

Russian Governance Changes and Performance

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Abstract The article analyses the system of public governance in Russia, including two main sub-divisions of reforms, namely, civil service reform, and administrative reform. The authors examine the principal historical stages of both reforms as the parts of the Russian system of public governance evolution. The configuration of main actors of Russian governance reforms and of government–market relations are presented. The paper focuses on generalising some major characteristics of the administrative mechanisms of governance in Russia as the complex and interlinked entities. Some key elements of Russian governance reforms are described, including organisational aspects of civil service, optimisation of the functions and structure of the executive bodies, implementation of results-based management mechanisms and improvement of the regulatory system, public services delivery, one stop shop procedures, E-government.

Keywords Public governance · Civil service reform · Administrative reform · Public services · Performance management

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1 Introduction

Russia ranked 51st in the Doing Business (DBI) rating of the World Bank in 2016 compared to its 62nd spot in 2014 and 112th in 2012 (DBI 2016). According to Russian Administrative Reform Site (RARS), citizens have become appreciably more satisfied with the quality of public services: up from 74.6% in 2011 to 94% in 2016 based on the aggregate of ‘excellent’ and ‘good’ responses (RARS 2016), which is primarily owing to the countrywide introduction of ‘one stop shop’ systems. The level of administrative burden on businesses has decreased from the perspective of control.

And yet the nation’s political leadership and Russian experts are unanimous that the state of public governance in Russia is one of the chief obstacles to the country’s development, with legislative and administrative barriers seen as a major hindrance to business growth. While generally consistent with international standards, the new mechanisms of public governance are often implemented formally and fail to crystallise into effective processes. As such, they become devalued and fail to justify the hopes pinned on them. This brings us to a situation where reforms are underway but their results are not perceptible enough and the country’s competitiveness and investment attractiveness fail to grow. This situation is also reflected by the Worldwide Governance Indicators (WGI), according to which Russia consistently ranks below the first one hundred nations based on six aggregate indicators (particularly in terms of the Voice and Accountability dimension that measures civic engagement) (WGI 2016).

The absence of the expected (and possibly overly optimistic) results of public governance reforms has extensive social implications. There is a growing gap between the favourable assessment of the Russian President’s performance by the public (the index of trust in the Russian head of state varied between 73 and 83% in 2015–2016 according to public opinion polls by the Public Opinion Foundation (FOM), the Russian Public Opinion Research Centre (VTsIOM) and Levada-Centre) and the considerably lower assessment of performance by the Government and its agencies: 35 to 40 percentage points lower, according to the April 2016 survey by VTsIOM (VTsIOM 2016).

The stalling reforms of public governance have caused mounting distrust of the Russian bureaucracy and government institutions on the part of Russian citizens. However, the administrative dichotomy ideas first put forward by W. Wilson and F. Goodnow make it safe to say there is a certain difference between an external position (“reforms are failing”) and an internal position (“some progress is visible”) in the study of administration. It has been pointed out (Overeem 2005; Overeem and Rutgers 2003; Svara 2006) that there are two groups of researchers: those who believe that politics and administration are mainly separate despite being linked; and those who maintain that politics and administration are primarily interlinked despite being relatively autonomous. To all appearances, both expert opinions have a right to exist. The former opinion points to the need to form broad coalitions in support of reforms and focus the political agenda on issues of modernisation of the administrative apparatus. The latter position focuses on

specific institutional administrative changes and arranging them into a logical sequence.

2 Politics–Administration Relations in Russia

Following the collapse of the USSR in 1991, Russia has gone through a tumultuous period of transformations of the system of public governance inherited from the previous leadership. To understand the specifics of the reform of the Russian system of public governance, we need to look at the contemporary history and the current status of Russian public governance from the perspective of politics–administration relations in the context of the neo-institutional approach. The political aspects of governance and the constraints associated with them affect the ability to apply administrative mechanisms. ‘Modernisation of public governance can be defined as the process of shaping a new institutional design based on political goal setting, which factors in the interests of power-wielding groups that have initiated this process and is implemented via a system of norms’ (Kupryashin 2011:1).

With its political institutions attuned to the leadership of a single political practice, Russia exhibits the characteristic trends of administrative centralisation and unification of administrative mechanisms of governance. Endogenous factors of governance, which include the interests of the political elite and models of administrative actions, prevail. However, the endogenous factors themselves are not homogeneous: there is a special configuration of politics–administration relations, which is specific to Russia in particular. This configuration is characterised by the prevalence of various plans and programmes as a way to accomplish the national development objectives, implementation of formal indicators as a way of results-based management, formalisation of federative relations, dilution of responsibility at the lower levels of governance and concentration of responsibility at the higher levels, the growing significance of experience, merits and qualifications when it comes to forming the human resource pool for public service, etc. All of this points to the existence of internal mechanisms of administrative system development.

