

## IMPROVING EFFICIENCY OF PUBLIC ADMINISTRATION THROUGH STRATEGIC BENCHMARKING

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### **Abstract**

*The article reviews the importance of the Regional Hub as a platform for discussing current issues of civil service development and for benchmarking. It also addresses the issues of the civil service system's development in Kyrgyzstan and promotion of the principles of meritocracy. In addition, the article describes a range of measures that have been implemented in the country's civil service. For the purpose of providing an international benchmarking, it is proposed to clusterize the best performing countries in terms of the corruption levels and GDP per capita. The author identifies four most notable clusters of countries based on their specifics. Based on the benchmarking results, specific measures derived from the practices of each cluster are offered to be implemented in the Kyrgyz Republic in order to improve public administration and civil service, to develop anti-corruption policies and to promote further economic growth as well as to target institutional reforms for achieving breakthrough development.*

**Key words:** *public administration, civil service of Kyrgyzstan, benchmarking, corruption inception index and GDP, clusters of countries, institutional reforms.*

Government policies in different countries are characterized by varied levels of management decisions and actions as well as dynamics in changes. Countries are also characterized by their ability to overcome barriers, to use most progressive, proven methods and mechanisms for addressing issues; by interaction between modern achievements in science and practice; or, in contrary, countries use old techniques, which are far from being perfect.

Political systems in the countries facilitate, to different extent, nomination of political appointees who have relevant cultural and professional qualifications and personal qualities, whereas civil service is not always able to realize modern management techniques and educational programmes, human resources management policies which are based on the principles of meritocracy. The

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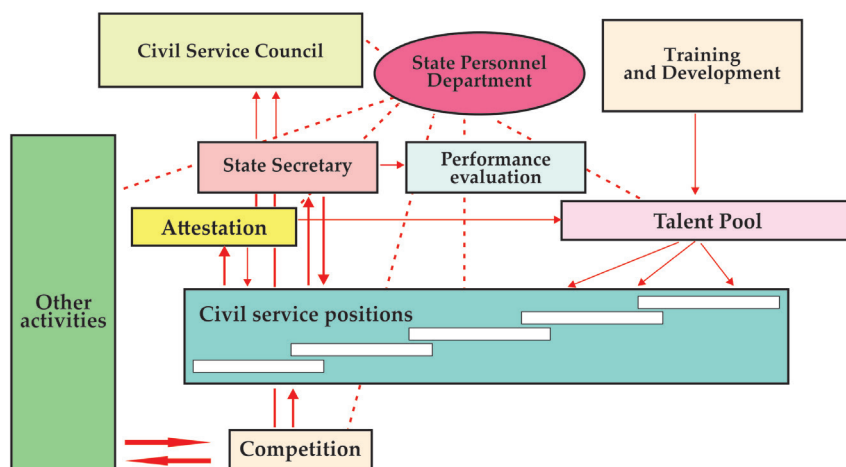
experience of different countries demonstrate that the commitment to addressing the above issues allows bringing together politics, people and resources and achieving the highest efficiency in public administration.

Representatives of the Kyrgyz Republic in Astana supported the initiative on establishing the Regional Hub on Civil Service from the outset. In this regard, the Regional Hub provides a communication platform for discussing current issues, sharing experience, carrying out joint research with the involvement of high profile experts and elaborating joint trends for development of countries in the region, as well as for reducing the resistance to civil service reforms driven by subjectivism and cross-party political competition.

In the context of civil service, measures for promoting meritocracy are mostly similar in Kazakhstan and Kyrgyzstan; but we also have our own best practices, which can be of interest for the Regional Hub.

Implementation of civil service reform related measures in Kyrgyzstan date back to 1999, when the first law of the Kyrgyz Republic on civil service was adopted. It laid the ground for introducing competitive selection of staff, periodic attestation, meritocratic principles of career development and a talent pool. With an aim to reduce labour turnover and retain civil servants, in Kyrgyzstan a civil servants' grading system with related seniority pay was introduced.

In 2000, an equal pay system which was applied irrespective of the performed work and position levels was amended; a minimum pay-tied rate in the government sector was abolished. The new system decompressed salary rates of civil servants, i.e. it increased the difference in salaries between the lowest and highest positions, it motivated career development through linking salaries to the scope of official duties. Salaries were differentiated subject to the status of a government body.



