

The Effectiveness of State Administration: Problems and Solution Approaches

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Abstract: The present article is dedicated to researches of relevant issues which disclose the content of term of “effectiveness of state administration” and gives the assessment to this effectiveness. The practical aspects of designated issues were examined with the usage of experience and characteristics of activity of state authorities in the Republic of Kazakhstan. The theoretical groundings of economic category of effectiveness were examined in details; the authors’ definition of terms of “effectiveness of governance” and “effectiveness of state administration” were given; the logical diagram of functioning of mechanism of effective state administration providing was developed. The criteria and methods of state administration were examined; the algorithm which helps to formalize the procedure of selection of indicators for assessment making was developed. On the basis of comparative analysis the set of the most popular and actual methods of assessment of the state administration effectiveness was detached. The methodology of assessment of the state administration effectiveness on the example of the Republic of Kazakhstan was developed; the algorithm of grounding of criteria and indicators for assessment making in frames of the proposed model was formulated.

Key words: Effectiveness • State administration • Criteria • Assessment • Mechanism

INTRODUCTION

The effective Government which timely responds to the needs of people, civil society and the performance of their social and economic programs is the key factor for the successful overcoming of the growing global problems and the key method to ensure the sustainable development of economy of any country [1]. Within the given context the problem of essential interpretation of the term of “effectiveness of state administration” and its assessment, as for today, has become particularly relevant since most of the world countries are facing such difficulties as the economic recession; a growing number of requirements to enhance and increase the quality of public services; in many countries of the world we can see the increase of reluctance of people to pay high taxes. This tendency has not come by the Republic of Kazakhstan as well. Despite the fact that according to the global study conducted by the World Bank, in which the assessment of quality of state administration in different countries of the world was given, the ranking of effectiveness of the state administration in the Republic of Kazakhstan has increased from the 39th position out of possible 100 in the period from 1998 till 2008 [2] to the 45th

one in 2011 [3]; on three of the six analyzed indicators a notable delivery of positions in the world leadership can be seen. Thus, the indicator of “Political stability and absence of violence” has decreased 1.6 times and the ranking on public hearing of population and accountability of government has declined by 5 points; the situation with the containment of corruption in the country has also become worse. The given data indicate not only the poor quality of the state administration in the Republic of Kazakhstan but also they indicate the obvious problems in the sphere of its assessment and analyzing.

There are no doubts that to determine the results of the state administration and to give it an assessment even with the presence of reliable data and existence of clear methodology for calculations and comparison of indicators and relevant criteria is very difficult task to do due to the nature of management activities. The assessment of results of the state administration bodies’ activity has the immense practical value but still is the least explored area of economic science [5]. In this regard, the U.S.A. Canada, Sweden, the U.K. and almost all other countries of the world which are the members of the International Organization for Economic Cooperation and

Development have been using during the last decades the comprehensive system of criteria for assessment of state administration bodies' activity, the basis of which at the state level are the special mandatory programs for their support ensuring. To make the analysis of effectiveness of European state administration regimes such systems as TQM (Total Quality Management), SQMS (Scottish Quality Management System), ISO (International Standardization) and others are used [6].

Consequently, taking into account the experience of foreign countries the efforts of Kazakhstan to become an integral partner of Europe and join the club of 30 competitive countries of the world which is set in "Strategy-2050" [7] must also be accompanied by the establishment of the system of assessment of effectiveness and quality of state administration bodies operating on all stages of decision-making and implementation processes at both local and central levels of government that are capable to generate the reliable and objective results.

Thus the abovementioned circumstances confirm the relevance and the high value of the chosen topic of the present researches not only in general theoretical aspect but also in the context of improvement of state administration in the Republic of Kazakhstan. The further development of the outlined issues will be interesting to both specialists and a wide range of interested parties.

The analysis of publications on the topic shows that the problem of conceptual foundations of public-management tools and mechanisms of state regulation improvement are examined by such famous domestic and foreign scientists as A. Wolf, H. Maier, D. F. Andersen, J. D. W. Morecroft, M. Kachniarz, T. Borys, R. Maes, W. W. J. Kickert, K. Kelimbetov, A. Dzhetpisova, B. Mukhamejanov, A. Akhmetov, M. Altybasarova, S. Balshikeev, A. Kurmangali and others. The problems of state administration effectiveness (the study of essence of the term of effectiveness, the definition of indicators and criteria for public authorities' activity measurement, etc.) was examined in details by such famous and well-known Kazakhstan and foreign authors and specialists as E. Nugmanova, G. Kazieva, A. Dzhetpisova, K. Maksat, N. Dosmaganbetova, A. Beisembaev, W. Plowden, I. Marsh, C. Grandy, R. Saner, T. Scheer and others.

