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# Market Principles, Philanthropic Ideals, and Public Service Values in International Public Policy Programs

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Just as there was a boom in the establishment of Master's of Business Administration programs 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 where the dynamics of globalization and "Europeanization" are apparent and the pressures for reform pronounced (Verheijen and Connaughton 2003, 843). Appointing personnel with the educational prerequisites necessary for managing reform and meeting the challenges of globalization has been 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 become increasingly apparent (Pratt 2004).

Policy transfer is a process where the knowledge about how policies, administrative arrangements, institutions, and ideas function in one setting is used in another. The "diffusion" literature suggests that policy and practice percolates or diffuses, 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 article, 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 article concludes by emphasizing the logic of choice: that is, by providing an example of how local political dynamics are having a significant impact in the reception and interpretation of the foreign models and philanthropic objectives at the Central European University (CEU).

At CEU, the Master's in Public Policy (MPP) program is an experiment in the transmission into a post-Soviet education system 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 article addresses the place of the MPP in the education of a new generation of leaders acclimatized to global trends in transition and public sector reform. However, it also highlights the multiple influences

alongside private philanthropy that shape the program at CEU.

## The Institutional Context of Philanthropy and Public Leadership

There is considerable demand in the former Soviet Union for public managers with skills and leadership qualities. The early 1990s introduction of privatization, deregulation, and marketization brought about a number of new initiatives in economics 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, and Pleskovic 2007).

Despite an increasingly evident call from multilateral agencies and international donors for "good governance," little credence was given initially to the socio-political aspects of transition and market reform (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, [W]estern economics" (Ofer 2007). In contrast to the high-profile 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 limited. 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

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vehicles for the transmission of: 1) international standards of scholarship; 2) analytical approaches to the study of public policy; and 3) the dissemination of knowledge about “best practices” in governance.

The development of the Master’s in Public Policy (MPP) program at the Central European University is symptomatic of broad philanthropic concerns for public leadership in developing and transition countries; it is also in tune with the “good governance” agenda of international organizations. A similar trend occurred in the U.S. between 1967 and 1970 when philanthropic and other support helped launch graduate public policy programs in institutions 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).

The formation of the MPP program is directly linked with the mid-2000 establishment of the Center for Policy Studies (CPS). More generally, the MPP program 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 to 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 founda-

tions 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 projects 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 Soros’ philanthropic ideals and in the organizational missions of both the OSI and CEU.

From the end of the 1990s, the network has also become engaged in various debates regarding global transformations; as a consequence, the network has reached out to new regions of the world (Palley 2003). Combining East-West, West-East, and East-East transport of ideas, the network’s programs have taken a “global turn” (see Krizsán and Zentai 2005).

One direct link from the OSI to the MPP program 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. At the time, LGI was housed in the same building and on the same floor as the MPP program and CPS. This prompted considerable interpersonal interaction between the two groups.

The CPS is part think tank, but more so academic research center. It received 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 CPS has a split identity as a member of both PASOS and 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 the former Soviet Union.) CPS started the Public Policy Program and CPS research fellows provide teaching support. Since its launch, the MPP program has also cross-listed courses and shared students with other CEU departments.

CEU came into being along with the sweeping social, political, and economic changes of the early 1990s in CEE and

the former Soviet Union. This historical context has shaped the mission of the University to support the development of open societies and democracy in CEE (Matei 2008). It was and to a large extent remains an unusual graduate institution in that it “offer[s] 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” ([www.ceu.hu/introduction.html](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 its “commitment to social service.”

In one critical study of 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 2008, forthcoming). This is a particularly acute observation when assessing the purpose of the MPP program at CEU, and, more generally, the political and ideological functions of philanthropic initiatives aimed at higher education and academic disciplines.

[I]t 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 2008)

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 ethos has also been substantially informed by democratic, anti-totalitarian dissidents operational in the region prior to 1989. These activists—“émigrés and cultural cold warriors”—are often reinforced by dense networks that sometimes intersect with

the OSI, but which also draw intellectual sustenance and social capital from alternative sources. Soros' personal mission 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 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 which, for instance, resist interactions with the Graduate Business School. As a consequence of such attitudes, public policy courses have been stereotyped as "vocational" or "applied" "training for practitioners" lacking in scholarly cachet and inappropriate within the intellectual life of a university.

