

# THE INTEGRATED ASSESSMENT OF THE LOCAL GOVERNMENT ACTIVITY USING THE SYSTEM OF INDICATORS

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## ABSTRACT

The assessment of the local government performance, as any other serious work, is improved and undergone major changes every year. The objective of this article-is the research of the methodological aspects of forming the system of indicators, which reflect the local government performance. The difficulties with which the constituent entities of the Russian Federation face while making assessment according to the procedure accepted on the federal level have been exposed. Some imperfections of the currently used procedure of the integrated assessment have been stated. The author concludes that the existing problems of acquiring the official and timely information from the statistical bodies, the absence of accounting the budgetary efficiency of costs and the financial status of certain municipal units, the difference in the approaches and methods of holding the opinion polls of the constituent entities of the Russian Federation, call into a question the issue of fairness of the assessment results. The conducted study has allowed the author to identify the possible opportunities for the further studies. Although the methods do not require making the assessment of the performance targets approved in the strategies of the municipalities, it would be worthwhile to consider these indicators over time. While assessing the local government performance, it is recommended to use two approaches. One of them-which is obligatory for all (according to the procedure accepted on the federal level). Another approach-is holding own secondary monitoring, involving self-assessment of the activity on the effective territory management, while paying attention to the determination of the areas requiring the priority attention of the local governments. Municipalities are recommended to study the available foreign practices and the Russian achievements in the field of assessing the public body performance, which could include, for example, the European model of CAF.

**Keywords:** Local Governments, Effectiveness, Efficiency Assessment Methods, System of Indicators, Integrated Assessment

## 1. INTRODUCTION

In the context of practical implementation of the administrative reform in Russia intended to modernize the management, the issue of improving the efficiency and quality of the local government work has become of particular urgency, as the major consumers of the services are the citizens and the life quality of the population depends on the results of the municipal authorities work (Kail and Epinina, 2013).

Under the current conditions improving the local government performance becomes a strategic objective, where the required element which allows stimulating the achievement of the specific results is the performance assessment (Popov *et al.*, 2011).

Nowadays the result-based management has been implemented as the main strategy for improving the local government performance, which provides its assessment based on the performance indicators (Mascarenhas *et al.*, 2010).

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At the same time, developing the performance criteria and identifying the results of management of the local governments remain one of the most difficult and controversial issues in the practice of the public administration (Pires *et al.*, 2014). The urgent issue is the difficulty of making the quantitative assessment and developing reasonably objective indicators of the local government performance (Da Cruz and Marques, 2014). In the scientific literature there are a lot of approaches to study the local government performance. However, these studies do not often take into account the current practical reality, primarily the established legal framework (Sabyna, 2009). Hence, the issues of developing the criteria for the integrated assessment of the local government activity remain urgent.

The development of each region is determined by the management decisions made both on the federal and regional levels, as well as the efficiency of its implementation.

It is necessary to carry out the systematic assessment of the local government activity in order to improve the efficiency of the municipal management, what to the most extent will allow focusing their efforts on achieving the set goals and developing the measures on correcting the further actions of the municipal authorities.

## 2. MATERIALS AND METHODS

Nowadays in the Russian Federation the unified model of assessing the public and municipal authorities has been implemented, which ultimately characterizes the social and economic development of the country. The assessment purpose is as follows: While putting regions to the general economic and general social problems and forcing them on finding the resources to solve it, the federal government relies on the regional and municipal bodies, which help it to improve its own efficiency.

Until 2012, assessing the performance of the executive bodies of the Russian Federation constituent entities was carried out under the Decree # 825 of the President of the Russian Federation dated 28.06.2007 "On Assessing the Performance of the Executive Bodies of the Russian Federation Constituent Entities". From the outcomes for 2012 onwards the assessment has been carried out under the Decree # 1199 of the President of the Russian Federation dated 21.08.2012 "On Assessing the Performance of the

Executive Bodies of the Russian Federation Constituent Entities".

On May 2012 the President of Russia intensified the debate on the authorities performance (RF, 2012), which under the aegis of the "Open Government" was resulted in reducing the number of indicators for the integrated assessment of the local government work, some changes in the assessment details, as well as a set of the legal acts which touched upon the local government sector.

The assessment mechanism is as follows: According to the indicators specified on the federal level the local governments of the municipal units prepare all the required statistical information (reports of the MU Heads) and send it to the regional administration. In the regional administration upon the uniform procedure the analysis of the obtained results and the performance assessment are carried out, which should be the basis for making the further management decisions. The peculiarity of the whole performance assessment mechanism from the other similar documents became the obligatory posting the reports of the Heads of the municipalities on the work results for the previous two years and the plans for three years to the websites of the municipal units.

## 3. RESULTS

In accordance with the methods developed by the Government of the Russian Federation (GRF, 2012) a list of 13 basic and 27 secondary indicators has been approved upon which the local government activity is assessed by 9 areas. The assessment matter is the results of the local government activity in the areas of the economic development (8 indicators), preschool (3 indicators), basic and supplementary education (8 indicators), culture (3 indicators), physical culture and sports (1 indicator), housing and providing citizens with housing (3 indicators), housing and utilities (4 indicators), organizing the municipal management (8 indicators), energy conservation and energy efficiency (2 indicators).

The **Table 1** presents the list of the federal executive bodies, providing the information for assessing the performance of governments of the Russian Federation constituent entities.

