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Market Principles, Philanthropic Ideals and Public Service Values: The Public Policy Program at the Central European University

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International Public Policy Programs**

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Introduction

Just as there was a boom in the establishment of Master's of Business Administration over the past 30 or more years, today there is an equivalent boom in graduate programs in the field of public policy. This is so for the transition states of Central and Eastern Europe (CEE) and the former Soviet Union (fSU) where the dynamics of globalization and 'Europeanization' are apparent and the pressures for reform pronounced (Verheijen & Connaughton, 2003: 843). The educational prerequisites for managing reform and meeting the challenges of globalization has represented a problematic for both official actors such as national education ministries, international organizations and bilateral development agencies, as well as for non state actors such as the business sector, philanthropic foundations and non-governmental organizations (NGOs). The need for graduates who can function in international and cross-cultural contexts is prompting institutions to create new courses and professional degree programs (Mallea, 1998: 16).

Higher education is no less subject to the dynamics of globalization than other service industries, but it does reconfigure the traditional role of the university as a public institution (Olds and Thrift, 2005). The export of higher education, public sector restructuring and demands for market oriented reform go together with the new role of information and communication technologies and the dissemination of knowledge that this technology makes possible. Students and faculty are also internationally mobile. Combined with development assistance programs, philanthropic action and the networks of professional associations, the

policy transfer of educational standards, the adoption of quality assurance ‘best practices’ and the spread of accreditation principles becomes increasingly apparent (Pratt, 2004).

Policy transfer is a process where ‘knowledge about how policies, administrative arrangements, institutions and ideas in one setting is used elsewhere. The ‘diffusion’ literature suggests that policy and practice percolates or diffuses; something that is contagious rather than chosen. It connotes spreading, dispersion and dissemination of ideas or practices from a common source or point of origin. By contrast, the transfer literature stresses the role of agency (whether coercive or voluntary) in the adoption of new practices or institutions. Transfer agents are usually governments, and sometimes, international organizations. In this paper, philanthropic and non-state actors are the primary transfer agents. The transfer literature also emphasizes the role of learning, experimentation and innovation that leads to the adaptation, modification and hybridization (or rejection) of educational best practices in response to plural sources of inspiration or external pressure. The paper ends by emphasizing the logic of choice: that is, local political dynamics having significant impact in the reception and interpretation of foreign models and philanthropic objectives at the Central European University (CEU).

At CEU, the Master’s in Public Policy (MPP) is an experiment in the transmission of western-style educational models and values. CEU is a private American registered and accredited university in Budapest, Hungary. As part of the philanthropic empire of the billionaire George Soros, the degree program is also implicated in the project to cultivate ‘open society’ leaders and the diffusion of liberal norms (Soros, 2000). This paper addresses the place of the MPP in the education of a new generation of leader acclimatized to global trends in transition and public sector reform. However, the paper also highlights the multiple influences alongside private philanthropy in shaping the program at CEU.

The Institutional Context of Philanthropy and Public Leadership

In the former Soviet Union (fSU) there is considerable demand for public managers with skills and leadership qualities. With privatization, deregulation and marketization, the first decades of transition saw a number of new initiatives to provide economic education. Notable examples include the New Economic School in Moscow and CERGE-EI in Prague. In June 2005, the World Bank in conjunction with CEU convened a conference on “Capacity Building in Economic Education and Research” to reflect upon achievements and continuing aspects for “scaling up” activity in this discipline (Bourguignon, Elkana & Pleskovic, 2007).

Little credence was given initially to the socio-political aspects of transition and market reform although an increasingly evident call from multilateral agencies and international donors has been the pressing need for ‘good governance’ (World Bank, 2000). Some of these economics programs are now giving greater scope to “applied courses”. Nevertheless, the “basic mission was to replace the Marxist economic paradigm and the way economics had been taught under the communist regime with a new one of modern, western economics” (Ofer, 2007: forthcoming). In contrast to the proliferation of business schools and new programs in ‘western-style’ economics education in the 1990s, Western support for the provision of similar undergraduate and graduate degrees in public policy was less apparent. However, as the problems of transition – corruption, weak states, poor public management – became more pronounced, the value of preparing graduates holding a sense of public service with the skills and critical capacities for public sector leadership, has attracted international public and private support. Graduate programs in public policy are viewed as vehicles for the transmission of: firstly, international standards of scholarship; secondly, analytical approaches to the study of public policy; and thirdly, the dissemination of knowledge about ‘best practices’ in governance.

