

THE VITALITY OF NEW PUBLIC MANAGEMENT
PRINCIPLES IN THE PROCESS OF
POLITICAL TRANSFORMATION
IN THE REPUBLIC OF ARMENIA

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The processes aimed at the creation of a new political system after the dissolution of the Soviet Union in 1991 prove, indeed, that the modern world has entered into a completely new stage of political transformation. The profound geopolitical changes have posed a challenge to the Armenian society – to perceive the principles of the citizen-state dialogue in a new manner, based on the necessity to preserve its own identity. The processes of democratic transformation implies establishment of democratic values. Meanwhile, democratization is often characterized as a systemized open infinity or an organized uncertainty. Therefore, the political process in transitional societies is extremely complicated and contradictory. The empirical analysis of the modern Armenian society has not yet started and its category apparatus has not been devised either. However, as history shows, in modernizing societies it is the logic of the political process that makes up the nature of transformations.

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The dominating impact of political influences on varying spheres of the Armenian society is based on a number of circumstances:

1. modernization on the go, including simultaneous tackling of problems of multiple scales, requires developing an ideology of reforms;
2. the lack of important prerequisites (economic, cultural, legal) of modernization is compensated by political factors (the state, leaders, elites, bureaucracy, army), which are almost the only effective means of social mobilization of the population;
3. although transition is typical to any society, the elements of transition in the developed countries are not dominating as they are in the modernizing states.

In transitional societies the speed of social changes and mobility of social institutes are high, which not only intensifies the social impacts of groups, entities, individuals, but also increases the spontaneous and conflicting nature of development. In these conditions it is extremely important to maintain the social system in the state of dynamic balance. Achieving and maintaining such state is possible through regulatory and orientation features of the policy.

The matrix emerging in the process of transformation in the conditions of democratization was analyzed for the first time by O'Donnell and Schmitter. Having summarized the experience of the political development of African and Latin American countries in the 1950s and 1960s, these authors gave the following definition: "...transition from certain authoritarian regimes toward an uncertain "something else". That "something" can be the instauration of a political democracy or the restoration of a new, and possibly more severe, form of authoritarian rule." [1, p. 2]

The political process is an aggregate of all dynamic changes in the behavior and relations of political actors, their performance of roles and functioning of institutes, as well as in all other elements of the political space, being realized under the impact of foreign and domestic factors. In other words, the category of “political process” fixes and reveals the real shift of the state of political subjects, which is structured both in accordance with the conscious intentions of subjects and also as a result of various spontaneous impacts. In this sense the political process is focused on the practical modifications of phenomena. Thus the political process reveals movement, dynamics, evolution of the political phenomena, specific change of their state in time and space.

The political process in Armenia is a wide spectrum of political interrelations of subjects, holders and institutions of power. They act on the basis of these roles and functions, which are set up by the cultural system, traditions, confessional environment, mentality of society, nature of ethnic groups, etc. The mentioned social variables necessitate some interpretation of the political roles and functions that are visibly distinct from the ones adopted in modern democracies. The behavior of the subjects of power and power institutions in Armenia has some other logic and roots. The excessive concentration of political power and resources in the hands of the ruling elite made the counter-elite and opposition act not as political opponents, but as revolutionary movements. And it is the sixth peculiarity of the Armenian political process. The acute confrontation of the ruling elite and counter-elite is a result of the cultural and political heterogeneity of the elite itself, various groups of which have both liberal and socialist orientations. The ideological conformation is aggravated by the crystallization of interests on the basis of such economic factors as private property, competition, market, etc.

