

Effective Public Administration of the Russian Economy

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Abstract—The article deals with the issue of effective public administration in the conditions of unstable growth of the Russian economy. The priority of the management system for the development of the Russian economy was substantiated, shifting the emphasis on efficiency as a key economic function and goal. The existing classification of efficiency levels was analyzed. The methodology for studying public management is based on optimal organization of communication technologies. The organization process is based on a structural-functional approach. The research result is a new paradigm and concept of effective public administration allowing elimination of causes of decision-making asymmetry, reduction of conflicting decisions, creation of conditions for a mutually beneficial communication management system. The paradigm of effective public administration is presented as a model of causal relationships between and within subsystems, coordinating goals, causes, effects and results. The structural-functional approach to the concept of effective public administration is described using the structure of indicators reflecting the set of methodological provisions for its implementation. State models of development strategies and stages of their implementation were considered. The emphasis of development strategy models was shifted to the elimination of structural imbalances and their causes, development of the case of effective management decisions, optimal impact tools and a minimum level of required resources. Connecting functions between the paradigm and the concept of effective public administration were highlighted.

Keywords—*concept; paradigm; system; management; efficiency*

I. INTRODUCTION

In the conditions of unsustainable growth of the Russian economy [1, 2, 3], more and more requirements are placed on its management system (MS), namely, on the effectiveness of public administration (EPA) of the Russian economy, including goals, management process and a systematic set of tools for making management decisions [4, 5, 6]. As part of the MS (EPA), the entire management process takes place at all levels of government.

At present, the level of development of the Russian economy is characterized by the versatility and complexity of emerging management tasks which determine the need for development of optimal management structures (EPA subsystems).

For adaptive functioning and development of the Russian economy in conditions of growing global competition, it is necessary that MS fulfill its functions in a timely, efficient and effective manner. It is advisable to consider MS development rather than functions of the Russian economy, since they generate development. Functioning is a source and a basis for development of the system, since prerequisites and opportunities the transition to a new level arise at the functioning stage.

For reasonable implementation and monitoring of the MS, the problem of EPA diagnosing EPA should be highlighted. In modern conditions, there are several approaches containing a simplified solution to the EPA problem. Firstly, attempts are being made to replace the results of managing quantitative

indicators of economic development. Secondly, management costs are similar to the costs of administrative apparatus maintenance which makes it possible to determine the costs of “production” of one administrative act, law, decree, decision, etc. These simplifications do not allow us to establish the share of the managerial effect in the overall effect of the activity of the managed object (agent). In this regard, it is necessary to formulate optimal EPA methods for the Russian economy.

However, efficiency as the main economic function and goal of activity is rarely subjected to theoretical and methodological analysis due to the ambiguity of perception of its criteria [7]. The complexity and versatility of the concept of efficiency is due to the lack of a single interpretation which materializes the essence in the format of the most perceived economic category of society.

The problems of effectiveness evaluation are associated with differences in their classification: target (functional) effectiveness is the degree of compliance of the system with its purpose; technological or resource effectiveness is the degree of resource use intensity in terms of the ratio between the volume of production and the volume of resources used; economic effectiveness takes into account the effective demand of a market in accordance with the usefulness of the result of activities of the system and market prices; internal effectiveness reflects own assessment of performance, productivity based on the ratio of resources (costs) and a product (result); external effectiveness reflects the structure of social needs, the degree of their satisfaction, the level of usefulness of the product, its market share, potential opportunities on the; static effectiveness is a form of evaluation and management of activities during a short period of time, when operational and tactical issues are resolved, involves achieving high results by varying resources and changing technology in the long term [8, 9, 10].

These classifications speak complex perception of the category “effectiveness”, multi-criteria of its assessment in relation to the global, national, regional and sectoral economies, as well as to the enterprise, production and management. In economic studies, interpretation of efficiency has undergone certain changes. In particular, the marginal efficiency is achieved when resources are allocated, taking into account the maximum net gain from their use. Allocation of resources will be effective when resources are used for a certain period so that it is impossible to increase the well-being of one person without harming the well-being of another one - “Pareto optimal” [11, 12].

Under increasing global competition and unsustainable economic growth, the problem of effective administration paradigm and concept formation as the main impact on the Russian economy is relevant.

II. METHODOLOGY

The EPA paradigm focuses on the optimal organization of communication technologies forming and improving mutually beneficial endogenous and exogenous relationships, interconnections and complementarities between MS elements, contributes to their internal hierarchical order.

