

## **AN INNOVATION AT THE FACULTY OF ECONOMICS:**

### **ROAD FROM THE DEPARTMENT OF PUBLIC SERVICE TO THE DEPARTMENT OF PUBLIC POLICY AND MANAGEMENT**

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## **HOMEOLOGUE**

On the occasion of the 30th anniversary of the Faculty of Economics of Corvinus University, and using the rules of subjective reminiscence rather than the tightly annotated autobiography, we summarise the story of an innovation that appeared at the Faculty during the change of regime, and which has proved to be enduring, evolving over time and adapting to changes in the environment. This innovation is a multidisciplinary public policy and public economics university degree programme with a strong emphasis on economics. In the early 1990s, this was a fundamental innovation – not only in Hungary, but in the whole region – which had to be accepted not only by the Faculty and the University, but also by Hungarian higher education. At the same time, a distinctive professional profile was developed at national and international level: while the public policy and public administration programmes of leading Western European and North American universities are similarly multidisciplinary, the strong economics component became (and remained) a specific feature of the Corvinus program.

### **The 30th anniversary of the establishment of the Faculty of Economics**

The 30th anniversary of the establishment of the Faculty of Economics is a special and celebratory event for the staff of our Department. Not only because we have always seen ourselves as an integral part of economics education (resisting both temptation and coercion to move away from it), but also because we have always believed that, in addition to general education, economists specialising in public sector issues and understanding their social, legal and political context are needed in the emerging and expanding market economy.

After 30 years, we must look back with gratitude and appreciation to all those who have contributed to the establishment of the training and the department, and to those who have supported our efforts and partnered in the development of educational programmes and research.

From the beginning, the Department of Public Policy and Management and its predecessor departments were an integral part of the Faculty of Economics. The Faculty's

30-year history thus includes a university history of multidisciplinary teaching and research in public economics and public policy.

## **1. THE BEGINNINGS: THE BIRTH OF PUBLIC SERVICE TRAINING**

At the end of the 1980s, the department's immediate predecessor, the Department of Social Planning at the Károly Marx University of Economics, was part of the then Institute of Economic Planning. It dealt with the social environment of economic planning as a special field of teaching and research, where practitioners from different social science disciplines cooperated with each other.

At the end of the 1980s, the reform led by Csaba Csáki, Rector and Ernő Zalai, Vice-Rector of the University, replaced the socialist "political economy" based economics education with the standards of Western European and North American economics education.

### **The intellectual background**

The intellectual background for this was provided by the fact that in the previous two and a half decades, many young lecturers at the university had the opportunity to get to know Western economics programs personally during long study trips abroad, lasting several months or a year. The comprehensive reform laid down the foundations for international compatibility in the education of economics: common core courses and specialisation pathways were established, with new courses and curricula, and curriculum design principles, as well as and the forms of evaluation were radically changed. The change of regime has confirmed the intention and direction of international compatibility and has given it new impetus. It became clear that maintaining the autonomy of the university also required progress along the path of reform.

The university, which had been an independent institution since 1948 and had been named after Károly Marx since 1953, changed its name to the Budapest University of Economics in 1990. The new name expressed and legitimised the reform measures that had been taken to express the need for an independent economic education in a market economy. As part of this reform, the Institute of Economic Planning was abolished in 1992 and its departments continued to operate independently. The first head of department was Ernő Kemenes.

### **Organisational change and new content**

This organisational change signalled new content requirement for the Department of Social Planning: the teaching and research of imperative social planning could no longer be continued. The Department recognised that the new functions of the state in the context of the market economy also demanded new types of knowledge and skills from civil servants. In response to these new requirements, the aim was to develop an internationally compatible, multidisciplinary, university-level education programme based on comprehensive knowledge of economics and methodology (mathematics,

statistics, information technology), that takes into account the themes and teaching materials of leading Western European and American educational programmes in this field. This was done with the intention of developing a similar educational programme and to contribute to it through their scientific research. This objective, as mentioned in the Introduction, was unique not only in Hungary at the time, but also in the entire post-communist region.