The increasing property inequality aggravates the conflict potential of the political interactions. However, as long as the cultural and ideological motivation of political participation still dominates in the conditions of immature civil society, integration of supporters of the ruling elite and counter-elite takes place on some emotional and symbolic basis (sympathy or antipathy to the leaders, images, symbols, etc.), rather than on rationality. The intention of the ruling elite to unilaterally control the political process urges the opposition to resort to radical means of struggle aimed at forcing the official power to recognize and legitimize the opposition and take its opinion into consideration in the process of developing the political course. At the same time the existing and substantially intensifying marginalization of society occurs due to destruction of the familiar social ties and forms of individual and symbolic factors of the political interaction. Their dominance pushes away the very decision-making and implementation of concrete decisions. This is the reason why the dynamics of the reform process is not high and the effectiveness of the adopted political decisions is so weak.

The stage of liberalization of the democratic transformation started in 1988, when representatives of the Armenian National Movement (ANM) were elected to three vacancies in the Supreme Council of the Armenian SSR. After the ANM came to power, democratic reforms were initiated by the decision of the Supreme Soviet of Armenia on the 23rd of August, 1990. Transition from state monopoly to diversity of the forms of property was based on the following laws: On Property in the Republic of Armenia (31.10.1990) and On the Bases of Privatization in the Republic of Armenia (12.02.1991). Pluralism and multiparty system was established by the Law on Public Organizations (26.02.1991) and freedom of speech by the Law on Press and Mass Media (8.10.1991).

Aiming to guarantee the freedom of religion the Law on Freedom of Consciousness and Religious Organizations was adopted (17.06.1991). On the 5th of July, 1995 the Republic of Armenia adopted its Constitution by a referendum, according to which “the Republic of Armenia is a sovereign, democratic, social State governed by the rule of law” (Article 1). In 1996 the National Assembly adopted laws On Local Self-Government” and On Elections to the Local Self-Government Bodies. On November 1st 1996, the Law on Public Organizations came into force thereby expanding the legislative framework for construction of a civil society [2].

Specifics of the political process in Armenia show that in the conditions of political development and globalization we are once again focusing on the eternal Armenian problem of evolutionary modernization, through combination of traditional and modern value systems. It is the phenomenon of such renewal that in the process of its implementation awakens most archaic and primitive strata of ideology and mentality, as well as civil and political consciousness and unconsciousness, as a unified governance system for the socio-political “real life” (in the form of restoration of the local authoritarian regimes, reproduction and strengthening of clan and caste structures, destruction of the common spiritual and institutional bases of the integration of population). At the same time, the modernizing movement of society turns out to be internally asynchronous, creating multiple structural breaches within itself: some things really break through forward, other things develop with more inertia or can even be pushed back; some sections of the population gain advantages and realize their new opportunities; the others, on the contrary, lose even what they have gained before. Daniel Lerner describes modernization as a systematic process involving complemen-

tary changes in the “demographic, economic, political, communication and cultural ‘sectors’” of a society. This word, taken literally refers to “anything which has more or less recently replaced something which in the past was the accepted way of doing things”. Scholars in attempting to give the term more specificity with reference to the nation-state, have included in defining features of modernity such manifestations as: “mass education, urbanization, industrialization, bureaucratization, and rapid communication and transportation” [3, p. 107].

Against the backdrop of the partial modernization tradition has its impact on the newly shaped political market. The political market is an institute of the free exchange, in which individuals try to realize their own intentions. In this connection, we believe the political activity in modernizing Armenia can be considered as a variety of entrepreneurship.

The reasonability of such analogy is based on the concept that the market is a universal way of organizing the human activity. In the political market there is an exchange of resources (goods and services); there are also “sellers” – political leaders, elites, political parties, movements, offering specific goods (political programs, promises, personal qualities of candidates), and “buyers” (citizens, voters, ordinary members of the parties, movements), who obtain expected services in exchange for their votes.

The elements of the political markets are: **exchange, freedom of participation, political competition (relative autonomy of the subjects of the politics), power as a determinant of the behavior of the exchange participants, a criterion of effectiveness and stability of the political system.**

Thus, the political market is a way of revealing the needs of its participants on the basis of information about what can be perceived as expectations and degree of realization of these expectations.

