F. New Management Ideas.

A strange mix of the New Public Management initiatives and the Weberian (rational bureaucracy) ideas underlies Public Management Reform in Russia. On one hand there is a strong urge to limit administrative discretion of both executive bodies and individual public officials with very detailed and narrow rules. Much attention is being paid nowadays to elaboration of different documents containing such rules: administrative regulations and job descriptions.

On the other hand a lot of NPM measures have been proposed to make government bodies more client-oriented and user-friendly and to introduce incentives for public officials, e.g. public services standards, performance-related pay.

L. Contents of the Reform Package.

There have been several attempts to implement a public administration reform in Russia since the break-up of the Soviet Union. In 1992 the first attempt of working out the legal basis for civil service was undertaken in the course of drafting the Constitution of the Russian Federation. Later, in 1995 a Federal law “On the basic principles of the Civil Service in the Russian Federation” was put into force. The promulgation of this law was a big step towards creating in Russia the Civil Service based on merit. To broaden the provisions of the Federal law a number of important regulations concerning different issues of public administration system were also adopted.

However it soon became evident that the Federal law and existing regulations suffered from grave disadvantages and were not sufficient. Therefore in 1997-1998, the leading Russian experts tried to elaborate a new Concept of Administrative reform. Some provisions of the Concept were included in president Eltsyn’s annual address to the Parliament in 1998, but unfortunately at that time the reform did not get any further. In 2000 president Putin made a renewed call for a public administration reform. This new reform was divided into three main parts: the Civil Service reform, the Administrative reform, the Municipal government reform. The budgetary reform was also launched to underpin the public administration reform.

Civil Service Reform

In 2001 the Concept of Public Service Reform in the Russian Federation was prepared by the Center of Strategic Research – one of the leading Russian think tanks - and approved by the president. The authors of the Concept proposed several significantly new approaches to public service regulation and human resources management in the government bodies. To put the ideas laid in the Conception into practice the Federal Program “Public Service Reform in the Russian Federation (2003-2005)” was launched in 2002.
In the framework of this Federal Program several federal laws of great importance were prepared and adopted. The first one is the Federal law #55 of 27.05.2003 “On Public Service System in the RF”. According to this law the Public Service System in Russia includes three types of Public Service: the Civil Service, the Police Service and the Military Service. The Civil Service consists of two levels: the federal Civil Service and the Civil Service of subjects of Federation. There is a conjunction between different types of Public Service, which means that every Civil Service job equals to some job in the Police Service and the Military Service. For each type of the Public Service a separate legislative framework should have been elaborated.

In July 2004 the Federal law #79 “On the Civil Service in the Russian Federation” was adopted. This law substituted for the 1995 Federal law “On the basic principles…”. The Federal law “On the Civil Service in the Russian Federation” introduced some new approaches to the organization of the Russian Civil Service, namely:

1. **Appointment of permanent civil servants based on competition.** Up to 2004 competition was not an obligatory element of the appointment procedure in the Russian Civil Service. According to the Federal law #79 appointments to every position within the Russian Civil Service should be made on the basis of the open competition results with only few exceptions existing to this rule.

2. **Pre-qualified pools.** Sometimes the appointment process based on open competition takes too much time (especially when the number of candidates is not sufficient). In order to make the appointment process more flexible and to let government bodies fill vacant positions with qualified personnel in time it was decided to use pre-qualified pools. Pre-qualified pool consists of civil servants and other citizens that have been assessed during a competition against a standard of competence for a concrete position within the Civil Service.

   The standards of competence for Civil Service positions have not been developed yet in Russia, but this idea is widely discussed nowadays. A formal standard of competence should include all necessary qualifications and other personal characteristics of candidate required to perform his would-be duties effectively. When pre-qualified pool is established the government body will be able to fill the vacant positions with already-assessed and fully-qualified candidates from the pool without conducting a time-consuming open competition.

3. **Job descriptions for Civil Servants.** One of the main management ideas underlying the Civil Service and Administrative reforms in Russia is that it is necessary to regulate in detail the activities of government bodies and public officials. Excessive administrative discretion is considered to be among the most hazardous preconditions for corruption. Thus it is proposed to define the scope of responsibility of every civil servant and every government body as precisely as possible in job descriptions and regulations of administrative procedures. Particular attention is being paid to those situations when civil servants interact with citizens and private companies, e.g. when providing public services to citizens.