At the same time the study of foreign and domestic scientific approaches shows us the complexity of such researches related to the lack of clearly defined indicators and criteria of assessment of state administration effectiveness. In scientific environment there is no agreement of opinion on the possibility of measuring the

level of efficiency of the state administration and its bodies activity, as well as there is no exact identification of tools with the help of which it affects the socio-economic development of the state.

As a result, taking into account the abovementioned factors the objects of the present research can be defined in the following way: to examine the essence of definition of "effectiveness of state administration" and to draw out its distinctive features and characteristics; to study the existing criteria and methods of state administration assessment; to develop the methodology of assessment of state administration effectiveness on the example of the Republic of Kazakhstan.

The methodology base of the present research includes the system approach, the scientific methods of cognition and the economic and mathematical modeling.

The essence of effectiveness of state administration: distinctive features and characteristic properties. In general sense the term of "effectiveness" (from Latin 'effectivus' – 'active', 'efficient') means the productivity of the process and/or action and is determined by the correlation of the obtained results to the costs which caused its emergence [8]. The category of "effectiveness" has got the greatest grounding in economic sciences where it is determined with the help of such criteria as the profit. For the science that studies the state administration process such definition of effectiveness does not correspond to the key principals of activity of the state authorities and bodies of local self government which by definition are unprofitable. To determine the results of state administration and to assess the effect caused by it is a very difficult task to do due to, first of all, the complexity of the key factors identifying which exert the direct influence onto this category. As a result, the hypothesis of impossibility to assess the effectiveness of state administration is given very often. The situation is involved in difficulty by the fact that the management activity on a full scale is almost impossible to estimate at a particular moment as its results will be known only in the far future. In the same way the activity of the management apparatus is effective only if the activity of the object of management is effective as well. However, without the continuous quantitative and qualitative measurements of effectiveness of management it will not only be difficult to control it but also will be difficult to improve.

To explore the essence of effectiveness of the state administration, which will further help us to formulate the author's definition of the examined term, let's specify those elements that seem to be essential for the proper understanding of its content:

- First of all, the effectiveness is the complete achievement of an exact objective.
- Secondly, the management goal must be real and socially useful as the character of the goal in a large extent determines the effectiveness of activity. Any efforts may be unavailing if the goal in the current circumstances is an objectively unattainable or if the goal is real but socially dangerous, i.e. is the one that does not correspond to the global tendencies towards the progressive development of society.
- Thirdly, the minimum expenses of resources and administrative energy.
- Fourthly, this is an optimum (the most advantageous) term for the set goal achievement.
- Fifth, the external and internal circumstances in which the state administration is performed must be taken into account.

So, taking into account the abovementioned things, we can determine the effectiveness of state administration as the complete achievement of real and socially useful management goals with the minimum expenses of resources and administrative energy in optimum terms with due regard to circumstances of external and internal nature. In its turn, under the term of “effectiveness of state administration” we should understand the achieved social effect with due regard to material and intellectual labor expenses, as well as the transformation of management decisions into the objective reality. On the assumption of the presented definitions we can specify three main levels of the state administration effectiveness, among which are:

- The general social effectiveness of state administration;
- The effectiveness of organization and functioning of subjects of state administration;
- The effectiveness of activity of administration authorities and official functionaries.

The improvement of the effectiveness of state administration can be achieved through the use of adequate mechanism which has a corresponding informative content: its structural model reflects the properties of interrelated and elements arranged in a specific order, the order and interaction of which are shown below in Fig. 1.

The validation of criteria and indicators with the help of which the measurement and assessment of economy, the efficiency and productivity of state administration (the use of internal control, monitoring and audit) is the

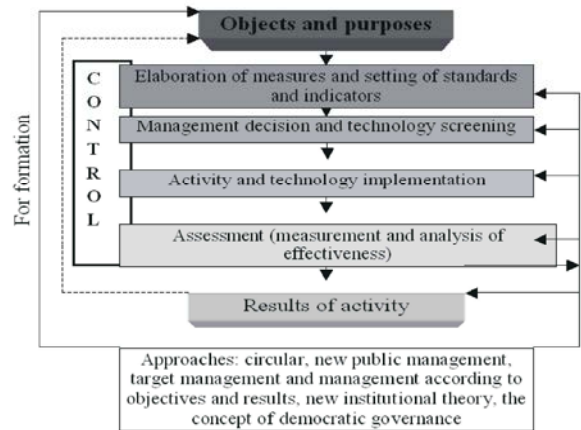


Fig. 1: The logical diagram of mechanism for the provision of effective state administration functioning [9]

essential component element of mechanism of effective state administration assurance on this stage of determining tactical steps of the set goals’ achievement. Let’s examine the criteria and methods of assessment of the state administration effectiveness in more details.