In relation to the above-mentioned, it is necessary to point out the dual and controversial influence of the informational revolution on the Armenian society. On one hand, the high educational level of the population promotes a rapid, but mainly superficial association to the values of the political culture of participation. On the other hand, the Western model of the social behavior expressed in such values as private property and rule of law is quite abstract and has not been absorbed in the process of socialization by a significant part of the population, as long as there is a lack of active orientation of the personality, psychology of the rational optimism and traditions of entrepreneurship. Consequently, there is a problem of the psychological and moral acceptability of the political modernization, which is perceived not as a national development, but rather as a foreign and cosmopolitan influence.

The mentioned identification problem is solved in two ways:

- with the help of charismatic leaders, capable to unite the national or territorial community. At the same time, they usually use radical means of political mobilization of the population, which is fraught with violence, bearing the internal negation of the political modernization;
- by means of conducting a state policy, aimed at creating a mechanism of assistance to people in their search of identity, which implies abandoning ideological decisions and concentrating efforts on the professional education, extensive utilization of the experience of the other countries, formation of favorable conditions for the social mobility.

Three layers turn out to be decisive here: the first layer – intelligentsia. It introduces modifications in the culture, produces innovations and is able to open the path to new civilizational achievements.

The second layer is bureaucracy. It is capable of guaranteeing preservation of the social legacy, involving the social structures that have been shaped earlier and are the basis of the existing way of life.

The third layer – young people, who are capable of perceiving new values and are more optimistic toward the future; they are also predisposed to the network management.

In the modernizing Armenian society with the split-up political culture, elections widen the opportunities for the marginalized layers to impact the policy, which let the political market to be manipulated for two reasons:

First, in the conditions of the quantitative domination of the marginal layers with egalitarian value orientation – conservatism may prevail over modernism;

Second, the split-up of values and lack of the universally recognized political institutes mean that voting, instead of being an instrument of conflict resolution may rather turn into a source of conflicts, as long as elections increase polarization of the confronting parties. In such conditions it is necessary:

- to define how “dangerous” the losing groups are and, depending on that, to try to compensate their defeat; to resist as much as possible to the pressure of all groups, especially those on the far right and far left political wings;
- to rapidly modernize the economic structures, only on the basis of which it is possible to form such influential pressure groups that are able to come to compromise;
- to strengthen the democratic society, where political processes are an expression of interaction between pressure groups, organized group interests.

Armenian modernization faces many obstacles of the political paternalism and *clientelism* not only on the way of the growth of the political participation, but also development of the system in a wider historical sense. Modernization is practically not accompanied with stabilization of the existing political structures. The weakening legitimacy and hasty searches of the power for additional social and international support are phenomena typical for the transition periods. Weakness of the infrastructure of the civil society and the lack of channels of self-expression for some parts of population is compensated with formation of multiple elite groups in Armenia. Instead of the well-developed public pluralism there is a rapid formation of the elite corporatism.

It seems that the prospects of political modernization will be determined by the ability of the regime to tackle the following four groups of problems that are both general and specific to Armenian nature: taking of the most economic resources out of the political control; creation of the open social structure by overcoming the hard territorial and professional fixity of people; formation of the political institutes and culture guaranteeing mutual security of the open political competition of different forces in their struggle for power; creation of a system for effective local self-governance.

Armenia has a historical objective – to grind off the edges of its “square wheel” and pass to organic development. It is obvious that the model of such development will be neither completely Western, liberal, nor Eastern, i.e. corporative-paternalistic. It will be in parts both at the same time. In other words, it will be Armenian, synthetic, multifaceted model taking into account the conditions and demands of the globalization. Only this way Armenia will be able to play a more active role in the global arena.

The global economic and financial crisis made it clear that there is a need to analyze the threats and challenges faced by the global society and to envision possible solutions. The challenges also include the necessity to reform state institutions and in this respect new issues arise related to public administration. Essential qualitative changes in the process of administration reform must take into account such features as demographic changes, disappearance of borders (globalization), regional and national divisions, technological revolution, as well as forming a knowledge-based society and a system of quality knowledge management.

