

Report: Bureaucrat Overload Hurting Economy

By [The Moscow Times](#)

December 22, 2011

The  **Moscow Times**

There are too many bureaucrats, and each year they are costing more, according to government experts. Their ranks have to be reduced 30 percent, and those that remain have to be compelled to work better, the experts say.

Over the last 10 years the number of civil servants at all levels grew 40 percent. At the end of 2000, there were 1.16 million people working as civil servants, but by the end of 2010, that number reached 1.65 million, according to a final presentation on corrections to the country's long-term strategy to 2020 that was submitted to the government.

The number of bureaucrats is growing, even though the population as a whole is not. At the end of 2010, for every 100,000 Russian citizens there were 1,153 bureaucrats, whereas 10 years ago that number was 31 percent less.

In comparison, experts say the United States has one-fourth the number of tax inspectors

and than half as many customs inspectors per 1,000 people as Russia does.

Out of 1,000 employed Russians, 25 of them are bureaucrats. That number was 18 in 2000 and 15 in 1994. There are too many civil servants, and they interfere with economic growth, according to those who prepared the government report, and overall the country cannot afford them. Their salaries alone cost the budget 67 billion rubles (\$2.1 billion) per month, or 804 billion rubles per year. If they were to be reduced to the levels of 2000, the country would save 240 billion rubles a year.

If related expenses, like space, transportation, communications and so forth, were considered, the possible savings could double, said Andrei Klimenko, director of the institute for issues of municipal and state management at the Higher School of Economics.

Government experts propose to cut the number of bureaucrats by 30 percent by 2020, and spend half of the money saved on raising the salaries of those that remain — and still there will be 120 billion rubles, or 1.3 percent of GDP, left over. Those still in place after the cut need to increase their productivity, through an incentive-based salary system.

The work of bureaucrats now is worse than those in other sectors of the economy. Over the last 10 years, the labor productivity of bureaucrats has dropped by about 20 percent, said Yevgeny Mironov, deputy general director of the center of development at the Higher School of Economics. "We are working nights and Saturdays. What kind of low productivity is that?" one bureaucrat at a state agency said in disagreement. But we spend a lot of times in meetings, he added.

For a two-hour meeting with the prime minister, you can lose two days. You have to fly somewhere to Siberia, and then stand around waiting for another few hours — nothing ever starts on time, a source told Vedomosti.

Since 2000, the government has twice tried to reduce the number of bureaucrats, one employee of the Economic Development Ministry said. In the early 2000s, the de-bureaucratization process fell apart because after the administrative reforms of 2004, the number of civil servants began to rise again.

The last attempt to cut the number of civil servants took place in 2010. The Finance Ministry proposed cutting 120,507 state workers — about 20 percent of the total — in order to save 43.4 billion rubles. But so far, no significant drop in their numbers has taken place, according to a source in the government administration. Ministries and agencies reduced their official rosters by dropping unfilled positions and pensioners, the source said, though a gradual reduction in the coming years is planned.

The growing bureaucracy is a result of Prime Minister Vladimir Putin's policies — over the last 10 years government's functions have greatly increased, political analyst Mikhail Vinogradov said.

Russia is not alone in this trend, Klimenko said, as expenses for operating the government have increased in many countries — but they always are scrutinized by the society. "It's a political question. Because of that, there is an occasional purge of bureaucrats. This has happened in the United States and France."

The next meeting of the president's modernization commission might discuss reports by citizens on bureaucratic obstacles, presidential adviser Arkady Dvorkovich said Thursday, Interfax reported.

Meanwhile, Putin said at a Presidium meeting Thursday that the list of businesses that can be started based merely on an official notification to the necessary government bodies.

"We have been working to reduce administrative barriers and remove surplus bureaucratic procedures and have started moving from authorization to notification procedures for opening businesses," he said. "We will include [on the list of businesses than can upon notification] another 25 types of work and services in the production and social sector," Putin said.

Original url:

<https://www.themoscowtimes.com/2011/12/22/report-bureaucrat-overload-hurting-economy-a11607>