The development of the Master’s in Public Policy (MPP) at the Central European University is symptomatic of the broad philanthropic concerns for public leadership in developing and transition countries as well as in tune with the ‘good governance’ agenda of

international organizations. This is not dissimilar to the trend in the USA between 1967 and 1970 when philanthropic and other support helped launch graduate public policy programs in institution such as Harvard and UC—Berkeley (Radin, 2000: 24). With its motto “A passport to future leadership”, the objectives of the CEU graduate program are:

... to provide practical training and scholarly education for future academic and policy leaders in the public, private and non-profit sectors ... (and)... understanding of how political institutions, processes and public policies operate and interact from the global political economy through to local levels of governance (Reich, 2005: 23).

MPP gestation is directly linked with the establishment of the Center for Policy Studies (CPS) that was created in mid 2000. More generally, the MPP is shaped by the organizational missions of the CEU and the Open Society Institute (OSI) as transnational civil society organizations.

Both the CEU and the OSI have received substantial support from the billionaire philanthropist George Soros. A venture capitalist who made a fortune through hedge funds, Soros could be better described now as a “venture philanthropist” (Eikenberry and Drapal Kluver, 2004: 134). In 2001, the CEU gained considerable autonomy with the gift of a large endowment that now covers the core operating costs of the University. At its establishment, the dual objective of the university was to provide high-quality education to the best students from the East-European ex-communist countries and to stem the brain-drain by educating students in the heart of the Central Europe and encouraging them to return in their countries. By mid 2006, a number of CEU alumni (in total, approximately 80% of 4,000 graduates) have already returned to their countries to make their contribution to public affairs.

Founded in 1993, the OSI is a private operating and grant-making foundation based in New York City that serves as the hub of the Soros foundations network, a group of autonomous foundations and organizations in more than 60 countries. OSI and the network implement a range of initiatives that aim to promote open societies by shaping government

policy with knowledge and expertise. On a local level, OSI implements a range of initiatives to support the rule of law, education, public health, and independent media. At the same time, OSI works to build alliances across borders and continents on issues such as combating corruption and rights abuses. Open society leaders are inculcated via a range of fellowships and grants for individuals. The idea is to give ‘voice’ to communities, and emerging policy elites, in transition countries through capacity building, the spread of ‘best practices’ and country-specific translation of ‘open society’ values. Consequently, the idea of leadership is embedded within the philanthropic ideals of George Soros and in the organizational missions of both the OSI and CEU.

From the end of the 1990s, the Network has also started to engage itself in various debates regarding global transformations and as a consequence, ventured to reach out new regions of the world (Palley, 2002). Combining East-West, West-East, and East-East transport of ideas, the programs of the Network have taken a ‘global turn’ (see Krizsán and Zentai, 2005).

One direct link from the OSI to the MPP in CEU is the Local Government and Public Service Reform Initiative (LGI: <http://lgi.osi.hu/>). This initiative focuses on supporting local government and decentralization; improving the administration of public services; assisting in the formulation of public policy; and developing a comprehensive regional policy center. LGI was housed in the same building and on the same floor as the MPP and CPS. This has promoted considerable interpersonal interaction between the two groups.

The Center for Policy Studies is part think tank, but more so academic research center. It receives some limited support from OSI as well as a core grant from CEU but generates around half its funding from external sources. In a sense the Center has a split identity as a member PASOS but also as a University research center. (PASOS: The Policy Association for an Open Society is a network of policy institutes and think tanks from 23 countries in CEE and fSU.) CPS incubated the Public Policy Program and CPS research

fellows provide teaching support. Since its launch, the MPP has also cross-listed courses and shared students with other CEU departments such as International Relations and European Studies; Economics, Political Science, as well as Environmental Sciences and Policy.

