountability, participation, consistency, proportionality and subsidiary in the legal text; (b) division the responsibilities between the authorities with competence in public policy and those responsible for financial and supply of public services; (c) introducing a simple and clear public policy mechanism for development and implementation of programs, projects, action plans and legislative proposals; (d) separating the policy-making level from implementation level; (e) monitoring and evaluating the policy-making process.

Regarding the IA, in this moment in Romania there is no official document, particularly designed to regulate their elaboration. Thus, their mandatory results from other normative and strategic documents adopted by the Romanian public authorities, such as Government Decision no. 775/2005 regarding the approval of procedures of elaboration, monitoring and assessment of public policies at central level, and Government Decision no. 1361/2006, regarding the content of the instrument for presentation and motivation of the draft legislation submitted for the Government approval. Here there are not expressly requirements, but they are derived from art. 9 “the motivation of options involves carry out studies and analysis that provide information on: opportunity to solve the problem; identification of options; the estimated budget for each options; the potential impact of the identified options; the evaluating criteria of options and for choosing the option that is recommended for implementation; the action plan for the recommended option”, and art. 13 align. 2 “draft for public policy proposal”. Also, some basic provisions of IA have been introduced into the legal acts, namely Law no. 24/2000 states “the legislative draft is submitted for adoption with an explanatory memorandum, a substation note or a paper for approval, and also with an impact assessment”.

The IA assumes the identification and analysis of economic, social, environment, legislative and budgetary effects of proposed regulations. Efforts related the introduction of IA into the practice and culture of Romanian public authorities have been undertaken and through the “strategy for improving the elaboration, coordination and planning of public policy at central level” (2006-2010), adopted by Government Decision no. 870/2006, as well as through the “strategy for a better regulation at central level (2008-2013). Among the actions proposed by strategy is “the introduction of full impact analysis for public policy proposal and normative acts”.

Methodological Considerations

At the time being in Romania, the General Secretariat of Government through the Directorate of Public Policy is the responsible public institution for coordinating the efforts to design the impact assessment and for appraisal of impact assessment designed by line ministries. Methodological issues are sketchy and scattered in the normative and strategic documents related to public policy field, in general. Thus, the lack of a methodological document for elaborating IA, push our research towards the provisions analysis of certain public policies documents, mentioned earlier. The basic methodological elements for elaborating IA are primarily identified into Government decision no. 775/2005 under the provision of the public policy draft model.

According to this model any public policy proposal should comprise among others, considerations regarding the alternatives for solving, and for each alternatives should be noted the economic, social and environment impact. The impact is specified concisely, being possible the annexation of some detailed analysis according to the complexity of the identified options and their impact to this document.

The strategy for improving the elaboration, coordination and planning of public policy system at central level brings additional methodological elements to those outlined by the previous legislative act. Based on that, the Romanian public authorities for completing the IA should follow several steps, namely: (a) defining the resources and the results for the alternatives; (b) analysing the resources and results; (c) analysing the impact for each alternatives; (d) analysing the beneficiaries and stakeholders; (e) identifying the criterion for decision-making; (f) weighting of each criterion; (g) evaluating the alternatives according to the criterion set up; (h) identifying the best alternative. These procedural steps have to be fulfilling in the initiating process of a policy proposal by the line ministries and other institutions of public administration. In this sense, all ministries have created public policy units for developing public policy analyses. The preoccupation of Romanian public authorities for developing the practice of impact assessment elaboration is also reflected in the carrying out some methodological documents, for example the methodological document setting to enhance the design of impact assessment in health and educational field. The national legislation stipulated that IA can occur in three different stages during the policy-making process: (a) formulating the public policy; (b) preparing the public policy instruments, more precise the drafts of law; (c) evaluation of public policy (GD. no. 870/2006).

The IA for formulating public policy is carrying out in order to appraisal the public policy alternatives, and it is comprises in the policy draft. Often, after the approval of public policy draft, during the implementation stage in the preparing the draft laws, is carrying out another impact assessment. The draft laws draw up when the solution proposed in policy proposal is linked to introduction of new regulation in matter and it should be supporting by an impact assessment in order to determine their consequences.

Impact Assessment Operationalization

In order to emphasizes the using of impact assessment by Romanian public authorities have been selected for analysis, public policy proposals carried out by National Education Ministry, Regional Development Ministry and Economy, Trade and Business Ministry. The three policy proposals selected are: (a) "restructuring the pre-tertiary education on levels"; (b) "stimulating the supply of

accessible and decent housing”; (c) restructuring and attracting investments in companies from utilization of metal ores”.

After analysis it can be drawn that according to legal provisions, the IA was conducted in economic, social and environment terms for each alternative [three alternatives, including status quo]. Consultation with stakeholders has led to the recommendation of the second alternative. Unfortunately, we can not make a comment regarding this choice only in comparison of economic, social and environment impacts of alternative, others criterion for comparing not being defined in the content of assessment. It is worth to mention that impact assessment excel in terms of form of alternatives designed and proposed for solving the problem, benefits and risks of selected alternative, the set of performance indicators, but in the same time we have to emphasize the negative aspect of this including, the content of financial analysis, meaning that initiator not attached to each alternative and neither for recommended alternative the estimated budgeted.

