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Emerald**Handbooks**

The Emerald Handbook of Public Administration in Latin America

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The Emerald Handbook of Public Administration in Latin America

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Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2021

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-83982-677-1 (Print)

ISBN: 978-1-83982-676-4 (Online)

ISBN: 978-1-83982-678-8 (Epub)



Certificate Number 1985
ISO 14001

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Preface

This *Handbook* is the culmination of many – too many – years of work attempting to bring together a collection of studies of public administration in Latin America. The project began approximately a decade ago and was motivated by the belief that there was inadequate knowledge about public administration in Latin America. There was a great deal of legalistic discussion on the ways administration *should* function, but much less about how public administration in these countries functioned in practice. A number of scholars had been publishing interesting material, but these needed to be brought together and made more accessible to a wider public, especially for an English-speaking readership. The project was started by Carlos Alba and Guy Peters; when additional energy was needed to complete the project, Conrado Ramos joined the editorial team.

The concept behind this *Handbook* was to have some chapters that covered the administrative systems of individual countries, as well as some that covered important topics in public administration across the region. We could not cover all Latin American countries with individual chapters, so attempted to include chapters that provided information about the largest systems, as well as those with distinctive features. Those choices were, of course, also constrained by the availability of authors interested in participating in the project. Likewise, the comparative chapters were intended to cover several important aspects of public administration in these countries; however, there is a big emphasis on issues of accountability, reflecting the history of corruption and clientelism in Latin American administrations.

In addition to those of us with chapters included in this volume, several other people and organizations have helped make this project a reality. We received funding from the Ministry of Public Administration in Spain for an initial conference. The United Nations Development Fund supplied

additional resources for cooperation among authors. In addition, the Latin American Studies Center at the University of Pittsburgh provided additional resources.

This book has benefited greatly from the excellent editing and management by Morgan Fairless at the London School of Economics. We would also like to acknowledge the patience and professionalism displayed by Hazel Goodes and her colleagues at Emerald Publishing. They have endured endless delays in the completion of the manuscript with grace and have continued to support the project regardless. They, like us, are thankful that the project is now complete. We hope the readers of this *Handbook* are equally as happy.

B. Guy Peters
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Carlos Alba

Introduction: Focus and Book Outline

Conrado Ramos and B. Guy Peters

Public administration is a crucial element of governance. The legislature, presidents and other political executives, courts, and even social actors such as unions may very well be involved in governance, but the day-to-day work of delivering public policies to citizens and advising political leaders is done by the public administration. Despite their central role in governance, there is still inadequate knowledge about these institutions in Latin America.

Although there have been individual studies over different aspects of public administration in Latin American countries, a comprehensive analysis aimed at understanding historical trends, similarities, and differences among countries is not available. From an academic perspective, this deficiency in the literature has also undermined the capacity to place Latin American cases within the broader comparative perspective. Having a comparative perspective will of course facilitate learning across systems and further understanding of public administration reform worldwide.

From a more practical view, there has been an extensive discussion both in professional and political circles regarding the effect of public management (or mismanagement) in social and economic development. Public bureaucracy is essential in all aspects of governance but is perhaps especially important for promoting development. The cases and the dimensions treated in this book will hopefully help to contribute to that discussion.

After the mid-2000 commodities boom, Latin America experienced economic growth for more than a decade, which has brought extraordinary socioeconomic gains (OECD/CAF/ECLAC, 2018). In this context, the region has experienced a pandemic of administrative reforms designed to answer growing demands for better public services and effective public institutions. These reforms took place in several countries and included

measures such as changing fiscal policies, budgeting practices and processes, improving policy evaluation mechanisms, efforts at coordinating from the center, human resource management, digital agenda, and open government strategies as well as anticorruption institutions and practices (see *Panorama de las Administraciones Públicas en América Latina y el Caribe*, OCDE, 2016).

Even after this economic growth, Latin America is still the most unequal region in the world. Some of these state failures in income distribution have been blamed on a public administration that has been characterized by some scholars as having certain traditional features. Three of these are especially relevant: *formalism and legalism, turbulence, and politicization* (Nef, 2003).

Formalism and legalism: Public administration in Latin America has been built on a strong legalistic foundation. The bulk of scholarship on these administrative systems has been legalistic. Some degree of formalism has been associated with this legalism: if the law has been passed, then reality will soon follow. This formalistic assumption pattern may result in law after law being passed with little actual change occurring. This focus on legalism has tended to reduce attention on the actual practice of public administration and any of its failures in implementation.

Turbulence: Public administration in Latin America is practiced in a context of turbulence and volatility. Some of the turbulence is a function of political and economic change, and some other is a result of changing fashions in public administration. The turbulence, combined with the formalism above, produces numerous managerial changes with little actual implementation of reforms. While turbulence does create serious political and managerial problems, it also opens possibilities for change. A new wave of populism is also opening a round of turbulence in politics and government in the region.

Politicization: Civil service systems in Latin America are substantially more politicized than those in Western European countries and, in this way, are more similar to the “in and out” system for the upper level of the federal administration in the United States. We will explore the nature of this political involvement and its implications for governance. While there may be some benefits from politicization, these must be weighed against the

threats that excessive political involvement poses to professionalism in the public sector.

These traditional features make up the analytical and research framework for this Handbook; we will study them in more detail through the following chapters. We expect them to shape the performance and achievements of the aforementioned administrative reforms for meeting citizen expectations and promoting sustainable development.

Chapter 1 will constitute a substantive introduction to the *Handbook*; in this chapter Conrado Ramos and Alejandro Milanesi provide a brief historical description of different public management models in Latin America. They claim that the colonial legacy, with a ritualistic adaptation of classic bureaucratic rules, in conjunction with patrimonialism and patronage, has always obstructed the continuing efforts to modernize the public sector management. That includes the latest New Public Management (NPM) type reforms, promoted by international organizations, or some variants associated with agendas of “new public service.”

The remaining chapters of the *Handbook* are divided in two broad groups: country cases and cross-cutting issues. Through the country cases we want to map existing structures of national public administrations and civil service patterns, using quantitative and qualitative information. The intention, however, is for the authors not to rely on legalistic texts but rather to focus on assessing the performance of governments and their personnel systems. We are much more interested in how public administration actually functions than legal statements about administration.

With this purpose in each country chapter, we analyze the following:

- (1) Basic structural features: Core government organization, degree of fragmentation due to decentralized services and public enterprises, and other organizations at the fringes of government.
- (2) Public sector personnel: Percentage of public employees in total employment, nature of the public employment (types of public employment), recruiting policies, compensation policies, legal protections against dismissal, etc.
- (3) Politics of bureaucracy: Links with political parties or individual politicians through politicization measures and patronage practices (as

a special subtype of politicization). We also study the interaction between the bureaucracy and actors within the political system and civil society. Thus, we try to capture the political environment of administrative decision-making, whether formal or informal, internal or external.

- (4) **Accountability:** The institutional mechanisms (legal and political) that public administrations have developed to render accounts of their actions to independent organizations. We also consider the concept of responsibility, particularly how bureaucracies have to follow their own internal compasses based on ethical standards and their training as part of the public service.
- (5) **Reform and change:** Initiatives that governments have been promoting in order to improve their efficiency and effectiveness: which ideas have motivated reforms during the last decades; the style of the reforms (incremental or radical); the capacity to implement them; and their sustainability.

Taken together these characteristics of public administration can provide an understanding of how it functions and how it relates to the remainder of the political system. While each country chapter will cover all these points, the authors have had the latitude to demonstrate the important factors that distinguish each country from the rest.

The Country Chapters

In Chapter 2, Mercedes Iacoviello and Diego Pando discuss the vicissitudes of the administrative system in Argentina under the complexities of its federalism and the enduring consequences of the neoliberal reforms of the 1990s that hollowed out the capacities of the central government. They argue that the administrative efforts to reverse this situation, in the context of a fragmented and denationalized party system, have faced difficulties in generating the necessary political coordination for producing substantial changes. In addition, the weakness in institutions of horizontal accountability contributes to the persistence of strong patronage practices and clientelistic networks.