Nor can the students—a majority of whom 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 Soros' principles. 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 2008) 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 former Soviet Union.

"Training the administrators of globalization" (Guilhot 2008) 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 the executive level and what actually happens on the ground. More specifically, the idea of the MPP program 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 program are more varied and complicated than a simple translation of Soros' interests.

## Public Policy Degrees within the CEE and the EU

"Public policy" is a well-recognized phrase in the English language context.

However, the phrase itself has been problematic in 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 has been laden with some derogative overtones, in part due to residual suspicions borne of the region's recent history with oppressive state administrations. Notwithstanding initial skepticism, public policy degree programs have seen increased popularity, especially with the administrative requirements of European Union accession and the benefits of good governance for economic development (Verheijen and Connaughton 2003, 843–4).

Whilst recognizing disparities between countries, the educational systems of many former Soviet countries are in a state of 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). Such circumstances can leave graduates ill-prepared for working in public sectors grappling with the strictures of the new public management advocated by numerous development agencies and academic consultants.

For the past 15 years, international initiatives to build capacity for graduate education in the social sciences have abounded. A number of fellowships (Ford, MacArthur, Muskie, the European Union's ACE program, etc.) have sent young academics from the post-socialist countries to Western universities for graduate study. In-country, Western-style graduate programs have been launched with international assistance; they can have the advantage of producing larger numbers of graduates at lower per capita cost. Graduate education has parallels in professional training programs. Policy training programs for public sector managers have been conducted by international organizations like 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 U.S.) Over the past decade, it has been very effective in capacity building and curriculum development, as well as in 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 organizations have been key actors in the transmission of Western educational standards and practices.

Public policy degree programs inherently diffuse values and practices 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 program in Macedonia. There have been at least two other notable *private* initiatives targeting a student market similar to the MPP program's. 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, planning for another public-private initiative, the Humboldt-Viadrina School of Governance, is underway. Since 2003, both the Erfurt School of Public Policy and Pottsdam University offer English language programs in public policy. The Aga Khan Foundation is bankrolling a multi-campus University of Central Asia. Further afield, the new Lee Kwan Yew School of Public Policy (LKYSPP) 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) represents 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 the former Soviet Union and CEE as well as those that grow and consolidate in western Europe and North America. Even so, there are also myriad opportunities for collaboration and partnership. In late 2005, Columbia University's School of

International and Public Affairs (SIPA), the London School of Economics and Political Science (LSE), and Sciences Po (Paris) launched a global network for graduate-level public policy education and policy dialogue intended to address the pressing policy challenges of the twenty-first century.<sup>1</sup> In a looser association, the Woodrow Wilson School at Princeton has recently initiated Policy-Net, a network of public policy schools around the world.<sup>2</sup> Some time ago, the U.S. 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 master’s of public policy 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 U.S., the UK, and other parts of western Europe. The transmission of Western-style educational models and values is not a simple bilateral process of transplanting American educational standards into central European institutions. Regionalization, or “Europeanization” for the CEU-MPP via the Bologna process and European accreditation structures, is an increasingly strong dynamic that makes this transmission a more complex, messy, and multilateral process. This shift toward regionalization is not confined to Europe; the LKY-SPP and ANZSOG also face such a dynamic in Asia.

The interest of international organizations forms another element of global forces in policy education. The World Bank and UNDP do not limit their work to promoting the development of public policy schools and training; they also recruit graduates as policy analysts (Radin 2000, 42). In addition, the European Commission instituted a feasibility study into the development of regional higher education in governance in the western Balkans. Its terms of reference clearly make the connection between higher education and prospects for effective transition:

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. ([www.nispa.sk/\\_portal/files/rozne/ToR\\_FWC.doc](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 programs is their “international,” “European” or “regional” orientation. Rather than speaking solely to a home market, student recruitment is international (or regional) and curricula reflect students’ broad comparative interests. With its objectives to create a European Education Space, the Commission provides a number of funding instruments—such as the Erasmus Mundus graduate education scholarship—to attract third-country nationals to develop greater familiarity with the European Union and regional governance and market structures.

