

***The limits of ethical and managerial reforms in Kyrgyz  
Public Administration.***

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Fall of the Soviet Empire meant different things for the countries of Eastern and Central Europe and for the Soviet republics generally, and Central Asian states particularly. Firstly, the formers were regaining its full sovereignty, whereas the latter were gaining it for the first time. Secondly geopolitical location, strong economic and political dependency combined with substantial russification of managerial and political echelons of the societies left most of the Newly Independent States (especially Caucasian and Central Asian states) vulnerable to economic and political turmoil in Russia. It also meant that the challenges faced by these new republics were as much connected with building and constructing new governance structures and mechanism as well as with educating national élites and further strengthening, still fragile, national identity.

**Composition of the paper**

The paper will attempt to present a current situation in the Kyrgyz Public Administration by analyzing the scope of ethical and managerial reforms introduced in this country. In order to provide a full picture of these reforms it is necessary to explain first what a general theory is behind the notions of ethical and managerial changes in public administration, and only then it is possible to refer directly to the specific examples of the Kyrgyz state administration.

A composition of the paper is very much determined by a judgmental statement in the topic. The thesis about the limits of ethical and managerial reforms requires proving an existence of such limits. One of the ways to do it is by using a comparative approach and measure up a quality of changes in the Kyrgyz administration with the existing theory on public administration and current public administration reforms undertaken in developed countries.

**Kyrgyzstan: a transformation state**

Kyrgyzstan is one of several countries undergoing a deep transformation change. Transition<sup>1</sup> in Kyrgyzstan from a state-owned

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<sup>1</sup> Transition is understood as a point of change from one to another system, whereas transformation is about various processes, which follow transition. Thus definition of transition is perceived to be static while transformation is considered to have a dynamic nature. See also: Brown A., N., How will we know

economy and one-party system, is followed by "freemarketization" and "democratization" of the economic, social and political structures of the former ancient regime. These neologisms indicate optimistically that the positive processes were being introduced and carried on, pessimistically however, these expressions underline the fact that the processes have not yet reached their objectives of establishing a healthy free-market economy and a true democracy. Achievement of these final goals seem to be as distant and uncertain as it was 10 years ago, when Kyrgyzstan has just set off on a risky transformation path.

### **Kyrgyz political system: Presidentialship**

Since its independence, proclaimed in 1991, Kyrgyzstan introduced several important laws and institutions, directly and indirectly connected with administration. Analyzing them chronologically one has to start from the law banning the Communist Party. Significance of this step cannot be underestimated since the Communist Party was very much melted in the state and its structures. Thus the decision to ban the Communist Party meant at the same time starting a pursuit of a new governance system for the Kyrgyz Republic.

Already in 1990 a post of the President of Kyrgyzstan was established, in 1993 a new Constitution (substituting the Soviet one from 1978) was enacted. Due to the referendums of 1994, 1995 and 1998 significant amendments to the Constitution (next to some legislative changes) were introduced. In general by the end of 1998 a main "spine" of Kyrgyz political system was finally formed.

Current political system in Kyrgyzstan can be described as a Presidentialship, combining the elements of both: republic and autocracy, with a strong President's administration and a distinctive leadership, institutionalized by the President's post and personified by the President Askar Akaev. The most important matters in Kyrgyz Republic are determined not in the Parliament or even in the government but in the President's Administration. The extent and pace of the public administration as well as civil service reforms depend very much on the willingness of the President and his circle of advisors to introduce further decentralization and put a limit on the power of still omnipotent state's administration.

Presidentialship explains why public administration changes are so slowly initiated and implemented. The authority of carrying on significant

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transition is over? in: Transition. The Newsletter about reforming economies, Volume 10, Number 4, August 1999, p. 29-31

reforms rests in the presidential bureaucratic structure, almost unchecked, where the legislative and judiciary branches exercise a very weak control over their executive counterpart. Thus there is no incentives or pressure to change, profitable for the "presidential" people, public administration structure.

### **Reality of public administration reforms in Kyrgyzstan**

Few years after setting up constitutional framework, organizing parliamentary as well as presidential elections, and introducing economic and financial reforms under supervision of the IMF, it became obvious that without effective administrative structures further institutional and economic reforms could be quickly jeopardized and their final success doubtful.

