Methodology to Measure the Effectiveness of Social Services

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ABSTRACT

This article considers such problems as evaluating the effectiveness of social services and public needs financing. Due to the fact that social services are provided and funded by state or local authorities, assessment of their effectiveness requires special tools. Existing legally defined methods have several drawbacks and do not provide an objective picture. A comparative analysis of estimates according to official methodology and the author’s empirical research are present in this article. On this basis, the conclusion about need for a different approach of providing the state (municipal) services is formulated.

Keywords: Effectiveness, Social Needs, Systems Approach, Customer Satisfaction, Public Services, Public Administration

JEL Classifications: B11, H41, H83

1. INTRODUCTION

Nowadays any economic entity is committed to effective functioning. The term “effectiveness” can be viewed from different perspectives depending on the object of study: Technical, technological, social, economic (Mescon et al., 1988). Research efficiency interest is provided to public services by the state and municipal authorities.

The issue of proximity to society, the activities of public services, their structural divisions in the European member countries of the Council of Europe was addressed in the charter on the provision of public services (Cohen and Amorós, 2014; Maiello et al., 2011). Charter users of public services in Belgium (1993) is a comprehensive program aimed at improving relations between the public authorities and institutions, on the one hand, and the population as a customer, user of services or the recipient on the other hand (Hood, 1991; 2007). The charter designed a provision of public services which was adopted on the 18 of March by the Council of Ministers in France. It sets out new principles of actions in response to changing user expectations and new needs such as the need for transparency and accountability, availability and simplicity and ensuring the participation and corresponding suitability (Osborne and Gaebler, 1992). Charter concerning service public quality (adopted in Portugal, 1993) contains a number of basic principles, such as authorized accountability, transparency, citizens’ access to participation in tenders, etc., (Barker, 2007). The Charters’ concept concerning a delivery of services (adopted in Finland, 1995) is based on specific principles such as: Providing customer a certain level of quality, flexibility of service provision; achieving a positive effect in comparison with the past and improving the character of services (Jowett and Rothwell, 1988).

Nowadays the key method of assessment in the sphere of state and municipal management is efficiency determination of standards-based, standards and regulations, which state (municipal)
authorities are developing all alone. A significant drawback of this approach is the risk of substituting public purposes interests and goals of the bureaucratic system. Separate results of empirical research (Fattakhova, 2012) aimed at evaluation of satisfaction local authorities’ activities, point out this discrepancy. The presence of such problems leads scientists to search optimal, efficient forms of the state and municipal authorities management areas.

In public administration history it is possible to distinguish the experience of England, namely the reform of the civil service, held in 1855-1870 (Harvey and Hood 1961). Report of Charles Trevelyan and Stafford of Northcote appeared on November 23, 1853 on the basis on the study and evaluation the system of public agencies bureaucracy to develop proposals for strengthening its effectiveness and competence. Northcote and Trevelyan leap to a conclusion about the need (Geoffrey, 2013) of:

• Getting the system of open competitive tender examinations for admission to all civil service jobs
• Organization promoting all permanent civil servants according to their merits
• Create a single employees from lower division clerks to the executive, able to serve all state agencies
• The establishment of an independent office for appointment and promotion all political machinery civil servants.

Subsequently, on an order, all civil servants were divided into two categories: Permanent and non-permanent (temporary) officers. Non-permanent employees receive hourly fee. They could be dismissed at any time without prior notice, not received old age pensions and had a number of other benefits as provided for permanent civil servants. Permanent employees could be appointed to posts only after passing an open competitive tender examination. The category of permanent employees was divided into two official classes: First and second. Officials of the first class carried out administrative functions and were recruited from persons who have graduated from universities, while the second class served as a purely technical, executive work, and were recruited from among the petty bourgeoisie at the level of secondary education (Raudeliūnienė and Meidutė-Kavaliauskienė, 2014).

The order on the complete transfer prohibition the official of the second class to the first is important and had significant impact on the further evolution of the British civil service.

Although in subsequent years this provision has been softened, it contributed to the emergence and consolidation of one of the most distinctive features of English bureaucracy-its deep caste.

The organization was established on the basis of reform in 1870. In the beginning of XX century it was possible to say about this organization that a genuine “second chamber,” a genuine “constitutional brake” is the permanent staff of civil servants appointed regardless of the opinions or desires of politicians in England.

