

# ICPS newsletter

## Managerial decision making in Ukraine's regions to be supported with quality statistics

**Effective decision making regarding regional policy at both national and local levels is impossible without the appropriate development of an informational foundation. The lack of timely and full statistical data will hinder strengthening processes happening in the regions, and their development. ICPS experts unveiled an action plan to improve regional statistics, whose main faults today include inconsistency of available data with the needs of a modern economy, and insufficient knowledge on the part of statistical data users about the indicators required for working in market conditions**

The Action Plan to Boost Regional Statistics has been recently finalised under the framework of the "Statistical Capacity Building at Subnational Level" project, carried out jointly with the State Statistics Committee and representatives of regional statistical data users, funded by the international donor community (World Bank, OECD, and CDE).

The project to boost regional statistics was inaugurated in April 2002, in order to create a substantive informational foundation for effective decision making at both the national and local levels of government. Counterpart projects were initiated in other countries of the Eastern European region, including Bulgaria, Romania, Slovakia, and Slovenia. Design of the action plan was preceded by analysis of current conditions in regional statistics. The analysis entailed discussions and consultations with the main generators and users of data, in the course of which existing problems were identified and solutions found.

### Ukrainian statistics inherited Soviet flaws

The main methodological and human resource potential of Ukrainian statistics was formed in Soviet times, when too much focus was on gross indicators, which were supposed to characterise successes of the national economy. When Ukraine shifted to market relations, the list of indicators collected by statistics agencies was not revised. Thus, statistics agencies continue to devote their resources to data collection, the need for which has

shriveled dramatically, while currently users often need data that are not collected or are not provided in a format suitable for users. Such data include, for example, information on inter-regional migration of the population, poverty levels, public utility debts, market assessment of land plots, etc.

The developed action plan envisages stocktaking of data, with the identification of a list of irrelevant indicators and discontinuation of their use. Concurrently, a list of indicators necessary for users under the market economy should be drawn up, and a methodology for their acquisition and development should be designed. This, in turn, requires the development of capacity of end-users to identify their needs for data, and their appropriate formulation.

### Data generators and users need to coordinate their activities

Among the key impediments to the development of the current system of statistical data acquisition and dissemination is the lack of interaction between data producers and users. One of the reasons behind this is the failure of statistics authorities to fully disseminate information and establish contacts with the information users. According to the existing regulations, data users should be able to shape the work of statistics agencies, by approving their annual statistical workplan, but actually this procedure is a mere formality and is not used to meet the information needs of end-users. Moreover, often they are not informed

about available information, while their capacity for formulating their needs clearly is still low. That is why local government bodies have to make do with a limited list of indicators. For example, socioeconomic development across the regions is analysed largely based only on the taxation potential and the official unemployment rate.

In order to eliminate this obstacle, the Action Plan envisages to create a Consultative Centre for Regional Information, one of the key areas of activity of which will be to conduct training for both regional data producers and users, as well as disseminate regional information via a specialised Internet portal.

### Major risks come from the lack of coordination, established practice and necessity to share information

Among the possible risks to effective implementation of the Action Plan, experts name the lack of interdepartmental coordination, insufficient computerisation, and probable counteraction to free information exchange on the part of those involved in the process. By and large, risks are induced by the lack of a single source for information collection and dissemination, since, apart from the State Statistics Committee, the statistics system is strongly affected by the finance and economy ministries and other state bodies; if their activities are not coordinated, it would be impossible to create a viable system. On the other hand, there is a risk that in order to protect their own interests, stakeholders will oppose the dissemination of performance data or information that is likely to affect the scope of possible financing. ■

For further information, please contact Oksana Remiga, tel.: (38-044) 236-4477, e-mail: oremiga@icps.kiev.ua

# Transformation of education as a means of preserving reform results for future generations

*The International Centre for Policy Studies is preparing a new issue of the Russian-language version of the Local Government Brief, as commissioned by the Open Society Institute's Local Government and Public Service Reform Initiative (LGI) Program. This issue of the bulletin will feature the problems of education in Central and Eastern Europe (CEE), the Transcaucasus and Central Asia*

Education has always played an important role in post-Soviet society. In Soviet times, this sector was a frontrunner, with education being rightfully regarded as an impetus to the national economy. Until now, people from post-communist countries took proper pride in their national educational system; these former schoolchildren and students continue to win first prizes in international contests, and the level of intellectual development in society remains high.