According to the data of the Regional Development Ministry of the Russian Federation, while preparing the report on the obtained indicator values for assessing the

local government performance for 2012 the difficulties arose in 48 constituent entities of the Russian Federation (RDMRF, 2013) in particular:

- Late submission of the information by the statistics bodies. For example, the Federal State Statistics Service submits the data on the small and medium business once in every 5 years and it is often impossible to get it from the other sources
- The lack of methodical recommendations for forming the indicator values. The information provided by some executive authorities during the preparation of the consolidated report does not meet the requirements of the completeness and preparation quality. Instead of the indicator value analysis and the municipality development assessment, simply the statement through the “more-less” principle is often provided, while the causation of the current situation and detecting the development trends and recommendations for improving the LG performance are of the major interest
- 39 of 40 performance indicators are the statistical reports on various activity areas and reduced to the quantitative characteristics and only one indicator of “Meeting the population needs by the local government activity” characterizes the level of the power quality
- It should be noted that the method of defining this indicator, which is one of the most important outcomes of the governments and having not only the social and economic, but also political significance, should not only be amended, but also be further developed. Measuring the level of

meeting the citizens' needs by the local government activity is carried out on the regional level. However, the objective assessment of the citizens' opinions is a serious problem, as the regions have no generally accepted long-standing assessment procedures; there are no best practices for dissemination across the country

- Nowadays the order of holding the opinion polls is approved by the laws and regulations of the chief executive officer of the constituent entity of the Russian Federation in 38 regions only. In other regions, the basis is the technical requirement for conducting the independent polls
- The competitive system, which determines the opinion poll performer, does not always allow comparing the results of different years. The opinion polls which are usually outsourced often show a significant difference in assessing the authorities' activity compared with the equivalent indicator of the constituent entity assessment where the survey of meeting the population needs is held by the Russian Federal Protection Service. For example, according to the results of the opinion poll conducted in the Ivanovo region, the level of meeting the population needs by the local government activity is 69.7% (OWGIR, 2012) and the FPS measurements by the equivalent criterion is 34.4% on average in Russia. The significant difference in the obtained results is obvious. Hence, the question of actualizing the development of the uniform procedure for measuring the needs meeting, which would not be changed from performer to performer and would be a constant arises

**Table 1.** Information sources for assessing the performance of Governments of the Russian federation constituent entities

Russian federal state statistics service	24
Ministry of education and science	5
Ministry of culture and mass communications	4
Federal service for supervision of education and science	3
Ministry of transport of the russian federation	2
Federal agency for construction and housing and communal services	2
Ministry of public health and social development of the russian federation	1
Ministry of agriculture of the russian federation	1
Executive authorities of the russian constituent entities	1
Grand total*	4

\*The number of indicators is more than 40, as the data on one of the presented indicators are provided by three federal authorities

#### 4. DISCUSSION

Despite the adopted legislative acts, the implementation of the criteria for assessing the local government performance provokes a lot of discussion among the Russian researchers.

Thus, according to Voskolovich (2013) the specified list of indicators does not reflect the contribution of the municipal structures to the implementation of the state federal and regional programs aimed at improving the life quality, including “Public Health Development”, “Barrier Free Environment”.

Kalinina (2012) reveals the possibility to determine the effectiveness of managing the regional economy on the basis of an integrated assessment of the object and the agent of the regional management system (Kalinina, 2012). The proposed procedure is based on assessing the effectiveness and modernization of the management object potential, reflecting the state of the regional economic system subject to the social and economic situation in the region, the implementation of the reforms, recognized as the relevant ones on the federal level, subject to the strategic priorities of the regional development. However, in our opinion, this approach to the assessment is rather labour-intensive, requires supplementary resources and currently is hardly applicable in practice.

According to (Lapin and Petrova, 2013) the methods of assessing the costs in Russia are almost unused and gradually replaced by the methods of assessing by results. The authors propose the integral approach to assessing the local government performance which is generally expressed as the relation between the results achieved and the expended on it (Lapin and Petrova, 2013).

Some imperfections of the current procedure of the integrated assessment should be noted. It is known that the assessment is carried out according to the reached level and the change in indicators for three years. Failing the indicator values in the report, it is assigned a zero value, which results in reducing the overall assessment. For example, if a municipality has 100% implementation of a particular indicator for several years, it is second to those municipal units which strive only for the 100% result in the dynamics. In other words, the dynamics by a set of indicators could be small due to the achievement of the development level complying with the established standards.

The significant disadvantage of the currently used procedure of assessing is the substitution of the

management efficiency criterion by the effectiveness criterion. Thus, the indicators of the budgetary efficiency of costs are excluded from the indicator system of the local government performance; the financial status of the municipal unit is not taken into account. At the same time in each region there are municipal units which have direct budgetary debts, debts for fuel. As the result, such municipalities take the leading positions in the regional ranking.

#### 5. CONCLUSION

Thus, despite the uniform methodological framework the currently used procedure allows assessing the activity by the common statistical indicators. However, the problems of acquiring the official and timely information from the statistical bodies, the absence of accounting the budgetary efficiency of costs and the financial status of certain municipal units, the difference in the approaches and methods of holding the opinion polls of the constituent entities of the Russian Federation, call into a question the issue of fairness of the assessment results:

- Almost all nine trends in the assessment procedure coincide with the sections of the development strategy for the municipalities of the Russian Federation constituent entities. Although the methods do not require making the assessment of the performance targets approved in the strategies of the municipalities, it would be worthwhile to consider these indicators over time
- The assessment of the local government performance should be carried out using several approaches. One of them is obligatory for all (according to the procedure accepted on the federal level). Another approach-is holding own secondary monitoring, involving self-assessment of the activity on the effective territory management, while paying attention to the determination of the areas requiring the priority attention of the local governments, the analysis of reasons for underperformance and developing the maximum specific measures to improve the effectiveness of one’s activity in any field. It seems worthwhile to recommend the municipalities to study the available foreign practices and the Russian achievements in the field of assessing the public bodies’ performance, which could include, for example, the European model of Common Assessment Framework (CAF)

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