Administrative mechanisms of governance in Russia are not inextricably subordinated to politics; they are more complex and autonomous. There have been widespread innovations in the spirit of New Public Management (NPM), which generally reflect the market economy nature of economic relations. There is a significant economic dimension to the governance reforms, which is manifested in the selection of governance practices based on performance criteria and the way these practices are perceived by various social agents. In other words, ‘the freely emerging innovation ideas pass through the filter of selection based on the performance criterion, which determines which ones of them will be implemented on a mass scale (taking into account the effect of increasing benefits from the random nature of the original choice)’ (Tambovtsev 2003:231).

The impact of administrative mechanisms on political institutions often brings about a transformation of the original designs of governance decisions. For example, the process of collegial decision-making by the cross-agency work groups of government agencies involves an interaction between the political and

administrative agendas, and a compromise is worked out between centralised command economy and market economy approaches.

3 Major Current Challenges for Governance and Public Administration

During the first stage following in the wake of the dramatic period of the perestroika and collapse of the USSR in the 1990s, which saw a spontaneous transition from a command economy to a market economy with the attendant dismantling of the old government institutions and creation of new ones, the top priority of governance was to preserve the nation's integrity and make it manageable against the background of political collapse and economic havoc. At this stage, the biggest challenge for the governance system involved retaining the control mechanisms and preventing the country from falling into anarchy. This became reflected in the formation of new governance structures. The levers of control were handed over from Soviet structures to Republican structures (former ministries and agencies of the Russian SFSR), and from Soviet elected structures to Russian structures (formation of parliamentary power). This stage culminated in 1993 when the antagonism between the two branches of power and the governance models represented by them ended in the victory of the so-called 'presidential vertical'. The administrative agenda prevailed over parliamentary deliberation. This stage continued up until 1995. The enactment of the first federal law On the Fundamentals of Public Service in the Russian Federation (1995) became a milestone event in public governance.

The second stage, from 1995 to 2000, was dominated by the task of legislative entrenchment of public governance mechanisms aimed at the domination of the presidential vertical and executive power. This process saw the shaping of governance functions and administrative relations, which eventually (during the next stage) brought about an understanding of the need for public governance reforms. The biggest challenge to the Russian system of governance during the second stage was the competition among agencies for control over administrative resources, which was further complicated by the involvement of business elites in this process.

From the administrative perspective, the third stage of contemporary development of Russian public governance (from 2000 to 2010) involved the enactment of laws that are currently in effect, which cover the established administrative practices, as well as the adoption of the federal programmes aimed at reforming public service and implementing an administrative reform. The end of the third stage can be provisionally considered to have occurred in 2010, when a decision was made to stop funding the federal programme aimed at reforming and developing the civil service, and to have the activities of this programme implemented at the expense of federal government agencies. Creating a healthy and viable regulatory groundwork for governance became the biggest challenge to the Russian system of governance at this stage.

The final stage of development of the Russian system of public governance, which began in 2011, involves the updating and large-scale implementation of previously tested public governance institutions consisted with best international practices. A lot has been done to optimise interactions among the government, citizens and businesses. Russian Presidential Decrees of May 2012, particularly Decree No. 601,¹ proposed such solutions as expansion of the availability of electronic services, development of results-based management, implementation of regulatory impact assessment (RIA), application of public governance quality assessments and public service standards, a transition to an effective contract with civil servants, etc. Alongside improvements to regulatory framework of public governance, the focus at the current stage is on improving the practices, finding new organisational forms and governance models and perfecting the mechanisms for decision-making by administrators.

4 Actors and Motive Forces of the Russian Governance Reforms

The Russian governance reforms would not have happened if it was not for the social groups interested in seeing it through.

The Russian actors of the governance reforms are subdivided into levels. Authors have singled out (Obolonsky 2009:277–285) the political-state level of actors (signs of opponents: imperial mind-set, striving to reinforce the government vertical, legal ignorance, understanding of the reform as seen from inside the bureaucratic apparatus, striving to keep citizens from accessing information about the bureaucracy reform, suppression of local initiative, mistrust of innovative proposals, striving for like-minded thinking under the slogan of consensus; signs of proponents: focus on unconventional solutions and a creative approach, respect of the law, demands for radical reforms, striving to broaden local governance, initiative and enterprise, openness of decision-making, striving to cooperate with civil society structures, readiness to fight against opponents of radical reforms), the social-group level and, to some extent, the individual level (pragmatic, ideological and psychological). Also present was the so-called ‘backwaters’, whose representatives were indifferent to public governance reforms.