*Figure 1. Institutional framework of the civil service in Kyrgyzstan*

To implement anti-corruption policies in the government agencies, the Presidential Decree on ethics of civil servants in the Kyrgyz Republic was approved early in 2001. Government bodies enacted professional ethics codes and established ethics commissions. This has laid down the principles of ethical behaviour of civil servants to ensure that they are objective, unbiased, integral and independent.

However, the 1999 law on civil service failed to address a number of issues. Often competitions and attestations were not fully objective, but were rather a matter of formality: not always the best performing staff was promoted, and there were also instances when good specialists were dismissed. The most challenging issue was to ensure that the bureaucracy was independent from the abuse of administrative power by the senior management. It was a common practice when with a new leader taking up a post, a significant number of civil servants was replaced.

A new law was drafted to eliminate the drawbacks and negative trends and to implement reforms in civil service, as well as to adapt the best global practices into the context of Kyrgyzstan. International as well as local experts, members of the Parliament and civil service agencies were involved in drafting the new law. It incorporated the latest trends of the civil service development in the world.

The new law of the Kyrgyz Republic on civil service was adopted in mid 2004. The new law provides for the division of political and administrative positions. It introduces a new institute of the state secretaries of the government agencies – the highest administrative position in civil service. These positions are filled based on the open competitive selection. An authorised civil service agency was also established. The selection procedures also includes polygraph testing. The final selection stage requires participation of the Civil Service Affairs Council that includes representatives of the Parliament, Government, President and the Supreme Court. The Civil Service Agency is accountable to this Council. A state secretary cannot be dismissed without the consent of the Civil Service Affairs Council. All human resources related decisions of a government body are implemented as proposed by the state secretary.

These measures help to reduce political interference into decision-making related to human resources management, to increase competition for civil service jobs and career promotion of civil servants, to ensure stability of activities and building professional civil service, to create incentives for more efficient fulfilment of job duties and good behaviour. To ensure openness and transparency of income, administrative civil servants are to declare their income and persons taking highest administrative, political and other special civil service jobs and their close relatives are to declare and publish information about their income, liabilities and property.

The Testing Center where computer tests are taken by all candidates to civil service positions, as well as those who undergo certification and qualification exams, is operational since 2008. Later, the decision was made that municipal servants would also take computer tests, which help to increase public confidence and considerably reduce corruption in recruitment and career promotion. Starting from 2009, a polygraph check is being used for selection and attestation at most corruptogenic civil service positions.

In 2011, Kyrgyzstan approved the Concept Note for modernization of civil service in the country in order to promote a range of system-level measures to increase professionalism, introduce advanced management and information technologies and improve quality of public services.

An innovative training programme for key civil servants was delivered through the Fund for Supporting Civil Servants

in Kyrgyzstan; during the programme the trainees implemented a number of team projects. There are regular activities aimed at professional development of civil servants, which are provided through public contract.

A new compensation system has been implemented for civil and municipal servants which helps to increase motivation towards efficiency, and the qualification requirements to professional educational background, public service period or relevant professional experience and professional competences required for fulfilling job responsibilities have been changed. Currently, a draft law on civil and municipal service is being reviewed by the Parliament of the Kyrgyz Republic.

The Presidential Decree of the Kyrgyz Republic dated 12 November 2013 "On measures to eliminate political and systemic corruption in public authorities" determines that systemic weaknesses of civil and municipal service, law enforcement bodies and courts cannot be addressed by bureaucratic means only. Therefore, the engagement of civil society institutes in the fight against corruption is considered as a priority objective of the government.

The Government adopted its resolution on performance review of government authorities and local governments in the Kyrgyz Republic; efforts are made to monitor the level of public confidence in the activities of government authorities and local governments.

A set of measures to counteract corruption is being developed and implemented under the leadership of the Defence Council. In the law-enforcement sector such activities are implemented by the General Prosecutor's Office, National Security Committee, Ministry of Internal Affairs, and State Service for Combating Economic Crimes. Recently, the institute of Anti-Corruption Officer was introduced.