To overcome the slow start, public administration has emerged today as a critical factor in providing the appropriate environment for economic growth, and the essential stimulus to social and political development, in particular, along the declared objectives towards joining the union of prosperous European nations. A more focused and serious approach towards the sector of public administration in Armenia really began from 1999. The largest progress for the country so far occurred when the President took a personal (though low profile) interest in this area during the period before elections of 2003. Probably a degree of political motive as well as a general perception of poor public services, related to weak administrative capacity, influenced this late interest. The first signs of legal framework for civil services can be traced back to 1994: the Concept of Civil Service was developed only in 1997, which became the basis for drafting the Civil Service Law in 1998. After several attempts, the actual final version of this legal document was enacted as of late January 2002. According to this law a Civil Service Council was set up as a supposedly independent body responsible for most aspects of the new civil service. Before the adoption of the Civil Service Law in 1999, the Public Sector Reform Commission (PSRC) was

established by the Prime Minister, in accordance to the decree on “Major Activities for the Reforms of the Public Administration System of the Republic of Armenia”. PSRC has been responsible for implementing public administration reforms in Armenia. Since then the overall goal and expected outputs of the public administration reforms program were set up and have been taken into account in developing proposals throughout the next years, which are the following:

- Enhanced effectiveness of the machinery of government in developing and sustaining rational programs and policies, particularly in the areas of service delivery and regulation;
- Enhanced flexibility and responsiveness of the public sector to changing Government objectives and to changing expectations of customers;
- Improved capacity for prioritization to meet the needs of the Government;
- Clearer accountability for delivering results;
- Improved transparency of the Government so that the public understands the basis for decision-making by the Government and can better evaluate its performance [4].

In order to enhance the efficiency of the public administration system, to improve the quality and availability, transparency and accountability, and controllability of its services, the Government has adopted a new reform strategy in recent years, being implemented in the following three main areas:

1. Structural and functional reforms of the public administration system
2. Introduction of the civil service
3. Improvement of the financial administration system

The stages in the implementation process of the above mentioned reforms agenda have included restructuring the ministries and the state agencies as well as territorial (regional) administration and local self-government bodies. The state agencies and other special administrative bodies with direct subordination to the Prime Minister's office were moved/or merged into government ministries with either keeping their previous status of agencies or being absorbed in the ministry structure as departments, inspections and state NCEs. The structure of the government itself was left largely untouched. This major move was supposed to allow ministers to concentrate on strategic policy matters, as well as to ensure the vertical hierarchy of the public governance and to lay down the functional remit and targets for each government entity. These agencies and separate entities within the ministries were given quite extensive autonomy in carrying out their functions against the centrally driven policies and objectives. The centralization of the Government agencies' functions allowed spending of the major part of their budget to go through a unified public procurement system, instead of the previous highly inefficient and dubious procurement processes by each separate government unit. Those agencies that had then become attached to central ministries were then able to pay more attention on the implementation of their direct functions under the national legislation, i.e. public regulatory or delivery services. Other duties, such as the human resource management, financial management and other administrative duties would then be taken over by the central structures of the relevant ministries [4].

Another major reform was the re-organization of several public entities within ministries and government agencies. The management structure of the ministries has been unified to include secretariats, de-

partments and divisions. The Charters of the ministries have also been finalized and approved in line with the strategic objectives and functions vested in them by the national laws and other legal acts. Subsequently, in accordance with the Civil Service Law, all the job titles were to be described, classified and assessed by separating the political, discretionary and technical functions as well as the service staff. The basic principles of the civil service, human resource management, training, attestation and a remuneration system were introduced. In addition, and more importantly, a newly formulated position of the Head of Staff, as the highest civil servant, was introduced in the public sector.

