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Lean Regulation in Public Administration: Preconditions for Implementation and Main Content

I.I. Rakhmееva^a, M.Yu. Andronov^b

^a Ural State University of Economics, Yekaterinburg, Russian Federation

^b Askort Company, Moscow, Russian Federation

ABSTRACT

This article examines the application of lean thinking approaches in public administration. The relevance of this issue is driven by the state's need to reduce the costs of both regulation itself and decision-making, a goal that is conceptualized in the Unified Plan for Achieving the National Development Goals of the Russian Federation until 2030 and beyond, up to 2036. The purpose of the paper is to substantiate the prospects of introducing lean regulation in public administration in Russia in the medium term. The research addressed several tasks, including a methodological comparison of approaches to collective regulation; defining the concept of lean regulation; and describing the effects of its implementation in public administration, with a focus on organizations in the financial sector. The authors employed a methodology based on theories of collective decision-making, lean management, public-private governance, and new public management. The information base included documents and data from legal reference systems and the official website of the Bank of Russia. The study outlines the future potential of applying the proposed approach. The results may be useful both to government authorities and the management of the Bank of Russia in their operations, as well as to researchers in the field of public administration as a theoretical foundation for applied work. Applying the principles and tools of lean regulation, as proposed by the authors, in public administration practice will improve the effectiveness of managerial decisions while taking into account the specific characteristics of individual sectors.

Keywords: lean regulation; lean management; lean government; public administration technologies; collective management; financial sector regulation; microfinance organizations; smart regulation; public-private governance; new public administration

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INTRODUCTION

The Unified plan for achieving the national development goals of the Russian Federation through 2030 and into the longer term through 2036 (hereinafter referred to as the Unified Plan) provides a detailed breakdown of the targets and tasks associated with each goal. Among the priorities under the national goal of a “Sustainable and Dynamic Economy” is the engagement of enterprises in non-resource sectors, as well as state and municipal enterprises, in projects aimed at improving labor productivity. The systematic implementation of this priority is expected to be supported, among other measures, by:

- reducing the administrative costs for organizations engaged in entrepreneurial and other activities;
- the efforts of state institutions to increase output, including through the introduction of lean production tools.¹

The Unified Plan also emphasizes the importance of both the transition of government bodies themselves to lean technologies and the reduction of administrative costs as key factors contributing to low productivity.² This highlights the urgent need to develop a theoretical and methodological framework for lean regulation in public administration — understood as regulation that continuously seeks to eliminate excessive regulatory barriers.

In this article, the latter is understood as actions aimed at meeting public needs and the interests of the governing entity within the framework of its assigned public responsibilities.

In developed countries today, public administration inherently involves the engagement of

interest groups in the decision-making process in order to ensure both fair and effective public choice. This model is characteristic not only of post-Soviet countries — as noted by scholars I.D. Turgel and A. Zh. Panzabekova [2]—but also of Russia. As Russian experts observe, “...it is necessary to develop mechanisms that foster mutual loyalty between government and business. There must be accountability to the local community on the part of both the authorities and businesses” [3, p. 162]. According to I.I. Smotritskaya, “as civil society institutions gradually become more involved in decision-making and the principles of “positive cooperation” are developed, the groundwork will be laid for limiting the potential for erroneous decisions and, consequently, increasing the efficiency of public administration” [4, p. 246].

In practice, the process of collective decision-making faces numerous challenges and constraints. The classics of social choice theory have long asserted that such processes become unfeasible in the presence of more than two alternatives and diverging individual preferences (as shown in Arrow’s impossibility theorem).

The surge of practical interest in securing and justifying effective approaches to collective decision-making continues to attract the attention of theorists. Alongside scientific and technological progress, the widespread adoption of information technologies, the transformation of social relations, and successive waves of administrative reform in Russia, there is a growing demand for new principles and tools of public governance. These tools must increase regulatory efficiency while reducing the societal costs of regulation — particularly in conditions of economic stagnation or even stagflation. Over the past decade, Russian scholarship on collaborative decision-making — aimed at achieving a balanced distribution of public benefits and regulatory burdens — has given rise to a range of new concepts and the development of related terminology.

