

**How to Cite:**

Kazakov, A. S., Prodanova, N. A., Sotnikova, L. V., Plaskova, N. S., Prokofieva, E. V., & Khamkhoeva, F. Y. (2022). The development of government support for compliance managers training in Russian Federation. *Linguistics and Culture Review*, 6(1), 89-98. <https://doi.org/10.21744/lingcure.v6n1.1956>

# **The Development of Government Support for Compliance Managers Training in Russian Federation**

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**Abstract**--The article reflects on the problems of government support for the training of compliance officers in the Russian Federation. This problem became more acute in connection with the consolidation in clause 3 of the Order of the Government of the Russian Federation No. 1697-r of August 16, 2018, the requirement to create internal systems under state and municipal authorities, ensuring that their activities comply with the requirements of antimonopoly legislation. The lack of theoretical and practical knowledge of civil servants in this area (the area of compliance) determines the relevance of the problem under consideration. This mostly concerned to yesterday's students who are unable to provide payment of additional education in this area due to lack of financial resources. This entails the lack of qualifications of civil servants in the area of compliance and the ineffectiveness of compliance programs they are running. In the course of the study, we

concluded that it is necessary to adopt in Russia a Scandinavian approach of government support for the training of labor resources at the expense of the national budget and taking into account the real need for labor resources in regions and municipalities.

**Keywords**---antimonopoly legislation, compliance system, government control, government support, state civil service.

## **Introduction**

The change in approaches to state control and supervision has led to academic interest in the compliance control system, which is designed to ensure the legality and effectiveness of economic entities by internal control systems of enterprises, organizations and public authorities. However, the lack of qualified personnel in this area entails poor quality of compliance, its inefficiency. This is due, in particular, to the lack of state support for educational initiatives in the field of compliance and the high cost of the educational services offered. The latter is explained by Western experience: the person himself does not pay for advanced training courses – the costs are borne by the company, but the company is interested in training compliance personnel due to minimizing potential material losses and damage to business reputation. In the practice of most foreign countries, the introduction of an effective compliance system is a mitigating circumstance in case of violation of antimonopoly legislation: in the UK and France, the presence of effective compliance reduces the company's fine by 10%, in Italy - by 15%, in South Korea - up to 20% (<https://ac.gov.ru/files/publication/a/7838.pdf> ).

In addition, compliance in foreign countries is not a requirement, but an opportunity, a voluntarily established mechanism of interaction between the supervisory authority and the company. Therefore, the state is not obliged to pay for the professional development of employees of the compliance system. However, in Western practice there is no requirement for the formation of compliance systems at the level of state and municipal authorities. In Russia, such a requirement is established by the Decree of the Government of the Russian Federation No. 1697-r dated August 16, 2018 (<http://old.economy.gov.ru/minec/resources/3ce74f98-2c17-44d1-b776-c1ae6594706a/1697-%d1%80.pdf>) as part of the planning of national measures for the development of competition. Methodological recommendations approved by the Decree of the Government of the Russian Federation No. 2258-r dated October 18, 2018 have been developed to help internal control specialists (<https://fas.gov.ru/documents/663168#>), but due to the lack of the necessary experience and competence of specialists, such systems are not effective enough, and the employees involved in them lack experience and motivation for further professional development. The purpose of the study: to study approaches to state support for young talented students, as well as trends in teaching the basics of compliance on the example of Western countries, and based on the findings to propose measures to improve the effectiveness of state support for students in the direction of compliance control ([Nyandra et al., 2018; Hadi et al., 2018](#)).

## Methods

The study was conducted on the basis of information about various educational courses presented in open sources on the Internet. The legislative framework is presented on the portals "Consultant plus" and "Guarantor". Statistical materials on education in European countries, including in the field of compliance, are presented by the portals Education at a glance and ICA. A group of theoretical (analysis, synthesis, generalization) and statistical research methods were used in the work. The results of the study can be used as a basis for the development of specific measures to increase the effectiveness of state support for students planning to develop compliance in state and municipal government bodies (Azazzi, 2020; Diegtiar et al., 2021).