### **The multidisciplinary approach and the new name of the Department**

What made it possible for the Department to offer a truly multidisciplinary education from the early 1990s onwards? In short, its unique personnel. Ernő Kemenes recruited his staff – with one exception who worked at the university – in 1981 for the then Ministry of Culture's Directorate-General for Cultural Policy. These staff had previously worked as researchers in various fields of social sciences, including economists, sociologists, educational researchers and philosophers. Less than a year after it was set up, the department was dissolved; the staff were tried to be retained, but they preferred to continue their work together, but at the university. It was the heterogeneous approach of the Department's staff that allowed the development of multidisciplinary training.

The curriculum change has warranted renaming the Department to better reflect its new content; its new name was the Department of Public Service.. A not insignificant factor in this choice of name was that the terms public policy and public management were so new and vague in the Hungarian language at that time that a name that was common in the United States and could be considered familiar in Hungary was chosen.

### **Conceptual basis of the development**

The conceptual basis of the development was that the Department was already familiar with Western European and American examples, which it intended to follow in adapting them to domestic practice: the aim was to develop a nationally compatible, multidisciplinary educational programme for future civil servants, and other organisations closely linked to government and the public sector – consultancies, international organisations, domestic and foreign NGOs, companies from regulated industries.

The objectives and initial activities of the Department were greeted with a certain amount of anticipation in the academic community. There were even those who would have justified the abolition of the Department. At the same time, the Department of Public Policy involved other departments to a considerable extent in the development of the programme. The role of the Department of Organisation and Management was emphasised, but the College of Public Administration, personally Lajos Lőrincz and others, also participated as an external actor in the teaching of constitutional and administrative law.

### **The new educational programme**

The new educational programme – within the framework of the then five-year university programme – was announced as a two-year major in the fourth and fifth years of the Faculty of Economics. The aim of the programme was to prepare students for working at a high quality in a constitutional democracy that is based on market economy, by providing them with the necessary knowledge of public policy and public management, and the practical experience to enable working in either the public or private sector.

The Department has defined which social sciences are to be taught and in which areas. These components were:

- knowledge of social relations from a sociological and psychological perspective,
- knowledge of the legal system, in particular constitutional and administrative law,
- socio-political knowledge based on knowledge and analysis of public policy processes,
- knowledge of the economic activities of public institutions from a public management and public finance perspective,
- knowledge of the functioning of public service and public administration organisations from a public institution management perspective,
- ethical and legal knowledge based on public service ethics,
- methodological and analytical skills in statistics, mathematics and information technology.

### **Launch of the major in 1992**

The educational programme of the major was actually launched in 1992. It consisted of seven core courses: public sector management, public finance, public policy process, public policy analysis, managing public institutions, public administration law, ethics and responsibility in the public sector. All these courses have been newly developed. In addition, seven of the Department's fifteen elective courses were also entirely new.

The courses of the major also marked the Department's participation in the teaching of economics within the Faculty, the main lines of which remain unchanged to this day. From the very beginning, the Department's staff contributed to the teaching of economic theory and practice in the fields of government decision-making, public policy and public economics by translating studies and textbooks, and by carrying out independent research and writing textbooks. In addition, competition policy, market regulation, the economic theory of public choice, the economic analysis of law and the economic analysis of specific policies, among others, have complemented the teaching of general courses.

## **2. THE 90'S: BUILDING INTERNATIONAL RELATIONS**

The multidisciplinary education programme has also attracted the interest of Western European universities, which have initiated joint programmes. The Department was involved in two TEMPUS programmes, first as coordinator and then as a contractor. Our partners were leading Western European universities such as the Catholic University of Leuven, Erasmus University Rotterdam, the German School of Public Administration in Speyer, the Aston University of Business and Economics in Birmingham, and later the University of Barcelona and the Technical University of Lisbon. The cooperation has included study visits for teachers and students. We were able to learn about the content and structure of their programmes, which made it possible to apply them in a domestic context. The partner lecturers took part in the teaching of our programme, and Hungarian students were able to get to know the teaching activities of Western European universities in practice. Our partners made their teaching materials available to us and drew our attention to the literature they used. This guided us first in using their teaching materials and later in producing our own textbooks, notes and dance guides. It is worth mentioning that students from Western Europe and the United States have also come on study visits to our country. In 1993, for example, 35 students from Dutch universities and 27 from Aston University came on two-week study visits. In general, students from Germany spent 3 months in Western European partner universities.