In 1996 the Department of State Service Reform was established in the President's Administration responsible for overall coordination of the civil service reforms and government's restructurization. In the same year President's Decrees "On Structure and Composition of the Government of the Kyrgyz Republic" (4 March 1996) and "On State Service in the Kyrgyz Republic" (14 July 1996) were introduced. According to the provision of the first law "the functions of each ministry and agency should have been redefined more precisely, with a view to step-by-step downsizing of the total strength of the civil service staff and elimination of overlapping and duplication"<sup>2</sup>. The second decree described and detailed legal settings and "operational" environment of the government's employees.

In November 1996 President Askar Akaev in his address to the joint session of the Jorgorku Kenesh (bicameral Kyrgyz Parliament) detailed principles of public administration reforms, which were to lead to the improvement in quality and efficiency of the state apparatus. Reforms, which were based on notions of "optimal organizational hierarchy" and "collective responsibility" were applied mainly to the government. The reduction of the vice-Prime Ministers' posts from 6 to 3, ministers from 21 to 15 and five state agencies were followed. Overall these changes were very limited and "the general structure of the State bureaucracy remained unchanged"<sup>3</sup>.

Based on the government's statistics (which one has to approach to carefully) the 1996 administrative reforms brought 30% reduction of staff in the President's office, 20% reduction in the Prime Minister's office and

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<sup>2</sup> Ojueeva T., Kavran D., Governance structure in transformation, in: Public Administration and Public Policy Handbook, Volume 1, 1997, p.201

<sup>3</sup> Kyrgyzstan, National Human Development Report, UNDP 1999, p.17

10% at the local administration level. Thus the goal of significant downsizing was reached. It is however doubtful if the staff reduction brought any significant improvement in efficiency and quality of the civil servants' work.

At the end of 1999 the law on "Gosudarstvionoj Sluzbie" (the Law on State Service) was enacted. It constitutes the most important legislation related to the civil service. Analyzes of the provisions, its possible impacts and other related measures, which are under discussion in the Kyrgyz Parliament and in the President's Administration, will be carried on in the subsequent chapters on ethics and managerial legislation.

### **Ethical and managerial reforms**

Ethical and managerial reforms, on one hand, mirror new emphases on streamlining procedures, cost reduction, time saving, thus increasing overall efficiency and effectiveness. On the other, they stress the need for greater integrity, honesty, and fairness of civil servants, whose behavior ought to be determined more by an ethos of public service than by the law itself<sup>4</sup>. A combination of ethical and managerial reforms implies not only that the system needs to be changed but also the people, whose style of work is often a reason for major obstacles in the administrative mechanism, and their mentalities have to be transformed as well.

#### **I. Legislation on ethics**

The goal of ethical regulations is to create "ethics infrastructure", based on political commitment, control, guidance and management<sup>5</sup>. Administrative ethics is to provide a "safety net", which will secure introduction of modern managerial reforms (known as a New Public Management policy) or minimize their negative impacts (e.g. problem of accountability) in times of constant pressure on "perfectionalization" and "professionalization" of bureaucratic work.

Legislation on ethics deals with:

- 1) conflict of interest,
- 2) corruption issues
  - a) small gifts,

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<sup>4</sup> It relates to the existence in public administration "(...) a climate, in which, from the highest to the lowest ranks of policy and decision-making officials, some conduct is instinctively sensed as correct and other conduct as being beyond acceptance", in: P.Madsen, J.M. Shafritz, Essentials of government ethics, Meridian Book, New York, 1992, p. 414

<sup>5</sup> What is an ethics infrastructure, PUMA/OECD, 1998

- b) post-employment activities,
  - c) financial disclosure,
  - d) whistleblowers,
- 3) code of conducts,
- 4) transparency.

### **1) Conflict of interest,**

Conflict of interest in administration is understood as a juxtaposition of two or more antagonistic acts of behavior, which are contradictory in their nature. Thus pursuing party or private gains in government, while being a civil servant or a political appointee, cannot be reconcile with preservation and cultivation of public interest in the work of modern bureaucracy.

A conflict of interest is set on two basic lines:

- a) private interest (cronyism/nepotism) versus public interest
- b) party interest (patrocracy<sup>6</sup>) versus public interest

Defined in this way, a conflict of interest has to be differentiated from a notion of a conflict of roles, which constitutes a much broader term<sup>7</sup>.