There categories of reforms actors also existed (Barabashev and Klimenko 2010:31–36). The first category included various civil society groups that were either interested or not interested in an effective executive branch of power. Small, medium and large businesses adopted different stances on the reforms (large business structures are closely interconnected with the government apparatus and have no need for radical modernisation; the criminal elements of the business

¹ Russian Presidential Decree No. 601 On the Primary Aspects of Improvement of the System of Public Governance of 7 May 2012. The provisions of Decree No. 601 have been recently expounded upon in Russian Presidential Decree No. 403. On the Primary Aspects of Development of the Public Service in the Russian Federation for the Years 2016–2018 of 11 August 2016. This Decree contains instructions on improving the governance practices in terms of managing the human resources of the public service, improving the system of professional development for public servants, making the public service more prestigious as well as improving anti-corruption practices.

community oppose reforms; small and medium businesses are the most interested in reforms). Public sector organisations and workers were ambivalent about reforms. On the one hand, they felt their inferiority in terms of the level of funding and remuneration compared to the private sector and therefore supported the reforms in the hopes for a fair equalisation of working conditions. On the other hand, they resented strict control over their performance, since the implementation of the new procedure (results-based management, budgeting and remuneration) would put an end to the stream of their low albeit stable and guaranteed illicit incomes and subject their work to greater controls.

The second category of reforms actors were the public servants (apparatus) themselves and the political leadership. Supposedly, the highest political leadership of Russia supported structural reforms of public governance, which was manifested in both their political statements and constant efforts at promoting reforms. This choice was motivated by an understanding of the fact that neither the goals of modernisation of the economy and society, nor strengthening of Russia's positions in the international arena, nor higher competitiveness of the country could be achieved given the existing weakness and ineffectiveness of Russian government institutions, primarily in the executive branch of power. Public servants representing all categories and groups of positions were among proponents and opponents of public governance reforms. Their motives varied greatly, from idealistic and ideological considerations to purely pragmatic calculations, such as those associated with professional career growth. One could not say that specific groups or categories of public service positions are more inclined to embrace reforms or, on the contrary, more opposed to reforms. There was no clearly defined base of support or opposition to the reforms inside the government apparatus.

A third category should be singled out among the reform stakeholders—foreign national and international organisations that accumulate international experience and promote the policy of donor countries and international organisations. References to successful international experience have always been significant arguments in favour of the reforms (Manning and Parison 2003).

To note, there existed an unstable balance of forces and their wavelike dynamics as involvement increased or weakened. This resulted in unstable support for the reforms, the opportunities to slow the reforms down or continue them depending on the emerging political, economic and social circumstances.

5 Civil Service Reform

The civil service reform plays a special role in the system of public governance, since civil servants are both the objects and subjects of the reform. The civil service reforms calls for not just amending the legislation but also considering the mind-set of the bureaucratic apparatus and their willingness to use legislative provisions in their own interests.

The reform of the Russian civil service is characterised by a cyclical (and sometimes partly retrograde) reform process, which is often perceived as a failure of the reform. This is due to the disregard of the capability of the bureaucracy to

interpret the administrative decisions in their own corporate interests, the inverse influence from other public sector reforms on the civil service reform, as well as the existence of organisational problems associated with the implementation of the civil service reform.

The following key elements of the reform should be singled out: its mission, goals and general direction of transformations; plans and tasks, and the reform management system.

The reform ideology was formulated by the Concept for the Reform of the Civil Service of the Russian Federation (Concept 2001), which was drafted at the very beginning of this stage (in 2001). Note the important feature of the wordings of the reform goals and directions proposed by the Concept: they were worded to as to easily transform into wordings of laws and other regulatory acts.

According to the Concept, the mission of the civil service reform was to put in place an effective professional civil service system that would ensure governance on the basis of democratic values and a free market economy. The list of reform goals and directions was detailed in the Concept via a direct description of the priority goals of the reform. These goals included making the civil service more effective in the interests of development of a civil society and strengthening of the state. It should be noted that the concept of civil service effectiveness unified all the requirements relating to the improvement of its structural and functional characteristics.

The Concept proposed an action plan, i.e., adopted a targeted programme-based method of accomplishment of the tasks. This feature of the Concept and its focus on the need to clearly plan specific changes to the way the work of civil servants is organised and to improve the resources available to the civil service is reflected most clearly in the Annex to the Concept. The inclusion of the plan of priority activities in the Concept became a prototype for federal programmes aimed at civil service reforms implemented since the autumn of 2003.