CEU came into being along with the sweeping social, political and economic changes of the early 1990s in CEE and fSU. This historical context has shaped the mission of the university to support the development of open societies and democracy in CEE (Matei, 2007). It was and to a large extent remains an unusual graduate institution. It is:

... offering a curriculum in the social sciences and the humanities, committed to promoting a new model of learning: serious and morally responsible intellectual engagement inspired by, and in the service of, pressing and challenging social needs (<http://www.ceu.hu/introduction.html>).

The CEU is noticeable in its public rhetoric about “its own academic and policy achievements in helping to transform the communist inheritance” and “commitment to social service”.

In one critical study of George Soros’ policy aspirations, private philanthropy is argued to offer a privileged strategy for generating new forms of “policy knowledge” convergent with the interests of their promoters (Guilhot, 2007: forthcoming). This is a particularly acute observation when assessing the purpose of the MPP at CEU, and more generally, the political and ideological functions of philanthropic initiatives aimed at higher education and academic disciplines.

... it gives us indications regarding the strategic value of these fields as laboratories of social reform – both as the training ground of new elites and as generators of policy knowledge. Investing in higher education does not only earn philanthropists some social prestige: it allows them to promote “scientific” ideas about social reform and to define the legitimate entitlements to exercise power by reorganizing traditional curricula and disciplines. Educational philanthropy allows specific social groups, using their economic and social capital, to shape the policy arena not so much by

imposing specific policies as by crafting and imposing the tools of policy-making (Guilhot, 2007).

In the case of CEU, however, international organizations and bilateral donor agencies (such as UNDP, the European Union and USAID), private companies, faculty and students have modified and reconfigured the straightforward transmission of foundation interests. Policy transfer of ideas and practice is a mediated and contested process.

Importantly, the CEU university ethos has also been substantially informed by those dissidents and members of anti-totalitarian, democratic oppositions operational in the region prior to 1989. These people – “émigrés and cultural cold warriors” – are often characterised by strong personalities and are reinforced by dense networks that sometimes intersect with the OSI but which also draw intellectual sustenance and social capital from alternative sources. The personal mission of Soros is mediated by these very diverse interests and perspectives within the University and OSI. The mission is negotiated, interpreted and implemented in sometimes conflicting and chaotic approaches. Indeed, there is a strong tendency among the faculty to see the University as primarily a teaching institution and/or with elite academic values of disinterested research. This has translated into a traditional university structured predominantly along disciplinary lines. In some quarters, it is complemented by ‘ivory tower’ attitudes where, for instance, interactions with the Graduate Business School have been resisted. As a consequence of such attitudes, public policy courses have been stereotyped as ‘vocational’ or ‘applied’ ‘training for practitioners’ lacking in scholarly caché and inappropriate within the intellectual life of a university.

Nor can the students – even though the majority of them benefit from generous scholarship packages – be characterised as uncritical cyphers accepting at face value the social mission of CEU; or conforming to the values of their professors or necessarily agreeing with the principles of George Soros. The view that CEU is “bringing up” an “elite that adheres to the ideology of globalization, is familiar with its main debates and tends to be compliant with its requisites” (Guilhot, 2007) not only underestimates the independence,

critical capacity and perversity of students. Such perspectives also overstate the impact and influence of CEU on public affairs in countries of the EU, CEE and fSU.

“Training the administrators of globalization” (Guilhot, 2007) may have been the aspiration of one actor and an element of the public rhetoric of others at CEU. Yet, as any scholar of public policy familiar with the literature on ‘street level bureaucracy’ might note, there is often a very large ‘implementation gap’ between decisions at executive level and what actually happens on the ground. More specifically, the idea of the MPP being a ‘passport to leadership’ is just as much an advertising cliché as it is an aspiration for policy impact. The discussion below will elaborate how the forces impinging upon CEU and the development of the MPP are more varied and complicated than a simple translation of the Soros’ interests.

Public Policy courses within the CEE and the EU

‘Public Policy’ is a phrase that is well recognized in the English language context. However, the phrase itself is problematic in the countries of Central and Eastern Europe (CEE) as there is no accepted trans-literal equivalent (see also, Colebatch, 1998: 73). Russian, Hungarian and many other languages in the region do not have an equivalent phrase that allows for effective translation. As a consequence, ‘public policy’ is often translated directly as ‘politics’ or given the meaning ‘training to do politicking’. In other words, the phrase was given some derogative overtones, in part due to residual suspicions of the oppressiveness of state administrations in recent history. Notwithstanding initial skepticism, public policy degrees have seen increased popularity, especially with the administrative requirements of European Union accession and benefits of good governance for economic development (Verheijen & Connaughton, 2003: 843-844).