¹ The Unified plan for achieving the national development goals of the Russian Federation through 2030 and into the longer term through 2036. P. 169 URL: http://static.government.ru/media/files/ZsnFICpxWknEXeTfQdmcFHNei2FhcR_0A.pdf (accessed on 09.01.2025).

² In lean methodology terminology, the Japanese word “muda” is used to describe them: it means waste, unnecessary costs, or activities that consume resources but do not create value” [1].

This article explores the concept of Lean Regulation (LeanReg) in public administration as one of the potential responses to the challenges facing Russia at the end of the first quarter of the 21st century, with the aim of substantiating the feasibility of its implementation in the medium term.

The research undertaken addressed the following objectives:

1. From a methodological perspective, it compared the most widely used approaches to collective regulation proposed by Russian scholars.

2. It defined the content and core principles of LeanReg.

3. It examined the potential effects of implementing lean regulation in public administration, using organizations in the financial sector as a case study.

THEORETICAL AND METHODOLOGICAL FRAMEWORK

To understand contemporary concepts, it is essential to examine the historical background and methodological premises underlying the current discourse.

At the end of the 19th century, two competing trends emerged in the interpretation of public interest. The first, methodological holism, regarded the category of “collective needs” as a fundamental foundation. The second, methodological individualism, denied the very possibility of interests beyond the aggregation of individual preferences — and it was this approach that dominated for much of the 20th century.

By the late 20th century, this longstanding debate culminated in the scientific community’s adoption of methodological relativism, which recognizes the coexistence of both individual and collective preferences, shaped by institutions that structure public choice [5]. Academician A. D. Nekipelov of the Russian Academy

of Sciences articulated an important “cyclical trap”: “A public choice must be preceded by a public choice on how that choice will be made” [6]. This implies the need to determine either a procedure for binary (pairwise) comparisons by society’s members of its potential states, or a decision-making principle based on a social welfare (utility) function [7, p. 40].

In Russia, institutions of collective regulation and decision-making are currently being constructed. Recent administrative reforms have aimed to reorient public administration toward the principles of “smart regulation” [8], public–state governance (good governance) [9], and new public management [10]. A necessary first step is to address the conceptual question of which methodological principles should underpin collective decision-making in public administration. This is crucial, as a mismatch between formal rules and society’s informal institutional norms may prevent the reforms from achieving their intended outcomes. Thus, it is imperative to define the type of institutional collective choice model suitable for the Russian context.

Which Model Has a Society Chosen? The answer can be found in the global World Values Survey.³ According to the Inglehart–Welzel cultural map,⁴ Russia is positioned within the group of Orthodox European countries, aligned on the vertical axis of secular values with China, Catholic Europe (e.g., Italy and France), and Anglo-Saxon countries. However, on the horizontal axis — representing survival versus self-expression values — Russia is positioned close to China, opposite to Catholic Europe, and significantly distant from the Anglo-Saxon world. These data reflect the levels of tolerance and trust, civic engagement, and self-expression.

³ World Value Survey. Research project. URL: <https://www.worldvaluessurvey.org/wvs.jsp>

⁴ The Inglehart–Welzel cultural map of the world is a diagram of cultural orientations based on the research of sociologists Ronald Inglehart, Christian Welzel, and their collaborators.

Societies situated on Russia's end of the spectrum tend to favor authoritarian political views, the imposition of shared values and goals from above, and, accordingly, are more responsive to governance tools based on the principles of holism.

As early as the 19th century, Karl Marx classified the Russian commune as belonging to the "Asiatic" type due to its foundations in collectivism and patriarchal governance [11, p. 701]. The Soviet era deepened this collectivist orientation through active state enforcement. Although 30 years of market reforms in Russia have generally strengthened individualist perspectives, collectivist attitudes have not disappeared. On the contrary, they re-emerged and even intensified during the COVID-19 pandemic, the "special military operation," and in the face of sanction-induced pressures — circumstances in which survival became paramount.

As a whole, it may be concluded that public administration in Russia is likely to be more successful and effective when institutions are built upon the principles of methodological holism.

Table 1 presents a comparison of contemporary concepts of public administration — specifically those based on collective decision-making — developed by Russian scholars. The table also identifies the foundational institutions and practical mechanisms for implementing these concepts, drawing on the practices of Russian public governance.