5.1 Main Phase of the Russian Civil Service Reform (2000–2010): Goals and Implementation Plans, Reform Management, Stages, Economic Constraints

Preliminary stages of the Russian civil service reform occupies the period from 1991 to 1999 (Public Service: Comprehensive Approach, 2009:259–277, 286–299). The first decade of the civil service reform should be called a period of preparation of practical transformations, consolidation of the understanding by society, experts and the authorities as to what kind of civil service Russia needs, what kind of international theoretical and practical experience is available, and within what limits it should be put to use in both methodological and organisational terms (Reform of the Public Service in the Russian Federation 2006:13–44).

However, the stage of active reforms of the Russian civil service spans the period from 2000 to 2010. During the active reform stage, separate theoretical ideas and non-systemic practical activities gave way to consistent efforts implemented on the basis of a joint concept. Four reform stages can be singled out: creation of the Concept for the Reform of the Public Service of the Russian Federation, which

outlined the reform goals and directions, its ideology and, ultimately, the public perception of this Concept (2000–2002); legislative entrenchment of civil service system and its most important variety—the civil service (2003–2004); a targeted programme-based implementation of the reform in the form of a federal reform programme (autumn of 2003–2007), an update of the targeted programme-based implementation of the programme in the form of a second reform programme that was almost entirely scaled back by the end of the stage in question (2009–2010). These reform stages did not exist independently of one another: they overlapped in terms of the scope of their activities. And yet the primary accents of the reform in 2000–2010 generally shifted from the creation of a reform ideology to new legislative regulation of the civil service and subsequently to methodology of practical activities and to practical activities proper. Hence the biggest shortcoming of the active stage of the civil service reform in Russia: its gradual transformation into a technocratic project and transition to reform implementation inside the apparatus.

The phase of the reform and development of the civil service system in Russia (2000–2010) is subdivided not only into stages (chronological subdivision) but also into approaches to reform implementation. The question ‘How was the reform implemented?’ is of a substantive and instrumental nature. It brings together the aspects of reform implementation, i.e., the substance of the reform proper, and the approaches to implementing those aspects, quantifying and assessing results, and redistributing the authority of the reform actors.

In terms of implementation aspects, the phase under consideration (2000–2010) can be subdivided into several dominant aspects.

The aspect of legislative activity was dominant between 2000 and 2004/2005. These years saw the drafting and enactment of new legislation on the civil service, including two federal laws, 9 key Russian Presidential Decrees and the corresponding Russian Government Resolutions.

In 2004/2005–2008, this dominant aspect gave way to development of operating technologies for the new civil service under the conditions of the newly enacted legislation; specifically, the overwhelming majority of activities planned as part of the first federal programme aimed at the civil service reform in 2003–2007 were devoted to this aspect.

Starting with the second federal programme aimed at the civil service reform and development (2009–2013), a new dominant aspect of the reform appeared: implementation of technologies by the bureaucratic apparatus.

Of course, if you look at the reform of the law enforcement and armed services, this presents a skewed picture because there is no single federal law focusing on separate kinds of the law enforcement services, whereas the federal law dealing with the armed services was enacted in 1998 (before the reforms began), and since then modifications to this law have been limited to specific point-of-need amendments.

Each of the dominant aspects of the reform called for its own approach. For example, an analysis of the state of legislative support for the civil service conducted as part of efforts to draft the Federal Law On the Public Service System in the Russian Federation (2003) involved studying the entire array of regulatory acts of legislation, both existing and proposed, i.e., those drafts of laws and bylaws

the drafting and subsequent enactment of which is dictated by the logic of the reform itself. The same model was used when drafting the Federal Law On Public Civil Service in the Russian Federation (2004). This work was partly completed as part of the first federal programme.²

Targeted programme-based sources of funding were utilised on an insignificant scale for the dominant aspect of the legislative framework of the civil service; subsequently, however, as federal programmes were being implemented, the legislative framework (particularly in the constituent entities of the Russian Federation) was monitored for compliance with the new legislation as part of such programmes and with the use of their funding. Reform performance was measured ‘automatically’: as new regulatory acts of legislation were enacted.

The situation was far more complex when it came to the next dominant aspect: development of operating technologies for the new civil service. These technologies were developed as part of federal programmes by expert teams of competitively selected contractors. In addition, pursuant to Clause 7 of Russian Presidential Decree No. 1336 of 19 November 2002 On the Federal Programme of the Civil Service Reform in the Russian Federation (2003–2005), government agencies in the constituent entities of the Russian Federation were recommended to develop and approve regional civil service reform programmes within the limits of their budgets.