Whilst recognizing disparities between countries, the educational systems of many fSU countries are under fiscal crisis. Some systems are experiencing a rapidly declining learning environment. Academic positions are not attractive and are poorly remunerated.

Many faculty are beyond retirement age with full teaching loads but cannot leave their positions due to the paucity of their pensions. Thus older generations occupy a disproportionate number of teaching positions. They often have little incentive to re-tool and re-train to incorporate new theories and empirical methods. Many continue to teach the 'old' economics and politology (Hewer, 2007 forthcoming). Such circumstances can leave graduates ill-prepared for working in public sectors grappling with the strictures of the new public management that has been advocated by a numerous development agencies and academic consultants.

For the past fifteen years, international initiatives have abounded to build capacity for graduate education in the social sciences. A number of fellowship schemes (Ford, MacArthur, Muskie, the European Union's ACE program, etc) have sent young academics from the post-socialist countries for graduate study in western universities. In-country, western-style graduate programs have been launched with international assistance and can have the advantage of producing larger numbers of graduates at lower per capita cost. Graduate education has had parallels in professional training programs. In the field of policy training for public sector managers, these have been conducted by the World Bank, UNDP and the joint OECD-EU SIGMA program as well as by NGOs like Freedom House, OSI and NISPAcee.

NISPAcee – the Network of Institutes and Schools of Public Administration in Central and Eastern Europe – is a key professional body in the region for the promotion of policy teaching and research. (An example of policy transfer, it was modeled in some degree after the National Association of Schools of Public Affairs and Administration – NASPAA – in the USA.) Over the past decade, it has been very effective in capacity building and curriculum development, as well as the import of western educational standards (see Potůček, et al, 2003). Likewise, through its Curriculum Resource Center, the CEU provides opportunities (funding, mentorship and training) for curriculum development for academics

from universities throughout the CEE and internationally. These organisations have been key actors in the transmission of Western educational standards and practices.

Public policy degree programs also diffuse values and practices inherently through their design and content. Although it has now closed operations, in 2003, William Dunn (2003) directed a University of Pittsburgh graduate degree in public policy in Macedonia. There have been at least two other notable *private* initiatives targeting a similar student market as the MPP at CEU. In September 2005, the Hertie School in Berlin launched Germany's first Professional School for Public Policy. The motto of its inauguration was Max Weber's idea of "politics as a vocation". Also in Germany, another public-private initiative Humboldt-Viadrina School of Governance is in planning. Since 2003, both the Erfurt School of Public Policy and Potsdam University offer English language programs in public policy. In the pipeline, the Aga Khan Foundation is bank rolling the establishment of a multi-campus University of Central Asia. Further afield, the new Lee Kwan Yew School of Public Policy (LKY-SPP) at the National University of Singapore also has a regional focus and has adopted a distinctively 'Asian' focus to its curriculum development. The creation in 2002, of the Australian and New Zealand School of Government (ANZSOG) is another transnational innovation in graduate public policy education.

These institutions are all in the international marketplace, albeit occupying specific niches. Competition is apparent and is likely to become more intense as new programs emerge in fSU and CEE as well as those that grow and consolidate in Western Europe and North America. Even so, there are also opportunities for collaboration and partnership. A global network for graduate-level public policy education and policy dialogue intended to address pressing policy challenges of the 21st century was launched in late 2005 by Columbia University's School of International and Public Affairs (SIPA), the London School of Economics and Political Science (LSE), and Sciences Po (Paris).¹ In a looser association,

¹<http://www.lse.ac.uk/collections/pressAndInformationOffice/newsAndEvents/archives/2005/GlobalPublicPolicyNetwork.htm>

the Woodrow Wilson School at Princeton has recently initiated 'PolicyNet', a network of public policy schools around the world.² Some time ago, the US Association of Professional Schools of International Affairs (APSIA) extended membership internationally to Fondation Nationale des Sciences Politiques (Sciences Po, Paris), the LSE and the Graduate Institute of International Studies Geneva, amongst others. Recently, the Association of Policy Analysis and Management (APPAM) instituted a survey of international public policy programs (Geva-May et al, 2006).