Many positions in human resources finance departments as well as the service and maintenance staff were made redundant which allowed saving considerable resources in the Government operational budget. According to the Public Sector Reform Commission's Concept of the Public Administration Reforms, in the second stage of reforms that started in 2003, it was planned to introduce and further improve the public services management models and mechanisms. This stage has the key task of ensuring the transition to a more efficient system of management by streamlining the whole range of issues regarding the distribution of powers and duties within the public sector, the decentralization of functions and their classification and their classification. The cross-agency modernization program started in both legislative and institutional areas. It was supposed to provide stable grounds for the integration of the whole system of public administration and to address the existing problems, in particular:

- Re-defining the concept of public service to develop a package of proposals to attach different types of public services, formulation of relevant legislative frameworks and application of higher stan-

dards in the provision of public services – drafting a Law on Public Services.

- Submitting proposals regarding the decentralization of public services and the new functions and organizational schemes applicable in regional administrations; the testing of pilot models of decentralized management and capacity building in regional administrations.
- Formulating proposals concerning the financing of the government bodies and the financial settlements due to the Treasury from the proceeds of duties and payments charged for various types of public services.
- Re-drafting of the Law on Supervision that requires separation of external and internal supervision functions and the establishment of authorized supervisory entities. [4]

Improvements in the decision-making and administrative processes are conditional on the continuity of public sector reforms and imply proper implementation of anti-corruption and poverty reduction strategy programs, optimization of the structure of government and public services.

The 2007-2009 medium-term frameworks for public administration have been developed on the basis of relevant provisions on public governance bodies defined by the Poverty Reduction Strategic Program, approved by the Governments decree on the 8th of August, 2003 and the RA MTEF 2006-2008 approved by the Government decree of June 1, 2005. Definite improvement was recorded during the implementation of reforms in the system public administration for the recent years, which was especially visible in the areas of administrative reconstruction and introduction of civil service. [5]

Reforms in the field of public administration system and the process of reorganization of certain governance bodies began since 2002 and still continue today, based on the RA Law on Public Administrative Institutions and the RA Law on Public Non-Commercial Organization and other legislative acts. Currently, policy development, monitoring and coordination functions in respective areas belong to ministries, while the authority to provide services and make revisions was passed to their agencies and departments, which resulted in liquidation of a substantial number of duplicated functions. Following the Constitution of the RA, and for the purposes of enforcing the full implementation of the assigned authorities of the Government of the RA, the RA National Assembly adopted the Law on the Structure of the RA Government, which specifically defined the structure of the ministries. In order to clarify the authorities and functions of the ministries, new ministries were established as follows: the Ministry of Emergency, the Ministry of Relations with Diaspora, the Ministry of Finance and Economy was renamed into the Ministry of Finance, the Ministry of Trade and Economic Development was renamed into the Ministry of Economy and the Ministry of Energy into the Ministry of Energy and Natural Reserves. Moreover, ministerial committees were established for consulting on the development of legal acts and contributing to the development of policies in various sectors. These are the Financial-Economic, Social, Territorial Development, Environmental and Legal Committees. The main objectives of expenditure in the public administration system is creating prerequisites for the provision of more accessible, qualified and equitable services to the society by public servants. Among those prerequisites are: ensuring financial and legal protection of public servants, as well as introducing procedures for their regular mandatory

training and testing; technical re-equipment of public administrative bodies is also of primary importance.

Reforms in the judicial system are emphasized within the scope of public administration system reforms. The process of strengthening of the judicial system and improvement of judicial record keeping, enhancement of professional knowledge of judges and participants of justice administration process, and improvement of legislation will continue over the medium term period. A number of provisions regarding the Court of Cassation, Council of Justice and Constitutional Court are already reedited in the newly adopted RA Constitution, which determine the scope of competences of these bodies. Following the RA Law in Prosecution, structural improvements were implemented in the sector, which resulted in the distribution of respective positions within the prosecutor's office and the transfer thereof to other bodies, to the Police Investigation Department within the RA Government, the RA Ministry of Defense, and the State Tax Service. In order to provide complete implementation of functions assigned to the prosecution, a state administrative institution named "Staff of the Prosecutor's Office" was established. A law on "Special Investigation" was also adopted, according to which a special investigation service was established. The latter follows the RA Code of Criminal Proceedings to investigate criminal liabilities of the higher officials on the legislative, executive and judicial bodies, related to their direct actions and to the election process.