A restriction of possibilities for conflict of interest to occur depends strongly on development of impartiality principle in civil service. Unfortunately the Kyrgyz Public Administration is very far from any depoliticization or separation of politics from administration. Boundaries between political appointees and career civil service are not clear and the picture became even gloomier after the Law on State Service came into force at the end of 1999. This law not only considers political posts of Prime Minister and ministers as belonging to civil service (art 3, p.3) but also military personnel and the Chairmen of the Supreme Court, Constitutional Court and Supreme Arbitrage Court are to be included in civil service (art.3, p.6, art.15) as well. In this way divisions between political and administrative layers as well as military and civil services (inside of civil service: diplomacy and judiciary) are completely confused.

Kyrgyz public administration is still deeply rooted in the Soviet governmental model, where political and administrative layers were not distinct from each other. The only difference is that instead of Communist

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<sup>6</sup>Patrocracy: a state, in which a ruling party and its members are totally dominating each branch of government (legislative and executive), including judiciary as well as bureaucracy. In the former Soviet Union and Central Eastern European countries the term "nomenklatura" was used to describe patrocracy.

<sup>7</sup>See: Bartkowski M., *Przejrzystosc w administracji publicznej na tle konfliktu rol*, (Transparency and conflict of roles in administration), Biuletyn Sluzby Cywilnej, Maj nr. 5 1998. In this work, 15 different conflicts of roles in administration were recognized and described.

Party posts in public administration are held by the close proteges of the President. "Of particular significance is the practice of hiring civil servants based on nepotism, rather than through an open and objective process of professional selection and review"<sup>8</sup>. Due to a lack of statistical data in regards to this conclusion, only one thing can be indisputable stated. "It is clear that no regular competitive system of recruitment and hiring for state positions exists"<sup>9</sup>.

Bolotbaev Askarbekovich, the Head of Civil Service Section in the Department of Organizational Work & State Policy in the President's Administration, claims that although there is no open and professional policy of selection (inside of departments) and recruitment (from outside of the governmental organization), but the work has already begun to introduce it. By the President's decree a special working committee was set up. It is responsible for preparation of normative acts to implement the Law on State Service. The group consists of representatives of major ministries of the Kyrgyz Republic, President's Administration and Prime Minister's Office. Among other things they are working on a creation of new mechanisms of recruitment and promotion based on open and fair examination. It would enable to implement art.16 of the Law on State Service, which states that "civil servants are appropriate for categories (...) by the results of a state (...) examination". The vacancies in the civil service are going to be publicly announced.

No timetable, however, for introduction of these policies was presented. Bolotbaev Askarbekovich noted that the committee is currently preparing a working paper, which will be sent for further consultation to the Prime Minister's and President's Offices as well as to the ministries. This consultation, he hopes, will not last long.

## **2) Corruption issues**

Kyrgyzstan is a country with a high level of corruption. Transparency International, in its annual report on the Corruption Perceptions Index in 1999 ranked the Kyrgyz Republic on the 87th place (out of 98), next to Pakistan and Uganda. According to Dr Michael Gerlich, a German expert in the Ministry of Finance in the Kyrgyz government corruption in the government circle is widespread<sup>10</sup>. The worst thing is that the money from

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<sup>8</sup> Kyrgyzstan, National Human Development Report, UNDP 1999, p.9

<sup>9</sup> Ibid.,p.9

<sup>10</sup> His words are backed up by official statistics. According to the Accounting Chamber, the Kyrgyz government lost 1.2 billion Sums each year in 1996 and in 1997, due to corruption. Thus financial damage caused by corruption reaches around 5% of the GDP of the Kyrgyz State.

corruption is not invested in the domestic economy but mainly spent on consumption, not even a domestic one but on consumption abroad. Only the losses of the World Bank, due to the unpaid loans, reached \$3.5 mln.

Daryoush Farsimadan, TACIS expert, openly says that the corruption is so high because of international organizations, which are evaluated by how much rather than how effectively they spend their donors' money in Kyrgyzstan.

Problems of corruption equally rest on the side of those who take and those who give. As far as the Kyrgyz public administration is concerned a governmental Commission to fight with economic crimes in government and administration was set up. It is headed by the Prime Minister.