As is apparent, the globalizing elements of public policy programs are multi-dimensional. Furthermore, 'globalization' does not necessarily equate with 'Americanization'. Instead, American models of MPP programs are 'in conversation' with developments elsewhere. And notwithstanding its constitution as a private American University, the CEU-MPP is located in the heart of Europe, and its development has been shaped by educational traditions in Canada, Australia, the US, the UK and other parts of Western Europe. The 'transmission of western-style educational models and values' is not a simple bilateral process of American educational standards transplanted into central Europe, but a more complex, messy and multilateral process. Indeed, an increasingly strong dynamic, and possibly a much stronger one over the longer term, is regionalization, or "Europeanization" for the CEU-MPP via the Bologna process and European accreditation structures, whereas for the LKY-SPP and ANZSOG, Asian regional developments are more pertinent.

Another element of global forces in policy education is the interest of international organizations. As noted,, the World Bank and UNDP have been promoting the development of public policy schools and training. They also recruit policy analysts (Radin, 2000: 42) Additionally, the European Commission instituted a feasibility study into the development of regional higher education in governance in the Western Balkans. Its terms of reference most clearly make the connection between higher education and prospects for effective transition.

² <http://www.igloo.org/policynet/wing.igloo?r0=home>

... the CARDS Regional Action Programme 2005 foresees support to the creation of a Regional School for Higher Education in Public Administration Reform, or SHEPAR. The purpose of SHEPAR would be to facilitate the self-improvement of public administration in the region by acting as a catalyst for sharing best practices, education and training ... It would seek to develop high quality civil servants and public administration educators and trainers by means of EU-related and region-specific programmes and learning resources, by building a network dedicated to the (...) region and linking it to specialist EU centres of excellence. (http://www.nispa.sk/_portal/files/rozne/ToR_FWC.doc).

Neither this EU program nor those of the World Bank, UNDP or OECD can be considered 'disinterested' in the sense of the traditional stereotypical view of academic research. Instead, these programs make assumptions about direct and indirect links between research, teaching and training with long term prospects for reform, institution building and good governance.

A notable feature of these donors and their programmes is their 'international', 'European' or 'regional' orientation. Rather than speaking solely to a home market, student recruitment is international (or regional) and curricula reflect the broad comparative interests of students. With its objectives to create a European Education Space, the Commission provides a number of funding instruments – such as the Erasmus Mundus graduate education scheme – to attract third-country nationals to develop greater familiarity with the European Union and regional governance and market structures.

More generally, public policy teaching is taking more of a global focus with the growing recognition of cross-border problems of pollution, human trafficking and crime as well as the policy impact of international organisations (especially in post-conflict countries of the western Balkans) and international NGOs. Indeed, a short-lived attempt to generate discussion on the international dimensions of public affairs programs was instituted by NASPAA in early 2005.

In general, public policy teaching is a growth area in the post-socialist countries. There is considerable student demand for these courses alongside voluble advocacy from international organizations and donors to institute such programs. Parallel to such growth has been the formation of professional associations like NISPAcee and the new Network of Asia-Pacific Schools and Institutes of Public Administration and Governance (NAPSIPAG).

Notwithstanding a conducive external environment for the development of MPP programs generally, the graduate program at CEU has encountered two significant challenges. First, institutional practices weakly attuned to markets alongside ‘university politics’ have diminished the potential of the degree. Second, CEE and fSU student demand for the course is usually predicated on full scholarship support. In order to serve its mission, the concern is to attract transition and developing country students to CEU; however, it is those students from OECD countries who are more able to fully or partially finance their studies.

Launching the MPP at CEU

The MPP program is in its third year of operation. While the degree has the strong moral support from the Rectorate, embedded institutional prejudices within the CEU community represented a formidable challenge to the credibility and sustainability of the program.