A major role in the development of an internationally compatible educational programme was played by the American links – from the time of the change of regime, preceding the Western European links – made possible by the FORD and PEW Foundations, and by the USIS and ACLS/IREX grants. This enabled our teachers to travel to some of the most prestigious universities in the USA for study visits and some of our students to undertake part-time studies.

### **American connections and NASPAA membership**

It was of particular value to us that the NASPAA (National Association of Schools of Public Affairs and Administration) elected our Department as a member of the American organization. This membership has not only facilitated the establishment of teaching and research links with leading American universities (University of Syracuse; State University of New York at Albany; University of Wisconsin, Madison; State University of Washington, Pullman), but has also meant invitations to various prestigious American conferences.

The visits have attracted the interest of prominent American academics to our department. The fact that four American academics have each spent a year in our Department on a Fulbright scholarship is a sign of this. The cooperation also led to joint projects and research studies. We should mention the names of Jeffrey Straussman, David Greenberg, John Witte and Lance T. LeLoup, who have contributed in many ways to the improvement of the Department's international standing, through joint projects and studies. At the same time, the Department's staff have also lectured as visiting professors

at prestigious American and Western European universities and their publications have made them well known in the international academic world.

### **The minor and cross-faculty integration**

Meanwhile, in addition to the major, a minor was also announced, which was open to students of both the Faculty of Business and Administration and the Faculty of Social Sciences. In addition, some courses were taught in the Faculty of Economics and the Faculty of Business and Administration on a compulsory or compulsory elective basis, attracting considerable interest. This meant that the Department's teaching programmes were fully integrated into the three faculties of the University. In the academic year 1996/97, a total of 122 students were enrolled in the Department's educational programmes. In recognition of the international embeddedness of our educational activities, in 1995, for the first time in Eastern and Central Europe, the Department was awarded the right to host the annual conference of the EGPA (European Group of Public Administration), which provided an opportunity to promote and measure the results of our academic work internationally. The outstanding papers of the conference were published in a volume edited by Mihály Hőgye and György Jenei.

The international compatibility of the Department's teaching and research activities was also demonstrated by the fact that it was invited to participate in the EMPA (European Master's of Public Administration), as the fourth participant. In the one-year English-language programme, students studied at a different partner university each semester; at the end of the program they received a jointly signed certificate.

### **Centre for Public Affairs Studies (CPAS)**

In 1991, the Department set up the Center for Public Affairs Studies (CPAS, hereafter referred to as the Center), a foundation to effectively and efficiently pool the intellectual capacity of the University, which helped the Department to participate in external programmes, both national and international, related to public administration reforms. Examples of the former include the Centre's participation in the Phare project, which supported Hungarian public administration reforms through studies and teaching, and that of the latter the joint project with the University of Oxford, the results of which were summarised in a volume of studies.

The Centre has also provided a framework for teaching in Hungarian higher education institutions, in line with the needs of these institutions. It also operated a Parliamentary Office for Methodology for more than a decade on behalf of the Speaker of Parliament. The Office published a series of methodological manuals and other materials to assist the work of Members of Parliament.

The vast majority of international relations have become institutionalised and have developed into long-term institutional and personal relationships. Of particular importance was the cooperation between the Department and the Catholic University of

Leuven, which celebrated its 20th anniversary in 2012 with a joint event. This cooperation has not only involved the organisation of study visits for teachers and students, but also cooperation in teaching and research. Our relationship with Babes-Bolyai University, also more than 20 years old, has developed to an outstanding level. Student visits are mutual and regular. Our lecturers have regularly taught and continue to teach in Hungarian and English at Babes-Bolyai University. We have jointly participated in international projects and involved Romanian colleagues in the PhD programmes of the Doctoral School of Political Science.