Next, Francisco Gaetani, Roberto Pires, and Pablo Pedro Palotti examine the case of Brazil (Chapter 3). They suggest that although patronage and clientelism are still very present at the subnational level, the administrative reforms of the last two decades have substantially strengthened the Federal administrative machine. The authors consider Brazil as a model for many core government reforms, but they argue that a strong disparity between central agencies, core Ministries, and the rest of the administration still persists. They also claim that many reforms face corporatist capture, affecting their implementation capacity.

The case of Colombia is analyzed by María Victoria Whittingham (Chapter 4). The author suggests that in order to understand the achievements and restrictions of the administrative reforms of the last three decades, they should be considered within the context of an economic boom, the pacification process, and the great expectations—and later disappointment—of the constitutional reform of 1991. Since 1991, every President has made efforts to modernize the public sector in line with NPM principles with mixed results. The Colombian state has adopted legal innovations and enhanced the capacity of many public institutions, but corruption ranks as the first political problem and the country is below the regional average in its citizens' trust in democratic institutions.

In Chapter 5, Susan Alberts discusses the case of public sector reforms in Chile since the democratization process during the 90s, led by the Ministry of Finance and the Ministry Secretary General of the Presidency. Reforms were inspired by the NPM paradigm, but with a strong emphasis in measuring and evaluating the performance of public programs and personnel. According to the author, the country's institutional strength and consolidated democratic system collaborated to the successful implementation of the public sector modernization efforts.

In Chapter 6, Victoria Palaviccini highlights that Costa Rica is at a transitional stage between the paradigms of the traditional public administration and NPM. Reforms in the country have been incremental and have faced barriers presented by many veto points, slowing the transition to a culture of monitoring and the modernization of human resource management.

María del Carmen Pardo examines the administrative reforms in Mexico during the twenty-first century (Chapter 7), conducted during a period of

strong democratization of the political system and progressive economic liberalization. The federal public administration, under the influence of the NPM paradigm, has adopted a new practice, albeit in a fragmented and conflicted way, without a clear political consensus. According to the author, this is the consequence of reform being more a reaction to the recurrent fiscal crisis than the product of a long-term strategic plan for change in governance.

In Chapter 8, Christian Schuster attempts to explain why in spite of the recent waves of administrative reform, Paraguay is still a case of “neopatrimonialist” State. Reforms are not comprehensive, but instead have occurred in enclaves generally related to the Finance Ministry, which have been able to produce changes in the pattern of administration.

Finally, in Chapter 9, Conrado Ramos, Diego Gonnet, and Alejandro Milanesi examine administrative reforms in Uruguay, identifying the coexistence of the managerial and neo-Weberian paradigms. Although the country ranks ahead of the region in almost every good governance indicator, they point out that the public sector in Uruguay faces some obstacles to improve performance management and the professionalization of its human resource management. They state that the consociational and pluralist traits of Uruguayan democracy, which gives the country an inclusive development path, are at the same time an obstacle in the road of modernization.

Cross-cutting Issues

For the cross-cutting chapters, we selected a set of issues based on the importance that governments and international organizations have attached to them as pillars for improving good governance. These chapters also cover the principal topics that scholars and practitioners of public administration tend to emphasize when comparing administrative systems.

In Chapter 10, José Luis Méndez reflects on the difficulties that Latin America experienced to build what he calls a “modern professional civil service” (MPCS), balancing classic Weberian principles with some NPM attributes. He considers that albeit most countries are far from reaching such a model, the region shows some diversity. A first group of countries

are characterized by the predominance of a spoils system and discretionary human resource management, while a second group has made important efforts to approach an MPCS, especially at the middle level of the bureaucracy and in central government organizations.

Next, Martín Alessandro and Mariano Lafuente address the study of the Center of Government (CoG) in Latin America, both from functional and structural approaches (Chapter 11). Under the former they examine the technical and political functions of CoG, and under the latter they identify certain units that are always present. The authors argue that country-specific political considerations and dynamics, including the relationships between the President and their Ministers, probably affect the incentives that Presidents face to empower the institutions of the center. In general terms, Alessandro and Lafuente find that Latin American countries show a weak performance in these functions, which could be reversed through recent innovative experiences.

In Chapter 12, in an effort to bridge the gap between administrative and political science studies, Juan Negri explores the relationship between bureaucratic performance and enduring conditions of Statehood in Latin America. The author uses historical institutionalist research to demonstrate how historical decisions shaped patterns of clientelistic utilization of the State in some countries but not others. Central to his argument is the clientelistic party type or state-centered mass incorporation to political life, the latter allowing for professionalization of state structures, including a professional bureaucracy.

In Chapter 13, Ignacio Criado examines the complexities of Digital Governance in LA from an integrated approach, showing data on the Information Society in Latin America, the diffusion of ICT and Internet in the region, and finally on Digital Government efforts. He first identifies the positive side of the story: high rates of penetration of Internet (above the World mean), societies familiar with social media, with mobile phones as digital access gates to the Internet. On the negative side he mentions that broadband connections experience low rates of penetration and that the region is highly uneven in Internet literacy. Finally, he describes key developments in e-government, arguing that they are a consequence of a technocratic NPM style rather than a citizen-oriented or post-NPM approach.

Next, in Chapter 14, Cristina Zurbriggen discusses the transformation of governance in Latin America. In particular, she is concerned with the shift away from state-centric governance toward more collaborative formats involving actors from the private sector. These reforms began with extensive privatization, much of which proved to be dysfunctional. A second stage of reform involved more nonprofits and community organizations and has been more successful, albeit with some problems. She examines these changes in governance in both the provision of water and anti-poverty programs in several countries.

In Chapter 15, Manuel Villoria focuses on corruption and good governance. He points out that in spite of formal concerns for promoting integrity and many attempts to combat corruption in several countries, reforms have not produced the desired results because of poor implementation and also because, when success stories do appear, they are connected to setbacks in other areas. Villoria suggests that it's important to be conscious of the political and societal traps resulting from the existence of strong clientelistic networks.

Sonia Ospina, Nuria Cunill-Grau, and Claudia Maldonado attempt to link results-oriented national Public Performance Monitoring and Evaluation (PPME) systems, which are slowly emerging in most Latin American countries, to public accountability and governmental performance (Chapter 16). They argue that despite remarkable advances to consolidate a results-oriented management culture, there still are shortcomings in public accountability. Namely, these shortcomings amount to fragmented information, low coherence in different performance management systems, and the absence of citizens and Parliament in the conversation. According to the authors, Open Government Partnership and the Global Parliamentary Forum for Evaluation and National Evaluation Capacities could be adequate instruments to move forward on this issue.

The final chapter by Ramos and Peters returns to some of the themes raised here and in the following individual chapters but is more concerned with future developments in public administration. While under strong legacies of the past, public administration in Latin America has also responded to global trends in administration and continues to do so. In addition, the changing political climate in Latin America, and in other parts

of the world, presents new challenges. This chapter will discuss those challenges and the future of public bureaucracy in the region.

In summary, this is a comprehensive examination of public administration in Latin America. It covers a wide range of Latin American public administrations as well as key issues for their governance. There doubtless will be other topics that some readers might like to have covered; regardless, this volume should give scholars and practitioners alike a thorough and timely account of how governments function in these many diverse—yet similar—countries.

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Chapter 1

A Brief Story of Latin American Public Administration: A Particular Model

Conrado Ramos and Alejandro Milanesi

Abstract

Identifying a single model of public administration in Latin America entails a simplification due to the variety of countries with different governance structures, administrative systems, historical legacies, and ways of addressing public sector reforms over time. Nevertheless, an extended feature among Latin American public administrations is the coexistence of Weberian models with patrimonialism and large-scale patronage practices. Although at first sight public administrations can formally contain all or most of the typical characteristics of a modern bureaucratic system, some of their practices are extraneous to everyday management. In this context, the waves of administrative reforms have sought, with different approaches, to strengthen the public machinery. An important point is that administrative reforms in Latin America largely followed a center–periphery pattern. Firstly, through the imitation of practices of the colonialist countries and later by importing reform packages from the central countries. Thus, this chapter goes over the main historical characteristics in the construction of the Latin American public administration, the reforms paradigms that have marked it and their consequences.