Similarly, the challenge of the classic bureaucratic approach to the implementation of the social services is the theory, referred to as new public management, described in Hood (1991), Boston in 1991 and Boston et al. in 1996. The main features of a doctrine of “a new public management” are follows:

1. A professional management in the public sector
2. Clear standards and assessment criteria
3. Much emphasis on output control
4. The disaggregation of agencies in public administration
5. A shift to greater competition in the public sector
6. The introduction of management practices from the private sector
7. Increase of level discipline and economy in resource use.

Obviously, this concept significantly differs from the classical concept of public administration.

The theory of “social values” does not consider how institutions should be arranged and are adjustable. The theory of social values focused on the role of the state in production of public value in the public and private sector. On a theory any institutional mechanism which can produce social value is acceptable. That is, public services must provide value for own recipients (De Long and Froomkin, 1998).

Thus, the public value of state or municipal services is recognized as such if it provides something of value for citizens and society as a whole. That is, public value has two interrelated components: The benefits for individuals and their families and benefits to society or groups in society. The state program produces public value, if it uses its operational capabilities to meet individual and of society as a whole.

2. METHODOLOGY

In our modern age transformation processes lead to increasing demands of society to public services (Parkin, 2012). Some modern society members have its own criteria system to evaluate a service. Thus, we can define a quantitative measurement of the service quality.

We will present results of questionnaires research about the quality of social services in enterprises of different ownership forms in Naberezhnye Chelny. The study results reflect the opinions of the population of a particular city. It can be routed to the most local level of the budget system, suggesting the presence of features of execution of the local budget. The main hypothesis of this study was the citizens preference of services rendered by the enterprises of private form of ownership in comparison with the state. However, the local population trusts exclusively to the representatives of the state a separate spheres of social life of conclusions reached allow to define areas which representatives of business structures functioning would be more credible.

At the time of the survey, the majority of respondents (53%) had income per 1 family member in the range of one to two-fold size of subsistence minimum, while of the total population, only 17.4% of respondents have income per person in the family more than double size of living wage (RUR 11361). Nearly a quarter of surveyed (23.1%) set the budget, with per capita income less than RUR 5381. Thus, the respondents-citizens as follows: One third of residents...
have incomes below the subsistence minimum, one half has an income slightly exceeding, the statutory minimum, and only a small portion have an acceptable level of income. In this case, answers to the question about who to determine their status by income level showed low living standards: 44% of respondents classified themselves to the category of low-income, 20% were undecided, only 5% firmly re-established about their own financial viability.

Respondents were offered a questionnaire designed to evaluate the areas of health, education, roads, public transport, housing and utilities, culture.

3. THE MAIN PART

One of the central issues of functioning any community is quality of medical care and other issues associated with this area. Research analysis shows that the population with income per 1 family member is less than the subsistence minimum budget visits a medical institution, without being able to pay for the services of commercial medical institutions. At that assessment of budgetary medical institution performance given by them much lower than respondents with a high level of income per capita. Consequently, it is necessary to finance medical institutions because the majority of population are insolvent. However, it is inexpedient to raise a question about quality services of budgetary medical institution because the presence of these “forced” consumers inevitably creates demand. According to the survey, <5% of respondents visit commercial medical institutions.

Thus, the majority of population shares the view that high-quality material resources, staffing, the availability of medicines in commercial healthcare institutions are on the top rank, but do not have the ability to allocate scarce family budget funds for the implementation of medical services beyond the budget of medical institutions.

Analyzing results of survey citizens’ about their satisfaction with the means of the local budget, there is the nagging question: How to determine satisfaction level?

The amount of budget expenditures per inhabitant of the city (in comparable prices) is decreasing according to the reporting of expenditure budget for the period 1991-2014 in Naberezhnye Chelny. Reducing the cost of financing the social sphere can be considered from two perspectives. On the one hand it is a reducing concern for its own citizens, on the other hand it is the occurrence of field replacement in face businesses seeking to occupy this niche in the market.

It should be noted that the procedure of including new players in the market of social services is more complex than the market of goods. So, it is necessary to undergo a licensing procedure, in addition to periodic confirmation of compliance with the control parameters. Thus, there is a certain institution for regulation quality of services rendered to society.

However, in most cases social services are provided by enterprises of state or municipal form of ownership (state health care institution, municipal independent educational institution, municipal unitary enterprise, etc.), which on the one hand it is positively, as such enterprises are easier to monitor for compliance with regulatory requirements. On the other hand, they do not allow to significantly improve the quality of services as major state and/or municipal orders (preventive medical examinations, the organization of preschool and school feeding) will inevitably be in state or municipal enterprises.