From January 2004 until September 2005 when the first cohort of students completed their studies, the MPP program was underwent a US accreditation process, appointed faculty and an administrator, developed new courses and recruited students in order to meet ‘international standards’ and conform to ‘best practice’. These milestones also represent a point to reflect on the purposes of philanthropic and public support for ‘policy education’ in an increasingly global era of administration.

Accreditation: CEU is an American university and this entails a complicated procedure for dual recognition and accreditation in Europe. The University as a whole was awarded

accreditation with the US Commission on Higher Education of the Middle States Association of Colleges and Schools in 2004. Over the past two years, the University went through a highly political process of acquiring Hungarian accreditation and full recognition by the Hungarian Government. In 2004, the proposed MPP program was reviewed by five international advisors commissioned by the Board of Regents of the New York State Education Department that subsequently registered the MPP later in that year. Accrediting bodies such as these bring their own pressures and standards of excellence, diluting the impact of private philanthropy with professional values and academic peer review. More generally, the wider professional and scholarly engagements with members of international academic community as reviewers, evaluators, co-teachers and research collaborators have also given a strong flavor to the MPP. It is another instance where the transmission of western-style or US-style public policy education is mediated and transformed by both international and domestic forces.

Curriculum: There are three key components of the taught curriculum worth dwelling upon: ethics; economics; and ‘internationalization’. Generally, the MPP curriculum corresponds in design and content to those public policy programs found in numerous European and North American universities such as along the lines elucidated by Aaron Wildavsky (1976). First, however, a solid grounding in micro and macro-economics is stressed. Students come from across the social sciences and for the majority, the MPP is their first encounter with the economics discipline and with quantitative methods. Given the transition processes has stressed privatization, liberalization and fiscal deregulation, and that the transition economies have now opened up (and sometimes become vulnerable to) global markets, familiarity with the precepts of economics is essential for the contemporary policy maker. This is more so the case for those who go into positions or careers that involve regular interaction with the international financial and trade institutions. Second, the course on ‘Ethics, Governance and Public Integrity’ (alongside the optional course on ‘Corruption and Corruption Control’) is

essential for students who often come from countries in the region where patronage and clientelism is rampant. The diminishment of public integrity in some post-socialist emerging democracies has led to a marked decline in trust in government while the trend towards privatisation has devalued the notion of public service. As such, for some, public leadership is exercised through measures to contain and control corruption. Third, and cross-cutting with the previous two emphases, the international dimensions of public policy and administration are evident, along with courses on European integration (*cf* Verheijen & Connaughton, 2003: 845). Indeed, ‘internationalization’ is a wider feature of the University:

Here lies the originality of CEU: the approach is never national but comparative and pluridisciplinary. No courses here of Hungarian history or German history but a comparative history of the Central and South-Eastern Europe (la Bruyere, 2005).

The policy impact and political presence of international organizations and transnational NGOs in the fSU is notable. Indeed, many students on the MPP have expressed a preference for working with such international agencies rather than national agencies or local government, perhaps due to the more lucrative salaries and career trajectories.

Donor expectations: Two core supporters of the MPP have been LGI-OSI in partnership with the USAID regional office for CEE. As start-up support, LGI and USAID provided 20 scholarships and living grants for students to undertake the ‘decentralized governance’ specialized curricula stream of the MPP in its first two years. LGI is interested in building policy analytic capacity among young professionals that is tailored for public sector employment in CEE and fSU. According to the Deputy Ambassador in the Embassy of the United States to Hungary, Philip Reeker, one of the rationales for their support was that MPP students “will no doubt be pioneers in their own countries on returning – whether as leaders within their central government, local government, or civil society”. In other words, providing scholarships is one long term tool for the promotion of democracy, public sector reform and

good governance in transition. Another source of support for the MPP came from the European Commission through its Framework 6 research program, providing one senior faculty position and infrastructural support to the MPP launch. European Commission funding reflects its general ambitions of cultivating the 'European Higher Education Area' and building the 'European Administrative Space'. This is a regional or transnational policy response to the increasing internationalization of the work of civil servants with membership of the EU and the forces of globalization (Verheijen & Connaughton, 2003: 841). Moreover, at the interstices of the 'old' and 'new' Europe, funding such a program based in the new member state of Hungary, provides an indirect mechanism for inducting future policy elites from the new Europe, and its neighborhood, into the values, norms and policy habits of the European Union.