However fight with corruption is so difficult because the government itself created an environment, in which the corrupt practices can easily emerged and flourish. In order to open " even a small, private store, it is still necessary to receive more than fifty forms of approval (from the state and municipality government)"<sup>11</sup>. Moreover the employees of the governmental agencies, which issue licenses, are at the same time involved in competing commercial activities in the private sector. Thus the situations where conflict of interest is likely to appear, always create additional possibilities for corruption.

#### **a) Small gifts**

Fighting with a big corruption is as much important as combating its small version. Unfortunately in the Kyrgyz administration there is no law or legal regulation, which would openly deal with the issues of small bribes and souvenirs. It shall be prohibit to accept any gifts by an official, in the situation when the employee has the reason to believe that the person, giving the gift, intended to influence decision or activities of a public official.

#### **b) Post-employment policy**

The Law on State Service (art.14) introduces employment restrictions while working in civil service. However, already the first paragraph raises questions: "The civil servants has no right to engage in other paid activities except pedagogical, scientific and other creative activities". Kyrgyzstan is introducing market reforms and sooner or later private schools, laboratories and "other creative" professions will emerged. It will mean that while working as a civil servant, one will be able to teach, lecture or lead private

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<sup>11</sup>Kyrgyzstan, National Human Development Report, UNDP 1999, p.18

research (possibly using easy access to materials and documents in the government) and at the same time being paid for it. This legislative omission leaves a gray area, which will increase a possibility of conflict of interest and corruption. Additionally the article 14 does not mention anything about post-employment procedure<sup>12</sup>, which is a common policy implemented in most public administration of developed countries.

### **c) Financial disclosure**

Article 13 of the Law on State Service obliges civil servants to provide financial statements on their income and properties they own. State tax authorities are responsible for checking these financial statements. However article also states that the declaration on incomes and properties (excluding shares in enterprises) is considered to be a service secret, thus "its disclosure bears the responsibility according to the procedure established by the legislation of the Kyrgyz Republic". In this way a nature of secrecy prevails over openness and transparency of public life. That kind of thinking is strongly associated with the former Soviet system of concealment and secretiveness, which the Kyrgyz authorities have not managed to eradicate yet.

### **d) Whistleblowing**

Another weapon to curb corruption as well as unethical behavior is connected with whistleblowing practices. That means that in the public administration there are special laws established to protect those who report administrative misconduct and abuses of authority by superiors. Whistleblowing is rather unknown concept for most of the administration in the transition countries. In the Kyrgyz public administration there is no procedures, which could resemble the concept and idea behind the introduction of whistleblowing policies.

## **3) Code of conducts**

There are two types of codes of conducts:

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<sup>12</sup> For example in the US, the 1968 *the Bribery, Graft and Conflicts of Interest Act* states that even the people who have been working for the government more than 60 days during one year would be a subject for the employment restriction. A former public official cannot receive compensation for service (rendering for the company before any governmental department or agency), for 2 years, concerning matters, which were his/her responsibilities during employment on the governmental post. There is also lifetime bar imposed on the acting as attorney or agent for a company in any matter before the United States, in which he/she participated personally and substantially while being in the government. Moreover the governmental official is disqualified from participation in matters before governmental agencies in which his spouse, child or persons with whom he has business connections have an interest.

- enforceable codes, which are more related to punishable commands, introduced by different rules, laws and regulations
- "aspirational"<sup>13</sup> codes, based on incentives and encouragement rather than on punishment, constituting a kind of guidance of a proper behavior

Nowadays in the Kyrgyz public administration there are no modern code of conducts. The laws currently in force are related to the internal work regulations, whose nature is still very much set in the former Soviet administration and its culture. Those regulations resemble more enforceable rather than inspirational codes of conduct.

Right now in the Legislative Committee of the Kyrgyz Parliament (Jogurku Kenesz) there is a draft law on ethics of civil servants. According to Bolotbaev Askarbekovich the fundamentals of the law will be based on the principles of similar foreign legislation on ethics and will also include the issues of conflict of interest.

Daryoush Farsimadan, a TACIS expert, who advises Kyrgyz government on the Civil Service reforms, claims that a real work on codes of conduct will begin no earlier than in June 2000. Currently the government's priorities in connection with the civil service are focused on a preparation of various regulations, which would provide for a quick implementation of the Law on State Service.