### **International leadership and academic roles**

The Department's colleagues – György Jenei, Head of Department, and László Váradi – have held chairmanships (EGPA: European Group of Public Administration; IRSPM: International Research Symposium of Public Management) and presidency (NISPAcee: Network of Institutions and Schools of Public Administration in Central and Eastern Europe) in leading organisations in the field. They have also served in the editorial boards of journals such as IRAS (International Institute of Administration Sciences), Public Management Review -IRSPM, NISPAcee Journal of Public Policy and a number of other professional journals in Romania, Slovenia, Poland and Estonia. Departmental staff have been regular speakers at the annual conferences of the above organisations and have also chaired standing working groups in the EGPA and NISPAcee.

### **3. THE 2000 YEARS: FURTHER INSTITUTIONALISATION AND THE TRANSITION TO THE BOLOGNA SYSTEM**

On 1 January 2000, the Budapest University of Economics and Public Administration was established through the integration of the predecessor Budapest University of Economics and the Budapest School of Public Administration. Several lecturers of the Department participated in the educational programmes of the Faculty of Public Administration by teaching independent subjects. The period also brought a change in the leadership of the Department, which was taken over by György Jenei in 2000 and Mihály Hőgye in 2007.

Since the mid-2000s, the transition to the three-cycle Bologna education system has been a new challenge for the Department. Colleagues from the Department led the preparatory works to establish the accreditation of a public policy and management rMSc in 2006, in which experts from various universities participated (chairman: György Jenei; secretary: László Váradi). The Department also launched a bachelor's programme in public service economics on an experimental basis, which was soon discontinued. The MSc in Public Policy and Management was launched in 2011, followed by the English-language version (PUMA) in 2011.

### **Internationalisation and the 2010s**

During these years, the international compatibility and acceptance of the Department and the Centre has been further strengthened. We organised the annual conference of

the IRSPM, and we also organised international mini-conferences and workshops. This was spearheaded by the Health Economics and Technology Research Group, which developed within the Department. The Research Group has built up expertise equivalent to that of leading Western academic centres, particularly in the field of health technology analysis. Internationally renowned researchers and professors of high standing have been involved in health economics education. Our university has institutionalised their activities as honorary professorships. This success story laid the foundations for the creation of the Department of Health Economics, which is still in operation.

The teaching of Public Economics and Public Finance at undergraduate and master's level in a number of disciplines has strengthened the Department's involvement in the wider field of economics. In 2001, György Jenei became a member of the EAPAA (European Association for Public Administration Accreditation) Board, which helped him to become familiar with the accreditation practices and requirements of European universities. We have been involved in the establishment of the Doctoral School of Political Science and have undertaken 8 PhD supervisions.

#### **4. THE 2010 YEARS: CHANGING TIMES**

Since the early 2010s, the institutional and legislative environment for the Department's educational programmes in Hungary has changed. In the field of public administration generalist training, some programmes offered by law faculties (e.g. public management and public administration) have been completely discontinued, and since the middle of the decade these courses have been offered almost exclusively at the National University of Public Service. The range of programmes taught by the Department, which were in many respects economics-based but still essentially multidisciplinary, was radically reduced: the Civil Service core subject was dropped from the list of courses. Moreover, the number of institutions offering the MSc in Public Policy and Management was gradually reduced, until the only programme remaining was the one taught at Corvinus University.

The new situation with the emergence of the National University of Public Service was also reflected in a name change: from 2013, the new name – taking the name of the “flagship” Master's degree – became the Department of Public Policy and Management. Despite these environmental changes, the situation of the Master's programmes has been consolidated and slowly developed, with a steady increase in the number of students of both the Hungarian and English programmes.

#### **Generational change**

The first half of 2010 was a watershed in other respects too. The teaching and management staff who have shaped the intellectual and scientific profile of the Department since its creation reached retirement age. Mihály Hőgye, Head of the Department, retired in 2013 (and died shortly afterwards after a short, serious illness),



and György Hajnal took over the leadership of the Department. In these years, the replacement of retired lecturers has resulted in the replacement of essentially the entire staff of the Department.

However, the generational change has preserved the multidisciplinary character of the teaching staff. Staff in the department conduct research, publish regularly and participate in international projects in the fields of law, public administration, public management and public policy analysis. In addition, the economics strand has continued and even been strengthened, in particular in the fields of public economics (public finance and public choice), legal economics and regulatory economics. In line with the development of public policy analysis, the quality of use and teaching of quantitative and qualitative methods in research and education has been significantly strengthened.