Armenia does not have much experience in civil service. During the First Republic (1918-1920), a vestigial civil service system was created, but after the establishment of the Soviet system in Armenia, a Soviet model of personnel policy took over, some elements of which are still evident. After the break-down of the Soviet Union, most of the

newly independent countries attributed great importance to civil service and adopted corresponding legislations. However in Armenia, fundamental steps were not taken for the development of a civil service system. The absence of an institutionalized civil service system has led to a number of negative consequences, in particular, the instability regarding state organizations and their frequent restructuring, arbitrariness in processes of recruitment, promotion, work appraisal and dismissal, and an inflated state apparatus, constant personnel turnover (in some Ministries form 20 to 40 percent annually), as well as lack of professionalism and qualification of civil servants. The present civil service in Armenia is based on a number of important principles, including independence from changes in political leadership, continuity and stability of personnel, legal economic and social security, merit-based promotions centered on competition, classification, qualification, grades, training and enhancement of qualifications, ensuring the required level of knowledge, management skills and ethical attitudes through training and professional development.

The process of introduction of the civil service system was implemented based on the Law on Civil Service and a number of related sub-legislative acts. As a result of reforms civil servants are differentiated from persons who hold political, conceptual and civil positions, and from those who provide technical services. Equal terms have been determined for engagement into and dismissal from civil service, opportunities for a professional career stability and publicity of civil service have been assured. More accurate definitions have been developed for job descriptions of each group of positions in civil service, for the limits of civil officials' responsibilities and for the remuneration of civil servants during this period [5]. The respective decisions of the RA Government also regulated:

- Minimal and maximal rates of per diem payments to the servants sent on business trips within the territory of the Republic of Armenia and to foreign countries, as well as the payment procedures thereof
- Limitation of quantities of transport measures (vehicles) serving the officials of public administrative bodies
- Norms of communication services and rules of using telephone connections
- Volumes of fuel and electricity purchased for public services as well as the norms of water use

In this area the process of reforms and system enhancements still continues. It is worth mentioning the attraction of highly skilled professionals in civil service system and development of system and abilities ensuring the implementation and practice of continuous professional career development process. Reforms in civil service remuneration system are anticipated to attract highly skilled professionals to agencies with the civil service system. In this regard it is necessary to introduce the system of civil servants work assessment. Equal accessibility of the civil service for citizens in accordance with their professional knowledge, expertise and work skills is one of the fundamental principles of the civil service system. The law defines several criteria, requirements and restrictions for placements of civil service jobs. These jobs are filled with staff recruited on competitive basis and are divided into categories of senior, chief, leading and junior positions. The senior civil servants are appointed by the head of the respective government entity. Exceptions to this are the heads of staff of the line ministries, who are appointed to and released from their posts by the Armenian Government;

the heads of staffs of public governance bodies under the Government are assigned to and released from their posts by the Prime Minister of Armenia. Competitions for civil service posts and performance evaluations of civil servants are held by the Civil Service Competition Commission and Attestation Commission respectively. The members of these commissions are randomly selected from CSC members (1/3), representatives of the respective ministry or agency (1/3), and representatives of academic institutions and public associations (NGOs 1/3). This last provision has been amended, stripping the NGOs of their right to participate in the Competition and Attestation Commissions.

The distinctive feature of the Armenian civil service is that service relations are regulated by two sets of institutes: the CSC, which carries out a uniform state policy, and the Heads of Staff, which implement the policy in their government bodies. The council is composed of seven members and its members are appointed to and released from their posts by the President of Armenia upon submission by the Prime Minister. The Civil Service Council is supposed to ensure civil service independence by protecting government employees against arbitrary dismissals. The absence of such protection had forced many bureaucrats to side with the ruling regime in political battles. A provision in the Law on Civil Service empowers the council to select staff for most government agencies and regularly check the professional fitting of government officials. The heads of staff, with the exception of Heads of the Government and the President's Staff are senior civil servants. A head of staff is appointed to the post for a four-year term.