#### 4) Transparency

A notion of transparency is quite a new concept. It was introduced to public administration as a tool to solve problems of legitimacy crisis and clandestine (for the public) way of working and decision-making policies in bureaucracy. Thus a pursuit for the Transparent Public Administration has begun. This ideal model of public administration is characterized by 1) *openness* (accessibility) of administration and its staff, 2) *visibility* of various mechanisms and structures due to 3) *simplicity* of different rules and regulations, 4) *explanatory* decision-making and decision-presenting process, which illustrates in a complete and understandable way why and how particular administrative decisions or conducts were undertaken and implemented. Openness, visibility, simplicity and explanatory character of

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<sup>13</sup>"aspirational codes (...) are intended to convey the highest ideals and aspirations of the profession without necessarily being enforceable", Denhardt K.G., Enhancing ethics in the public service: setting standards and defining values, University of Delaware Newark, Delaware USA, 1997 OECD/PUMA material

decisions lead to administrative *clarity*, making the work of public administration more *comprehensible* to ordinary members of society.

The main tools used to build Transparent Public Administration are based on three pillars: *educated civil servants*, *"sunshine laws"* and *monitoring institutions*.

### **Conscious and educated civil servants**

Kyrgyz public administration needs a new tier of young civil servants, mainly with educational background in management, economics and public administration. In order to meet these demands Academy of Management was set up and various faculties in public administration and management were introduced into the universities.

However a cadre problem still remains. Young entrepreneurs prefer to go to private sector rather than to stay in the government, where average civil service salary (excluding politicians) is between 50-70\$ per month, considering that one does not take bribes.

A typical Kyrgyz civil servant more resembles famous "Homo Sovieticus" rather than independent and innovative "Homo Civilis". A "machine-way of thinking" dominates in the administration. What is meant by this expression is automatic and strict following procedures and rules, which, by using only a common sense, can be considered unjust and wrong. It is a lack of personal imagination, creativity and a simple courage of risk and responsibility taking on the side of civil servants that hampers civil service changes. Askat Dukenbaev, scholar of public administration at the American University in Kyrgyzstan, aptly summarized a contemporary Kyrgyz public servant: "The main characteristics of Kyrgyz administrators are: no-risk attitude to job, obedience to authority, lack of trust in outsiders, attention to rank and status, lack of knowledge in modern management"<sup>14</sup>.

### **Sunshine laws**

Transparent Public Administration is built on openness of government and its mechanisms for public control and scrutiny. Many countries introduced Freedom of Information Acts in order to provide a wide access to the governmental documents by the ordinary people. There is no requirement to demonstrate a need or give a reason for asking about particular materials. On the contrary, the government must defend its reasons for withholding responsive records. Many times it is guaranteed

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<sup>14</sup>Dukenbaev A., The state bureaucracy in Kyrgyzstan: problems and perspectives, reading material

that from a negative decision of governmental agency not to show specific data, there can be appeal to the head of agency and later on to court.

The governments under sunshine laws tend to open (with some specifically stated exceptions) the meetings of the governmental agencies to the public. Many times exceptions not to hold a meeting open (e.g. on the ground of state secrecy) are revoked if the "public interest so requires"<sup>15</sup>

Kyrgyzstan has not yet introduced similar acts and the recent Law on State Service, although pushing the reforms of civil service a step further, does not constitute any breakthrough in the legislation on transparency in the Kyrgyz Public Administration.

### **Supervising and monitoring institutions**

Having effective control mechanisms over public administration ensures not only that the quality of civil service work can be easier assess. Such surveillance institutions give ordinary people a possibility of submitting their grievances and demanding redress if a public officer's or a governmental agency's decision (or its lack) caused a harm to a citizen. In the Kyrgyz governance system there is a Chamber of Auditing and Accounting Chamber responsible for auditing public finances, supervising governmental departments, state owned enterprises and monitoring activities of individual administrators.

It is not clear what degree of independence those chambers have. For example, according to Daryoush Farsimadan, the Chamber of Auditing is controlled by the President's Administration. The government expert, Bolotbaev Askarbekovich, argues that the Chamber of Auditing is quite independent from political pressures because of the check and balance system. President and Parliament appoint the same numbers of the auditors to the Chamber.