More generally, public policy education 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 organizations (especially in the 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 education 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. The formation of professional associations like NISPAcee and the new

Network of Asia-Pacific Schools and Institutes of Public Administration and Governance (NAPSIPAG) has kept apace such growth.

Notwithstanding a conducive external environment for the development of master’s of public policy programs generally, the graduate program at CEU has encountered two significant challenges. First, institutional practices weakly attuned to markets have combined with “university politics” to diminish the initial potential of the degree. Second, CEE and former Soviet Union student demand for the course is usually predicated on full-scholarship support. To serve its mission, the program must attract transition and developing country students to CEU; however, students from OECD countries are more able to fully or partially finance their studies.

## Launching the MPP at CEU

The MPP program is at the end of its third year of operation. While the program has strong moral support from the rectorate, embedded institutional prejudices within the CEU community represent a formidable early challenge to the program’s credibility and sustainability.

From January 2004 until September 2005 when the first cohort of students completed their studies, the MPP program underwent a U.S. accreditation process, appointed its 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 era of increasingly global administration.

## Accreditation

CEU is an American university and this designation entails a complicated procedure for dual recognition and accreditation in Europe. The University as a whole was accredited by the U.S. Commission on Higher Education of the Middle States Association of Colleges and Schools in 2004. For over two years, the University has been going through a 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, which subsequently registered the MPP later 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, wider professional and scholarly engagements with members of the international academic community as reviewers, evaluators, co-instructors, and research collaborators have also given a strong flavor to the MPP program. It is another instance where the transmission of Western- or U.S.-style public policy education is mediated and transformed by both international and domestic forces.

### *Curriculum*

There are three key components of the program's curriculum worth dwelling upon: economics; ethics; and "internationalization." Generally, the MPP program's curriculum corresponds in design and content to those public policy programs found in numerous European and North American universities, as elucidated by Aaron Wildavsky (1976).

First, the program stresses a solid grounding in micro- and macro-economics. Students come from across the social sciences, and for the majority the MPP program is their first encounter with the economics discipline and with quantitative methods. Given that the transition process 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, a 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 public trust in government, while the trend toward privatization has devalued the notion of public service. As such, for some, public leadership is exercised through measures to contain and control corruption.

Third, and cutting across the previous two emphases, the program reiterates the international dimensions of public policy and administration, supplementing the curriculum with courses on European integration (cf. Verheijen and Connaughton 2003, 845). Indeed, "internationalization" is a distinct underpinning of the University's mission: "Here lies the orig-

inality 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 former Soviet Union is notable. Indeed, many students in the MPP program have expressed a preference for working with such international agencies rather than with national agencies or local government, perhaps due to the more lucrative salaries and career trajectories.

### *Donor Expectations*

LGI-OSI in partnership with the USAID regional office for CEE have been two core supporters of the MPP program. As start-up support, LGI and USAID provided 20 scholarships and living grants for the program's initial class of students to undertake the program's "decentralized governance" specialized curricula stream. LGI is interested in building analytic policy capacity tailored toward public sector employment in CEE and the former Soviet Union. According to Deputy Ambassador Philip Reeker of the U.S. Embassy in Hungary, one of the rationales for U.S. 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 program came from the European Commission through its Framework 6 research program, which provided one senior faculty position and infrastructural support for the MPP program launch. European Commission funding reflects its general ambitions of cultivating the European Higher Education Area and the European Administrative Space. This is a regional or transnational policy response to the increasing internationalization of the work of civil servants in EU member states and to the forces of globalization (Verheijen and Connaughton 2003, 841). Moreover, at the interstices of "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 EU.