The civil service system has an open structure, which means that the system may be entered and exited from any level, from respective civil service group of subgroup, as well as by any citizen who meets the

requirements as defined by a given job passport. Training and enhancement of specialized skills and expertise of civil servants is attained through a relevant attestation system as well as filling vacancies through open competitions. Regular attestation is carried out once in three years. A remuneration scale differentiated according to groups and sub-groups of posts is applied, and specialized skills and length of service are factored into the scale. Unfortunately, there are many issues besetting the social protection of civil servants, specifically pension security, life insurance, medical insurance and other social protection issues. The present socio-economic conditions make it impossible and do not provide resources for addressing these challenges. The Civil Service Law provides a framework for setting up the basics in the government employment and management; however adopting legislation alone does not naturally entail implementation. There are plenty of examples between adopting a law and implementing it abound in the traditions and mentality of the transitional countries, including Armenia. This is important, because the creation of a modern public administration and civil service is not only about changes in laws or regulations, but about changing people's attitudes, culture, style and relation to work in general. It is about how the public service is organized and how human resources are managed and developed.

Armenia entered the post-Communist period with strong prerequisites for a vibrant civil society, with hundreds of non-governmental organizations (NGOs) emerging after the first democratic elections. However, subsequent development resulted in social polarization and absence of a strong middle class (which still does not exist today) which have weakened the country's civil society, thereby easing public pressure on the ruling oligarchy. The registration of Armenian NGOs with

the Ministry of Justice is a fairly easy process. According to the ministry, there were around 3,500 registered NGOs in Armenia as of November 2005, only a fraction of which actually operate in practice. The civil society itself is moderately diverse. There are more than 50 registered women's organizations. Armenia has several trade unions that show little sign of activity. Far more active are business associations. Other groups represent the interests of small businesses. Despite these opportunities, the impact of NGOs on government policies remains limited, although slight positive changes for the better could be observed recently. In this context the government policy of the main provisions of the recent years was directed to the implementation of the main provisions of the law on the freedom of information. The ministries need support to have relevant services for ensuring public relations and involving NGOs in the process of information dissemination. As a new approach and a new culture, citizens' charters have been adopted and NGOs have participated in their development. There have been essential developments in the area of information access and participation. In particular, the participative approach was widely used in the process of the development and implementation of PRSP and Anti-corruption strategies. Establishment of professional units attached to different government bodies also gave an opportunity to widen the participation of NGOs. Various participatory public governance mechanisms were devised and applied in this period, which set a precedent and were later implemented partially and are currently used in developing various strategy papers. The Armenian state governance bodies occasionally provide consultancy services and undertake some measures to receive feedback (discussion of draft legal documents, seminars, round-table discussions, public opinion polls, etc.). Whereas in the past, such events

were only organized on the initiative of and under the assistance from donor organizations; in recent years a number of ministries and agencies have been undertaking such activities on their own initiative.

Modern societies must decide individually how to reform the process of state administration in response to modern challenges. To set the directions of the necessary reforms, it is mandatory to look at the law through the functions it should fulfill to satisfy specific social needs. Unfortunately, the Republic of Armenia has been rather slow in starting the reforms of the government and broader public administration system, which is crucial factor in providing the appropriate environment for economic growth, and the essential stimulus to social and political development. Moreover, the implementation of the New Public Management (NPM) principles in the Republic of Armenia will accelerate the process from transition to consolidation of the government and society. Perceived as an *unfinishable business*, administrative reforms as a whole embrace good public governance principles [6, p. 29] reflecting the following premises:

1. Public administration should focus on achieving results rather than primarily on conforming to processes.
2. To achieve results, public administration should make better use of market-like competition in the provision of goods and services. This may be accomplished in several ways. Privatization or outsourcing can enable government to buy services that it once produced itself from private firms that can provide them at lower prices. Agencies can be reorganized to more closely resemble private corporations that obtain revenues from the sale of goods and services.
3. A corollary of making public administration in the Republic of Armenia more market-like is to make it more customer-driven.