Keywords: Latin America; public administration; reforms; models; trends; traditions

1. Introduction

Talking about a model of public administration in Latin America entails a simplification effort in view of the variety of countries with different governance structures, administrative systems, historical legacies, and ways of addressing public sector reforms over time. Also, it is not clear how one can define a Latin American “model” of public administration as a particular set of administrative principles (Hood, 1991) that goes beyond its connections with other international experiences or reflects a domestic development of its own. However, it is possible to identify a set of structural dimensions that, although with different features and graduations, have constituted the grounds for models of public management and successive efforts for administrative reform.

An extended feature among Latin American public administrations is the coexistence of bureaucratic–Weberian models, with patrimonialism and large-scale patronage practices. Although at first sight public administrations can formally contain all or most of the typical characteristics of Weberian systems – such as career systems inspired by meritocratic principles, separation of private and public means of administration, and systems of registration for administrative acts – these practices are in many occasions extraneous to everyday management. It is not uncommon to find systems of recruitment, promotion, and remuneration of officials outside meritocratic principles, as well as informal administrative practices inspired by secrecy and subjectivity rather than the impartial application of regulation. In general, this means that the presence of legal-formal characteristics is not a sufficient condition to evaluate the degrees of institutionalization of public administration models, and even less their performance (Nef, 2003). This type of bureaucratic “facade” is, moreover, especially frequent at subnational levels of government where the presence of local “*caudillos*” and weaker controls reinforces the patrimonialism.

However, this coexistence is not only expressed through the presence of two rooted management logics (one formal and one informal) but also in some cases reflects a heterogeneous landscape depending on the area looked at. While a State may contain agencies or offices with Weberian characteristics only in form, other areas may represent real “islands” where meritocratic appointment (whether under a career system or not), transparency in management, evaluation, and focus on results are the norm.

State reform processes from the 1990s onward have accentuated this institutional schizophrenia, in which areas of the State understood as strategic (i.e., Ministries of Economy, Central Banks, state procurement agencies, etc.) underwent reform processes inspired by meritocratic principles, which “shielded” them from the typical evils of Latin American bureaucracies.

Public administrations in Latin America can be identified with what Ziller (2003) calls the “European continental model,” as opposed to the Anglo-American model. The continental model is based on the normative principles of the German *Rechtsstaat* and the French *principe de légalité*. This model not only places the State in a central place in society but also in the implementation of laws and procedures as a means of providing regulation for the public sector and a good part of social relations. Under this legalistic model, bureaucracies develop a strongly hierarchical administrative culture associated with strict adherence to rules and procedures. In cases where this type has expanded negatively, examples of bureaucratic ritualism can be noted, such as the irrational application of rules and procedures regardless of their validity or utility. In any case, these types of models may present difficulties in generating public administrations reform processes, to the extent that changes can only be made through the normative modification that regulates them. The same phenomenon is observed in the transition to management models that privilege or incorporate components of performance evaluation over the classical management of procedures. All this presents a panorama of historical construction or path dependence that has not been conducive in shaping the reform processes experienced by countries, particularly in the twentieth century.

2. Some Notes on the Historical Construction of the Latin American Public Administration Model

The characteristics mentioned above need to be understood within a historical perspective. Nef (2003) points out that public administrations have undergone transformations since the very creation of Latin American States, whose stages could be divided into four: centralized construction of the state apparatus (1810–1850), limited institutionalization (1870–1930), early bureaucratization (1930–1970), and authoritarianism (1970–mid 1980). To these periods, we could add a boom in neoliberal policies and application of models of new public management (NPM) type (1980s–2000s). Finally, at the beginning of the new century, a recent stage associated with an emphasis on a *management by results* trend and other innovations, all of them placed in a broader context of reforms inspired by the principles of transparency and access to public information.

2.1 First Configurations of the Public Administration Model

The Latin American colonial legacy is characterized by the transplantation of mechanisms and structures from public administrations of colonizing countries, especially Spain and Portugal. This created an initial moment of imitation and ritualistic adaptation of rules and administrative patterns as an image of modernization. Associated with this, patrimonialism and patronage logics also originated in this period (Painter & Peters, 2010). State positions did not respond to a meritocratic or neutral logic of state apparatus construction but were rather reserved for specific social groups or used as bargaining for political loyalties and other compensations (Nef, 2003). This created a civil service reserved for the elites, especially in the higher layers, and an entry into public administration that was strongly dependent on the existing power correlations at the time. However, all this coexisted with strongly formalist and legalistic attitudes.

Looking further ahead, it can be pointed out that processes of administrative reform in Latin America largely followed a center–periphery pattern. This not only refers to those pointed out by Nef (2003) regarding the imitation of practices of colonialist countries but also during the twentieth century relating to the import of reform packages or management

practices from central countries. Even international cooperation (with USAID, United Nations, ECLAC, Ford Foundation, etc.) played a key role in the mid-twentieth century as a support for the creation of research centers and public administration reform processes. This derived largely from externally induced reforms based on the idea of “administrative modernization” and later the “Washington Consensus” (Pérez Salgado, 1997; Ramírez, 2009).

The 1960s saw the rise of the *New Public Administration* models influenced by the trends in the American public administration (Oszlak, 2013). This approach to “administrative reform” predates the “managerial reforms” of the 1980s and 1990s and, although sharing some of the critique to state functioning and performance, it is not based on the idea of imitating the private sector business operative within the state apparatus.

This era was characterized by ideas on the growing inefficiency of the public sector due to excessive administrative rigidity and the high number of procedures that slowed down the public administration. This paradigm led to management innovations that sought to simplify processes to increase efficiency and productivity. This is how Organizing and Methods Offices, Planning Offices, program budgeting, and other areas aiming to incorporate “science” into public management were originated. However, these were not always able to break the rooted bureaucratic ritualism of Latin American administrations. At the same time, the strongly legalistic approach in some cases added an additional step to established procedures, instead of simplifying them (Pérez Salgado, 1997).

2.2 Public Management Reforms of the 1980s

Since the late 1980s and throughout the 1990s, most countries around the world embarked on public administration reform programs with different degrees of ambition. The main feature was a reduction of the state apparatus through policies of deregulation, decentralization, privatization, outsourcing, and reduction of personnel endowments. These reforms were called by the World Bank as “first-generation reforms,” predicting that a “second generation” of reforms would focus on the pending task of improving the state apparatus and its institutional weaknesses (Oszlak, 2001).

First-generation reforms were being carried out in Latin America at the same time as they were built in the developed countries of North America, Europe, Asia, and Oceania (Mascarenhas, 1993). A new management model for the public sector called NPM soon became the dominant paradigm worldwide. In its harder version (especially during the 1980s in countries of Anglo-Saxon tradition), this new paradigm, inspired by the neoconservative critique to welfare bureaucracies, promotes the shrinking of the State through privatization and outsourcing. At the same time – and based also on a visceral distrust of the public sector – it aims to incorporate into the public sector tools and logics of management imported from the private sector, the core assumption being that they are rationally superior to those of the public sector.

Latin America followed this trend associated with the rise of neoliberal policies and the “Washington Consensus.” Privatizations, as well as the policies of deregulation and de-monopolization of areas under state control, were also inspired by the idea that freedom to choose is the best remedy for the corporate capture suffered by Latin American States. While these reforms had success in stabilizing some key economic variables such as inflation and the reduction of the fiscal deficit that plagued several countries in the region, economic growth was lower than expected. The improvement of living conditions was very limited. On the contrary, there was an increase in the level of poverty and greater inequality in the distribution of income (Talavera & Armijo, 2007). Moreover, Talavera and Armijo (2007) cite a study carried out by Eduardo Lora (2003), in which through a series of indicators he verifies a certain “fatigue of the reforms” due to the growing distrust of the citizenship toward these promarket reforms that would lift people out of poverty.

In the mid-1990s, in good part because of insistence by the World Bank,¹ the second-generation reforms began to take shape. This second impulse did not contain the same level of orthodoxy as its predecessor; however, its common denominator was the need for sophisticated public management, in the context of a continent characterized by a strong presence of political patronage. A cohesive state action was advocated that begun by strengthening the administrative capacities of the public sector because, without an intense use of public agencies, the stability of market

reforms would be at risk. Ramirez (2009) points out that, despite some ambiguity in the second set of reforms, it is possible to distinguish some fundamental characteristics: (1) legislative reforms; (2) restructuring of public administration, especially at the central level; (3) renewal of the judicial system; (4) updating of regulatory capacities; (5) second stage of privatizations; and (6) restructuring of relations between local and national governments.