EPA elements should be organized taking into account the structural-functional approach [13] in the context of

systematization of the process of integrating MS elements based on the development of structural components of significant relationships. Structural and functional MS orientation should be considered as “horizontal” and “vertical” systematization of the integration process of structurally diverse structures in the context of mutual and cumulative conditionality of systems performing a wide range of exogenous and endogenous functions.

The Russian MS has different EPA levels which is the main condition for a decision making asymmetry. The advantage of the structural-functional approach is due to the need for making efficient management decisions and developing adequate forms for their implementation under the increasing asymmetry.

Within the MS, its elements should be considered different from each other, both in their real indicators and strategic perspectives. The problem that is revealed when trying to apply the structural-functional EPA model is to find relevant approaches and ways of describing MS, in particular those indicators by which we could isolate and structure its elements, the essence and scope of differences and inequalities between them. The logical consequence is complexity of the problem of identifying specific EPA indicators for the Russian MS.

The lack of the structural-functional approach to the coordination of EPA goals and capabilities, the low level of universalization and optimization of the Russian MS cause conflicts and uncontrollable situations. Coordination of interests of diverse MS elements [14, 15] should be carried out by means of purposeful public administration in the format of paradigm relations.

Purposeful public administration should reduce conflicting decisions, create conditions for their mutually beneficial communication in the MS ensuring the EPA. The system of interconnection of MS elements develops in accordance with universal laws. The EPA communication model based on universal laws forms the relationship between MS elements focused on the effectiveness of decision-making.

The ability to organize an EPA is determined by the presence of an MS “core” adapted to changing external conditions. The MS “core” is a system-oriented direction of separate and localized MS elements creating opportunities and conditions for its development.

The structural and functional EPA levels determine the degree of functionality of MS subsystems in the context of “vertical” and “horizontal” connections. The target interconnection of MS subsystems is determined by the conditional dependency when changes of the “one” element are caused by changes the “other” one. Logical EPA links are due to causal patterns limited by the MS architecture.

III. EPA PARADIGM

The MS structure should be considered as causal relationships between and within the subsystems, its elements and localized institutions which are formed by relations in the process of decision making. It is possible to create a causal MS model matching the goals of the controlling subsystem (causes) with the controlled subsystem (effect, result) and orienting the interrelationship of elements (subsystems) to the formation of a

self-reference and autopoietic structure. When coordinating goals between structural and functional MS levels, it is possible to organize EPA optimizing the system of public relations.

The Russian MS is weakly structured, poorly organized and unstable. EPA improvement aims at solving the problem of ensuring optimal conditions for making management decisions. The Russian state establishes MS parameters through regulatory legislation within the framework of the MS EPA organization model (Fig. 1 and Table I).

TABLE I. EPA MODEL SPECIFICATION

Element	Purpose
Input	Input indicators reflecting properties and state of resources should be consistent with the structure of criteria (indicators) of the EPA assessment. It is necessary to consider the predicted level of development of factors and their possible combination as a criterion for achieving goals in the process of using MS resources
Output	An optimal systemic effect aimed at extremely efficient use of limited resources for the purpose of rational MS development of MS should be achieved.
Federal Legislation	1) Constitution of the Russian Federation; 2) Federal laws
Regional legislation	1) Constitution of the regions; 2) Regional and municipal laws
Analysis	The process of collecting, processing, classifying, organizing and storing information for quality use for EPA
Forecast	Hypothetical identification of further development. The essence of the forecast is accuracy of the reflection of objective processes using empirical and analytical methods
Planning	Justifications of decisions and allocation of resources. EPA planning steps should be reflected in specific targets (assignments)
Problem statement	It is necessary to establish the likelihood of EPA goal achievement. The task setting stage involves preliminary analysis, future forecast and planned indicators which are criteria for evaluating goal achievement.
Organization	Internal ordering, consistency of interaction of methods and tools, processes focused on education and improvement of the interdependence of MS elements
Stimulation	EPA improvement through benefits and preferences for certain MS criteria
Coordination	The process of targeted coordination of MS actions for rational use of the structural-functional approach
Control	Management function performing a stabilizing role. Continuous monitoring of EPA results allows public authorities to manage decisions and stabilize negative situations

MS combines the planning stages (analysis and forecast), setting goals, organizing, stimulating, coordinating, controlling stages forming communicative strategies in public administration. The EPA, in addition to the MS, involves federal and regional regulation (Fig. 1). The required quality of

the EPA is determined by correctness of the stages (see Table 1) and is determined by rules (criteria) the indicators have to satisfy. Performance check is MS quality assessment. In the EPA paradigm, it should be emphasized that the public MS has a number of specific properties: adaptability, multiplicativeness, nonadditivity, isolation, feedback, synergy, compatibility, integrity, centralization and emergence. These possibilities of rational and optimal use of MS properties are EPA criteria.