## Results

Compliance training in Russia is represented by several training courses. One of the first was the course of the Higher School of Economics (HSE) "Head of the Internal Control Service (Chief Compliance Officer)" (Battmann & Klumb, 1993; McCalla et al., 2017). The program, designed for nine months of full-time and part-time study, is a complex of interrelated modules on the following topics: the concept and essence of compliance, regulatory regulation of internal and compliance control, compliance and risk management, local regulation of compliance in the organization, types and directions of compliance, business competence of a compliance specialist. The program is designed for people who already have specialized legal and economic education. In addition, applicants must pass an introductory interview. At the same time, the cost of training is quite high – more than 200 thousand rubles per course.

Let's consider other programs of specialized training of compliance specialists presented by modern educational institutions in Russia (see Table 1).

Table 1  
Compliance training programs in Russia<sup>\*</sup>

Program (educational institution)	Deadlines	Requirements for applicants
ICA / ICC International Compliance Association program in conjunction with The University of Manchester Business School b Business Academy	4 days for 8 hours and self-training (during the year)	Specialized education, work experience in the field of audit or internal control, interview
Professional development program "Compliance management"	72 hours (including 6 hours of practice), 5 days a week from 9 to 18 hours	Specialized education, interview
Compliance Specialist at Scillbox	11 modules, 40 working hours (online training)	Specialized education
Training programs for specialists	4 2-hour webinars	Specialized education,

<sup>\*</sup> Compiled by the authors according to the official resources of educational institutions.

from Compliance Management  
(the first Russian company  
promoting digital compliance  
services)

and materials for  
self-study

interview

All the programs discussed above (<https://compliance-m.ru/services/obuchenie-komplaens-oficzera>, <https://www.law.msu.ru/courses/54>, <https://www.int-comp.org/course-finder>, <https://skillbox.ru/course/compliance>) are distinguished by high requirements for applicants, including basic education in economics and law, and the high cost of educational services: the cost of the courses discussed above ranges from 60,000 to 500,000 rubles, which is too expensive for Russian students.

The problem of the development of compliance control, therefore, lies in the lack of state support for young personnel who notice the positions of the state civil service. The foundations of the professional development of civil servants are laid down in the Federal Law "On the State Civil Service of the Russian Federation" No. 79-FZ (Federal'nyj zakon ot 27.07.2004 № 79-FZ «O gosudarstvennoi grajdanskoi slujbe Rossiskoy Federacii»). Art. 62 of the said law clearly restricts the grounds for professional development – this is the decision of the employer's representative (state or municipal body), the results of certification, appointment to another position, appointment to a position of the category "managers", entry into service for the first time. The implementation of professional development activities is carried out within the framework of a state order, or on the instructions of the Government of the Russian Federation or subjects of the Russian Federation, as well as at the expense of a specific management body.

Professional education activities as part of the state order are implemented at the expense of the budget. At the same time, there are no specific criteria for including professional development activities in the list of implemented ones, everything happens at the discretion of the authorized authority. At the level of the subjects, the event is implemented by the authorized bodies of the subjects at the expense of regional budgets. There is no provision on the professional development of municipal employees in the law, so one can imagine that they are fully implemented at the expense of municipal budgets with limited funds (Article 63 of the said law). This entails insufficiently effective training of employees of regional and municipal authorities. Therefore, it is necessary to reconsider approaches to support the training of employees in the basics of compliance in order to avoid the low efficiency of internal compliance control systems in the authorities.

Let's consider the experience of state support of education in Western European states. Here, in recent years, there has been a contradiction between the tendency to attract as many students as possible to higher education institutions and overcoming inequality and a market approach to the provision of educational services (Gehlbach & Sonin, 2014; Stern, 1987). The OECD's annual statistical collection "Education at a glance" lists the main sources of funding for higher education: these are state support, support of private companies, household financing (he or her family pays for the student). Moreover, it is impossible to identify a pan-European trend in the financing of education, in some countries

the main emphasis is on state support, in others - on self-sufficiency. On average, the cost of training one student in higher education institutions in the OECD countries for 2021 amounted to \$17,065. At the same time, it is noted that education expenditures make up on average a third of the average per capita GDP (27%) of these countries (<https://www.oecd-ilibrary.org/docserver/b35a14e5-en.pdf?expires=1633017533&id=id&accname=guest&checksum=6C5825CE6A1BFBE5EECFCBF9F3FFB1AA> ).