All of the concepts examined are grounded in the principles of involving civil society in the decision-making process and striving to balance the interests of various stakeholder groups. However, they differ in their ultimate objectives: whether to identify and respond to the expectations of society (an individualist approach), or to jointly shape those collective expectations (a holistic approach).

The authors of the article propose the concept of lean regulation as a response to con-

temporary challenges. Lean regulation refers to the application of lean technologies in regulatory policy — namely, the organization of decision-making processes (including the optimization of legal norms) and their implementation through the involvement of all stakeholders (including those subject to regulation, their associations, regulatory technology providers, as well as the expert and academic community), grounded in the pursuit of continuous improvement and the elimination of inefficiencies. The current level of development in information technologies and the emergence of big data infrastructure significantly enhances the prospects for implementing lean regulation approaches [18, 19].

It should be emphasized that ultimate responsibility remains with the state, as collective governance does not imply the delegation of functions and responsibilities to civil society, but rather a joint search for solutions, led by highly competent public officials. This approach helps to avoid situations in which, "under the guise of outsourcing and similar tools, government and municipal authorities divest themselves of certain powers, ultimately leading to a weakening of state control and oversight in the corresponding domains" [20, p. 186].

METHODOLOGICAL APPROACHES TO THE DESIGN OF PUBLIC GOVERNANCE INSTITUTIONS WITHIN THE FRAMEWORK OF LEAN REGULATION

As previously mentioned, Russia is currently moving toward greater public involvement in the formulation and discussion of governance decisions. Lean regulation, which is partly based on holistic principles, can offer an effective response to the challenges facing public administration in the country today.

The essence of the lean regulation concept lies in the continuous search for and implementation of opportunities to increase goal attain-

Table 1

Modern Concepts of Public Administration Based on Collective Managerial Decision-Making

Name of the concept (methodological basis)/ Purpose of the management approach	Principles	Features, institutions
Consensus- and Collaboration-Based Democracy (И)а / Reducing the risks of erroneous decisions [12]	<ul style="list-style-type: none"> • Participation of all societal groups in decision-making • Formation of coalition governments representing the interests of all segments of the population • Inclusion of diverse social segments in the governance process • Proportional political representation 	Dialogue institutions; positive cooperation; compromise mechanisms; partial resolution of conflicts between interest groups
Solidarity-Based Governance (X)б / Adoption of decisions aligned with societal value orientations [13]	<ul style="list-style-type: none"> • Economic solidarity as a constitutional value • Public choice guided by popular values • Leading (initiating) role of the state in unifying society • High level of civic responsibility 	Institutions of solidarity, tolerance, compromise, cooperation, social collaboration, and voluntary associations
Public–State Governance (И) / Meeting public expectations and achieving socially beneficial outcomes [14]	<ul style="list-style-type: none"> • Shared responsibility between the state, civil society, and the market • Balanced representation of experts and stakeholder groups • Expertise and public recognition of professionals • Opportunity to be heard and obligation of the state to provide a quality response • Openness, transparency, inclusiveness • “Smart” regulation 	Institutions of coordination, compromise, internal civic and external oversight, public accountability. The state as a “manager of authority”; digital government as an ecosystem of interaction
Distributed Governance (И) / Developing policies that most accurately reflect social realities [15]	<ul style="list-style-type: none"> • Use of distributed ledger technologies • Voluntary engagement of specialists from diverse fields 	Crowdsourcing mechanisms; coordination institutions; systems for aggregating distributed knowledge
(Neo) Corporatism (X) / Maintaining a stable societal and distributive system [16]	<ul style="list-style-type: none"> • Integration of state apparatus, employers, and trade unions • Non-competitive, hierarchically ordered, state-recognized functional interest groups • Monopoly of interest communities over representation in their sphere in exchange for controlled leadership selection and demand articulation 	Institutions of coalitions, associations, and trade unions; representative bodies; large industrial groups and state corporations; mechanisms of loyalty to authority; controlled competition
Noosociety (X)/ Transition to a new industrial society (overcoming civilizational crisis) [17]	<ul style="list-style-type: none"> • Collective-choice criteria adopted by individuals as personal preferences (noo-values) • Dominance of humanistic culture and idealistic values over material ones • Reliance on knowledge-intensive technologies 	Socialization institutions; integration mechanisms; solidarity-based (not competitive) systems

Table 1 (continued)

Name of the concept (methodological basis)/ Purpose of the management approach	Principles	Features, institutions
Moral Economy (X)/ Ensuring interconnected and sustainable societal and economic development based on spiritual and moral foundations	<ul style="list-style-type: none"> • Priority of the nation's spiritual and moral well-being • Triune system of state, society, and economy • Acknowledgement of each nation's uniqueness, including distinct conceptions of conscience and mission • Morality and conscience as internal behavioral regulators rather than external constraints 	Institutions of mutual responsibility and accountability among the state, society, and economic actors; institutions managing national assets and social dividends

Source: compiled by authors based on [12–17].