Thus, this second wave of reforms has a strong emphasis on institutional capacities. It calls for a “reinventing” of the role of the public sector through the strengthening of its regulatory bodies, but also the Parliament, courts of justice, anticorruption institutions, among others (Santiso, 2001). The reform of the public apparatus is primarily concerned with economic adjustment. Institutional strengthening was seen as a way of maintaining macroeconomic stability and growth. Hence, the emphasis placed on institutions regulating the domestic economy such as Central Banks, collection agencies, and others of similar characteristics.

In terms of administrative reforms, a key milestone in the reform process of the 1990s is the document prepared by the Centro Latinoamericano de Administración para el Desarrollo (CLAD) in 1998, entitled “A New Public Management for Latin America” (*Una Nueva Gestión Pública para América Latina*). This document, very influential in its time, emphasizes the reconstruction of State capacities and the enactment of a management reform. While it was recognized that processes in Latin America could not be a carbon copy of the experiences of NPM in developed countries, it also argued that the region did not have Weberian administrations, but strong patrimonialist behaviors. It did not agree with the aforementioned stage vision of first realizing reforms of a Weberian type and then going toward the NPM. It was considered that bureaucratic–Weberian administrations, adapted to the new context of a globalized and dynamic world, would not be efficient but rather solipsistic, without the necessary capacity to adapt to citizen demands. It proposed, then, to develop a model of public management inspired by the NPM but adapted to the characteristics determined by the political and cultural particularities of the continent.

The proposal at that time was based on the need to retake the Weberian concept of a highly professional strategic core, but incorporating a more

flexible organizational paradigm, as well as contractual tools specific to the private sector, and a move toward a results-based management. The CLAD proposal was strongly inspired in the positions adopted by Osborne and Gaebler (1993) in their famous book "*Reinventing Government*" where they reject the proposal of a minimal state and promote a more entrepreneurial one, which would not only adopt tools and logics of the private sector but also reduce the intervenor character in the economy, privileging steering functions over rowing ones.

With differing levels of orthodoxy, the Latin American public management reforms of the last 25 years have been influenced by these ideas, although perhaps it was only Brazil that formulated a program of reforms that explicitly recognized itself as based on this paradigm (Bresser Pereyra, 1998).

The structures of public sectors in Latin America have also been made flexible following the guidelines of the NPM, although not under a single pattern; there are no studies that account for this situation at the regional level. At the level of the strategic core of the central administrations, administrative deconcentration has been accentuated in order to separate the functions of policy design from the provision of services, in a sort of "agencification." However, there is no concrete evidence that this has led to a process of strengthening policymaking at the central level and a corresponding improvement in the efficiency of public service delivery, as advocated by NPM supporters.

Although it is not a phenomenon directly linked to the premises of the NPM, something similar has happened with the processes of functional decentralization toward subnational levels of government, which boomed since the 1990s. As Nuria Cunill Grau (1995, 1997) affirms, these processes did not necessarily promote a more active participation of citizens nor strengthened democratic decision-making mechanisms. Often, this was due to the fact that the strategic center of government was not adequately reinforced to lead and evaluate these processes nor were resources allocated so that subnational levels could face the new challenges of functional and political delegation of services.

The Ibero-American Charter for Public Service (signed by all Ibero-American Presidents) was written in 2003. In it, the idea of a professional administrative career is developed within a framework of some flexibility. It

recognizes the need to reduce the margins of political patronage (as did the reforms of the Anglo-Saxon civil service in the late nineteenth century) not in order to create a homogeneous and rigid career system but to incorporate elements that would make it digestible for politicians of the Executive and more sensitive to the needs of citizens. An example of this is the proposal for the creation of a High Public Management position (*Altos Directivos Públicos*), as a layer of officials placed immediately below of the political hierarchies, and outside the traditional public function with responsibilities for directing the implementation of government policies and the provision of public services. These officials, in terms of Hood and Lodge (2006), are under the logic of a public service bargain of a management type, as they access their positions meritocratically, their competencies are associated with the capacity to achieve managerial objectives, and their permanence in the position depends on the evaluation of the fulfillment of those objectives.

The introduction of this body of managerial officials in Latin America, unlike most reforms of this type in developed countries, does not mean replacing them in exchange for Weberian career officials. Senior public managers in Latin America would come to displace officials who had traditionally been designated politically, where their permanence depended on political trust, rather than evaluations based on efficiency criteria. This explains, in part, the greater difficulty that the region has had in advancing in the constitution of professionalized systems of High Public Management positions.

The incorporation of management contractual forms has also been a process that accompanied the managerial reforms of the last decades in Latin America. Legal figures have varied depending on whether they are more formal contracts, in the case of privatizations and outsourcing of services, or when contracts are concluded between public sector organizations, with the predominance of performance agreements. Management commitments are, in the logic of the NPM, a way of replacing the old forms of control of the classic paradigm of public administration by less direct forms of control, of managers and public agencies with greater margins of autonomy.

The successful implementation of second-generation reforms faced a set of difficulties that differentiate them substantially from economic reforms. General changes need many years of implementation to bear fruit with the

difficulty of maintaining clarity and consistency in the long run. Economic reforms, on the other hand, are clear with respect to the final objectives and, as has been shown in the framework of structural reforms, can only be achieved with the consensus of the Executive and within a framework of low interdependence among the actors. Institutional reforms require important coordination of social actors. For when significant legal changes and sustainable improvements occur, they must be based on a strong political consensus, resulting from an open and inclusive decision-making process.

3. Characteristics of Administrative Reform Processes

Beyond the results, it is possible to identify a series of features that characterize the political economy of reforms in Latin America. A particular feature is that many of the reforms are consolidated under enclave modalities. Reforms are designed in spaces somewhat autonomous from political and bureaucratic interference, created specifically for the task. Associated with this, reforms are often carried out by a relatively small group of officials with high specialization and influence over the political system rather than permanent officials of the state apparatus. These spaces have been, in many cases, transient to the extent that they respond to the political loyalties of a President or a party. Therefore, this logic of construction of technocracy associated with the reforms usually follows a discourse often adapted from international organizations and consultancies that consolidate a reformist ethos, while being separate from the organizations and officials who seek to operate these reforms.

Enclave logic is not only represented in design but also in implementation. That is to say, the implementation of reforms does not usually take place transversally throughout the state apparatus but is usually associated with spaces understood as strategic, particularly those in charge of economic management, taxes, or public enterprises. In other cases, it is carried out through the generation of agencies with greater degrees of autonomy, consolidating a civil service and managerial management processes, similar to some developed countries.

This consolidates at least two types of public administration within the same State. On the one hand, public organizations with modern management characteristics, good human resources, and technology, that operate as “islands” within the state apparatus. On the other hand, institutions that remain unchanged in their patterns of patrimonialism functioning and inefficient or whose changes are given too slowly. This is the case for some basic public services or some subnational governments, particularly those in the poorest regions.

Reforms in the civil service, judiciary, or parliament face rooted customs in the behavior of these organizations, such as clientelism, corruption, and an organizational culture adverse to changes, considered in the language of institutions as “informal rules.” Likewise, the possible losses of power implied by reforms for those actors that dominate the game make it necessary to reinforce the political consensus and negotiation processes which are extremely difficult to put in place and often pace down or restrict changes. Finally, these reforms require mechanisms to communicate and legitimize the changes that are undertaken, in the first place, to make visible the results that are not observed so clearly as with economic reforms and, secondly, to address the scarce levels of citizens' trust in the ability of governments to improve conditions and achieve higher levels of well-being.

4. Latest Trends in the Reform of Public Administrations

Despite difficulties in management reforms, the logic of *results-based management* has been popularized (with varying results) in Latin America. This greater focus on results-based management or performance management has been established in several countries of the region as a response to the more acute problems of the NPM model associated with an excessive emphasis on efficiency (produce services at the lowest possible cost) over effectiveness (ensure that policies meet the expected results) (Modell, 2005).