Criteria and methods of state administration assessment. In the global practice the criteria of state administration effectiveness means either the degree of achievement of the management goals or the degree of achievement of the desired state by the monitoring unit. The Russian scientists Zerkin D. and Ignatov V. are differentiating three groups of criteria of effectiveness: value-rational, purposeful-rational and pragmatic [11]. However, such approach seems to be a bit generalized and primarily reflects the philosophical underpinnings of the problem of effectiveness. In 2004 the World Bank Institute has prepared the document “The indicators of effectiveness of state administration reformation”. In this research the assessment of quality of state administration is conducted under the following criteria: voting power and answerability of state authorities; political stability and absence of violence; the effectiveness of the work of the Government; and the rule of Law and anticorruption efforts [4]. The number of popular methodologies also includes the functional review and the concept of Balanced Scorecard. According to the UNO specialists, the effectiveness of the state administration can be defined through such criterion features as: the level of authority’s answerability; the level of political stability; the control over corruption; the quality of state regulation system [12]. On the post-Soviet space the preference is given to the prism of effectiveness which is a three-dimensional system, which is the most flexible in

Table 1. Methods of state administration effectiveness assessment [13]

	Objectivity	Operational efficiency	Accuracy	Effectiveness	Degree of detail	Coverage	Totally
Statistical data	1.0	0.8	0.4	0.2	0.8	1.0	4.2
Rating system	0.6	0.4	0.4	0.6	0.2	0.6	2.8
Expert assessment	0.2	0.2	0.6	0.8	1.0	0.2	3.0
Planning system	0.6	0.4	0.6	0.6	0.6	0.8	3.6
Budgeting	0.8	0.6	1.0	0.4	0.4	0.2	3.4
Goal setting	0.6	0.6	0.8	0.8	0.8	0.8	4.4
Tax return	0.8	1.0	0.8	0.6	0.4	0.2	3.8

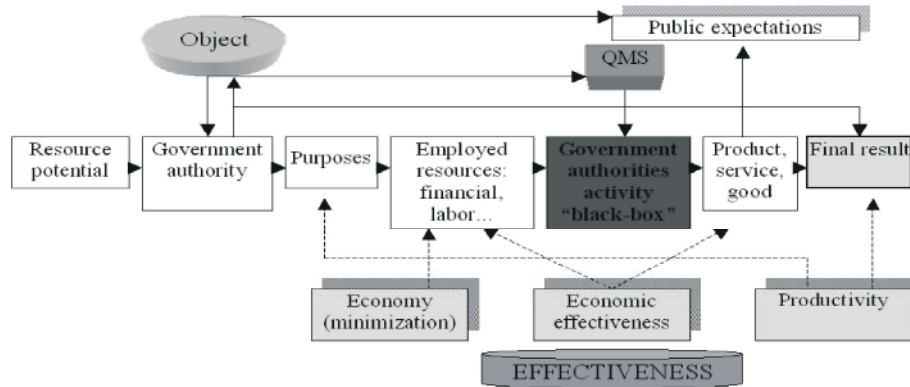


Fig. 2: The model of assessment of effectiveness of government authorities of the Republic of Kazakhstan.

order to (if necessary) focus on the problems of different levels: on a certain business process, on the improvement of effectiveness of structural subdivisions or on authority in general. It gives the opportunity to determine the most important strategies, processes and capabilities which one should address to in terms of measurement and control for needs and interests of different stakeholders and organizations satisfying.

Therefore, the conducted analysis shows the absence of standard classification for criteria of state administration effectiveness. As a result of this at a large of scientific thought a variety of indicators and factors can be seen. The selection of their different types depends on the specific challenges which the subject of assessment is facing with, as well as on its functions and empowerments. But at the same time the absence of the system in such an important issue as the selection of criteria of assessment bears the unnecessarily high risk of adverse outcome. That's why, in order to formalize the procedure of criteria selection the author suggests to use the following algorithm which consists of several stages:

- The determination of levels (high, medium, low or optimal, acceptable, unacceptable, etc.) on which the assessment should be conducted since each of them involves the use of different indicators;

- The adjustment of set of indicators that together characterize the level of development of quality, parameters and results under the assessment;
- The arranging of indicators and the assessment of factors of their weight;
- The use of indicators.

The methodological requirement to formalization is the implementation of the following rule: each criteria of assessment should be presented as a set of sub-criteria of the lower level and they, in their turn, should be presented as a set of sub-criteria of even more lower level. This process must be repeated unless and until it will be possible to determine for each of criteria and sub-criteria one or more assessment indicators the value of which can be defined with the help of special measuring technique.

The comparative analysis of the practice of different methods of effectiveness assessment implementation will help to detach the set of the most popular and actual methods among all existing ones (Table 1).