Note: a- I - individualism; b - X - holism.

ment and eliminate excessive costs associated with the regulation and oversight of entrepreneurial and other economic activities, as well as in the inclusion of all stakeholders — in other words, it is a process of ongoing improvement of regulatory policy [21].

The development of the lean regulation concept is being carried out with reference to the national standards (GOST) on “Lean Production”⁵ approved in Russia, and takes into account both domestic [19, 20, 21] and international [22–24] best practices of applying lean technologies in public administration.

⁵ GOST R 56020–2020 — “Lean Production. Fundamental Provisions and Glossary”. URL: <https://docs.cntd.ru/document/1200174885>; GOST R 56407–2023 — “Lean Production. Basic Tools and Methods of Their Application”. URL: <https://docs.cntd.ru/document/1303625452>; GOST R 56404–2021 — “Lean Production. Requirements for Management Systems”. URL: <https://docs.cntd.ru/document/1200179301>; GOST R 56406–2021 — “Lean Production. Audit. Questions for Management System Evaluation”. URL: <https://docs.cntd.ru/document/1200179302?ysclid=m9k5eqjrfm260087326>; GOST R 56906–2016 — “Lean Production. Workplace Organization (5S)”. URL: <https://docs.cntd.ru/document/1200133736>; GOST R 56907–2016 — “Lean Production. Visualization”. URL: <https://docs.cntd.ru/document/1200133737>; GOST R 56908–2016 — “Lean Production. Work Standardization”. URL: <https://docs.cntd.ru/document/1200133738>; GOST R 57524–2017 — “Lean Production. Value Stream Mapping” URL: <https://docs.cntd.ru/document/1200146135>

The key elements of the lean approach, as identified by the authors, are presented in *Figure 1*.

Value refers to the benefit to society resulting from regulatory policy — for example, the protection of legally safeguarded values,⁶ the creation of conditions for effective economic activity, and the improvement of citizens’ quality of life.

The value stream in regulatory policy consists of the following major stages:

1. Development of regulatory requirements: defining the goal and potential methods of achieving it; conducting regulatory impact assessment; selecting the most optimal option; drafting the legal norm; formal adoption.
 2. Definition of liability for non-compliance.
 3. Implementation of legal norms by regulatory addressees.
 4. Monitoring and enforcement of compliance.
- Analyzing the regulatory policy value stream makes it possible to classify different types of waste (see *Table 2*).

Based on the structure of principles set forth in GOST R 56020–2020 and adapted to the specifics of regulatory policy, a system of

⁶ Federal Law “On Mandatory requirements in the Russian Federation” of 31 July 2020 № 247-FL. Part. 1, p. 5. URL: https://www.consultant.ru/document/cons_doc_LAW_358670/