This type of approach has been widely promoted in the region by international agencies as a means to improve the quality of policies in developing countries (CLAD, 2010; García López & García Moreno, 2010;

Kaufman et al., 2015). In the same sense, the incorporation of modern public management tools into internal organizations (strategic planning, management and procurement processes, monitoring and evaluation of policies, etc.) has also been disseminated, in the tradition of the management trends of the NPM. However, unlike the first and second generation of reforms, these initiatives are no longer characterized by being presented together with an ambitious paradigm of State and public sector reform but are recognized as instruments to deal with quality problems in public policies.

This new conception goes hand in hand with the explosion of e-government as the new revolution in public administration, as it allows a greater and better approach to the citizen while breaking with rites and bureaucratic spaces of power (Dunleavy, Margetts, Bastow, & Tinkler, 2006; Ramírez-Alujas & Dassen, 2016). They are also driven by the possibilities opened up by new information systems, together with the need to coordinate an increasingly heterogeneous and complex public sector, a discussion that was revitalized as a result of the greater fragmentation produced by the NPM model. In this context, the countries of the region have been developing a strong interest in strengthening central government agencies. The renewed interest in policy coordination from the center became a relevant topic in academia and in international cooperation organizations (Alessandro, Lafuente, & Santiso, 2013).

Within this context of performance management centrality, some countries have slowly started to develop a public administration model that resembles a Neo-Weberian State. This model does not constitute a complete breakdown with NPM postulates but recovers administrative rationality and the role of the public sector as the steering force in society (Ramos & Milanesi, 2020).

In synthesis, it remains to be seen whether these ongoing transformations may constitute a new management model, similar to what some have identified as “*intelligent public governance*” (Criado, 2016). Some Latin American governments have made progress in the creation of policy laboratories based on social platforms that contribute to the formation of co-creation networks of policies with citizens. These practices are closely associated with the agenda of the “*new public service*” (Denhart & Denhart, 2007), as a democratic political theory that proposes the rescue

of citizens in their role of users or clients and the strategic repositioning of the public sector and its management model.

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¹Mainly through its 1997 report “The State in a Changing World” and in Latin America the work of S. Burki and Perry (1998). *Beyond the Washington Consensus: the hour of institutional reform*. World Bank, Washington DC.

Country Chapters

Chapter 2

Public Administration in Argentina: Characterization and Analysis of the Political– Institutional Dynamic*

Mercedes Iacoviello, Diego Pando and Mercedes Llano

Abstract

Administrative reforms in Argentina have followed an irregular trajectory as a result of the penetration of patronage in the state apparatus. Extensive politicization has impeded the development of a univocal and stable civil service at the national level.

In this context, the goal of this chapter is to analyze the characteristics of the federal civil service in its interaction with actors and institutions of the political system during the 2004–2014 period. The study reveals two main findings: (1) a diversity of bureaucratic formats coexist in the country, both formally and informally; and (2) the relationships between the administration and the political system vary according to the predominant bureaucratic format.

Keywords: Civil service; patronage; bureaucracy; professionalization; public employment; politicization; modernization

1. The Argentine State

The unstable, disarticulated, and nominal nature of administrative reform processes in Argentina has prevented the configuration of a unified and consolidated civil service at the national level. The diffuse, truncated, and fragmented profile of the civil service system has been the result of this sinuous trajectory of modernization (Chudnovsky & Iacoviello, 2016; Llano & Baumann, 2020, in media).

The weak institutionalization of a professional bureaucracy in the country, as in other Latin American democracies, is strongly associated with the deep rooting of patronage (Grindle, 2012; Iacoviello & Llano, 2017). The instances of formal construction of the civil service have been followed by stages of informal dismantling of the legal and instrumental scaffolding, preventing their full implementation. Thus, the tension between trust and merit becomes a constant and transversal note to the legal and factual organization of federal public employment in Argentina (Chudnovsky & Cafarelli, 2018; Grindle, 2012).

This chapter aims to analyze the singularities of the Argentine national bureaucracy in its interaction with actors and institutions of the political system, with a focus on the period 2004–2014. The first section describes some distinctive features of the political context in which the Argentine civil service is inserted and some general features of the structure of the administrative apparatus. In the second section, the multiple formal formats (and their respective informal deviations) assumed by the bureaucracy are studied in a scenario of high heterogeneity and regulatory dispersion. In addition, some specificities of public employment in the subnational order are pointed out, since it is the most affected by patronage. In the third section, the bureaucracy is evaluated in the light of the political game and, finally, in the final section presents the itinerary of administrative reforms promoted in Argentina from the advent of democracy to the second term of Cristina Fernández de Kirchner (2011–2015).

1.1 Structure of the Government and Political Institutions

The specific characteristics of political institutions in Argentina, such as federalism, hyper-presidentialism, a fragile system of checks and balances and the party system, are associated with the institutionalization of the civil service.

Federalism

Argentina is one of the most decentralized federations in the world (Ardanaz, Leiras, & Tommasi, 2013). The Argentine Senate is the second chamber in the world with the most skewed representation – the 19 least populated provinces elect 83% of the seats (Gibson, Calvo, & Falletti, 2004). A fundamental characteristic of Argentine federalism is the centrality of the provinces in public policy formulation processes at the national level through partial, legislative, and fiscal mechanisms. Bargaining for fiscal transfers from the central government involves trading money for political support from provincial governors. The noncooperative nature of these political transactions contributes to volatile public policies (Leiras, 2013; Spiller & Tommasi, 2007).

Argentine provinces have highly varied levels of competence. Several explanations have been proposed to account for the highly diverse level of democratic development at the subnational level: from a logic of “control limits” (Gibson, 2004) to a rentier theory that provinces that receive a greater proportion of fiscal transfers have less incentives to develop democratic institutions (Gervasoni, 2010; Gibson, 2004). In addition to its effect on stability of public policies and on the strength of democratic institutions, the distribution of functions between levels of government defines the volume of bureaucratic structures at each one of them.

Presidential Rule

The president's powers include the power to issue decrees called Necessity and Urgency (art. 99 inc.3) and the power to totally or partially veto legislation (art. 80). Given these institutional characteristics and the political instability that has marked the history of the country, democracy in Argentina has been characterized by some analysts as “hyper-presidential” (Nino, 1992) or “delegative” (O'Donnell, 1994). Others, however, countered this rather usual formulation noting the existence of a “pendulum” ranging from impotence (governments of Alfonsín and de la Rúa) to hyper-presidentialism (governments of Menem and Kirchner) (Acuña, 2007). The importance of patronage power for the president has been pointed out as an impediment for the institutionalization of the civil service in Latin America (Ferraro, 2015; Schuster, 2014). In Argentina, the reconstruction of executive powers in the presidency started at the beginning of the millennium intensified the politicization of national bureaucracy (Iacoviello & Llano, 2017).

Congress

Argentina's democracy meets the requirements for vertical accountability, such as free, fair, and competitive elections and observance of basic political liberties such as expression, association, and assembly. However, there are limitations in the horizontal dimension of accountability, including control by classic state institutions like the legislature (O'Donnell, 2011).

Argentina has a bicameral Congress. The Chamber of Deputies is governed by a population criterion (one deputy per 30,000 inhabitants, with a total of 257 members) and its members are elected by a proportional rule (D'Hondt) while the Senate follows a territorial approach (3 Senators per province, for a total of 72), with two seats to the largest party and one to the second most popular.

The Congress is clearly affected by the trend of concentrating power in the executive. Progressively delegation has eroded the power of the legislature to oversee the President's decisions.¹ In recent decades, legislative delegation has operated through emergency laws and the budget law, through which the executive has been given extraordinary powers. The advance of the executive over Congress

also is reflected in the recurrent use, by the President, of decrees of necessity and urgency,² whose use has been justified by the slowness of the legislature and severity of economic crises (Estevez & Labaqui, 2003).