A decision was made in December 2010 (following a meeting at the Russian Presidential Administration) that continued implementation of the Federal Programme of the Civil Service Reform in the Russian Federation (2009–2013) will be carried out (at least in 2011) by the government agencies at their own expense. This means that expert solutions are replaced by proposals made from within the government agencies, and that the system of hiring experts for the civil service programme through their participation in competitive selection processes as part of the programme has ceased to exist (naturally, the government agencies may conduct R&D work with the involvement of external contractors). Supposedly, reform implementation was to be transformed into an internal affair of the bureaucratic apparatus. However, the apparatus is unable to reform itself, which is why the second federal programme fell short of its goals without society’s decisive involvement in the reform in the absence of mechanisms of such involvement (apart from the largely non-binding ‘indexes of trust’ of citizens in the government³). In this way the reform process ended, and a new phase of improvement of the civil service system began (in 2011), which involved selecting best practices.

5.2 Contemporary Stage of Development of the Russian Civil Service (2011–2016): Testing of Best Practices

The targeted programme-based method of civil service reform in Russia was abandoned in late 2010. It was then that the decision was made to stop funding the

² Russian Ministry of Labour project: ‘Analysis of the Regulatory Framework Underlying the Public Civil Service in the Russian Federation’, carried out in November–December 2003.

³ It was expected that by identifying the indicators of trust indexes it would be possible to centrally adjust the programme activities associated with the public assessment and additionally assess the success rate of a number of programme activities that were expected to have a social impact.

second federal programme ‘Development and Reform of the Civil Service in the Russian Federation (2009–2013)’ and propose that ministries (the state beneficiaries of this programme) continue implementing programme activities at their own expense.

A mechanism of finding the best administrative practices and having them adapted by government agencies was introduced instead of the previous fairly costly methods of hiring external contractors (from outside the government agencies) to develop reform proposals. This mechanism was formalised in Russian Presidential Decree No. 601 of 7 May 2012. At the core of this Decree were requirements for government agencies to ensure achievement of a series of key performance indicators by the government agencies and to develop and implement new staff practices (competitive selection mechanisms, lists of qualification requirements, remuneration based on assessment of professional performance, etc.).

This caused a transition from the active phase of the civil service reform to the phase of gradual accumulation and utilisation of various staff management practices. Such practices constantly appear at both the federal level and the level of constituent entities of the Russian Federation and are registered by the Russian Ministry of Labour and Social Development via two key mechanisms: best practice competitions, held annually since 2013 (Rosmintrud 2016a) and recommended practices of improvement of different aspects of public service management, published on the website of the Russian Ministry of Labour (Rosmintrud 2016b).

The wide variety of civil service management practices are also used at the level of constituent entities of the Russian Federation; regional meetings (covering several constituent entities of the Russian Federation, in each federal district) of the regional governance agencies are held with the participation of experts, during which such practices are actively discussed. Best practices are propagated, and this process produces a significant (albeit less visible to external observers) effect. The last two years saw the beginning of processes whereby the results of monitoring of the effectiveness of civil service are used to optimise the size of staff at regional state (and municipal) authorities: the amount of time spent on operations is studied; staff size optimisation calculators have been developed for specific functions; and the scopes of administrative functions are optimised. The Russian regions are actively sharing their experience in managing civil service personnel and adopt best practices even in the absence of new legislation. The civil service system has begun self-improving.

Another contemporary aspect of improvement of administrative practices in civil service in Russia has been the improvement of anti-corruption and conflict of interest resolution mechanisms. The actions of regulators are constantly updated (expanded in terms of their scope) with a view to preventing crimes of corruption, ensuring observance of prohibitions and restrictions, fighting bribing of officials, maintaining records of income, expenses, assets and liabilities of civil servants and their family members (with the use of automated computer systems and purpose-built software), performing rotation (horizontal transfers to equivalent positions at other agencies and other regions) of civil servants who hold positions especially prone to corrupt practices.

Regional statistics are collected on a greater scale to assess the performance of civil servants and government agencies. These statistics are significantly richer and more diverse compared to data gathered by the Russian State Statistics Committee at the federal level.

Last but not least, significant changes are taking place in the area of Russian professional education in the fields of public administration, public policy and public affairs due to the adoption of next-generation national standards of education and development of original bachelor's and master's degree programmes by leading Russian universities (Barabashev 2013:129–136).

6 Administrative Reform

By the early 2000s, the Russian system of executive power accumulated an eclectic and conflicting variety of administrative structures, powers and regulation tools inherited from the Soviet era and perestroika. This system was riddled with internal conflicts and ineffective, offered redundant functionality and created major administrative barriers for businesses. The accumulated problems and conflicts cannot be resolved through specific organisational decisions. The administrative system had to be fully transformed, a logical and non-conflicting structure of the executive authorities designed and oriented at achieving results needed by the public and not separate groups of bureaucrats.

In the latter half of 2003, the Russian President issued the Decree On Measures to Implement the Administrative Reform in 2003–2004, which set the administrative reform in motion (Klimenko 2014). Among the key aspects for the coming years the Decree provided for a restriction of government interference, for identification and elimination of redundant functions of the executive authorities, promotion of self-regulation, and completion of the process of separation of authorities between federal and regional agencies.