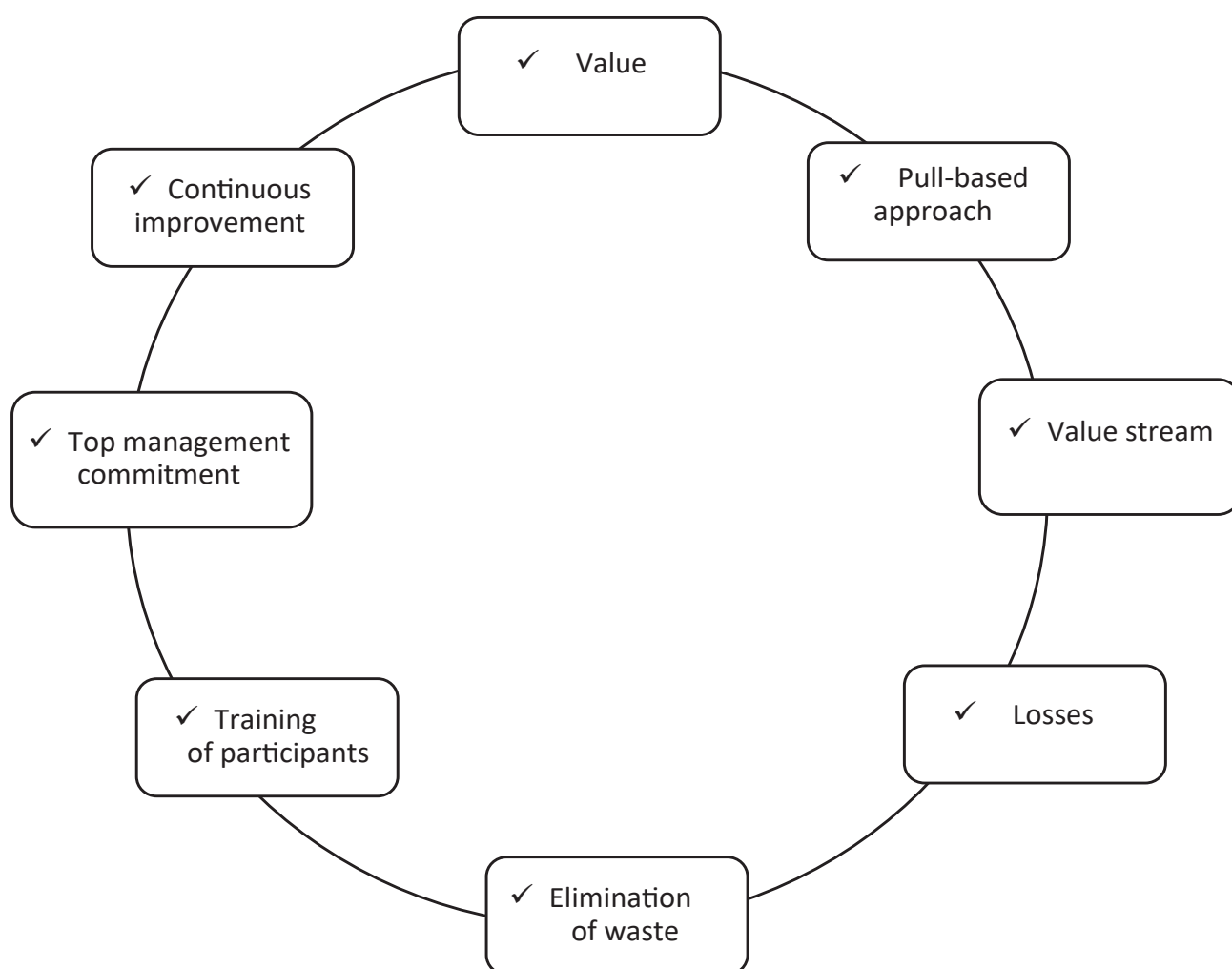


Fig. 1. Key Elements of Lean Approach

Source: compiled by the authors based on [1].

Lean Regulation (LeanReg) principles in public administration has been developed (see Fig. 2).

RESULTS OF THE PILOT IMPLEMENTATION OF THE LEAN REGULATION CONCEPT

Let us consider a positive example of cooperation between supervised organizations and the Bank of Russia in optimizing regulation, illustrated by its requirements for electronic reporting by microfinance organizations (MFOs).

Thanks to systematic dialogue among the regulatory participants, an element of the compliance process was identified and adjusted,

which improved the quality of submitted reports and reduced costs. The success factors included:

- a focus on identifying and eliminating waste (“muda”) in the regulation process, with a clear understanding of the goals, value, and outcomes ensured by regulation — corresponding to the principles of “Organizing the value creation flow for society” and “Pull”;
- justification of proposals from the united regulated parties — the principle of “Decision-making based on facts”;
- the regulator’s readiness to accept, analyze, and further implement proposals for improvement — the principles of