The public and agency clients are viewed as customers, to whom the government should be responsive.

4. Also related to the market idea and privatization is that government should “steer, not row”. Government’s job is to assure that goods and services are provided, not necessarily to produce them itself.
5. Government should be deregulated. Traditional bureaucracy’s emphasis on centralized control of staffing, personnel administration, budgeting, auditing, procurement, and allocation of agency resources is inappropriate to results-oriented public administration.
6. An extension of deregulation is that employees should be empowered to use their creativity in serving customers and doing their jobs. Empowerment is not only possible, it is highly desirable, because today’s public sector workers are well educated and because computerization makes a great deal more information available to them- information of the kind that was previously held mostly by managers who used it to determine what employees should do. Empowerment, as opposed to hierarchy, promotes teamwork.
7. Overall public administrative culture should change to be flexible, innovative, problem solving, entrepreneurial, and enterprising as opposed to rule-bound, process-oriented, and focused on inputs rather than results. [7, p. 21-22].

Effective, entrepreneurial governments insist on customer satisfaction. They listen carefully to their customers – using surveys, focus groups, and the like. They restructure their basic operations to meet customer’s needs. As Woodrow Wilson pointed out: “Government went about imperatively and compelled men, without thought of consulting their wishes” [8, p. 199], while NPM permits customers to receive benefits from a specific service.

As a conclusion, it is of immense importance to correlate the rational and irrational in the Public Service Law of the Republic of Armenia adopted on the 26 of May, 2011, which will accentuate social justice as a core value of public security. Due to multidimensional informational streams the irrational has currently become crucial in the system of public administration process of the Republic of Armenia. The Government of the Republic of Armenia, as seen in the example of the Government of the European Development Party of Bulgaria, must stand up for the following principles of governance:

- Fairness towards citizens and high criticism towards the governance itself,
- Openness and transparency of every action the government takes,
- Rejection of corruption, illegitimate binding to hidden economic and political other interests,
- Perseverance and consistency until achieving specific results,
- Dialogue with society and civil organizations,
- Responsibility towards Armenian citizens, institutions [9, p. 51].

Modern public administration operates in a formalized way; it has a hierarchy and a growing specialization. This makes it necessary to stress professionalization of the public administration officials' competencies. Public administration officials (this notion is wider than that of a civil servant) should be professionals, i.e. they should demonstrate a high level of professionalism, knowledge and high competences. In this sense M. Armstrong distinguishes "occupation" from "profession" and quotes the following criteria:

- Skills based on theoretical knowledge, training and education gained,

- Competence test amongst members conducted by a professional board,
- existence of an organization, which is able to regulate the influx of people into the profession,
- Existence of a code of professional conduct [10, p. 86].

To work in democracies and to maintain accountability, deregulated, empowered, results-oriented public administrators must conform to achieving the policy goals established by elected and politically appointed officials. The NPM favors organizing administrative activities to maximize the extent to which administrative units can act like firms in a market serving the consumer (individual, citizen, elector, society). In this sense importance is given to the upside down or inverted service pyramid in service management, which perceives the customer higher than the CEO and senior management in the organizational hierarchy. This inversion symbolically represents the service ethic, or the service logic, or the priorities that service organizations should use and communicate to staff regarding their value system and culture. Consequently it is in the function of the public official to think of the “Customer is King”, or “Customer is always right” principle as a working idea, that can help guide the administration’s value system and guarantee, or lever citizens’ (individual, elector, society) national loyalty (symbolized by loyalty to the president/state, and respect for achievements) by this assuring government responsiveness.

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