For purposes of analysing federal functions, a list of such functions was compiled and criteria developed for assessing their essential or redundant nature. Such criteria included, for example, the absence of restrictions of constitutional rights and freedoms during implementation of a function, proof of the need for government interference, and an assessment to determine whether or not the function can be delegated to self-regulatory organisations. The principle of 'presumption of guilt' was used, i.e., a government agency had to present proof that its specific function is essential and cannot be performed by market operators or self-regulatory organisations.

A total of 5634 functions were analysed in 2003–2004. Of these, 1468 were found to be redundant, 263–overlapping, and 868–in need of changes. However, the efforts aimed at bringing these functions to order were never finalised.

The results of functional analysis were considered when forming the new structure and specialisation of government agencies. Russian Presidential Decree No. 314 of 9 March 2004 On the System and Structure of Federal Executive Agencies defined the new administrative and functional structure of federal executive agencies based on the principles of specialisation and separation of

powers and elimination of the conflict of interests. The identified types of functions were separated among three types of federal executive agencies: ministries, agencies and inspections.

Alongside the inventory of the functions of executive agencies, in 2004 a process began to analyse the activity of government institutions and enterprises involved in government regulation and administration processes. More than 18,000 of such institutions and over 6000 enterprises have been analysed, with proposals made to privatise, reorganise or liquidate close to 30% of institutions and 59% of enterprises.

6.1 Public Services

The most socially significant aspect of the functions of executive authorities are public services involving the registration of rights, issuance of permits and presenting documented proof of the latter. The most common services are issuance of passports and driver's licenses, and in the field of business—state registration of a company, registration with a tax authority, accreditation, issuance of a license, building permit, power grid connection permit, etc. Minimising the administrative costs of interactions plays a vital role in public services: reducing the number of documents to be submitted by applicants, reducing the waiting and processing times, and availability of information about the service. Improving the quality of service in the context of public services is the priority task of the administrative reform.

The idea to improve the quality of interaction between the state and customers using a process-based approach has been developed, among others, by experts of the National Research University Higher School of Economics since the early 2000s. Elaboration of this idea has given rise to a new tool for managing administrative processes—the administrative regulation, which is a description of the process of performing a function (providing a service) with a detailed description of the end result of performance.

In 2005, the Russian Ministry of Economic Development was tasked with coordinating the development of administrative regulations. The Ministry acted in close cooperation with the Russian Government, the Government Committee on the Administrative Reform and the expert community. The first version of the procedure for drafting, discussing and approving administrative regulations was prepared and approved. In the first year of work (2006), close to 90 administrative regulations were developed, and by mid-2012 regulation of public services had been virtually completed at both the federal and regional levels of government. Drafting of the regulations was a far from simple task. Every agency defended its own interests and far from always agreed to a curtailment of its powers or simplification procedures.

The experience of administrative simplification, regulation and better organisation of public services was consolidated in the Federal Law On Arranging the Provision of Public and Municipal Services (2010). This system-forming law established not only the scope of regulations and procedure for drafting them, but also the date by which this process had to be completed—1 July 2012.

Owing to the introduction of administrative regulation, the civil society in Russia has received for the first time an accessible and understandable list of obligations of

the bureaucracy toward its customers, and the ability to demand services of an appropriate quality. Regulations limited the freedom of actions for officials and the freedom of interpretation of their powers. For the first time, customers got a chance to contest the actions of officials via an extrajudicial process.

In developing the regulations, a great deal of attention was devoted to internal interactions (inside the executive apparatus) and external interactions (with customers) and ways to simplify them, cut costs and ensure a comfortable environment for customers. The requirement to improve the ‘quality’ of public services stemmed from the need of customers to receive understandable information, the need for short application processing and line waiting times, convenient service hours, a comfortable environment in the waiting areas, etc. These quality parameters of services can be achieved most effectively by using one stop shop technologies or by providing services electronically.

6.2 One Stop Shop

In the Russian practice, the one stop shop principle is implemented through multi-service centres for public and municipal services, which are currently known as My Documents centres). My Documents centres are the one-stop location for receiving, registering and issuing documents to applicants in connection with various public and municipal services. Establishing the My Documents centres firstly required describing and optimising cross-agency interactions without the involvement of applicants, making such interactions simpler and faster, secondly—creating joint databases and bringing them to a compatible format, and thirdly—creating comfortable conditions for receiving applicants and hiring skilled and helpful personnel to serve them.

The programme to develop the My Documents centres has become a priority programme in the context of the administrative reform because it has produced quantifiable results, created a ‘front office’ for the authorities in the form of comfortable and well-equipped centres working according to the latest standards.

