

Ever wondered what the local government landscape looks like in Russia? Richard Harbord shares his thoughts and experiences following several trips as a consultant.

local government in Russia

■ Over the last few years I have carried out a number of assignments in the Russian Federation. These have been on behalf of either the Department for International Development (DFID) or the World Bank and are designed to help Russia with its modernisation programme.

I was part of a team that carried out regional seminars on aspects of performance management and we did different seminars for housing, education and transport. We have also carried out specific events such as one last month on social care which was held in Moscow.

In addition to that we have hosted several groups on study tours in the UK which have visited various local authorities and other public sector bodies.

The ability to interchange ideas and to learn about local government in this country has been enthusiastically received and there is always a considerable discussion about the merits or otherwise of various changes.

However, there are some difficulties in as much as local government in Russia is more flexible and less prescribed than in this country and accounts are not subject to BVACOP or a standard form – which means comparisons between different entities is very difficult to achieve.

local government in Russia

Local government in the Russian Federation is very complicated, even compared with this country. That partly stems from the fact that the Federation is so large. This is brought home to you when travelling to some regions where the journey from Moscow is far longer than the journey from London to Moscow!

There are 12,215 municipalities in Russia: 12,045 of these are municipalities with elected bodies and 4,519 of these elect a mayor. The powers and duties of municipalities vary across the 88 entities which form the Russian Federation. These 88 are subject to seven federal districts with appointed governors. These appointments have been made by President Putin to try and bring about some overall control.

There are also 48 oblasts (provinces) each named after their capital city and having appointed governors and elected legislatures. Moscow and St Petersburg have their own systems of government. Moscow has an appointed Mayor and St Petersburg an elected Governor.

Thus invitations to specific events have to cover a wide variety of interests. I have mainly visited Russia in the winter months. There has been very deep snow and temperatures of -12 to -15 degrees C. This has certainly made Russia a very memorable and quite beautiful place to visit.

Modern local government in Russia started with the adoption of the constitution in 1993. This recognised the principle of local self governance as part of the constitution. In 1999 the Russian Parliament ratified the European Charter of Local Self-government.

Local communities can choose the model of local government that best suits them – taking into account consideration of local political, cultural, ethnic, geographic, historical and other peculiarities. The process is developed at federal level but establishing, changing or abolishing local authorities is dealt with at a regional level.

Thus there is no pattern or universal structure. Each region varies considerably in the way municipalities are structured and five regions do not have any well defined local self government structure. Ten thousand municipalities have their own budgets.

funding levels

Very much like the United Kingdom the services are funded by different levels of government. These broadly follow this pattern:

federal budget

- technical and higher education
- hospitals and clinics
- theatres and museums
- environmental protection
- roads
- civil defence.

regional budgets

The same as federal except for civil defence but also:

- retirement homes
- preventative medicine
- public transport
- economic development and tourism
- police and fire.

local budgets

- education other than higher
- social care other than retirement homes
- libraries and culture
- water supply
- gas and electricity
- refuse collection
- refuse disposal
- cemeteries
- street cleansing
- housing



- lighting
- planning.

One of the biggest problems facing Russian local government is the issue of funding. This seems to have a familiar ring to it. The legislation provides for fiscal autonomy but generally local government revenues do not exceed 30% of their budgets.

There is an encouragement to large scale equalisation and re-distribution between tiers of government which leads to great uncertainties and makes long term financial planning very difficult indeed. Another familiar part of local government is that local governments regularly have new burdens imposed upon them without any new resources being provided. Figures (from 1999) show the split between tiers in terms of expenditure as:

federal	43%
regional	24%
local	33%.

Local revenues include:

- local taxes, levies and fines
- income from municipal property privatisation
- municipal enterprise profits

- fees from natural resources consumption
- income from local lotteries
- shares of federal taxes such as corporate income tax, value added tax, personal income tax, excise taxes.

Shortfalls from these areas can be claimed as subsidies and grants from higher level governments. Local authorities can borrow up to 15% of the revenue budget and do so by issuing municipal bonds. This is regulated by federal legislation.

in summary

The system is extremely complicated and in this article I have only given you a flavour of it. It has to be said that there are many similarities in terms of shortage of resources etc between Russian and UK authorities.

I have much enjoyed my visits to Russia. While Moscow is a large international city many of the regions are playing 'catch up'.

The subject of performance management is a very interesting one and an area which in the future will be very necessary. At present it is complicated by having so many local authorities each largely running in a different way and without a standard form of accounts. Even the Audit Commission

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would find it difficult to draw up meaningful league tables under such circumstances.

If Michael Lyons has a few minutes to spare he could offer to carry out a review of local government in Russia. I think he may find that an interesting challenge. ■

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