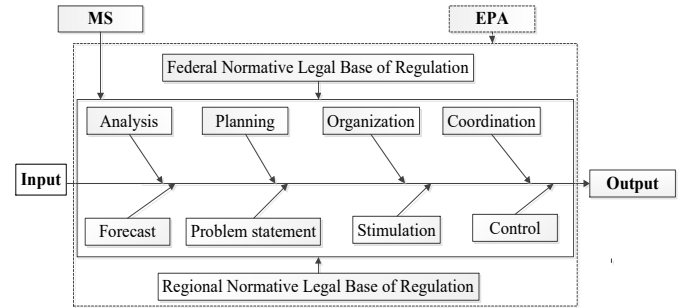


Fig. 1. EPA model

Consequently, the structural-functional EPA model is a consequence of the functional MS integrity. The functional MS integrity determines the relative autonomy and autonomy of its elements and subsystems within the structural and functional localized isolation. This autonomy is inevitable, as it is inevitable that every object has integral characteristics and behavior. Autonomy, integrity, behavioral characteristics of the MS are considered within the structural-functional or functional-structural approach determining the priority of either structure or logical connections. Logical connections are generated as a result of the target organization of the MS having “horizontal” and “vertical” connections and the need for their coordination acting as structural properties of the entire MS, thereby reflecting the measure for rational analysis and optimal synthesis.

The EPA paradigm focuses on effective organization of the MS, and creates conditions for development of new interdisciplinary areas for the study of scientific aspects of communication strategies in public administration. The EPA paradigm sets priority goals which give the opportunity to correctly formulate the EPA concept eliminating contradictions when choosing decision-making procedures.

IV. EPA CONCEPT

EPA is a system process that should be considered as a successive change of phenomena, states, actions described by the goal-setting function. This function ensures implementation of the principle of consistency, when each control subsystem has a specific goal. The goal-setting function is a predicate of the system-forming MS function.

The EPA includes several hierarchical systems which are subsystems. Each subsystem includes subsystems of a lower level and has its own characteristics and tasks, they all act

together, as they are created and function to achieve a common goal.

EPA is a layered system of interacting elements combined into mutually and cumulatively determined subsystems to achieve a single goal. As a methodology for solving EPA problems, there is a focused sequence of interrelated procedures that covers the stages of problem identification and analysis, decision making and implementation. The decision making process involves development, evaluation and selection of alternative MSs according to the target criteria, taking into account the relationship between limit values of their increments. The choice of the boundaries of this process is determined by the condition, purpose and possibilities of its implementation.

The EPA begins with a goal analysis. Otherwise, errors in rational functioning and development of MS are possible. EPA is formation of interconnections and complementarities of elements, autonomous MS subsystems that perform their unique function, having their own sources, mechanisms and laws of development. Subsystems strive for maximum self-preservation. On the one hand, MS subsystems cannot exist without other systems, by establishing connections for information, energy and material exchange. On the other, they strive for independence, minimizing losses caused by these connections.

Implementation of the structural-functional approach to the EPA concept is reduced to organization of a set of sequential actions which reinforce interrelationships of the MS subsystems and increase their mutual and cumulative conditionality, as well as to identification of diverse links and mechanisms providing this opportunity. Mathematics and physics of the implementation of the structural-functional approach to the EPA concept can be described using the structure of indicators:

$$R = F(P_1, P_2, \dots, P_{13}) \quad (1)$$

where R is a set of methodological requirements of the MS; P_1 is MS goal setting; P_2 - determination of MS qualities; P_3 - MS morphologization; P_4 - definition of the purpose of each MS subsystem; P_5 - the study of the goal setting mechanism of the MS taking into account its qualities; P_6 - analysis of the MS structure, study of its impact on qualities; P_7 - determination of a level of the MS hierarchy and its subsystems in a hierarchical structure; P_8 - the effect of subsystem properties on the MS; P_9 - determination of the degree of environmental impacts on the MS; P_{10} - study of the influence of the environment on the MS; P_{11} - analysis of the MS development; P_{12} - analysis of outside information flows circulating in the MS; P_{13} - description of the MS principles and process.