Improving the quality of social services is possible only in the presence of competition. Therefore, to assess the level of satisfaction of social needs should apply a wide range of quality indicators, an evaluation of which, relative to the estimated object, provide social services, can determine its rating, which would allow to qualify the state or municipal order.

The rationale for this approach lies in the possibilities of private business to maximize and more effectively meet customer needs. However, the role and capacity of public enterprises is no less meaningful and has a future. The material-technical base, personnel qualification of state-owned enterprises are higher than the similar enterprises of private form of ownership. A study to determine the most important problems in the public and private sectors of economy in the social services market allowed us to determine the following list of problems. Less well-off population are more critical in assessing the prospects of education in comparison with the rich citizens:

- 36.6% of citizens can afford to pay for private and/or family education
- 44% of respondents generally deprived of such opportunity.

Respondents with income levels below the subsistence minimum do not have access to paid education; they apply to funded educational institutions services. However, there were more skeptical estimates received from this population than from the more affluent when assessing the prospects of their development. The reason possibly lies in imaginary tuition-free educational services, when the opportunity of possessing some knowledge is still necessary to divert funds from the family budget.

Another reason is the outflow of qualified specialists in commercial educational institutions, for obvious reasons. It deprives the common sense discussions about the development prospects of budgetary institutions. Because the competitiveness key is human capital, especially in education, where the main product is knowledge, information and primarily the media is a teaching staff.

Development prospects assessment of commercial educational institutions by respondents with high income level raises the interest in determining the development prospects of preschool and general education institutions as the most favorable (77.8%), whereas the functioning of private higher education institutions is assessed positively only 67% of respondents. According to residents, commercial colleges are doomed to a poor outcome development.

You should note that more than 50% of all respondents are optimistic about the prospects of commercial kindergartens or schools. It may be explained as follows:
a. The most of services are paid for a long period of time
b. Parents are willing to invest in children education
c. Parents are willing to pay attention and for more custody of their children subject to availability.

Thus, health and education at the local level are perceived and evaluated adequately implemented their important social functions. However, the public services institutions health and education are use only in the event of an emergency need. Consequently, the financing education and health through budgetary institutions leads to notoriously poor service. Perhaps the reason lies in funding process, starting with the size of amounts and to poor process organization from the point of view of timeliness, efficiency, appropriateness, etc., which was named by an absolute majority respondents (59.6%) and as a central issue of budget educational institutions.

The implementation of a competition system of participation in government contract on the basis of qualitative performance measures enables the alignment of gaps, which are available with each company individual (qualification of personnel or material and technical base, backward technology or underdeveloped resource base, etc.).

Social services from budgetary funds are implemented on the basis of statutory standards, formed at the minimum level that for the full life of modern man is not enough.

Therefore, allocated amounts for implementation social standards are not. However, we should not neglect the opportunities of multiplicative effect for initial investment. Efficient allocation of investment will have a positive response in many areas and at various levels by:

- Better provision of medical and educational services
- Occurrence of secondary demand
- Economic activity of market players
- Intensification of the struggle for quality of services offered
- The introduction more efficient and effective technologies of work with clients.

The answers to the questions concerning prospects of development of budgetary institutions and commercial organizations indicate the need of the presence of both forms of property on the market.

4. RESEARCH RESULTS

Respondents appreciate non-state educational sector prospects, however, budgetary organizations have positive development prospects.

The functioning of housing and utilities sector is constantly faced with a number of acute problems in Naberezhnye Chelny. The most relevant problems are:

1. High tariffs
2. A poor service quality
3. A critical condition of housing and utilities sector.

It should be noted that this list of three problems of housing and communal economy of solidarity was called by all groups of respondents irrespective of income level and age.

The implementation of audit function is advisable to consolidate under the local level in this field. Currently, there is a regulatory framework that allows to evaluate the municipal management activities. In accordance with the decree of president an assessment of bodies of local government in urban districts and municipal districts is carried out on 13 core indicators and 27 additional. The list is very comprehensive and it allows to identify trends in the socio-economic development of a particular locality. It includes:

1. The number of small and medium business per capita
2. A proportion of average number of employees (without external part-timer) of small and medium business in average number of employees (without external part-timer) of all businesses and organizations
3. A proportion of length of public roads which do not meet the regulatory requirements in the total length of public roads
4. A share of population living in towns that do not have a regular bus service and (or) a railway communication with the administrative center, in the total population of the urban district
5. A proportion of land plot area that is a taxable item in the total area of the urban district (municipal district)
6. A proportion of children at the age 1-6 years who are registered for the determination to pre-school educational institution, in the total number of children aged 1-6 years
7. A proportion of the municipal educational institutions graduates who have passed the unified state exam in Russian language and math, in the total number of the municipal educational institutions graduates, who passed the unified state examination
8. A proportion of overall area per person
9. A proportion of municipal utilities realizing manufacture of goods and provision of services for water, heat, gas, electricity, sanitation, sewage treatment, and disposal (dumping) of municipal solid waste
10. A proportion of apartment blocks located on land parcel. A cadastral registration was done of them
11. A specific quantity of the consumption of energy (electricity and heat energy, water, natural gas) in apartment blocks (based on 1 m² for one person)
12. A specific quantity of the consumption of energy (electricity and heat energy, water, natural gas) municipal budgetary institutions (based on 1 m² for one person)
13. People satisfaction of self-governing authorities activity in urban district (percentage of respondents).

These figures are a result of policies by local authorities and serve as criteria for decision-making by higher-level authorities about amounts of financial investments from higher levels of budget system. The basic idea of carrying a monitoring is to encourage the best one.

A list of additional indicators to assess the effectiveness of local government urban districts and municipal districts includes eight aggregate groups.

1. Economic advancement
   - Average monthly nominal accrued wages of employees (RUR) for non-commercial, socially important, large and medium-sized businesses and organizations
6. Housing construction and providing housing
   • The volume of investments into fixed capital (except of budgetary funds) per 1 person (rubles)
   • The share of profitable agricultural organizations in their total number (percent).

2. Preschool education
   • The proportion of children aged 1-6 years enrolled in preschool educational services and (or) service on their content in municipal educational institutions, the total number of children aged 1-6 years (percent)
   • The proportion of municipal pre-school educational institutions whose buildings are in emergency condition or require capital repairs in the total number of municipal preschool educational institutions (percent).

3. General and additional education
   • The proportion of graduates of municipal educational institutions that do not receive a certificate of secondary (complete) education, in total number of graduates of the municipal educational institutions (percent).
   • The proportion of municipal general education institutions whose buildings are in emergency condition or require capital repairs in the total amount of municipal educational institutions (percent)
   • The proportion of municipal educational institutions corresponding to modern requirements of training in the total number of municipal educational institutions (percent)
   • The proportion of children of the first and second health groups in the total number of students in municipal educational institutions (percent)
   • The proportion of students in municipal educational institutions in the second (third) change in the total number of students in municipal educational institutions (percent)
   • The expenditure budget of municipality on general education per 1 student in municipal educational institutions (thousand rubles)
   • The proportion of children aged 5-18 years receiving services for additional education in organizations of various organizational-legal forms and forms of ownership, in the total number of children in this age group (percent).

4. Culture
   • The proportion of municipal cultural institutions whose buildings are in emergency condition or require capital repairs in the total number of municipal cultural institutions (percent)
   • The share of cultural heritage objects, owned by municipalities and requiring preservation or restoration, in the total number of cultural heritage objects, being in municipal property (percent)
   • Actual provision of cultural institutions of regulatory requirements (percent).

5. Physical culture and sport
   • The proportion of population systematically engaged in physical culture and sport (percent).

6. Housing construction and providing housing
   • Size of a land plot granted for construction (m²)
   • Size of a land plot granted for construction as per 10 thousand people, including land plots, provided for housing construction, individual construction and integrated development for housing construction (ha).

7. Housing and communal services
   • The proportion of apartment houses in which proprietors of premises have chosen and implemented one of management ways apartment houses, the total number of apartment houses in which the premises owners must decide how to manage these houses (percent)
   • The proportion of population that received housing and improved their housing conditions in reporting year in the total population who are registered as needing residential premises (percent).

8. The organization of municipal management
   • The proportion of overdue payables for wages (including accruals for payment of labor) municipal institutions in the total expenditures of the municipality for wages (including accruals for wages) (percent)
   • The share of tax and non-tax revenues of local budgets (excluding tax revenues on additional specifications of deductions) total own revenue budget of the municipality (excluding grants) (percent)
   • The expenditure budget of municipality for employees maintenance of local governments per one inhabitant of municipal formation (rubles)
   • The share of fixed assets of organizations municipal ownership under bankruptcy in fixed assets of municipal ownership organizations (as of the end of the year, at full book value) (percent)
   • The volume is not completed on time construction implemented at the expense of the budget of city district (municipal district) (thousand)
   • The presence in the urban district (municipal district) approved master plan of the city district (the scheme of territorial planning of municipal area) (yes/no)
   • The average annual number of permanent population (thousand people).