The number of My Documents centres is growing steadily and exponentially. While only 16 of them opened in 2007 in pilot mode (not to mention that they worked according to the obsolete ‘single door’ principle), close to 3000 such centres (with more than 40,000 windows) will open in the coming years and cover 90% of the country’s population.

One of the vital tasks involves implementing the principle of extraterritorial status, i.e., the availability of services irrespective of the applicant’s address of residence and the location where the service is requested. So far this principle has not been fully implemented.

Development of the My Documents network is undoubtedly creating a positive effect and changing the way citizens perceive the executive authorities. Monitoring surveys show that over 80% of citizens are already satisfied with the work of such centres.

6.3 E-Government

Since the early 2000s, work to create the e-government system had been carried out as part of the Federal Targeted Programme Electronic Russia (2010–2010). During this period, separate programme solutions were elaborated, the appropriate laws drafted, stages of maturity of electronic services determined and conditions for achieving them ascertained. On the whole, however, the Electronic Russia targeted programme failed to yield the anticipated results. While addressing a meeting of the Information Society Development Council in February 2009 and summarising the progress made to date, Russian President Dmitry Medvedev stated that ‘we do not have an e-government, and all that we have is a chimera’. To change this situation, a new government programme titled Information Society (2011–2020) was adopted in late 2010, and progress in this area accelerated.

The launch of the Joint Portal of Public Services has become one of the major achievements in the development of e-government over the years of reforms. The joint portal gives users access to public and municipal services, provides information about the government control and oversight functions, the essential and mandatory services of public and municipal institutions and organisations. The joint portal has a feedback functionality that allows applicants to evaluate the quality of service. There is a constantly rising percentage of services in respect of which applicants can not only file an electronic application but also the requisite supporting documents, and monitor the progress of the service all the way until the end result (decision).

Owing to the launch of the Joint Portal, Russia ranks quite highly in the information society. In the E-Government Development Index (EGDI), Russia ranks 35th among more than 190 countries (E-Government Index 2016).

Implementation of cross-agency interaction has become one of the key preconditions for the development of electronic services. Each government service required updating the list of documents and administrative activities needed to provide this service, and identifying the documents that are at the disposal of government agencies and, under law, must not be requested from the applicant. Notably, the legislative provision to the effect that agencies providing public and municipal services may not require the applicant to submit documents and information that are at the disposal of other government and municipal agencies or organisations subordinated to them has drastically changed the stance of the government agencies on the information that needs to be submitted by applicants. All of a sudden, a considerable number of previously mandatory documents turned out to be redundant.

An important aspect of development of electronic interaction involves taking inventory of and certifying the core government information resources (government registries, cadastres, registers, other databases used in providing public and municipal services). The register of government information resources is being developed for this purpose.

Other current tasks include implementing systems that allow paying duties and receiving results of services online, developing a cross-agency electronic interaction system, forming a single space in which digital signatures are trusted, etc.

7 Government–Market Relations

Government–market relations for Russia should be viewed through the lens of administrative reform, namely, government regulation as its part. Government regulation in many ways shapes the business climate and is a factor of the country's competitiveness.⁴ As already mentioned above, the Russian administrative reform was in many ways aimed at reducing the administrative barriers, redundant and overlapping functions.

The first steps to reduce the administrative barriers for business were made back in 2001. The Federal Law On State Registration of Legal Entities and Individual Entrepreneurs solved the problem associated with creating a uniform registration system for legal entities. The Law established the maximum time frame for registering companies (5 days), introduced the uniform state register in the field of registration, established rules for providing information from registers, and ensured the openness of registers and their availability to the general public.

The Federal Law On the Licensing of Individual Kinds of Activity also played an important role. While prior to its enactment in 2011 close to 1500 types of activity were subject to licensing in Russia, and companies were forced to submit multiple applications for new licenses or renewals of licenses that had a limited validity period (usually 3 years), the new law stipulates that the validity period of a license may not be shorter than 5 years, reduces the number of activities subject to licensing to approximately 100 activities, and institutes new rules and requirements for passing inspections. In recent years, the administrative mechanism (registration) has been replaced with the economic mechanism of monitoring of declarations of product (service) conformity.

A great deal of attention is devoted to government inspection (control) system. The problem is that, this system fails to adequately protect the interests of consumers and is often abused by interest groups as a means of unscrupulous competition and to raid competitive businesses.

One of the first major steps toward improving the situation in this area has been the Federal Law On the Protection of the Rights of Legal Entities and Individual Entrepreneurs in the Context of State Inspection (Oversight) (2008), which establishes the requirements for the organisation and implementation of inspection and oversight activities. A uniform register of inspection was introduced in the summer of 2015, and federal oversight agencies are obligated to record the results of all inspection in this register. Owing to the development of cross-agency interaction systems, public and municipal inspection and oversight agencies have been prohibited since late 2015 to require the legal entity or individual entrepreneur being inspected to present documents or other information that is at the disposal of other government agencies.