The structure of indicators reflecting the totality of the methodological provisions of the structural-functional approach to the EPA concept is not apodictic and unique. In practice, you can use variations of additions or simplifications in accordance with the selected purpose of the study. In accordance with the above set of requirements, the problem solving process should materialize in reality through a reasonable sequence of operations consisting of

three stages: Stage 1 – problem setting: problem formulation; system analysis of the task - the object is represented as a system; system synthesis is the process of building a mathematical model of an object and determining methods (algorithms) for solving the problem; Stage 2 - development of a program for solving the problem; Stage 3 - implementation of the model and obtaining results.

When implementing the EPA concept, it is necessary to take into account the development of each MS subsystem within the boundaries of management decisions. Approaches and methods for the development of the EPA concept should fit into the framework of public models of development strategies: strategy I is to preserve previous MSs; strategy II - reorientation of MS subsystems to achieve absolute autonomy and independence when making decisions; strategy III – improvement of the MS efficiency.

When developing the EP concept, it is necessary to take into account the impact of globalization which contributes to development of communicative strategies in government and self-government. Under these conditions, strategy IV is used to develop high information and communication technologies.

The parameters of the EPA concept are determined by its purpose, and the essence is revealed in the process of creating an effective MS that is able to increase the level of economic development and provide an opportunity for self-development. To achieve the EPA, it is necessary to solve the following tasks: to create an optimal combination of state regulation methods, taking into account the potential of the Russian economy; to improve the performance of the MS and its subsystems; to ensure conditions for information and communication activities; to create an optimal MS communication system; to organize the maximum effect of management decisions; to provide conditions for development of managerial capacity. To solve these problems, it is necessary to overcome structural imbalances in the Russian economy, consolidate positive growth trends, improve market mechanism formation, quality of systemic transformations, and create a favorable investment climate.

Russia has to overcome the high cost and inefficiency of the economy at the expense of the EPA policy, including rational reforms and MS modernization. EPA improvement should consist of four interdependent stages: Stage 1 — problem analysis which should reveal structural imbalances, reasons for their occurrence and reproduction, and establish links between problems; Stage 2 – goal setting and development of possible strategies; Stage 3 - assessment of possible consequences of strategy implementation; Stage 4 – selection of an optimal strategy.

At the final stage, a comparative analysis of all the selected strategies and scenarios is carried out. They depend on changes in both external and internal conditions. The probability of these changes and possible adjustments of the strategy should be analyzed. It is necessary to identify and assess resources used for achieving the goals. It is necessary to consider possible events and consequences, whose occurrence will require complete revision of the strategy.

EPA should be carried out within the optimal strategy which should determine terms of stage implementation and targets set

for each stage. Structural imbalances and reasons for their occurrence and reproduction should be eliminated, a case of effective management decisions should be formed, a set of optimal impact tools should be defined and the minimum level of resources required for achieving goals should be identified.

V. CONCLUSION

EPA should be considered as a method for achieving the goal. The EPA indicator is a maximum possible result of implemented management decisions. Consequently, the concept of efficiency is integrated into the EPA concept as a ratio of the achieved result to the goals which can be reflected by the vector of "efficiency". The vector of "efficiency" shows the quality and degree of achieved goals, it is a certain criterion measuring the compliance of the result with the goal set. Thus, conditions for correct analysis of managerial decisions and their implementation, identification of factors preventing goals from being achieved are created.

The EPA concept is a way to understand processes aimed at optimizing existing economic relationships, logical continuation of the EPA paradigm which reflects directions for EPA improvement.

Thus, the paradigm and concept emphasize the executive orientation of government by setting rational goals and objectives determined by the need to obtain maximum possible results with minimal use of resources. Under unstable economic conditions in Russia, the EPA is important as a way to achieve the goal set by managers. Achieving the goal is the main result of management actions, evidence of management performance. However, assessment is mainly formal if the efforts and the nature of the goal are not taken into account. Efforts are assessed in terms of efficiency.

The MS includes organizational structures of the administrative apparatus, the system of bureaucracy, functions, methods, means and resources, direct and inverse interconnections between subjects and objects of management. The management process is a conscious and purposeful set of actions leading to certain managerial results. The EPA is a purposefully organized set of managerial decisions that form optimal conditions for sustainable shaping and rational organization of the Russian economy architecture by optimal matching of a localized set of elements and expanding the spectrum of invariant interrelations between them.

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