The leaders in the cost of educational services in Europe are Luxembourg, Norway, Austria, Iceland and the USA. The structure of costs for educational services in the context of educational levels is presented in Table 2.

Table 2  
The cost of education of one student in Western Europe according to data for 2021<sup>†</sup>

Country	General basic (secondary) education, thousand dollars.	Higher education (bachelor's degree), thousand dollars.	Higher education (Master's degree, academic degrees), thousand dollars.
Luxembourg	150	75	25
Norway	110	50	-
Austria	51	53	25
Iceland	100	51	-
USA	80	45	15

As can be seen from the table, education above the bachelor's level and obtaining a degree are not funded by the state everywhere. Moreover, there is a system by which tuition costs are distributed: if 96% of funding is allocated for basic educational services in secondary schools, then at the higher education level support is provided mainly in the field of additional services and scientific research (68%). At the same time, the statistical report notes, government spending on supporting students of education above the bachelor's level increased by an average of 4% from 2012 to 2018 (except for the Scandinavian countries).

The distribution of resources between educational institutions is carried out in three ways:

- financing based on the formula criteria for the effectiveness of universities (the criteria are the volume of students enrolled, the number of diplomas issued in the previous period, the availability of valuable research projects and developments, etc.);
- financing by contracts (the contract is concluded with a specific organization or enterprise and provides further employment of the student);

<sup>†</sup> Compiled according to the OECD annual statistical report "Education at a glance" for 2021.

- project financing is usually used to support scientific research (allocation of state resources between universities according to tenders and competitions).

Also in Europe, a course is currently being taken on the concept of "Long-life learning" or continuing education. In accordance with it, the education of citizens continues throughout their working life to maintain the current level of knowledge, skills and competencies. A special element of the structure of education is the so-called adult education, which, in addition to higher basic education, includes obtaining a degree or additional education of the working population (Doh & Kim, 2014; Rasmussen, 2008). The specifics of approaches to supporting adult education are shown in Table 3.

Table 3  
Analysis of approaches to the implementation of state support for adult education (higher, additional) on the example of European countries<sup>‡</sup>

Country	Characteristics of the approach to education financing	Types of support in the field of adult education
Germany	The state regulates the education policy in general, additional education is financed from the budgets of the lands (the level of regional authorities)	Grants to specialists for the period of professional development
Denmark	Educational institutions receive targeted support from the state from the funds of the so-called "educational tax" levied on all working citizens.	Tuition fees for the unemployed population. Partial tuition fee of 15% for everyone else.
Netherlands	It is financed from state budgets and private individuals. The State may provide targeted grants to educational institutions or funds to funds that provide education in accordance with the goals and objectives of the national educational policy. Professional development is carried out at the expense of companies	Targeted grants, funding of Trade and Industry Knowledge Centers. Financing the education of national minorities and immigrants, as well as people in difficult financial situations at the municipal level.
Norway	There is a division into public (most of them) and private educational institutions. All State institutions are funded by the State.	Grants and subsidized loans for training in state-approved educational areas and programs.
Finland	Public funds are redirected to the regions where they are distributed among educational institutions in accordance with the requests of the labor resources of a particular region.	Professional development is funded by the state, in rare cases - by the trainees themselves or their employers.
France	Additional education is supported by special funds created at chambers of commerce and industry and enterprises. The funding is implemented through a fee for the	The National Association for Adult Vocational Training under the Ministry of Employment and Solidarity provides assistance to

<sup>‡</sup> Compiled according to ETER data for 2018 [12]

professional development of employees in the amount of 3.5% of the salary fund of enterprises. State support is guaranteed only to the poor.

certain categories of persons. It is financed by 80% from the state treasury and 20% from the European Union.

It is also possible to distinguish common features in these approaches: support is provided in areas that are priority for specific states in terms of their economy and labor needs; as well as for people who are unable to ensure their professional development due to a difficult life situation. In Russia, the state's participation in the support of professional development is implemented only for certain categories of employees, mainly in law enforcement agencies )" (Ujhelyi, 2014; Dobos, 2015).