B. Poland – Case Study

Institutional Framework

In Poland the IA system was introduced after an OECD review started in 2000 through Ordinance No. 49 of the Council of Ministers. At the end of 2001 IA became compulsory for all the bills adopted by the Council of Ministers, according to the Resolutions adopted by the same Council on the regulation of its work and enhanced in 2006-2010 under the inspiration of the European Regulatory System (Bartke et al, 2011). The aim of IA is to: (a) improving quality of regulation through a systematic review of costs and benefits of potential proposals, and (b) reducing costs of regulation (European Parliament, 2011). Thus, a key element of the reform of the Polish IA system consists on the revision of IA guidelines of 2003 in order to make it more operational and simpler.

Taking into account the reform process it is useful to underline that in Poland there is no formal distinction between summary and extended IA. However, the responsible ministry can decide if an extended impact assessment should be prepared, according to the subject and scope of proposed legislation and on the magnitude of the expected impact. Generally speaking, in-depth analysis is applied only to drafts which are expected to generate some remarkable social and economic impact (Council of the European Union, 2004).

Methodological Considerations

According to the guidelines and good practice, IA should be prepared at the earliest stage possible. At present in Poland this is mostly the case of the drafts of laws, where the potential social and economic impact is expected to be considerable. As to secondary acts, where the social and economic impact is limited, the IA is still quite often treated in a very formalistic way as additional formal requirement of the explanatory report (European Parliament, 2011). But, despite of these elements there is growing number of examples that IA and consultation process made the ministry (or the government) to change the direction of action or change of tools to realise the aim. In Poland, responsibility for regulatory policy design and oversight is shared between several Centre of Government (CoG) institutions, mainly the Chancellery (whose head chairs the Programming Committee), the Ministry of Economy and the Government Legislative Centre (OECD, 2013).

Looking to the steps followed by Polish authorities for designing a IA it can be emphasised the following: (a) problem identification; (b) description of the regulatory aims; (c) identification of the alternative for policy; (d) stakeholders involvement; (e) formulation of the cost-benefit analysis, (f) implementation plan; (g) comparing options and recommending the best one. It can be remark that despite of Romania case in Poland the cost-benefit analysis is carried out for all policy proposals, while in Romania the cost-benefit analysis is necessary only for policy proposals with large economic and infrastructure consequences.

Impact Assessment Operationalization

For Poland has been selected the following policy proposals: (a) “early retirement”, (b) “support some mortgage payments of newly unemployed people”, and (c) “extended the family benefits”, all of them are developed by the developed by the Ministry of Labour and Social Policy. Following the same criteria as in Romania case the analysis stressed that the process of IA is undergoing, and none of the three examples fully correspond with the guidance documents, in particular as regards the assessment of different policy options and a comprehensive coverage of different impact types. Consultation with social partners is obligatory in Poland, and the main vehicle for this is the Tripartite Commission (TEP, CEPS, 2010). In Poland, while IA is published on ministries’ websites and on the GLC legislative platform, this tool is not used as a vehicle for information gathering or for the development of options to address the issue (OECD, 2013). Moreover, according to OECD’s assertion sometimes IA appears to be of such low quality that it does not provide any useful information to stakeholders.

Taking into account the effort of Polish authorities for changing the attitude on IA, it can be conclude that IA system developed by government of Poland is in practice more focused on the economic and budgetary impacts and less on social ones, while in Romania is paid a equal attention to all kinds of impacts.

4. Conclusions

A first conclusion that emerges from the analysis points out stress that in last years have been made important steps on the development of some minimum standards for elaborating public policy, as well as of using impact assessment as part of the policy-making and legislative acts. The added value of impact assessment consist in “improving the quality of available information for decision makers and those that should understanding in a good mode the costs, benefices and distributive effects of their decision” (OECD, 2001) sense in which notice that impact assessment represent an aid to decision-making not a substitute for it. In practice and culture of Romanian and Polish public authorities it can be find two types of impact assessment: impact assessment of public policy alternatives and impact assessment of legislative acts.

Thus, impact assessment contributes to emphasising the strengths and weakness of various public policy alternatives or types of approaches of an action, contributing to a rational, argumentative choice of a policy alternative over others, less justified. The final scope of any impact assessment is to provide accurate and coherent information regarding the impact of different public policy alternatives, as a starting point for comparing the alternatives between them. While we notice the progress of Romania and Poland on defining and consolidation of a framework in which the impact assessment to find more often the place, we can not remark the fact that, this key areas of modern governance

remains insufficiently explored and exploited. The overall quality of the guidelines is good on paper, but in practice the quality of conducted IA varies considerable.

As regards actors, in Romania and Poland as well, the IAs were prepared primarily by civil servants within the main department responsible for the legislation, but in all cases some input was provided by other actors. Therefore, generally speaking, it appears that IAs are still perceived mainly as an administrative requirement by public authorities from both countries, and not as a tool that actually adds value to the policy development process.