As we can see from Table 1, nowadays the special precedence is given to the indicative approach which is based on comparison of actual indicators of the state administration performance with the target indicators that are set at the beginning of the process of activities' planning.

Methodology of Assessment of the State Administration Effectiveness on the Example of the Republic of Kazakhstan:

Taking into account and generalizing the examined material, successful foreign practices and peculiar properties of tasks and objectives of the state administration in the Republic of Kazakhstan, the author of the present article suggests the following model of assessment of the state government authorities which will help to estimate the activity on implementation of different programs, projects, strategies, concepts of development of territories and process of services providing to society.

The model seamlessly combines two concepts: management (administration) according to results and process approach which forms the basis of quality management system (QMS) introduction and gives the opportunity to practice the method of assessment of economy, effectiveness and productivity of administrative activity conduction. The essential difference of the proposed model is in the presence of such composite element as objectives. If the goal is a focused reflection of expectations of society, then the objectives are the quantitative expression of the goal. The main requirement to objectives is to be measurable. Besides, the model focuses not only on the resources that are used by the state authorities in management process but also on the dependence of resource on their operating: if the number of resources is below the minimum acceptable level, then the further examination of the model loses all the sense. The suggested variant of modeling can be used as the basis for internal auditing conduction, as well as they can act as the component of improvement of effectiveness of state authorities' activity in each of areas of their operation. The effectiveness and productivity are the key and obligated elements at the stage of tactical steps for goals achievement determining the grounding of criteria and indicators which will be used for measurements and assessment of the economy.. In frameworks of developed model it seems to be appropriate to make the grounding of criteria and assessment indicators in accordance with the following algorithm:

- The selection of the assessment criteria that will characterize the various displays of state administration, as well as the level and quality of mechanism of its implementation in accordance with the socio-economic interests of the territory.
- The selection of indicators from the national statistics on the basis of which the assessment and calculation of the selected criteria will be made.

- The determination of indicators: stimulants (+) and disincentives (-). To do this we should select the reference level with which the comparison of the calculated indicator will be made. For positive effects (stimulants) it is expedient to consider the maximum value of the standard as the best variant, while for negative (disincentives) – the minimal value.
- The formation of informational databases, i.e. the creation of original data matrix [X]:

$$X = \begin{bmatrix} X_{11} & X_{1j} & \dots & X_{1m} \\ X_{21} & X_{2j} & \dots & X_{2m} \\ \dots & \dots & \dots & \dots \\ X_{i1} & X_{ij} & \dots & X_{nm} \end{bmatrix}$$

where m is the number of features (selected criteria) (j= 1, 2, 3,... m); n is the number of blocks with the help of which it is appropriate to conduct the grouping of indicators for determination of assessment of the state administration effectiveness (i = 1, 2, 3,... n);

X_{ij} is the value of the feature “j” which characterize the state of block “i” for determination of assessment of the state administration effectiveness.

- The calculation of partial indexes of separate block which characterize the level of exact aspects of the state administration. It is defined as the ratio of the measured value of index “j” for each of X_{ij} levels to the reference value. In other words, the normalizing of indicators is conducted:
- For stimulant indicators: $K_{ij} = X_{ij} \div X_{ij \max}$;
- For disincentives indicators: $K_{ij} = X_{ij \min} \div X_{ij}$.
- The calculation of the group integral indexes by the basic blocks that characterize the state administration. The calculation is performed according to the geometric mean particle coefficients formula which is the part of the block “i”:

$$K_i = \sqrt[m]{K_1 \cdot K_2 \cdot K_m}$$

- The calculation of the composite integral index for state administration assessment making. The calculation is performed according to the geometric mean formula for group of integral indexes which describe its basic aspects:

$$K = \sqrt[n]{K_1 \cdot K_2 \cdot K_n}$$

In such a way, summarizing the results of the conducted researches we can make the following conclusions. The problems of assessment of state administration effectiveness are examined by some of the well-known researchers, but still this issue has not been adequately reflected in the scientific literature due to its complexity and ambiguity. The basic approaches to interpretation of definition of the “state administration effectiveness”, the classification of criterion features and methods of state-management activities assessment set out in the present article indicate the existence of extremely wide range of views and opinions. It is obvious that in the context of such a variety no common approach and methodology were formulated. Using the obtained results of research the author of the present article has suggested his own vision as to definition of methodological approaches to assessment of effectiveness of state administration mechanism in the Republic of Kazakhstan. The author has also developed the algorithm of criteria and indicators of state administration assessment for the Republic of Kazakhstan in frameworks of model proposed in the present article.

The problematic area for the further researches in the present field of the study lies in the examining of the complex mechanism of effective state administration assurance in the context of subject-object and subject-subject relations, as well as in conduction of analysis of interaction of mechanisms at various levels and in various modes of operation of the state administration system.

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