Table 2

Classification of Losses in Public Administration

Types of losses by class						
Class 1. Defects in regulatory goal setting						
Uncertainty and lack of verification of the regulatory goal	Discrepancy between the actual result (AR) and the planned result	Inability to assess achievement of the AR by the aggregate of indicators	Inability to evaluate the fulfillment of each AR indicator	Inability to meet deadlines	Disproportion between risks prevented by these mandatory requirements and the requirements themselves	Costs to achieve AR are not minimal compared to other regulatory options
Class 2. Defects in the content of legal norms						
Non-compliance of any element of the norm with the achievement of AR	Element of the norm is not mandatory for achieving AR	Lack of legal certainty	Duplication and contradictions among requirements	Decisions made without involvement of regulatory addressees		
Class 3. Defects in conditions for requirement execution						
Requirements not communicated to regulated entities	Frequent changes in regulatory requirements	Non-technological requirements; inconsistency with current scientific, technical, and technological development			Insufficient conditions for digitalization	
Class 4. Losses in control activities						
Insufficient preventive measures aimed at reducing the risk of harm or damage			Disproportion between selected control measures and the harm (damage) caused or potentially caused to legally protected values			
Class 5. General losses						
Waiting (for information, people, resources, etc.) in the value creation stream	Verification (of results, qualifications, etc.)	Rework (correction of the initial result for any reason)	Duplication (identical actions performed in different places)	Movement (of people, information, etc.)	Inefficiency of actions (unnecessary actions)	Inefficiency of resources

Source: compiled by the authors.

Application of the Lean Government (LeanReg) concept as a conscious strategic choice by top management	Focus on creating value (increasing usefulness) for society	Organization of the value stream for society
Continuous improvement in all aspects (increasing value, improving the value stream, reducing waste)	Pull approach, understood as delivering exactly the amount of outcomes society requires, and only when they are needed	Built-in quality, including at the stages of goal-setting, legal norm design, and regulatory impact assessment
Recognition of existing problems and reduction of waste	Visualization and transparency of the value creation process	Building cooperation based on respect for people
Engagement and development of all stakeholders	Fact-based decision-making	Long-term relationships with providers of personnel and regulatory technologies

Fig. 2. System of Lean Regulation Principles in Public Administration

Source: according to GOST R 56020–2020 “Lean manufacturing. Basic provisions and vocabulary”. URL: <https://clck.ru/3LSjRG>

“Acknowledging existing problems and reducing waste” and “Building interaction based on respect for people.”

Let us examine in more detail the regulatory requirement under analysis and the process of its modernization.

The Bank of Russia defines the composition and content of the main reports submitted by microfinance organizations (MFOs⁷). They must

submit reports (along with an accompanying letter in the form of an electronic document signed with an enhanced qualified electronic

⁷ Bank of Russia Instruction No. 6316-U dated November 16, 2022. URL: https://www.consultant.ru/document/cons_doc_LAW_443215/; Bank of Russia Instruction No. 6789-U dated June 28, 2024 URL: https://www.consultant.ru/document/cons_doc_LAW_481729/; Bank of Russia Regulation No. 613-P dated October 25, 2017 (as amended on September 18, 2023) “On Forms of Disclosure of Information in Accounting (Financial) Reporting

of Non-Credit Financial Organizations and the Procedure for Grouping Accounting Ledger Accounts According to Indicators of Accounting (Financial) Reporting” (Registered with the Ministry of Justice of the Russian Federation on December 11, 2017, No. 49204). URL: https://www.consultant.ru/document/cons_doc_LAW_282988/; Bank of Russia Regulation No. 614-P dated October 25, 2017 (as amended on October 2, 2024) “On Forms of Disclosure of Information in Accounting (Financial) Reporting of Microfinance Organizations, Credit Consumer Cooperatives, Agricultural Credit Consumer Cooperatives, Housing Savings Cooperatives, Pawnshops, and the Procedure for Grouping Accounting Ledger Accounts According to Indicators of Accounting (Financial) Reporting” (Registered with the Ministry of Justice of the Russian Federation on December 11, 2017, No. 49202). URL: https://www.consultant.ru/document/cons_doc_LAW_282995/

signature by the person exercising the functions of the sole executive body of the MFO) to the Bank of Russia [via the “Unified Personal Account of the Bank of Russia Information Exchange Participant” (Personal Account⁸)] or to a self-regulatory organization (SRO). Structurally, the electronic document must correspond to the file generated by the “Questionnaire Program for Forming and Submitting Reports to the Personal Account” (Questionnaire Program⁹).