But does the post-communist education system pass the test of new realities brought about by the market economy and democracy? The answer to this question is obviously negative. Nowadays, the infrastructure of educational establishments is in a deplorable state, teachers' wages are meagre compared to their heavy workload, and the whole educational sector experiences a constant lack of funding to gratify even their most basic needs.

## PISA survey: The collapse of illusions about the high educational level in CEE countries

In 2000, the Organisation for Economic Cooperation and Development (OECD) commissioned research based on the Program for International Student Assessment (PISA). The survey examined the literacy of students aged 15. By and large, it captured 265,000 students from 32 countries (particularly, Hungary, Latvia, and Russia, while Ukraine was not included in the survey). The survey unveiled gloomy results: in post-Soviet countries, the percentage of students who could not manage even the simplest assignments was extremely high, which signals about grave flaws in the post-Soviet system of education.

Naturally, critics of the PISA survey can point to a certain inadequacy of this

assessment, because the focus was on the ability of students to resolve problems taken from real life. As is well known, communist education systems were oriented towards accumulating theoretical knowledge, which was merely cramming, not developing the ability to adapt to new situations and effectively respond to new challenges. However, today's focus on the market economy requires above all that people have the skills to flexibly respond to changes and be quick at making expedient decisions, as opposed to being trivia experts.

## The status of education in post-Soviet countries: from obeying top-down commands to market demand analysis

Transformations have not bypassed the education sector. During the 1990s, the system of education in CEE countries underwent substantial innovations. Certain countries have advanced noticeably on their path of educational reforms (Central Europe), while others are only today starting to make any radical changes in the system; nevertheless, most transformations have only touched the surface. After reforms in education were launched, post-communist countries started injudiciously copying Western practices of organising educational processes; however, the majority of such innovations did not become entrenched here and have proved inadequate to the local environment.

Authors of the upcoming issue make a clear distinction between the two educational systems: the command-driven system, which is guided by top-down decisions in its development, and the market one, which is shaped by market demand.

The strategic goal of reforms is to switch from the command-type education to the market one. This envisages making changes along many lines, particularly in

the decentralisation of education. Making schools more independent will boost their flexibility and chances of survival in modern society. However, decentralisation itself is not a cure-all. It should be supported by a comprehensive set of measures, including the implementation of new financing systems for educational establishments, the revising of student proficiency tests, and implementation of new quality assessment systems in education, as well as of incentive systems for teachers. This is why reforms in education are the most difficult, since they require coordination of the efforts of many entities, of state bodies, private companies, and community organisations. Reforming education demands changes in many related systems—public administration, government financing, the labour market, etc.

## New European initiatives

Nowadays, the European community is endeavouring to integrate, including the education sector. The European Union is implementing a uniform policy in the social sphere, using an open coordination method. This will allow to enhance the public policy of EU member states along this line, and to boost its effectiveness by using a common European platform, which will take account of national, regional, and local peculiarities in education.

This new European initiative is of interest to CEE countries, most of whom are preparing for EU accession. Using such a method of coordination will allow them to adopt European experience in implementing educational policy for themselves.

In the new issue of the *Local Government Brief*, readers will also be able to find a number of articles featuring reform-related experience and the status of education in countries with economies in transition (in particular, Armenia, Romania, Russia, and Serbia). In addition, there will be useful information in an article on the major international educational quality assessment systems, with a comparison of their key features provided. ■

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