Better regulation and promoting impact assessment remains a goal, and also a challenge for Romania and Poland in attempting to identify solutions for the real problems from economic, financial and social determined by the globalization evolution. Moreover, the author appreciates that in the selected countries is a constant European and national pressure on public authorities to improve their practice in this field.

5. References

- Bartke, S., Peterson, K., Gross, M., & Nommann, T. (2011). Implementation of Impact Assessment in selected new European Union member states. *ESEE - 9th International Conference of the European Society for Ecological Economics*, Istanbul.
- Briggs, S., Peterson, B., & Smits, K. (2006). *Manual de metode folosite în planificarea politicilor publice i evaluarea impactului/ Manual of methods used in policy planning and impact assessment*. Bucharest: Secretariatul General al Guvernului României.
- Council of the European Union. (2004). *A Comparative analysis of regulatory impact assessment in ten EU Countries*, available at https://www.wbginvestmentclimate.org/uploads/9_ReportonRIAEU.pdf.
- De Francesco, F., Radaelli, M. C., & Troeger, E. V. (2011). Implementing regulatory innovations in Europe: the case of impact assessment. *Journal of European Public Policy*, ifirst: 1-21.
- European Commission. (2009). *Impact Assessment Guidelines*, SEC(2009) 92. Brussels: European Commission.
- European Court of Auditors. (2010). *Impact assessments in the EU institutions: do they support decision-making?*, Luxembourg: European Union.
- European Parliament. (2011). *Comparative study on the purpose, scope and procedures of impact assessments carried out in the Member States of the EU*. Brussels: European Parliament Publishing.
- Fischer, F., Miller, G., & Sidney, M. (2007). *Handbook of Public Policy Analysis Theory, Politics and Methods*. New York: Taylor & Francis Group.
- Fritsch, O., Radaelli, C. M., Screfler, L. & Renda, A. (2012). Regulatory Quality in the European Commission and the UK: Old questions and new findings. *CEPS Working Documents*, 362, Centre for European Policy Studies.
- Government Decision no. 870/2006 regarding the approval of strategy for improving the elaboration, coordination and planning of public policy at central level.
- Hirkpatrick, C., & Parker, D. (2007). *Regulatory impact assessment: towards better regulations?* UK: Edward Elgar Publishing.
- International Association for Impact Assessment. (2003). *What Is Impact Assessment? Available at: [http://www.iaia.org/publicdocuments/special-publications/What%20is%20IA_web .pdf](http://www.iaia.org/publicdocuments/special-publications/What%20is%20IA_web.pdf)*.
- Klaus, J., Hertin, et al. (2008). *Improving the Practice of Impact Assessment, EVIA - Evaluating Integrated Impact Assessment*, available at http://userpage.fu-berlin.de/ffu/evia/EVIA_Policy_Paper.pdf.
- Knoepfel, P., Larrue, C., Varone, F., & Hill, M. (2007). *Public Policy Analysis*. Great Britain: The Policy Press.
- Lee, N., & Kirkpatrick, C. (2006). *Evidence-based policy-making in Europe: an evaluation of EC integrated impact assessments. Impact Assessment and Project Appraisal*, 24: 23-33.
- Matei, L. (2006). *The Romanian Public Administration facing the Challenges of Integration into the European Union*, http://mpira.ub.uni-muenchen.de/20024/1/MPRA_paper_20024.pdf.
- Matei, L. (2009). *Romanian Public Management Reform, Theoretical and Empirical Studies, Volume 1. Administration and Public Services*. Bucharest: Editura Economic .

- Meuwese, A. C. M. (2008). *Impact Assessment in EU lawmaking, Netherlands*: Kluwer Law International.
- OECD. (2001). Improving Policy Instruments through Impact Assessment. *Sigma Papers*, 31, OECD Publishing, doi: 10.1787/5kml60vnhc6h-en.
- OECD. (2008). *Building an Institutional Framework for Regulatory Impact Analysis (RIA)*: Guidance for Policy Makers, Regulatory Policy Division Directorate for Public Governance and Territorial Development, available at: http://www.oecd.org/data_oecd/44/15/40984990.pdf.
- OECD. (2013). Poland: Implementing Strategic-State Capability. *OECD Public Governance Reviews*: OECD Publishing.
- Poptcheva, E-M. (2013). *Policy and legislative evaluation in the EU*. Library of the European Parliament.
- Radaelli, C., et al. (2006). *ENBR Handbook - How to perform the DIADEM data collection*, available at www.enbr.org.
- Renda, A. (2006). *Impact Assessment in the EU- The State of the Art and the Art of the State*, Centre for European Policy Studies, Brussels, p. 51.
- Staronova, K. (2007). *Mapping of ex-ante Policy Impact Assessment Experiences and Tools in Europe. Resource Book for Practitioners*, Bratislava: UNDP/BRC.
- The Evaluation Partnership (TEP) & Centre for European Policy Studies (CEPS). (2010). *Study on Social Impact Assessment as a tool for mainstreaming social inclusion and social protection concerns in public policy in EU Member States*, available at: ec.europa.eu/social/BlobServlet?docId=6316&langId=en.