The basic idea of monitoring in this document is to promote the best. However, referring to the management methodology (Fayolle et al., 1992), it is obvious that motivation, as a way of inducing more productive activities, not always justified, because there are some situations when incentives use is justified, suggesting the influence of external stimuli. Thus, we consider appropriate not only the assessment fact achieved indicators of socio-economic territory development, but also the formulation of specific values of individual indicators, as a way to provide incentives.

The method of estimating the local authorities’ efficiency, in which there is the indicator “People satisfaction of local authorities’ activity of urban district (municipal district) (percentage of respondents),” a summary evaluation is formed by the following criteria:

1. People satisfaction with public transport services in the municipality (percent of respondents)
2. People satisfaction with the quality of public roads in the municipality (percent of respondents)
3. People satisfaction with housing and public utility services:
The level of organization heating (fuel supply), water (drainage), electricity, gas (percent of respondents).

The criteria are certainly important in determining the level of the territory development. But it is an insufficient criterion to evaluate the effectiveness of the municipal authorities.

According to the survey one of the questions concerning social needs was: “For what purpose it is necessary to direct the resources of the municipal budget at the beginning?” Of the proposed answers were chosen:

- To increase salaries, pensions and allowances-in most cases (57.3% of responses)
- To improve the medical aid degree (56.4%)
- To development of production and the creation new jobs (42.3%).

Therefore, the list of estimated parameters should include some critical issues. For example, some problems concerning lack of creating work opportunities seem to be marked by a separate indicator “number of small and medium businesses.” In considering the reported data we can see a positive trend in the whole of the Russian Federation. However, 932.8 thousand of self-employed entrepreneur ceased activities in 2013. It is 32.9% more than in 2012 (702.1 thousand of self-employed entrepreneurs).

5. DISCUSSION

Based on above it is necessary to assess not only a number of small and medium businesses, but their share of operating more than 1 year by way indicator of development of the area and performance evaluation of local government.

A striking indicator of livings' is not only the magnitude of the average monthly nominal wages, but also is a cost structure (some average “commodity bundle”). Assessment of personal income from a qualitative standpoint-namely, a cost structure, will determine the level of life quality. In this regard, it is necessary to include not only information of wages, but a spending pattern in evaluating the performance of local government. A point to keep in mind is that it is the serious income differentiation, exacerbated by the division to “rich” and “poor.”

During survey there were some questions allowing to assess the municipal managers activities by three criteria indicated in the aforementioned Decree of the President.

Citizens emphasized problems concerning public transport. Some of them are:
1. A poor technical condition (52% of responses)
2. The deterioration of transport and the high cost of travel (47%)
3. An insufficient quantity of vehicles (27% of responses).

One of the most “eloquent” certificates to ensure a quality of life is a condition of the roads in a locality. Respondents’ opinions were divided as follows: A decentish condition of the roads (49.8%), much less - (32.3%) assessed as poor and very poor and only 14.4% of respondents say that roads are good.

The most pressing problems of residents of Naberezhnye Chelny were classified as follows: In the first place in order of importance (47.8%), is environment, the second (43%) is alcoholism and drug addiction, as well as the work of medical institutions (42.6%), in the third place (41.7%) is the work of housing and utilities infrastructure.

Official data was noted that 83.7% of the populations are satisfied with the activities of local governments. According to the results of an independent survey in 2011, respondent satisfaction of a various sphere of life in the city of Naberezhnye Chelny are different. In this case, received results indicate the need for a significant concentration of efforts in some areas especially, for example, at least 30% of the population call a variety of problems in public transport, 50% did not recognize a quality of roads, more than 40% of the population is not satisfied with the operation of the system housing.

6. CONCLUSIONS

Of course, not all of these problems can be solved within municipal managers competencies and requires the higher authorities involvement (Vaslavskaya, 2011). However, participation in development and elaboration potential areas through proactive proposals should form reference terms and local authorities’ responsibilities (Fursov et al., 2015). Therefore, the range of questions to assess public satisfaction with local self-government activities should be expanded. And extended list in dynamics should evaluate their work. In addition, from our point of view, it is necessary to determine minimum threshold values of socio-economic development indicators for individual territories (Fursov et al., 2015).

Findings consideration about citizens’ satisfaction by implementing social requirements helped to identify the least satisfactory aspects of implementation specific services. This, in turn, forms the basis for developing a criteria-based system for qualitative assessment of implementation social services at the local level.

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