### **Rapid internationalisation**

The decade has seen a further rapid internationalisation of the Department's educational programme and its research and science management activities. In 2012, the international accreditation body European Association for Public Administration Accreditation (EAPAA) accredited the Department's Hungarian-language Master's programme. Only four programmes in Eastern and Central Europe have international accreditation. The accreditation is valid until 2019 and is being renewed at the time of writing. Double-degree collaborations have been established: first on a project basis with Radboud University in Nijmegen and the University of Ljubljana, then on a permanent basis with Babes-Bolyai University and most recently with the University of Palermo.

The number and proportion of foreign students, mainly from outside Europe, increased significantly in the second half of the decade, mainly thanks to the Stipendium Hungaricum programme. This is an important confirmation for us that the program is a "product" that can be sold on the global higher education market. At the same time, students from outside Europe represent a new challenge: to provide knowledge that is relevant and applicable to the socio-economic context in which they live. This calls for improvements in curricula and teaching approaches. Internationalisation has also started in the teaching/research community, with foreign doctoral candidates joining the department and regularly invited guest lecturers.

### **Personal relationships and academic recognition**

Personal relationships, which are key to scientific cooperation, have also developed dynamically: the Department's Professor Emeritus, György Jenei, was awarded the title of Doctor Honoris Causa in Tallinn and Waasa. On our proposal, the University Council of Corvinus University of Budapest conferred the title of Doctor Honoris Causa on Geert Bouckaert (President of IIAS), Stephen Osborne (former President of IRSPM) and Wolfgang Drechsler, a world-renowned researcher in public administration, as of 1 September 2012. The Department has brought leading academic events to Hungary: it

hosted the Trans-European Dialogue in Public Administration (TED5) in 2012, the NISPAcee Annual Conference in 2014 and the IRSPM Annual Conference in 2017. Continuing the tradition, the Department's staff have played a leading role in international organisations in the field, with György Hajnal becoming a member of the EAPAA Accreditation Committee, then Vice President of IRSPM Eastern Europe and President of NISPAcee. Other members of the Department chair standing working groups of international conferences.

In 2015, the Institute of Economic and Public Policy was established at the Faculty of Economics, bringing together the departments of the Faculty of Economics and Public Policy, which – in addition to the Department of Economics – includes the Department of Economic Policy, the Department of Health Economics (which has since become a separate department), the Department of Comparative Economics and the Centre for Labour Economics. Building on previous collaborations, intensive teaching and research links have developed between these departments, with units of the Institute acting as course leaders and lecturers on key courses in the Department's programmes, and publications in leading international journals and publishers as a result of joint research.

### **Continued cooperation**

The Department has continued and expanded its links with other teaching units of the University, and has been more intensively involved in the work of the University's Doctoral School of Political Science, both through its teaching and its activities as a supervisor of PhD students. Several members of our staff are core members and others are lecturers at the Doctoral School of Political Science, where many of our students have completed or are currently undertaking research. And the teaching staff of the Institute of Management Sciences in the Faculty of Business and Administration continues to be involved in the Department's teaching programmes with key compulsory and elective courses, continuing a traditional collaboration dating back to the 1990s.

The inter-institutional relations with the leading domestic players in the field are also excellent: we conduct joint research with the National University of Public Service, a key player in the field, in the spirit of the cooperation agreement between the two universities, and the senior lecturers of the Department have also played a role in the NKE doctoral school: its establishment was supported by the development and teaching of compulsory foundation courses in the initial period, and since then by the development of topics and participation in doctoral activities. At the time of writing, joint research and publication projects are still being carried out with the Research Centre for Social Sciences of the Hungarian Academy of Sciences.

### **Conclusion**

Overall, the innovation of the period of regime change has proved to be timeless. The multidisciplinary, but economics-focused, university curriculum has stood the test of

time in the light of student demand – increasingly international – labour market feedback and the value judgements of international professional communities. But, as this brief review has perhaps shown, it has also required continuous educational innovation, academic work and adaptation to a changing environment. We have no doubt that it will be the same in the future.