The Parliament discusses right now a creation of the organization of national ombudsman, who would directly deal with the citizens' complains in regards to human and civil rights' violations by the state organs.

## **II. Managerial reforms: New Public Management culture**

Current managerial reforms are based on the idea of New Public Management. This approach constitutes a clear distinction between "old" public administration, which was based on rigid hierarchical and pyramidal relations with clear lines of responsibilities and task-divisions. Public administration employees were expected to advise and assist political

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<sup>15</sup> see: US Code Congressional and Administrative News, 1976, p.2185

members of the executive branch and last but not least implement state policy. It was a compliance-based system with a "centralized accountability"<sup>16</sup>, which paid attention to proper and strict following rules and existing laws. Avoiding mistakes, breaching procedures and getting things right, according to a set of regulations and lawful orders of superiors, were the main priorities of the civil service job.

The New Public Management (NPM) introduces into the realm of government a new culture of *administration of the people* and *administration for the people*. In the new *administration of the people* more authority is delegated down into the governmental structure thus allowing officials exercise a broader degree of discretionary power. In this way it is also acknowledge that the more risk-based approach can and ought to be undertaken. "Making the right decision is less important than making an appropriate decision, given the elements of risk and uncertainty involved"<sup>17</sup>. *Administration for the people* rests on the assumption that the citizens viewed as customers must come first. Customers` satisfaction forces administration to shift its policy from the compliance to the performance-based system, and from centralized accountability to "discretionary accountability"<sup>18</sup> or "outcome accountability"<sup>19</sup>, where greater attention is paid to economy, efficiency and effectiveness<sup>20</sup> of public entities.

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<sup>16</sup> "*centralized accountability*" (passive accountability) based on "faithful obedience to the law, to higher officials` directions and to standards of efficiency (set by rules)" (Light P., C., Federal Inspectors General and the Paths to Accountability, in: Handbook of Administrative Ethics, New York 1994, p. 274). That type of accountability leaves a small room for civil servants to work independently. They are implementing already set policies of superiors, rather than creating their own programs based only on general objectives and goals given by the higher hierarchy. The centralized accountability is founded on compliance-based systems in public administration, which focus their attentions on numerous rules, controls, and legal solutions with a range scale of reinforcement measures and "threats of punishment" for misconduct.

<sup>17</sup>Farnham, D., Horton, S., Managing the New Public Service, Second edition, Macmillan Press Ltd, London 1996, p. 37

<sup>18</sup>"*discretionary accountability*" (active accountability) based on "ethical behavior, adherence to moral standards and avoidance even of the appearance of unethical actions" (Farnham, D., Horton, p.274). This type of accountability gives a more space of personal autonomy and decision-making responsibility.

However civil servants in this system have to be well-educated, possessing high personal (moral) values and a desire for creativity (open-way of thinking in contrast to a "machine"- way of thinking). Civil servants should know how to use their broader autonomy (greater power). The discretionary accountability relates to the integrity-based approach in public administration, where the system relies more on incentives, encouragement policy on an ethical performance and rewards for good acts of behavior rather than on open enforceable legislation.

<sup>19</sup> "*outcome accountability*" (active accountability) is promoted by the New Public Management. NPM is based on a notion of an "empower individual" (customer). Thus a new line of accountability is established. Outcome accountability underlines that evaluation of civil service work is based not on how well civil servants comply with certain procedures and regulations (reference to "centralized accountability"), not on "inputs- how much money we spend" ("Old Public Management") but on performance results, "outputs" (the quantity and quality of services provided, see Kettl, D., F., Reinventing Government, A report of the Brookings Institution's Center for public Management, September 1998 p.47) or "outcomes" (the quantity and quality of the results the outputs produce, see Kettl, D., F., p.47). In general outcome accountability

## **Kyrgyz public administration in the New Public Management culture**

Although compliance-based system and centralized accountability are the dominant features of the Kyrgyz public administration, there are programs, initiatives and undertakings to change the old administrative culture.

With the help of international organizations (mainly UNDP and TACIS) various governance programs were introduced and are currently carried on in Kyrgyzstan. Public Information Management System (creating central and local internet networks) and several Strategic Management programs are under implementation. Their goals are, inter alia. to smoothen information flows between different governmental agencies thus increasing their coordination, efficiency as well as strengthening accountability mechanisms. Other objectives are connected with determination of "areas of authority of central and local ruling bodies" and implementation of rationalization processes in personnel (downsizing) and financial (cost-reduction) management.