The main aspect of development of the state inspection and oversight system is currently the risk-oriented approach, which calls for the focus of attention and efforts of the inspecting authorities on the most socially dangerous sites and type of

⁴ Recommendation of the Council on Regulatory policy and governance. OECD Publishing, Paris. 2012.

activity, the focus of oversight activities on the prevention of violations, mitigation of the risk of inadmissible damage to the state, businesses or citizens.

For several years now, elements of the risk-oriented approach have been introduced into the practice of Russian inspection and oversight authorities. For example, the Federal Environmental, Technical, and Nuclear Inspection Service (Rostekhnadzor) has developed classes of danger of sites for purposes of determining the scope of information to be submitted and the frequency of audits. Different risk levels call for different conditions and methods of inspection and oversight by the tax and customs services, the Federal Labour and Employment Service, the Federal Service for Emergencies, etc.

The biggest challenge in implementing the risk-oriented approach involves classifying the types of damage in terms of the degree of their danger and likelihood of occurrence, as well as based on their quantification.

The introduction of the institution of regulatory impact assessment (RIA) in 2010 became an important systemic measure aimed at improving government regulation. Since July 2013, a Russian Government Resolution instituted a mandatory regulatory impact assessment by federal executive agencies of their drafts of regulatory acts of legislation, including notices about the start of drafting and public discussions of the published drafts. The Russian Ministry of Economic Development prepares opinions on the completed regulatory impact assessment, evaluating its completeness and objectivity and the justification of the method of regulation proposed by the authors. A joint portal for publishing information about the drafting of regulatory acts of legislation has been launched at <http://regulation.gov.ru/>.

RIA is currently the first obstacle in the way of unjustified regulation (i.e. the redundant and overlapping functions discussed earlier) and a means of improving the business climate. This tool is not sufficiently effective as of yet. It lacks the appropriate qualifications and data for an all-round assessment of the drafts being considered, particularly data on the costs to be incurred by entities subject to regulation and by regulators. In developing regulation, it is extremely important to observe the principle of ‘one in—one out’ (and better yet ‘one in—two out’) in respect of new laws and regulators, which is consistent with best international practices.

Self-regulatory organisations (SROs) have become developed on a wide scale in recent years. Russia currently has close to 1000 SROs. In respect of some activities, industry-specific legislation prescribed mandatory membership of SROs (audit, appraisal and conservatorship, construction and energy audits, etc.—close to 70% of all SROs). SROs can be established in other fields (securities market, cadastral and advertising activities, etc.), but membership of such SROs is not mandatory.

SROs develop standards and rules of professional practice, play a certain role in the field of technical regulation and monitor their members. The purpose of SROs is not so much to substitute as to supplement the government functions that involve monitoring and overseeing compliance with not only mandatory requirements relating to the prevention of inadmissible risks but also detailed requirements in respect of the quality of products and services. By maintaining a dialogue between producers and consumers, SROs establish and monitor compliance with industry-specific, professional and ethical standards, ensure extrajudicial resolution of disputes, and hold their members financially accountable to consumers. Their

important task involves formulating a consolidated opinion of the professional community on issues of development of government regulation standards through a dialogue with government institutions.

8 Conclusion

The analysis of Russian public service and administrative reforms shows that the reforms at the moment are far from its end. However, it is possible to draw some conclusions as to the rational organisation and the conditions for ensuring the effectiveness of institutional changes.

First of all, any innovation in the governance system is not an absolute good, but comes with inherent risks and additional costs for the government and society; the limiting values of such costs as compared to benefits should define the future outlines of the administrative system. There is a need to calculate the total reduced costs and results of implementation of new tools and mechanisms of public governance.

Second, the consistency and irreversible nature of changes are important. A formal acceleration does not produce any effect but only creates disappointment, devalues the new mechanisms and the very striving for change.

Third, innovations should be ‘digestible’ for the administrative apparatus and should not create new consulting markets every time. It is equally important to secure social support for them, which can be based on ‘quick victories’, engagement and mutual accountability.

Fourth, even though certain untapped reserves remain in the field of organisational, technological and technical modernisation, such reserves are fairly limited and tapping them requires increasingly more resources. Expansion of cooperation, mutual accountability of the executive government and civil society institutions can be an effective addition in a number of cases and can sometimes substitute conventional solutions. Along this very path it is possible to achieve unity in the evaluation of public governance reforms by Russian reform actors and consolidate Russian society in its attitude toward the government and its institutions.

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