   According to the Federal law #79 job descriptions must include
   - qualifications necessary for the job,
   - civil servant’s duties,
   - the list of issues that could be managed independently by the civil servant,
rules regulating interaction between the civil servant and his colleagues, other
government bodies, citizens and private companies,
terms and procedures of preparation, discussion, approval of official decisions,
performance indicators, etc.

4. **Contracts for Civil Servants.** Job description constitutes one of the main parts of the contract which should be signed by every citizen appointed to the Russian Civil Service. The idea of the contractual Civil Service is also a new one for the Russian public administration. In accordance with the Federal law #79 a contract must include basic terms and conditions of employment (job title, job description, date of employment, probation period, working hours, pay and allowances, performance indicators etc.).

It is very important that the Federal law #79 lays the foundation for introduction of performance contracts in the Russian Civil Service. Now it is possible to include performance indicators in a contract that would influence or even determine civil servant’s remuneration and evaluation (and thus promotion).

5. **Government bodies remuneration fund.** The idea of performance related pay is supported by some other prescriptions of the Federal law #79. In particular according to this Federal law in government bodies must be created remuneration fund that in some cases can be distributed by the Head of the government body among civil servants on the basis of their formally assessed effectiveness and efficiency.

6. **Standards of Conduct and Conflict of Interest regulations.** In The Federal law #79 new provisions appeared concerning gifts, outside employment, use of official information, political activities of civil servants and other issues usually regulated by codes of conduct. For the first time in the Russian history the ‘conflict of interest’ was defined in law. It is also prescribed by the Federal law #79 that Conflict of interest regulation commissions should be created in every government body.

7. **Dispute resolution procedures.** Before the Federal law #79 was issued there had been no specific rules and regulations on dispute resolution within the Russian Civil Service. The Labor Code had been used as a basis for dispute resolution both in private and in public sectors. In practice most disputes have been being resolved in courts, since there were no mechanisms of pre-judicial dispute resolution.

The Federal law #79 prescribes that in every government body a Commission on dispute resolution must be established. The Commission is entitled to examine some types of disputes (there are still a lot of cases that must be resolved only in courts). A civil servant may choose either to apply to Commission on dispute resolution or to go directly to court; this procedure is borrowed from the Russian private sector, where dispute resolution commissions have been used for several years.

**Administrative reform**

Administrative reform was officially launched in 2003 by the Presidential Decree “On measures to implement the administrative reform in 2003-2004”. Later that year the Government commission on administrative reform was established. Two main management ideas underlay the administrative reform at that stage:

1. It is necessary to conduct functional reviews to put governmental functions in good order: i.e. to identify core governmental functions, to eliminate duplication and merge similar
functions of different government bodies, to identify redundant functions and functions that are not carried out in practice, to identify functions that should be transferred from one government body to another;

2. It is necessary to clearly divide three types of functions: “setting-the-rules functions”, “enforcing-the-rules functions” and “implementing-the-rules functions”. It is assumed that a situation when a government body sets the rules for itself, implements these rules and controls how these rules are being implemented leads to uncontrollable administrative discretion and thus to corruption and ineffectiveness.

In accordance with these basic assumptions a review of federal government bodies’ functions was conducted in 2003-2004. As a result 5634 functions were reviewed: 1468 of them were found to be redundant, 263 – duplicative, 868 – subject to reformulation.

In March 2004 the Presidential Decree “On the System and Structure of Federal Executive Authorities” was issued. The number of different types of government bodies reduced from 6 to 3: namely Ministries, Services and Agencies. Clear differentiation of roles between these three types of government bodies was prescribed by the Decree.

- **Ministries** are responsible for exercising the functions related to the elaboration of the state policy and legal regulation, i.e. “setting-the-rules functions”. Federal ministries are headed by ministers of the Russian Federation (federal ministers) comprised in the Government of the Russian Federation.