Transparency International's (TI) Corruption Perception Index (CPI) indicates the results of the activities carried out in the areas of public administration and civil service in Kyrgyzstan. In 2008, Kyrgyzstan had the lowest value of CPI, 1.8, and was rated 167<sup>th</sup> among 180 countries; in 2009 CPI was 1.9; in 2010 – 2.0; and 2.1 in 2011. In 2012, the TI changed the scale of CPI ten-fold. Therefore Kyrgyzstan received 24 score in 2012 and 2013. But, in 2014, Kyrgyzstan's CPI increased up to 27 score and it was rated 136<sup>th</sup> among 174 countries.

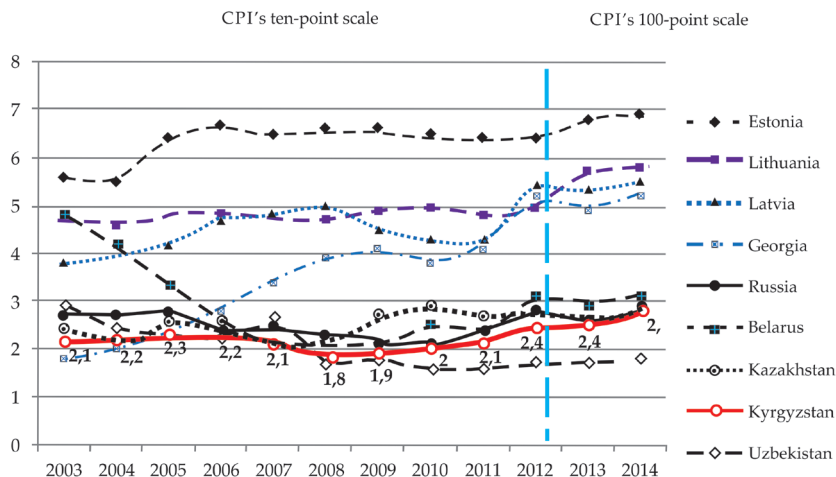


Figure 2. TI's CPI trends of selected countries

However, when compared to other advanced countries, the values of CPI and GDP per capital are definitely low. What should Kyrgyzstan do in order both to radically change the anti-corruption situation and to accelerate economic development?

We believe that benchmarking is required for seeking best standards of doing things that help to improve the processes by applying best approaches and practices after these are adapted to the national context. It is also useful to identify what measures can contribute to promoting public administration and civil service and match, to the best, our capabilities and realities and are best to use.

Therefore, it is proposed to clusterize most successful countries as measured by corruption levels and GDP per capita. We have identified 4 clusters of countries.

**Cluster 1** includes countries which score high in the TI's ranking, have high levels of GDP per capita and traditional law enforcement bodies. These are Denmark, Finland, and Sweden. Important factors preventing corruption are law abidance of citizens, their mentality which tolerates no deals, as well as high salaries and professionalism of civil servants. Decision-making process is secured against potential conflict of interests.

Therefore, those who were found to be involved in corruption have little chances to succeed because the society will always condemn

them. The society tends to assume corruption where it can take place. This requires preventive measures and reduction of possibilities for corruption. People tend to respect public order and act based on inner ethical code.