For example, quarterly accounting (financial) reports (AFR) include four main forms (Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement) and 47 accompanying notes. The AFR contains over 8,150 quantitative indicators across more than 140 tables.

When the time between the release date of the updated Questionnaire Program and the reporting deadline is insufficient for upgrading the industry-specific software used to generate electronic reports, the regulated entities have to prepare reports semi-automatically or manually, which leads to an increase in errors and delays in submitting the AFR. The cause of losses is the late release of the updated Questionnaire Program. However, publishing it earlier is constrained by technological and organizational conditions, as well as the fact that changes to the reporting forms come into effect within a short timeframe. For instance, as of January 1, 2024, the AFR forms changed in accordance with the Bank of Russia’s Instruction No. 6527-U¹⁰

⁸ The procedure for submitting reports through the Personal Account is provided by the Bank of Russia in the video instruction “Submitting Reports to the Bank of Russia”. URL: https://cbr.ru/lk_uio/video_instructions/ (accessed on: 26.12.2024)

⁹ Programs and materials for the preparation of electronic documents by participants in the information exchange. URL: https://cbr.ru/lk_uio/fcsm/programma-anketa/ (accessed on: 26.12.2024).

¹⁰ Bank of Russia Instruction No. 6527-U dated September 18, 2023 “On Amendments to the Bank of Russia Regulation No. 614-P dated October 25, 2017” (Registered with the Ministry

dated September 18, 2023. Information about the release of the Questionnaire Program including these changes (version 2.16.4, build 0.0.0.45 dated February 21, 2024) appeared on March 29, 2024.

When making decisions, it is necessary to consider the specifics of the non-bank lending sector, related to the fact that MFOs do not have sufficient resources to develop their own software — their digitalization is supported by several developers of core industry software (IT developers).

During the conference “Online Workshop for Accountants in Microfinance for Representatives of MFOs, Pawnshops, and Credit Consumer Cooperatives (CCCs),” held from June 3 to 6, 2024, the following was determined: the regulator is ready to take on an additional task of providing a preliminary draft of the Questionnaire Program to those IT developers who support the submission of electronic reports. Providing the preliminary release of this document to all regulated entities is considered impractical due to conflicts arising over which version to apply. IT developers learn about the release of a new version 2–4 weeks in advance and simultaneously act as testers for a specific part of the Questionnaire Program.

Let us conduct an economic analysis of the proposals and the expected effects.

MFOs are non-credit financial organizations. The Bank of Russia maintains a state register of MFOs, the current version of which is publicly accessible.¹¹ As of December 26, 2024, there are 907 active organizations, including 36 microfinance companies (MFCs) and 871 microcredit companies (MCCs).

The key effect of implementing the proposed measures is an improvement in the quality of submitted reports. Additionally, the following cost reductions are ensured:

of Justice of the Russian Federation). URL: https://www.consultant.ru/document/cons_doc_LAW_458549/

¹¹ Register of microfinance market entities URL: <https://cbr.ru/microfinance/registry/> (accessed on: 26.12.2024).

Table 3

Fragment of Calculation Results in the Regulatory Impact Assessment Calculator

Regulatory Impact Calculator						
Costs of regulated entities (regulated parties)						719 331.00
Temporary costs						719 331.00
Nº	Action	Time per action (t/a), person-hours	Frequency per year (f _д)	Annual time costs, person-hours.	Number of calculation units (q)	Total amount per year (w _д), RUB
1	Manual entry of financial report indicators	10.00	1.0000	10.000 000	36	703 502.00
2	Resubmission of reports	5.00	0.0450	0.225 000	36	15 829.00
Cost-benefit analysis (net social effect):						-5 595 642.94

Source: compiled by the authors.

1. For the regulated entities (MFOs):

1.1. Manual filling (without automatic import from an external source). For the example above (AFR indicators in the Questionnaire Program) – quarterly, whenever a precedent occurs (late update of the Questionnaire Program).

1.2. Resubmission of reports due to increased risk of errors when manually filling in indicators – with a probability of approximately 4% for each AFR submission.

1.3. The overall probability of at least one error in AFR indicators is approximately 5% (estimate based on expert opinion). It is assumed

that in approximately 1% of cases the error is not detected by the Bank of Russia.