Besides delegation, other factors illuminate the growing weakness of Congress in exercising political control and in formulating public policies. The lack of incentives to invest in parliamentary careers and the consequent lack of expertise in legislative work creates poor performance by the legislature, accentuated by an inadequate committee system,³ difficulties in access to public information, and a reactive conception of parliamentary power (Ferraro, 2009; Mustapic, 2002; Tommasi, 2010). These factors lead to an “amateur Congress,” with no experience or incentives to control or drive relevant legislation, thus reduced to a “mere actor veto” to the initiatives of the executive (Jones, Saiegh, Spiller, & Tommasi, 2000).⁴

Regarding incentives to build up an autonomous and professional bureaucracy, the absence of an effective system of checks and balances in Argentina explains why legislators have lacked incentives to promote reform. An electoral system based on closed and proportional lists and the overwhelming official majority in the Congress did not provide incentives for legislators to create a civil service that could counterbalance presidential power.

Party System

The party system that was established in Argentina with the return to democracy in 1983 has undergone profound changes. Initially dominated by two historical groups, the Justicialist Party (PJ) and the Radical Civic Union (UCR), electoral competition tended to fragment over the past decade as a result of the territorial party politics (Calvo & Escolar, 2005).⁵ The Argentine party system became fragmented, making it an unstable multiparty system dominated by the PJ,⁶ a process accompanied by an obvious increase in the number of provincial and municipal parties competing successfully and for a limited duration (Leiras, 2007). In addition, parties have become parastatal organizations. The interpenetration between parties and bureaucratic structures has intensified in a context of strong decline in active voluntarism. The existence of parties outside the State is virtually nonexistent (Scherlis, 2008, Scherlis, 2013).

1.2 National Public Policy

The national public administration is composed principally by the central administration, decentralized bodies, and social security institutions. The central administration is made up of a political level, a senior level, and an operational level. At the top of the organizational pyramid there is a structure of political positions

composed of 7 Secretariats of State Office dependent on the President, the Cabinet of Ministers, and 16 ministries, divided in 71 secretaries.⁷ Under the latter, the main administrative ladder (SINEP) includes senior level positions, including General and National Offices (*Direcciones Generales y Nacionales*) along with Coordination Offices (*Coordinaciones*), followed by other administrative bodies. Both groups of officials are appointed by selection mechanisms stipulated by regulations⁸ (Cao, 2008; JGM, 2011).

The decentralized administration includes the decentralized, autocratic, and autonomous institutions that possess their own legal personality and are constituted by their own authorities. The social security institutions also are decentralized agencies (Cao, 2008; MECON, 2011). The central administration has the largest number of employees (77.2%), followed by decentralized agencies (17.7%) and social security institutions (5.1%) (Table 2.1).

Table 2.1. National Public Administration Composition (2015).

Organizations	Number of Employees	%
Social security institution	17,456	5.1
Decentralized organizations	60,825	17.7
Central administration	264,715	77.2
Total	342,996	100

Does not include Judicial Power, Legislative Power, or Public Ministry.

Source: Own calculations based on Consolidated Budget of the National Public Sector (2015).

2. Characteristics of Public Employment

The federal character of the government system and the decentralization and privatization processes in the 1990s have helped shape a small central government – although it is of a higher proportion of total government employment than in other federal countries.⁹ In 2014, 19% of public employees worked for the national public sector, while the remaining 81% were in provincial governments (56%) and municipalities (25%) (Diéguez & Gasparín, 2016).

During the 1990s, the national bureaucracy suffered what was called a “scrapping of the state” (Oszlak, 2003a), a process that resulted in a drastic reduction of the administrative apparatus. However, this trend shows signs of reversal in recent years.

Civil personnel (permanent, temporary, and contract), which reaches 48.6% of total federal staff, increased by 67% from 2004 through 2014. And, if these data are disaggregated, permanent agents expanded only 27.5%, while contract staff grew by

260%, accounting for 57.3% of the permanent staff even though it is supposed not to exceed 15% of permanent employment in each institution. The number of agents also has increased in relative terms, while the size of the national civil employment of the population grew from 0.29% in 2004 to 0.44 in 2014 (Iacoviello & Llano, 2017).¹⁰ This resizing process of the state apparatus also has resulted in a growing proportion of personnel expenditure on GDP, resulting from wage increases; personnel expenditures went from 1.5% of GDP in 2004 to 13.6% in 2014 (Iacoviello & Llano, 2017).

Regulatory profusion is another characteristic feature of public employment in Argentina since the 1980s,¹¹ despite efforts in the early 1990s and mid-2000s to unify and professionalize the career system.

With regard to civilian personnel, the legal system combines statutory and conventional rules (ITEP, 2018), Civil servants are distributed in ranking systems framed by general standards such as the Public Employment Framework Law (No. 25.164/99), the Labor Contract Law (No. 20744/76), which regulates labor relations in the private sphere and self-employed personal service contracting regimes, among others. In turn, all rankings under these two legal regimes are subjected to the Law of Collective Agreements for Public Sector N ° 24.185/92 or Law 14.250/53 that regulates collective bargaining in the private sector (López & Rubins, 2012).

The Public Employment Framework Law (No. 25164/99) establishes general statutory aspects, such as requirements for admission to the Civil Service, the rights and duties of the officers, the grounds for discharge, the concept of stability and discipline, among others.¹² The main rank included covered by this rule is the SINEP (former SINAPA),¹³ created in the early 1990s in order to establish a comprehensive system of meritocratic careers instead of expanding the prevailing regimes. However, it represented only 5.7% of total public employment and 11.7% of the national civil public employment¹⁴ in 2014.¹⁵

On the other hand, the law 24.447/95 marked the start of a regime of temporary hiring of personal services that has undergone repeated modifications. This system, which was justified by the need to incorporate highly qualified professional staff, was distorted by successive contract renewals for employees performing purely administrative tasks. In the mid-2000s, it was agreed, through the collective bargaining process, to kickstart a process of employment regularization, through transferring the self-employed to temporary fixed-term arrangements laid down in the Framework Law Regulating National Public Employment and the Employment Contracts Act.¹⁶ In line with this change, a new regime for consultants (Decree 2345/08) was created, replacing the previous system circumscribed to the incorporation of specialized professionals providing extraordinary services (Wegman

& Salas, 2008).¹⁷ Since the enactment of Law 24185 on Public Sector Collective Bargaining Agreements in 1992, two collective agreements have been signed in the public sector. The first (Decree N° 66/99) covered around 46,000 agents of various tiers and agencies and the second (Decree N° 214/06) increased coverage to 87,000 civilian agents (Autón, 2011) until cover 131.799 employees in 2014. The latter is regarded as a second attempt to homogenize the prevailing dispersed regimes.

While the Collective Agreements of the Private Sector (Law 14.250/53) is applicable to the ranks not covered by the General Collective Agreement for National Public Administration (Decree 214/06), noncivilian personnel (security and armed forces), representing 51.4% of all national employees, are governed by specific norms whose level of dispersion is lower.

This mosaic of existing regulations concerning public employment introduces great complexity to the system. Analyzing the civilian staff according to the applicable legal regime shows that in 2014 almost 70.5% of the staff were governed by the General Labor Collective Agreement for the National Public Administration (Law 24.185/92 and Decree 214/06) and 19.7% of civilian positions was regulated by the law of collective bargaining in the private sector (N° 14250/53). We should add to this picture the group of positions that were created under flexible contracts of characteristics close to private sector standards. Almost 4.4% of all civilian positions were subject to this legislation (Table 2.2).

Table 2.2. Distribution of Civil Service Positions by Legal System (October 2014).

Legal System	Number of Employees %	
Total	384,619	100
Civil personnel	186,914	48.6
Collective Agreement of General Labor of the APN (Law N° 24.185/92)	131,799	70.5
Collective Labor Agreements (Law N° 14.250/53)	36,831	19.7
Hired and Other Legal Frameworks (Decrees N° 2345/2008)	8,268	4.4
National System of Medical Residences	2,713	1.5
Foreign Service Personnel	1,036	0.6
Labor Contract Law (N° 20.744)	700	0.4
Other system	5,567	3
Noncivil personnel	197,705	51.4
Security personnel (Laws N° 18.398, 19.349, 20.416, 21.965, and others)	116,142	58.7

Legal System	Number of Employees %	
Armed Forces personnel (Law N° N° 19.101)	81,563	41.3

Source: Fiscal Bulletin. 4th Trimester 2014.