  Ministries conduct policy analysis, elaborate blueprints, draft the legislation, monitor and evaluate its implementation. Ministries under their jurisdiction also effect coordination and control of the activities of the federal services and federal agencies. It is especially emphasized in the Decree that Ministries are not entitled to exercise the control and supervisory functions, enforcement functions, as well as the functions for the management of state property.

- **Services** are responsible for exercising the functions related to control and supervision within the established terms of reference, as well as special functions related to national defense, national security, guarding and protection of the state border of the Russian Federation, crime control, and public security, i.e. “enforcing-the-rules functions”. Federal services are managed by heads (directors) of federal services.

  Services are not usually entitled to effect legal regulation within the established terms of reference and federal supervisory services, are not also entitled to management of the state property and provision of paid services.

- **Agencies** are responsible for exercising the functions related to the provision of public services, the management of state property, keeping records, registers and cadasters as well as enforcement functions, except for the control and supervisory functions, i.e. “implementing-the-rules functions”. Federal agencies are managed by heads (directors) of federal agencies.

  Agencies are not entitled to effect legal regulation within the established terms of reference and the control and supervisory functions.
According to the Decree “On the System and Structure of Federal Executive Authorities”, each year a Minister is supposed to approve an annual plan and the performance indicators for the federal Services and federal Agencies under his supervision. After that the Ministry will submit:

- to the Government of the Russian Federation - draft regulations on a federal service, federal agency, proposals on the maximum staffing and payroll requirements for a federal service, federal agency;

- to the Ministry of Finance of the Russian Federation - proposals on making up the federal budget and financing of the federal services and federal agencies.

A Ministry is entitled to prepare draft regulatory legal acts related to the terms of reference of federal services and federal agencies as well as to issue instructions to federal services and federal agencies and monitor their execution. It has to be mentioned that during the fiscal year federal services and federal agencies can work rather independently within the bounds of legislative framework: Ministries are not entitled to countermand a decision of a federal agency or a federal service unless it runs counter to the federal legislation.

Functional review, new differentiation of government bodies and other administrative reforms conducted in the beginning of 2004 could be regarded as significant steps towards increasing public sector quality in Russia. Nevertheless it is evident that these reforms, however important they could be, are not sufficient. In its Analytical note for the Russian Government in May 2004, just two months after the Decree “On the System and Structure…” had been issued, the World Bank presented a comprehensive scheme of possible further activities in the field of administrative reform (it was repeated in the Russian Economic Report published in June 2004). This scheme had been used during the preparation of the “Concept of the administrative reform in the Russian Federation in 2006-2008”, approved by the Russian Government in October 2005.

Scheme 1. The heart of the reform: Developing systems and procedures for managing Government performance

- Functional review
- Process reengineering
- IT, MIS, electronic service delivery
- Ministry charter
- Administrative regulations
- Service standards
- Job descriptions
- Performance management
- Internal accountability
- External reporting
- Performance appraisal
- Transparency
- Access to information
- Competitive hiring, merit based pay reform
- Performance budgeting
Functional review allows identifying duplicative and redundant functions and lays foundation for restructuring governmental activities. But eliminating duplicative and redundant functions is not enough: even relevant and well-ordered functions can be implemented ineffectively. That is why it is necessary to review not only the definitions of functions contained in Ministries’ (Services’, Agencies’) charters but also the implementation procedures.

One of the ways to improve implementation is outsourcing – competitive contracting out of government functions. Private companies are often more efficient in providing services to citizens, than government bodies, and outsourcing is regarded as a useful tool in many foreign countries. Nowadays in Russia the idea of outsourcing becomes more and more popular. According to the “Concept of the administrative reform in the Russian Federation in 2006-2008” in the nearest future various arrangements should be made for introducing outsourcing in the Russian public administration: criteria for selecting functions applicable to outsourcing should be defined, comparative cost-benefit analysis should be conducted and model outsourcing procedures and control mechanisms should be elaborated.

However there are many government functions that by their nature could not be subject to outsourcing. For all of them clear and efficient implementation procedures should be elaborated. In Russia it is going to be done by way of introducing administrative regulations. Here again one of the main management ideas of the Russian civil service and administrative reforms manifests itself: activities of individual public officials as well as of government bodies should be regulated in detail to prevent excessive administrative discretion leading to red-tape and corruption and to let civil servants know what in practice they should do to fulfil functions of their government bodies.