Practitioner Input: In line with donor expectations, one of the compulsory courses for the 'decentralized governance' stream is co-taught by a World Bank consultant alongside the LGI director. Budapest is also home to the regional offices of a number of international organizations as well as well-known non-governmental organizations. As such, it has been relatively easy to incorporate a wide range of visiting speakers into the curriculum of a number of courses. In particular, the 'International Policy Practice' course is designed around visiting speakers from UNDP, the World Bank, OSCE, UNHCR, USAID, FAO and the International Committee of the Red Cross.

The Internship and Employer Relations: Students are required to complete an internship of two months minimum with a relevant organization. Scholarship students are often required to do their internship with the sponsor or with an approved organization. Magyar Telekom (a Deutsche Telekom subsidiary) has provided scholarships over three years that has provided the impetus in developing a new specialized stream in the MPP on 'Media, Information and Telecommunications Policy'. Scholarship holders are usually required to do their internship

with the sponsor. In the case of Magyar Telekom, their interests have been clearly communicated. The corporation wants to employ more staff who have specialist knowledge of the policy domain and who can handle the regulatory issues concerned with it. As part of the corporation's ambitions to expand into southeastern Europe they are looking to recruit well-trained professionals who originate from the region and have 'local knowledge' but who also have an education in 'international best practices'.

The Student Packages: Rather than being attracted by Soros' principles or CEU's mission, one of the abiding attractions of the University is its capacity to offer high standards of a western liberal education complemented by generous student support. For students from countries where annual incomes of middle classes families are very low, US education is unaffordable. Furthermore, admissions to APSIA schools have narrowed as foreign students have encountered increased obstacles in applying for educational visas to the United States since 9/11 (Reich, 2005: 22).³ Most students at CEU are on scholarships that cover at least half or up to full amount of the tuition fee (\$11,600 in AY2006-07). Many students also receive a living stipend that, by Hungarian standards, is comfortable. Prospective students escape the limitations they might encounter in their own educational systems and are exposed to western educational standards and international faculty. Although CEU remains a young and small institution, it has generated an enviable reputation as a feeder institution into doctoral programs in North America and Europe. In short, students have their own reasons for coming to CEU irrespective of its philanthropic mission.

Faculty Interests: CEU is fortunate in being able to recruit internationally qualified academic faculty. They are attracted by the university ethos, very able and committed students, comfortable working conditions and, by regional standards, good salaries. In the past few years, the Rectorate has emphasized building research capacity and devoted resources to this

purpose. Notwithstanding fluid staff turnover, an intellectually stimulating working environment combined with the attractions of Budapest – a gentrified city at the crossroads of East and West – has meant of a steady flow of applicants to CEU positions. Yet, whilst CEU faculty is ‘international’ around half commenced their careers in former socialist countries (including a large number from Hungary) where state funding of higher education was the norm. Many senior figures in the University have in effect moved from state-funded systems to a Soros-funded system. As such, there is a lack of familiarity with educational markets, and relatively little faculty experience at CEU in fund raising and marketing degrees. A reticence to adapt to competitive pressures is sometimes dressed up in the ‘high principles’ of maintaining excellence and academic standards.

Sustainability and Support: The MPP is unusual at CEU in that it was meant to be self-funding. It was a pilot project to test the University’s prospects in attracting fee-paying students and diversify funding. Whilst sizeable, the endowment does not allow for growth of new degree programs at CEU. The University has few resources to support the MPP. However, future support from external funding bodies in the absence of some University commitment to the program is unlikely. Development of the MPP is seen in negative sum terms by some other departments that claim they are losing faculty positions and facing internal competition for students. Stakeholders to the MPP such as in CPS make the positive sum argument of the program generating new courses, more funding and additional teaching positions that cross-subsidize or serve teaching needs in other degree programs. (Needless to say, perspectives inside the university are more variegated than conveyed here, however, the point is that perception matters.) A victim of its own success in securing *some* external funds and fee paying students, the degree was also ham-strung by stereotypes that a ‘vocational’ or ‘applied’ degree can and should turn a profit, unlike the ‘academic’ disciplines that need to be financially supported. The majority of CEU departments are almost fully funded from the

endowment and do not face the same pressures to attract fee-paying students. Instead, they enjoy an annual quota of ‘student packages’ to attract students. Perverse incentives are in play. Other departments have a vested interest in seeing the MPP (and other fee paying programs such as in the Business School) constrained or closed down in order to preserve existing protectionist practices and fend off pressures of internal management reforms to attract fee paying students. Again, organizational politics do not necessarily coincide with philanthropic ideals to transmit western practices.