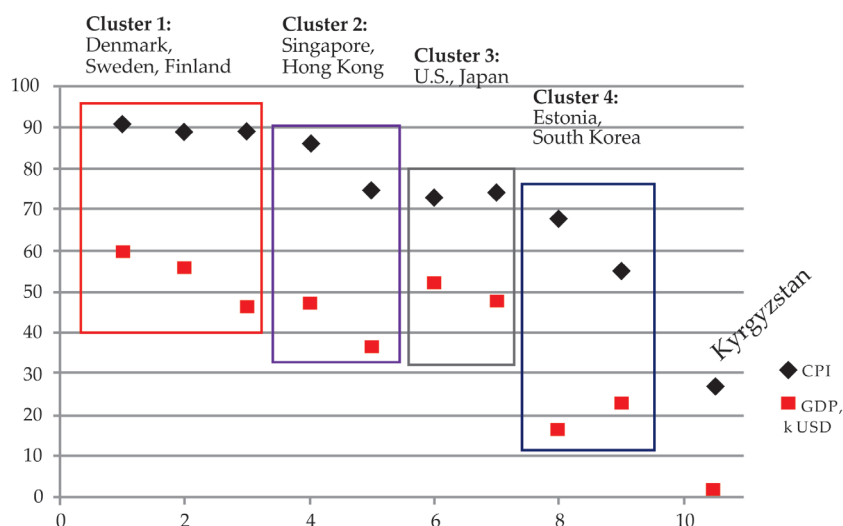


Figure 3. Benchmarking by Corruption Perception Index and GDP per capita

**Cluster 2** is represented by countries where recently the level of corruption was very high whereas qualitative results were achieved through systemic targeted activities of an independent law enforcement authority in combination with administrative measures; such countries are Singapore and Hong Kong. These countries have introduced presumption of guilt for officials. Officials' declarations are analysed. Whistleblowing is encouraged for detecting corrupt officials. If an official is found to have material wealth which does not correspond to his/her rank and the official cannot explain legitimate origin of such wealth, the money and property are seized and the official is convicted. No position can indemnify from legal liability. Corruption risks are minimized in government bodies. Officials' bone fide activities are supported by a balance of fear and motivation. All punitive actions are supported by supreme authorities. Corruption in this group of countries, which have applied strict law enforcement measures, has become low.

**Cluster 3** includes the countries with the prevailed focused on ethics related measures. Most representative countries are Japan and U.S. This group of countries ranks high amongst leaders and has low



level of corruption. In some cases ethics systems enable achieving high results in the context of homogenous population of a country who have basic moral values excluding crimes, bribes and deception. In other cases the created ethic institutes work well even when there is multi-ethnic society and other specifics.

Availability of an ethics authority at the central level as well as availability of an official who is directly responsible for monitoring ethic issues and delivering consultations on ethical practices – all this promotes low level of corruption.

**Cluster 4** includes countries where corruption is mainly tackled by improvement of transparency and development of e-government. Examples include South Korea and Estonia. The objectives for creating e-government were to improve transparency, accountability and predictability of public procedures and to create such environment where officials would follow these objectives and e-government would become a powerful instrument to combat corruption. It has three main functions: to arrange the work within the government, to deal with civil cases and to have a channel for communication between the government and people.

E-government portal enables access to various information on the policies and work of government authorities, civil trials, recruitment, various statistics and other information. People may access various documents and may apply and receive online services.

Effective e-government helps to reduce corruption, facilitates national economic development and enables using such administration as a key leverage of innovative economy.

Based on the above analysis, in the case of Kyrgyzstan it is proposed to use as a main guidance the principles of the countries of the Cluster 3, which are focused on ethic compliance. It should take all measures to exclude conflict of interests. The Code of Ethics should regulate government officials' responsibilities and standards of behaviour, it should define what is forbidden and what quality of services is expected from an official.

It is also useful to use the strategies of the countries from Cluster 4, which have been promoting transparency framework and e-government. Kyrgyzstan has the objectives to improve



transparency, accountability and predictability of public procedures and to establish clear procedures that will be strictly followed by officials, and which will turn into a powerful instrument for tackling corruption and developing the national economy.

Given the availability of political will in the country, it will be appropriate to establish a holistic and effective framework that will allow to implement comprehensive and efficient anti-corruption activities in Kyrgyzstan. Kyrgyzstan's efforts in combatting corruption can also adapt in parts the strategies used by countries of the Cluster 2. In particular, an independent anticorruption body can be established, without punitive authorities and investigation functions. Such independent anticorruption body should become a strategic, nationwide coordination authority that would enable it, in a conceptual sense, be above the law enforcement authorities, and also be able to indicate corrupt practices in their activities.

All actions should be aimed at moving Kyrgyzstan eventually towards Cluster 1, where the population respects the law, the value priorities for people's actions are the mentality of integrity and inner code of ethics and where there is a well developed whistleblowing system in place.

Civil service should target to select creative persons and to promote effective staff; this will help to establish a creative tier of officials able to promote innovative development of the country, business development, education and science.

Benchmarking helps to see Kazakhstan's ambitious programme towards having efficient government and economic development. Kyrgyzstan, as the closest neighbour, can become an active partner in interlinking the Eurasian Economic Union projects and those of the Silk Road Economic Belt. Kyrgyzstan can also target its institutional reforms towards breakthrough development where public administration, civil service and education will be major components of such reforms.

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