According to existing legislation and draft legislation there would be three types of administrative regulations in every executive body:

1. **Administrative regulations for interaction between federal bodies of executive power.** These regulations establish general rules for organization of activities of federal executive bodies and interaction of these bodies, including the rules for interaction of federal ministries with the reporting federal services and federal agencies.

2. **Administrative regulations for internal organization of federal body of executive power.** These regulations establish general rules for executive body activity and specific features of its organization, e.g. procedure for planning and organization of its work; procedure for preparation and registration of decisions and instructions of the head of the federal body of executive power and his/her deputies; procedure for execution of instructions in the federal body of executive power; procedure for preparation of draft acts to be submitted to the Government; procedure of activity and interaction of structural units of a federal body of executive power during execution of the assigned functions; procedure for ensuring access to information on the activity of the federal body of executive power etc.

3. **Administrative regulations for execution of state functions and provision of public services.** These regulations establish general rules for carrying out government functions and providing public services, e.g. stages of administrative procedure, rights and responsibilities of citizens and organizations in relation to administrative procedure, rights and responsibilities of an executive body and its public officials in relation to administrative procedure, terms of finalization of each stage of administrative procedure and terms of making official decision, alternative decisions that could be made by
executive body and clear criteria for selecting one of possible alternatives, recourse procedures etc.

Administrative regulations of the third type are considered to be the most important with respect to government-citizens interaction. Provision of public services is an element by which citizens judge the entire system of public administration in the country. That is why in the course of the administrative reform in Russia particular attention is being paid to measures for increasing public services quality. The “Concept of administrative reform” prescribes to elaborate public services standards in addition to administrative regulations.

First of all it is planned to identify the list of the most important public services that affect fundamental constitutional rights and freedoms of the Russian citizens, e.g. state registration of real estate transactions or citizen’s passport delivery. Then it is proposed to work out standards of quality and delivery for these public services. According to existing draft legislation each public service standard would include a list of ‘clients” (recipients of the public service), a list of documents required to receive the service, terms of service delivery (as well as terms of each stage of service delivery), an exhaustive list of grounds for refusal to provide the service, working hours of executive body responsible for service delivery, place of service delivery, etc. Thus the main goal of public services’ standards is to limit administrative discretion in providing public services, to eliminate opportunities for dragging out, red-tape and corruption, to make public service delivery process as user-friendly as possible.

In future it is supposed to prepare the Register of federal public services comprising all public services delivered by federal executive bodies. After a public service is included in the Register a standard of quality and delivery should be elaborated for it. Public services standards may become a part of the administrative regulations or a separate legal act.

Scheme 1 shows, that as a result of the administrative reform in Russia a comprehensive system of specific legal acts regulating activities of government bodies and public officials is supposed to appear. Reviewed functions of executive bodies would be contained in Ministries’ charters; issues of executive bodies’ organization and detailed administrative procedures including those connected with execution of functions would be prescribed by administrative regulations and public services standards, while activities of individual civil servants would be regulated by job descriptions.

Setting limits on administrative discretion is not the only management concept underlying the Russian administrative reform. It is well understood that without introducing incentives for public officials it will be very difficult to make them carry out their duties more effectively. The Ministry of Economic Development and Trade is giving a strong push to the idea of performance measurement and performance budgeting. It is planned to develop a system of performance indicators for the executive branch. On the level of federal Government the general indicators of development corresponding to long/mid-term goals are supposed to be introduced, on the level of executive bodies performance indicators corresponding to mid-term goals and short-term objectives should be developed and on the level of individual civil servants performance indicators should be prescribed by job descriptions. For levels of executive bodies and civil servants performance indicators should in time constitute a basis for budgeting and promotion.