In order to strengthen New Public Management in administration further decentralization and deconcentration<sup>21</sup> of power is necessary. Decentralization policy of 1994, which introduced the Reform of Local Self-governance in the Kyrgyz Republic is not enough. The heads of regions (Oblast) and municipalities (Rayons) are still elected by the President. The heads of rural-village districts (Aiy1-okmotus) are appointed by the heads of Rayons. Such structure is still very centralized with the budget money being under control of the Oblast governors, rather than directly elected Oblast/Rayon and Aiy1 parliaments (keneshes).

Deconcentration of state power by privatization and contracting-out policy is even less significant than decentralization reforms. Although privatization is pressed by the economic realities and pressure from the IMF,

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brought to life the issue of customers' acceptance (approval) of and satisfaction with delivered governmental services.

<sup>20</sup> *Economy* is about "measuring how well the organization acquire its resources", in other words if the "the goods and services are being obtained at the least cost". *Efficiency* is about "measuring how well the organization has utilized its resources in pursuit of the services or activity", in other words if the resources are being used in the most appropriate combinations. *Effectiveness* is about "measuring how far the organization has fulfilled its key objectives", in other words if the set of administrative goals has been achieved and if not, why and how it can be changed. See: Farnham D., Horton S., p.78 and Sheldon D.R., Achieving Accountability in Business and Government. Managing for Efficiency, Effectiveness, and Economy, Quorum Books, Westport, Connecticut 1996, p.9

<sup>21</sup> "The transfer of responsibility from the central ministries to large offices or more autonomous agencies, thereby becoming closer to citizens while remaining part of central government", Managing across levels of government, Executive summary, OECD/PUMA, 1997

its overall pace is sluggish. On the other hand contracting-out policies cannot be quickly implemented due to a weak private sector.

Non-governmental organizations are flourishing<sup>22</sup> and this fact may constitute a starting point for many governmental programs to be contracted to these organizations, particularly on the local-rural levels.

## **Conclusion**

After having analyzed the case of Kyrgyz public administration, it is obvious that in administration (like in the market-economy) there is no third way. There is no specific Asian example of public administration. There can be only authoritarian/close or democratic/open models of governance. Kyrgyzstan is somewhere in the middle of the road, but a direction of the reforms is indisputable. Without increasing transparency, downsizing, streamlining governmental procedures, introducing "lean" and "deregulated" government, without further cost-reduction and cost-saving in governmental domain, without fight with corruption and mismanagement and without creation of ethical environment, where the ethos of public service profession will be promoted, there is no way that the public administration will become efficient and citizens will be pleased by the work of governmental agencies.

Social, political and economic differences between Kyrgyzstan and developed countries, where the modern administrative reforms were introduced, are immense. However if Kyrgyzstan wants to succeed in transforming its economic and social life, it needs to undertake bolder and quicker reforms of the government body, which is directly responsible for the success of transition. A path for successful administrative reforms has been already shaped by developed countries. Kyrgyzstan, while following these countries, can avoid various mistakes they did in implementing governmental changes.

Transformation of the Kyrgyz public administration, as part of the political reform packages, has been under way. However nowadays this transformation faces criticism for progressing too slowly and changing too little in overall performance of government agencies. Current situation in the Kyrgyz public administration seems to be accurately characterized by a following statement "(...)the former governance schemes are not effective any more, while modern western and eastern approaches and methods have not yet been mastered nor thoroughly assessed regarding their relevancy."<sup>23</sup>

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<sup>22</sup> See: Development of civil society institutions in: Kyrgyzstan, National Human Development Report, UNDP 1999,

<sup>23</sup>Ojueeva T., Kavran D., Governance structure in transformation, in: Public Administration and Public Policy Handbook, Volume 1, 1997, p.197

In order for Kyrgyz Public Administration to work effectively, meeting people's expectations on professionalism of public service, public officials in the government have to start thinking as if they worked in an enterprise responsible for satiating citizens-customers' needs. Such enterprise has to be rooted in the public service ethos and its accountability, exercised by citizens and different state organs, needs to be as satisfactory as its work performance.