### *Practitioner Input*

In line with donor expectations, one of the compulsory courses for the "decentralized governance" stream was 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 NGOs. 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 at least two months with a relevant organization. Scholarship students are often required to do their internship with their sponsor or an approved organization. Scholarships funded by Magyar Telekom (a Deutsche Telekom subsidiary) have provided the impetus to develop a new specialized stream in the MPP program: "Media, Information and Telecommunications Policy." In the case of Magyar Telekom, their interests have been clearly communicated: they want to employ more staff who have a specialized 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."

### *Student Packages*

Aside from Soros' principles and CEU's mission, an abiding attraction of the University is its capacity to offer the high standards of a Western liberal education complemented by generous student support. U.S. education is unaffordable for students from countries where the annual income of middle class families is very low. Furthermore, admissions to APSIA schools have narrowed as foreign students have encountered increased obstacles in applying for educational visas to the U.S. since the 9/11 terrorist attacks (Reich 2005, 22).<sup>3</sup> Most students at CEU are on scholarships that cover at least half to up to the full

amount of tuition (\$11,600 in AY2006–2007). 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 some lack of familiarity with educational markets, and relatively little faculty experience at CEU in fundraising and marketing. 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 program 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 to 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 program. However, future support from external funding bodies in the absence of some University commitment to the program is unlikely. Development of the MPP program is seen in negative sum terms by some other departments, which claim they are

losing faculty positions and facing internal competition for students. Stakeholders in the MPP program, such as in CPS, make the positive sum argument that the program generates new courses, contributes more funding and additional teaching positions that cross-subsidize, and helps 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 program was also hamstrung 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 entirely fully funded from the endowment and have not faced 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 program (and other fee-paying programs such as those in the Business School) constrained or closed down in order to preserve existing protectionist practices and fend off the pressures of internal management reforms aimed at attracting fee-paying students. Again, organizational politics do not necessarily coincide with philanthropic ideals to transmit Western practices.

In mid 2005, the Rector, Yehuda Elkana, commissioned an evaluation of the MPP program as part of an effort to signal the legitimacy of a “public policy program” within the University. The Reich Report, as the evaluation is known, represented an external validation of the academic merits of the MPP program as a credible interdisciplinary professional degree program at CEU and as a program comparable with those 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. (Reich, 2005)

The review and report were instrumental in securing decisions and financial commitments to embed the MPP program within the University. The program became a University department in mid 2006. The award, later that year, from the European Commission of an Erasmus Mundus Scholarship in “transnational public policy” ([www.mundusmapp.org](http://www.mundusmapp.org)) entrenched the program’s position and consolidated the strength of the new department.

## **Conclusion: Transnational Philanthropy, Globalization, and Public Policy Education**

The potential of the MPP program to contribute to the development of future generations of leaders within the public domains of the former Soviet Union is the logic and rationale behind its funding by 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 program has had a much more mixed pedigree.

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 a 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 unrealistic expectations of the MPP program 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 program at CEU is symptomatic of the broader impact globalization has had 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 organizational 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 EU (Corbett 2005). Collaboration and partnership with international organizations not only provide resources for program development, but in certain instances dovetail with the wider CEU mission to promote international public service. Meeting international standards through accreditation and academic oversight by international referees helps instill a dynamic for policy convergence in management styles and scholarly structures among

higher education institutions worldwide (Drezner 2001). The transnational content of the curriculum not only reflects the international character of both students and faculty, but also is symptomatic of the gradual internationalization of the professional and civil services. 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 program—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 program and other policy programs in the region consolidate and mature, their faculty and graduates will provide some shape to scholarly and practitioner understandings of public policy. Importantly, the MPP program 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 EU 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.

## Notes

1. [www.lse.ac.uk/collections/pressAndInformationOffice/newsAndEvents/archives/2005/GlobalPublicPolicyNetwork.htm](http://www.lse.ac.uk/collections/pressAndInformationOffice/newsAndEvents/archives/2005/GlobalPublicPolicyNetwork.htm).
2. [www.igloo.org/policynet/](http://www.igloo.org/policynet/).

3. APSIA monitoring of acceptance rates of students (both U.S. and foreign) in APSIA schools also reveals fluctuations.

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