The implementation of public administration reforms in Russia usually begins with elaboration of the Concepts of future reforms. During the last five years several Concepts were prepared;
among the most important are the Concept of Public Service Reform in the Russian Federation, the Concept of the administrative reform in the Russian Federation in 2006-2008, the Concept of the budget process reform in the Russian Federation in 2004-2006. A Concept usually contains brief analysis of current situation in some field of public administration, goals of future reforms, general description of proposed innovations, results expected of the reform.

Then on the basis of a Concept a more detailed plan of actions is usually prepared containing concrete measures for meeting the goals of the Concept, terms of implementation, executive bodies responsible for implementation of different measures. In some cases in accordance with a plan a Federal program may be launched – a large-scale implementation tool with specific budgeting and control mechanisms – as for example the Federal Program “Public Service Reform in the Russian Federation (2003-2005)” or the Federal Program “E-Russia (2002-2010)”.

As a rule government bodies contract out the research work on the basis of an open competition to think tanks: scientific institutions, consulting firms. They in conjunction with executive bodies prepare analytical materials, recommendations, experiments and pilot projects design and draft legislation. When draft legislation is elaborated it can be tested during experiments and pilot projects in separate executive bodies or regions of Russia.

During the last five years international organizations also created the network of projects and programs supporting national reforms. The World Bank and the UK DFID established the Civil Service Reform Donor Secretariat that coordinates initiatives of international partners such as the World Bank, the UK DFID, the European Commission, the Canadian International Development Agency, the Sweden Ministry of Finance and others.

The preceding scheme of the implementation procedure looks rather logical and consistent; however in practice the situation is much more complicated. There are a number of factors that affect negatively the reform process in Russia.

1. **Public management reform is a top-down process.** Most reform ideas are worked out in a few federal executive bodies and think tanks closely connected with these bodies. There is no tradition of and established mechanisms for effective communication with citizens, street level bureaucrats, and regional executive bodies. The bottom-up communication is so undeveloped that there were hardly any ideas of the reform that came from civil society institutions or from low levels of administrative hierarchy.

2. **The level of transparency is very low.** There is no freedom of information act in Russia. The draft legislation on freedom of information was prepared at least three years ago, last year it was approved by the Russian Government, but it has not been issued as a legal act yet. E-government technologies are still poorly developed and mass media do not pay much attention to civil service and administrative reforms. As a result it is rather difficult for citizens to get information about new legislation being elaborated. The tradition of secrecy and lack of transparency is so significant that often agencies and services do not know about reform projects prepared by ministry supervising them.

3. **There is no special body overseeing and coordinating the reform.** In reality the main centre of control is the Administration of President of the Russian Federation. This executive body takes part in elaborating new legislation, communicates with international donors and coordinates the reform process. The President’s Administration is able to permit or to prohibit any initiative in the field of public administration; moreover it is almost impossible to issue new legislation without approval of the President’s Administration. The problem is that the Administration of President does not have any official mandate to lead the public administration reform.
The Ministry of Economic Development and Trade (MEDT) can be called another “attractor” of public management reform. In most cases it has to follow formal and informal instructions of the President’s Administration, but most management ideas of the Russian Public Management reform were proposed by this executive body. The MEDT works in very close conjunction with several Russian think tanks, in particular with Centre of Strategic Research now headed by former first deputy head of MEDT, and with Institute of Public Administration of State University – Higher School of Economics. MEDT and his counterparts push hard the ideas of performance budgeting, administrative regulations and public services standards, freedom of information legislation, public procurement regulation etc.

4. **Lack of qualified experts.** When public management reforms were launched in Russia in the mid-90s there were only few scholars who specialized in Public Administration and knew international experience in this field. At that stage concepts of administrative reforms and draft legislation were being elaborated by working groups consisting of lawyers, philosophers, economists, psychologists, public servants etc. united mainly on the basis of personal relationships.

During the last ten years schools of public administration appeared in some of the Russian leading universities, the pool of public administration experts was moulded during the reform process. But in spite of this the lack of experts still remains the serious problem. Most graduates of schools of public administration prefer to work in the private sector because of higher wages; only few of them go to government consulting and take part in public service and administrative reforms. The regional experts’ community stays underdeveloped since public administration reforms (e.g. Federal programs) were prepared and put into practice mainly at the federal level by consultants from the Moscow-based think tanks and universities.