As part of efforts to signal the legitimacy of a ‘public policy program’ within the University, an evaluation of the MPP was commissioned. The Reich Report, as it is known, represented an external validation of the academic merits of the MPP as credible interdisciplinary professional degree program at CEU and a program of similar ilk such as might be found in leading American and European universities. As noted in the Report:

MPP programs have become increasingly popular globally. Newly emergent issues (security, environmental, economic) require new skills unfamiliar to senior personnel. The MPP program at the CEU is extremely well positioned (geographically, substantively and intellectually) to serve a niche market. The people will constitute the personnel who will be the next generation of leaders – working in governments, international organizations and non-governmental organizations – in the transitional and developing economies of the independent states of the former Soviet Union and parts of Asia. The MPP program can potentially play a pivotal role in the transition to capitalism and democracy throughout a huge extended region for generations to come.

also reveals a decline.

The review and report were instrumental in securing decisions and financial commitments to embed the MPP within the University. The program became a University department in mid 2006.

Conclusion: Transnational Philanthropy, Globalization and Public Policy Education

The potential of the MPP to contribute to the development of future generations of leaders within the public domains of the fSU is the logic and rationale of the CEU, the OSI and other donors such as USAID, Fulbright and the EU. These actors have been facilitators in the transmission of international ‘best practices’ in the design and delivery of the MPP program. Rather than being the ‘brain child’ of George Soros, the MPP has had much more mixed parentage.

Even so, the transmission of western knowledge has been mediated by local actors – faculty, sponsors and students. They have translated and adapted the curriculum to fit with local and regional circumstances. This has occurred in a contradictory manner rather than as perfectly planned and executed philanthropic enterprise. The character of ‘village politics’ at CEU has been a tangible constraint on the early development of professional degree programs, reminding us that academic interest groups can thwart or stall philanthropic ambitions and the agendas of international development agencies. These interests, alongside unreal expectations of the MPP as a ‘cash cow’ for the University, are discordant with the philanthropic ideals of OSI, the mission of CEU and the expectations of external donors.

Notwithstanding these internal dynamics, the transfer of ideas and practices into the development of the MPP at CEU is symptomatic of broader trends of the impact of globalization on higher education. The ‘entrepreneurial university’ is one that is increasingly shaped by external pressures in the global market place (Berman, 1998: 227). These pressures are corporate, governmental and international organization as well as professional and philanthropic. Multinational corporations see a western trained and policy literate graduate population as useful employees. There are the ineluctable political pressures of

regionalization that come with university enmeshment in the European Union (Corbett, 2005). Collaboration and partnerships with international organizations not only provide resources for program development but in certain instances dovetails with wider CEU mission to promote international public service. Meeting international standards through accreditation and academic oversight of international referees helps instill a dynamic for policy convergence in management styles and scholarly structures among higher education institutions world-wide (Drezner, 2001). The transnational content of the curriculum not only reflects the international character of both students and faculty, but also is symptomatic of internationalization of the professions and civil service. These myriad interests within the globalization of higher education operate alongside the dynamics of transnational philanthropy and the advocacy of a 'global open society'.

It is not the case that the MPP – or those who designed, fund or teach it – are passive subjects upon which the forces of globalization are played out. As noted, policy transfer is a complicated process of backward and forward 'feed-back loops' among multiple agents of transfer. As the MPP and other policy programs in the region consolidate and mature, their faculty and graduates will gradually provide some shape to scholarly and practitioner understandings of public policy. Importantly, the MPP and similar programs in the 'European education space' are also emphasizing research into the institutional settings of supranational and international organizations, and analysis of policy-making in the European Union as the world's most densely integrated supranational polity. They are reconfiguring traditional understandings of 'public policy' by mapping a new domain of inquiry in 'global public policy'.

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