Now let's look at approaches to studying abroad in the direction of compliance. A number of educational trends have emerged in most countries, the main of which are globalization and distance education. This has become possible, among other things, thanks to online educational resources that provide access to courses of varying degrees of complexity and depth. In particular, the International Compliance Association (ICA – International Compliance Association) acts as one of the top providers of high-quality educational services, most of which are implemented remotely. Thanks to this, the coverage of the provision of educational services over the past twenty years has amounted to about 150,000 managers around the world, including Russia, Ireland, Greece, Spain, Canada and other countries (<https://www.int-comp.org/course-finder>). In addition to educational services directly in the compliance system, the association implements training areas for managing certain types of risks, including the legalization of criminal proceeds, corruption, and monopolistic activities. A relatively new area of compliance - minimizing sanctions risks - has not been reflected in Russian practice at all, while it is in demand by foreign companies (Bostashvili & Ujhelyi, 2019; Forand, 2019).

Online compliance courses are designed for student learning and are designed to provide students with ideal conditions for initial immersion in the profession and the acquisition of important skills and competencies for compliance employees. They are an addition to basic economic or legal education. Payment for the courses includes two components: payment for the courses themselves (the cost of which is 677 EU for access for a period of three months) payment for membership in the ICA for a year (75 EU). Discounts are provided to individual countries for education, but there are no discounts for the Russian Federation §. Russian students also find it problematic to take such courses due to the insufficiently intensive teaching of languages in universities, and therefore there is a need for translation and adaptation of the material into Russian.

In this connection, the following steps are proposed to improve the training of compliance specialists in Russia:

- development of retraining and advanced training courses in the main areas of compliance, adapted to Russian legislation and in Russian;

- it is necessary to develop a number of courses in certain areas of risk management on the example of ICA educational courses;
- state support for the education of compliance students should be provided by means of the federal budget, based on the educational request for this category of specialists and taking into account the needs of regions and municipalities;
- it is advisable to allocate funds in two directions: the formation of an academic base for training specialists (programs, courses, methodological materials), which should be entrusted to the National Compliance System; and the provision of grants and subsidies to the most talented students studying at Russian universities in the specialties: economics and accounting, state and municipal administration, law, administrative management.

To ensure the targeted spending of funds for the preparation of students, it is necessary to develop a system for evaluating a student according to the following indicators: academic performance (average diploma score or average academic performance in key subjects); relevance and novelty of scientific research (diploma, dissertation), the number of scientific publications, academic degree. The assessment of students should be carried out annually by the Departments of Education of the regions, following which lists are compiled approved by the Ministry of Science and Higher Education of the Russian Federation. According to these lists, funds are provided to the most talented students whose research is of interest for the development of the domestic compliance system ([Konopelskyi et al., 2021; Dalal & Chahal, 2016](#)).

## **Conclusion**

According to the results of the study, the following conclusions were made. Modern training of students in the field of compliance does not correspond to either Western practice or the educational needs of the state in the field of training compliance specialists. The existing programs entail significant training costs that are unaffordable for Russian students. This, on the one hand, entails a lack of domestic scientific papers, monographs, research and relevant curricula in this field. On the other hand, there is a lack of qualified compliance officers in public authorities, since modern state support does not affect the education of novice specialists, and they are usually not able to independently pay for training.

Having studied the systems of state support for novice specialists in Europe, the Scandinavian approach seems to be the most effective (Norway, Finland). In these States, the main costs of training specialists are borne by the state, allocating funds from national budgets for this. At the same time, the educational request of the state in specific areas of economic development of the regions is taken into account. In this regard, we have proposed an innovative approach to state support of young talented scientists based on the assessment of the quality of their training and scientific developments. This, on the one hand, will attract their attention to the development of the methodological base of domestic compliance, on the other hand, it will provide the state civil service with qualified and motivated personnel. Education grants should be provided, firstly, free of charge,

and secondly, targeted: only talented and motivated young scientists and specialists.

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