1.4. Reduction of the time required to correct reports (if necessary).

1.5. Probability of enforcement actions and fines due to late submission of reports.

2. For IT developers:

2.1. Costs for unscheduled work (including releasing an unscheduled version) by the development team specialists of the industry solution, approximately 16 person-hours.

2.2. Decrease in the quality of the released solution.

3. For the self-regulatory organization (SRO):

Costs for urgent work to modify the report submission process.

4. For the regulator:

4.1. Receiving lower quality information, its verification, and sending it back for revision.

4.2. Costs related to possible future errors in reports (as well as monitoring their correction) and enforcement actions.

Based on the list of costs, a monetary evaluation was conducted using the “Regulatory Impact Calculator¹²” developed by the Regulatory Competency Center of the Ural State University of Economics. This calculator takes into account the latest revision of the standard cost methodology approved by the Ministry of Economic Development of Russia. A fragment of the calculation is presented in *Table 3*.

According to the data from *Table 3*, costs will decrease by 5 million rubles. And this is only for 36 organizations regarding one type of reporting (financial statements).

The changes in requirements have been applied in practice since June 2024. After 6 months (November 2024), at the “XXIII National Conference on Microfinance and Financial Inclusion,¹³” initial results were summarized, which included the additional time granted to IT developers for planning and implementing improvements in electronic report submissions, as well as clarifications of certain update elements (for example, the presence of XSD schemas for report forms, precision of indicators, etc.). These changes imply additional costs for the regulator and IT developers, but they contribute to:

- reducing the number of errors in reporting;
- shortening the time required for report submission;

- lowering the costs for regulated entities by more than 5 million rubles.

CONCLUSION AND PROSPECTS FOR THE APPLICATION OF RESULTS

Within the task of comparing modern concepts of public administration presented in the works of Russian scholars and based on collective decision-making, the principles and basic institutions of such theories (concepts) as consensus democracy, public-state governance, distributed governance, solidaristic governance, neocorporatism, noosphere society, and moral economy were compared. The first three theories are based on an individualistic methodological approach and are currently actively developed by Western economists. The latter four (which in the new millennium have become the focus of Russian scientific interest) are built on a holistic approach.

In the case described in the article, the key element of successful improvement of regulatory practice was the development of constructive proposals. To develop a system of continuous improvements, it is necessary to encourage the preparation of such recommendations. At the same time, it is not necessary to impose institutions based on the individualistic concept; if imported, they should be adapted to Russian realities (a scheme of “mixing” institutions) and the inherently holistic approach of collective governance.

During the definition of the content of Lean Regulation (the second task of the study), the authors refined the key elements and the system of principles of the concept. Regulatory policy is a part of public administration. Increasing the degree of cooperativity in collective governance can enhance regulatory effectiveness. Lean Regulation involves the participation of all stakeholders, however, the management of the value creation process must be centralized, i.e., carried out under the single command of the regulatory authority (including to avoid the risks of ineffective discussions).

¹² URL: <https://etps.usue.ru/tsentr-regulyatornykh-kompetentsij/o-tsentre-regulyatornykh-kompetentsij/37-tsentr-regulyatornykh-kompetentsij/923-kalkulyator-reguliruyushchego-vozdjestviya/> (accessed on 26.12.2024).

¹³ URL: <https://наумир.рф/naumir2024/> (accessed on 26.12.2024)

As for the final task, the result of its solution was the financial and organizational effects from the implementation of the proposed approach based on the requirements of the Bank of Russia regarding the submission of electronic reporting by microfinance organizations (MFOs) during the development of the lean regulation concept in public administration.

The positive results presented in the article can be considered partial. The effect of a single improvement is indeed not very noticeable, but it can become significant provided that systematic work is organized to apply lean technologies in regulation and optimize them in accordance with the lean production concept.

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ABOUT THE AUTHORS



Irina I. Rakhmееva — Dr. Sci. (Econ.), Assoc. Prof., Head of the Department of Economic Theory and Applied Sociology, Ural State University of Economics, Yekaterinburg, Russian Federation

<https://orcid.org/0000-0003-1431-7976>

Corresponding author:

rahmееva_ii@usue.ru



Michail Yu. Andronov — Director of Development, Ascort Company, Moscow, Russian Federation
<https://orcid.org/0000-0001-9964-6829>
MYAndronov@mephi.ru

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