This large number of personnel laws also apply to civil agents, who are distributed in about 60 different ranks with 58.8% concentrated in the SINEP, PECIFA (Armed Forces Civil Service), and contract regimes in 2014.¹⁸ On the opposite side, most of these schemes do not exceed a 1000 positions (López & Zeller, 2010).

This diversity of regulations has been produced by a lack of strategy in human resources policy at the national level and disjointed actions that led Argentina to be the only country in Latin America to adopt four modalities in the reform of the civil service systems: a focus on a small number of critical positions, the implementation of a comprehensive career system, the establishment of a specialized body of elites, and the use of a parallel network of consultants financed by international organizations (Iacoviello, Zuvanic, & Tommasi, 2002; Oszlak, 1997). Thus, the traditional Weberian model has not been able to develop in the country, being complemented by strategies incorporating technical teams under more flexible work frameworks.

The wide range of regulations leads, inevitably, to the coexistence of a wide variety civil service systems, this complexity further increases poor implementation of rules. Given this heterogeneity, there is no single consolidated civil service in Argentina, but multiple coexisting bureaucracies with very different realities.

In order to evaluate the situation of the bureaucracy in formal terms,¹⁹ we will analyze those ranks that, as a whole, represent 85% of civilian positions, 45.8% of noncivilian posts, and 62% of total national government positions. Among noncivilian agents, only security personnel are included, but not military personnel. At least one rank for each hierarchical scale grouping of similar characteristics (regulators, science and technology agencies, etc.) has been selected in order to capture the wide disparity (see Table A1 in Appendix). Except for contract employees, the chosen ranks involve functions that are structured around a career system, even for staff that fall under labor law in the private sector.

In this scenario, it is possible to distinguish systems that are organized more permanently from those that are designed to be only temporary. Among the former are, first, the ranks that have adopted meritocratic career systems containing some characteristic elements of the New Public Management paradigm, and other systems closer to traditional meritocratic career ladders. The second group contains the hired

staff providing professional services to the state or those who develop temporary or seasonal tasks (see Tables A2 and A3 in Appendix).

Career systems with distinctive elements of the New Public Management are characterized by adopting competitive selection mechanisms. In most structures, retention is subject to performance evaluation. The existence of career schemes is common to these ranks; however, in practice the rules may not be followed. Performance is a condition for promotion, but some structures also consider training or seniority for career advancement, without implying automatic promotion by the mere passage of time. This group comprises more than 52% of the positions and is composed of different ranks, including regulators (the Nuclear Regulatory Agency, for example) and revenue collectors (former DGI, currently comprises the Federal Public Revenue Administration), entities of science and technical (National Agricultural Technology Institute and the National Council of Scientific and Technical Research), and security (Gendarmerie), special bodies (governmental administrative body), and central and decentralized agencies of the National Public Administration (ex SINAPA, now SINEP).

Entries in the traditional career systems obey meritocratic criteria, using screening instruments such as competitions or training-selection, among others. Some systems do not subject tenure to performance evaluation, although they do subject it to the approval of training courses, as in the case of foreign service. Other regulations allow dismissals without cause, and in other regimes, like the armed forces, employees can be dismissed for poor performance. Seniority and training requirements are the main constraints to career advancement. In the National Police, evaluation is linked to skills and abilities, more than performance (Iacoviello & Llano, 2017). This traditional career systems group makes up for almost 34% of jobs and comprises some parts of the security forces (Federal Police and Prefecture), and foreign service personnel and organizations linked to social security (National Administration of Social Security).

Thus, at the formal level, two types of careers are present, one related to New Public Management in which stability and promotions are tied, even in part, to the performance of agents, and other more traditional systems where performance does not affect advancement, as it is linked to seniority and training. Despite these legal provisions, the politicization of decisions on human resources has led to a progressive degradation of standards, creating a significant gap between regulations and their implementation (Iacoviello, Zuvanic, & Tommasi, 2002). In any case, by the mid-2000s, meritocratic practices continued in segments of middle and senior managers in the finance, taxation, and social security areas, research, and science as well as regulatory bodies and some professionals with specific skills, as the Body of Government Directors or the Foreign Service. In general, these are bureaucracies dedicated to specific functions in highly technical policy areas (Iacoviello &

Zuwanic, 2008). For executive positions, open contests in this domain have declined dramatically in recent years. Exceptions have become the rule in filling hierarchical positions (Chudnovsky & Cafarelli, 2018)²⁰.

Other structures that provide a professionalized bureaucracy are partially implemented. In fact, in these cases, there is a classical administrative bureaucracy subject to stringent regulations of public employment with a formal career whose tasks are linked to adherence to rules, procedures, and routines. This category includes the administrative areas and in some cases middle management of the central government, especially in general ranks like SINEP. Traditionally, officials have been appointed based more on particularistic criteria than exclusively meritocratic ones, but then gain stability in their positions. Thus, beyond norms, there coexists a meritocratic bureaucracy whose effective implementation is linked to the technical nature of their activities, together with an administrative bureaucracy related to the development of the central tasks of government whose appointment is subjected to discretionary criteria, usually political trust. In recent years, this stable career structure has been supplemented with a flexible appointment system operating on temporary contracts, outsourcing, and direct appointments through universities and nongovernmental organizations.

The staff incorporated by these temporary contractual arrangements is divided into different categories: contracts with fixed-term agreements (Law 25164/99 and Law 20744/76), autonomous personal services hiring (Decree 2345/08) or internationally funded programs, contract for works, and other modalities (technical assistance, contracts through universities).

Gradually, in an effort to avoid precarious employment conditions, most of the contracts were shifted to the first category (fixed term). With the exception of Labor Contract Law, which defines the general characteristics of the contract (fixed-term, temporary, etc.), the rest of the rules establish that contracts should only be used for professional and technical services, or for tasks of a seasonal nature. Compliance requirements related to the suitability for the performance of their duties is required and, in some cases, the use of competitive selection mechanisms is added.

Appointments through temporary contracts have become the main source of personnel recruitment (Scherlis, 2009). At the same time, these rules have been complemented with direct appointments, mainly in senior positions, and with the outsourcing of services in foundations and universities. This practice counteracts the standardization process of contracting, although it is not possible to measure this phenomenon because of the lack of centralized information. In fact, between 2001– and 2010, 64% of revenue collection was by contract, 17% by direct appointment, 10% through another modality (including scholarships, internships, etc.), and only 9% via competitions (ONEP, 2010).²¹

A vacancy freeze since the year 2000,²² the imperative need to hire personnel immediately to cover increasing government functions, and political pressure to evade the career system are the three main factors fueling the increase of flexible employment contracts. These temporary assignments have configured two types of bureaucracies. On the one hand, a bureaucracy parallel to the administrative apparatus, consisting of experts covering certain technical needs. On the other hand, a patronage bureaucracy in which political loyalty or party affiliation predominate, regardless of the training and capabilities of the person recruited.

Between 2009 and 2014, there was a massive unfreezing process, and competitive hiring gradually restarted to cover up to 18,571 positions (Salas, 2015). Nevertheless, this action was neutralized with significant expansion of temporary contracts, from 40,213 in 2009 to 68,142 in 2014.²³ Therefore, direct hiring remained the usual means to address staffing needs, particularly since the rapid increase of functions assumed by the state required immediate incorporation of staff.

2.1 Some Notes on Subnational Public Employment

The conditions of the national civil service cannot be extrapolated to the subnational level, where patrimonial management of public employment prevails. The level of development of subnational bureaucracies was always behind the national level, retaining colonial features combined with modernization trends. Some provincial and municipal administrative organizations are considered paradigms of clientelistic bureaucracies (Llano, 2017; Oszlak, 1982; Zuvanic, Iacoviello, & Rodriguez Gustá, 2010).

Facing a centralized institutional organization, and the development of a national public apparatus, the provinces had no incentive to build professional civil services. However, this primacy of the national administration, manifested in a higher proportion of civil servants in relation to the population, has been reversed in favor of the provinces because of the privatization and decentralization of education, health, and road construction services. So by the mid-century, the number of agents per 100 inhabitants stood at 3.04 at the national level and 1.25 at the provincial level; in the 1990s, the proportion reversed to 3 agents per 100 inhabitants at the provinces, with just 1 agent per 100 inhabitants for the national level (Oszlak, 1999, 2003b). Currently, 8 out of 10 public servants work either in provinces or municipalities (Diéguez & Gasparín, 2016).

