

To the Prime-Minister of the Republic of Armenia K.Karapetyan

Dear Mr. Prime-Minister,

Practically all the basic elements of the vertical of the government on overcoming the crisis, the reforming of which should contribute to the improvement of the socio-economic climate in the country, are mentioned in the programme presented by the RA Government. Some industrial directions of management contributing to the achievement of operational results are mentioned as well.

If there are practically no alternatives in the reforming of the activities of the elements of the vertical of the government (in terms of the problem formulation), then the choice of the mentioned industrial directions can be discussed.

If comparatively small amount of capital investment and circulating assets, directed (in the form of bank credits) to promotion of the production itself, are required for increasing industrial production of agricultural goods, the question of realization of this production out of the country is a problem both in technical and foreign policy aspects.

We shall not be competitive among such powerful producers of agricultural goods as Turkey, Azerbaijan and Georgia, and the domestic market, as shown by the practice of the recent years, is not able to provide the required volume of consumption.

Taking into consideration the abovementioned, in practice we'll get low re-numeration of labour for small and medium producer of agricultural products, and as a consequence, increased level of migration.

The other controversial branch, which needs development, is tourism. However, our approach to this direction, as a rule, is superficial and amateurish.

To achieve qualitative changes in this sector in the absence of roads, transport, affordable hotels (campsites), trained guides (on any level) and other attributes of tourism infrastructure is very problematic.

The service in our hotels, resorts, campsites and rest homes leaves much to be desired (it's a pity, but for some obscure reason any kind of activity connected with service of the population is not accepted to license).

I think that the selection of the given sectors of development of the economy, in all probability, has been scrupulously discussed by your Office, and your choice is right (reasonable).

However, the reformation of the Cabinet of the Ministers of the Republic of Armenia and different units of the government is more important.

Mr. Prime Minister, you have already made certain structural changes in the system of the state administration and carried out the selection and allocation of managerial staff. These works were necessary, and I think, demanded by the society, but it is only half the story.

By your work in this area you have outlined the shape of management system, and the essence was left "off-screen".

The essence of the management system is the methodology and technologies used while adopting decisions which determine the efficiency of functioning of the management system itself and its separate units, i.e. the Cabinet of Ministers and corresponding ministries and agencies.

If in the end we want to get qualitatively a new system of governmental management and reach a certain level of its efficiency, we need to reappraise the goals, objectives, rights and responsibilities of its units. We need to outline the range of the criteria in the scope of which the whole system of governmental and local self-governmental management is regulated.

These new ministerial and departmental provisions should not be copied from our nearest and remote neighbours.

For some reason, with the change of the socio-economic formation, we have completely forgotten about the responsibility of the system of the government as a whole and its units to members of the society. Our statesmen, for some reason, have decided that capitalism will be regulated by itself not only in market relations, but on social and domestic levels as well. Moreover, they (our high-ranking officials) have come to the firm conviction that planning and adjustment of the decisions adopted are omitted in the chain of concepts defining management, i.e. forecast, planning, decision making and adjustment.

On any level of the governmental management an official does not know what will happen in 3,5,10 years (all predictions, as a rule, are on the level of populism and pre-election

agitation). We endlessly reform the judicial, educational, pension, scientific (the National Academy of Science of Armenia) and other systems.

We can't decide who is responsible for the policy conducted by a given ministry or agency: the head of the corresponding unit of the state power or the unit itself? The policy changes with the change of the head of the unit. Does the Government have anything to do with it?

On the same issue, for the solution of which several departments are responsible, as a rule, various mutually exclusive explanations are provided.

In the course of the 25 years of our independence, due to the "departmental egoism", the state management structures have become a fiefdom of their leaders and their families.

*Remark*

*In Soviet times, the period of functioning of Councils of National Economy was the most efficient and effective period for the Soviet republics. During this period any task (goal) was formed by the republic itself and all the republican ministries and departments having their "share" in the solution of that problem were involved in it.*

*Moreover, there was a compulsory circle of ministries and departments without approval of which issues were not considered. The heads of the mentioned ministries and departments bore personal accountability for improper assessment (environmental, urban development, financial, HR, etc.) of the capacities of the republic in solving the given issue.*

*The system of a purposeful governmental administration of the country's economy to a certain extent smoothed over the «departmental egoism» of the corresponding officials.*

Concluding my letter, I would like to apologize for bothering you and hope that your activities aimed at reforming the governmental system and its units will not end only by the change of the management structure and staff transfers, but the essence itself will be reformed as well.

Sincerely,

Levon Nersisyan

Executive Director of A.D.Sakharov Armenian Human Rights Centre