But the decentralization of functions and the corresponding exponential increase of human resources in the subnational sphere of government were not accompanied by a consolidation of local meritocratic bureaucracies. The areas that had some degree of professionalism were precisely those transferred during the reform process. Meritocratic practices were maintained in the field of health and education, whose

career structures, with their faults, are in force in the provinces (Cao, 2008). Thus, these resulting meritocratic foci of the nation coexist with mechanisms of personnel management based on patrimonial criteria in most provinces.

Patronage remains more significant in provinces than in the federal government (Oszlak, 1999). In some regions, where the logic of favor exchange is socially rooted, the distinction between public and private practically vanishes and consequently eliminating the difference between bureaucratic and party organization (Saltalamacchia, 2012). Control of the state apparatus by the government is evident in almost nonexistent political alternation in most Argentine provinces since the advent of democracy in 1983 until the first decade of the new millennium, since opposition parties have no possibilities to challenge official power (Iazzeta, 2011). A study by Scherlis (2005) shows the high correlation between levels of patronage – measured by a combination of public employment and party membership information – and low political alternation.

An indicator of the high degree of politicization at the municipal level is the perception of factors that tend to influence the appointment in government. In a study conducted in the framework of Citizen Audit Program – Quality of Democratic Practices in Municipalities (UNDP) covering numerous municipalities throughout the country, the majority of the population believed always, or almost always, that political influence (79%) and family ties (72%) influence the appointment of municipal employees.²⁴

As in the nation, the prevalence of political criteria in management of human resources at the subnational level clearly appears in the use of contractual arrangements and mechanisms of circumvention of meritocratic selection processes. For example, in the province of Salta in early 2009, there were five different forms of flexible public employment used to circumvent competitive hiring (Straface, Zuvanic, & Iacoviello, 2009). A study of five Argentine provinces (Buenos Aires, Chaco, Salta, Jujuy, and Tucuman) shows a tendency to regularize these precarious employment arrangements, that were slowly moved to temporary and permanent employment systems (Pomares, Lardone, Rubio, & Gasparín, 2012).

3. The Argentine Bureaucracy: Actors, Interests, and Political Game

3.1 Political Parties

In Argentina, democratization (1912–1916) preceded the professionalization of the bureaucracy, a phenomenon that enabled the emerging mass parties (UCR and PJ) to take advantage of the weakness of state structures for their own purposes. However, although the political use of public employment has existed since the birth of parties

in Argentina, political organizations were able to develop strong identity links with their followers, primarily after democratization, favoring the consolidation of a wide network of volunteer activists who support these political institutions (Ferraro, 2010; Shefter, 1977).

These ties began to weaken in the 1990s. The degree of identification of citizens (and confidence) in political parties declined sharply and has not been reversed.²⁵ Given this obvious rift with society, and the difficulties to attract voluntary activism, parties stressed the historical use of public employment for partisan purposes, shrinking almost exclusively on public structures to guarantee their subsistence (Cheresky, 2006; Scherlis, 2005). This progressive deterioration converged with the decline from 58.16 points in 2003 to 46.63 in 2014 in the index of government effectiveness that measures, among other dimensions, perceptions on the quality of the civil service, and the degree of independence from political pressures.²⁶

While patronage affects all government sectors, the level of politicization varies substantially among different agencies. However, partisan nominations are broader in Congress and in the ministries than in decentralized bodies and the rest of the state. In the ministries, politicization appears from high level to low-ranking positions, with the parties responsible for appointing half or two-thirds of positions in these bodies. However, there is greater autonomy, stability, and professionalism in decentralized agencies. The only common characteristic for any administration at the national level is the strong preference of all parties for political appointments at senior positions. In fact, management positions were originally excluded from the position freezing process (Scherlis, 2009).

As an example, Congress, the Ministry of Social Development, and the areas related to communication (the official news agency Thelma and public TV) are bodies characterized by a weak, unstable, and politicized bureaucracy, while the judiciary and the Foreign Ministry are the least permeable areas. In addition, there are segments of public employment that represent true “islands of excellence” approximating meritocratic systems (Scherlis, 2009; Spiller & Tommasi, 2008; Zuvanic et al., 2010).

This heterogeneity is due to different reasons: (1) the historical strength and autonomy of various bureaucracies; (2) parties deem it appropriate to retain a degree of professionalism in some areas due to the expertise required; (3) other actors such as trade unions compete for public office; (4) parties have little interest in making appointments at lower levels; and (5) legal restrictions and political appointments, in particular to the constraints imposed by the stability of public employment (Scherlis, 2009).

Parties resort to strategies to evade regulatory impediments to their patronage appointments. Party institutions have taken refuge in various types of contracts in

order to avoid meritocratic careers or restrictions imposed by freezing vacancies. The expansion of temporary hiring has generated a parallel bureaucracy based on political trust and, in some cases, technical needs. The original rationale for using these methods of employment was the need to complement the work of the administration through temporary involvement of highly qualified professionals and technicians. However, subsequent studies have shown the political usefulness of such contracts (Iacoviello, Tommasi, & Zuvanic, 2003). These designations designed for middle managers, consultants, and technical assistants were complemented by appointments at lower levels, using short-term work and services contracts (Ferraro, 2006). In addition to this structural replacement strategy, parties have colonized managerial positions (National Directors and General Directors), although their appointment is subjected to competitive hiring, covering them through “temporary appointments” (Zuvanic et al., 2010).

The mosaic of existing regulations not only generates a lack of motivation and inefficiency but also impacts relations between the bureaucracy and political officials. In particular, temporary appointments have created a significant difference between political levels and public servants. Agents that are incorporated under flexible arrangements must demonstrate loyalty to ensure extension of the contracts, while staff that has acquired stability has a greater margin of autonomy.

3.2 The Politics of the Argentine Bureaucracy

The “geological” formation of bureaucracy in the various layers represents successive groups of supporters who joined for political reasons to accompany each new administration, generating a deep distrust of politicians in the inherited state apparatus. Besides the lack of loyalty, this suspicion is based on a negative image about the ability and willingness of staff (Oszlak, 1994; Twhaites Rey, 2001). Faced with this inherited bureaucracy, supposedly hostile and inefficient, political leaders use flexible contract figures to avoid the administrative apparatus and in this way have trustworthy and manageable staff (Twhaites Rey, 2001). Thus, the interactions between the politicians and the administrators varied significantly according to the temporary or permanent nature of the bureaucrats and the consequent degree of autonomy they enjoy. In this framework, the role of the bureaucracy can include an informal veto – concrete actions meant to block the design or implementation of a policy or passive resistance given by the organizing culture – to an active, collaborative role for the maintenance or betterment of the particular policy.

The administrative bureaucracy has significant autonomy because of public servants' stability, but they have little opportunity for policy leadership. Their role is perceived by political leaders as one of blocking and resistance. Therefore,

administrative bureaucracy is kept aside from the public policy process, especially in strategic areas.

The meritocratic bureaucracy enjoys a great autonomy along with technical capacity, but in this case autonomy is not necessarily coming from the legal stability of their positions, but for their professional career development, where political interests respect organizational hierarchies. The claim for independent decision space tends to generate occasional conflicts with other government agencies. They can establish alliances with other agencies and even with external social interests, which allow them to not only mediate among interest groups but also make them susceptible to be captured by these same interests.

Being bureaucracies with specialized knowledge in specific sectoral policies, they have a greater influence over the area in which they operate. Thus, they play an active role in the implementation of public policies and influence their design at least indirectly (Zuñanic, Iacoviello, & Rodríguez Gustá, 2010). Only a few departments have developed meritocratic systems, while in the vast majority an administrative bureaucratic type is extended; therefore, a general feeling of mistrust of the political class to the more permanent administration prevails.

The parallel bureaucracy has little autonomy from political power but high level of technical skills. The lack of trust on the technical capacity of public servants has contributed to establish a temporary structure of experts superimposed to the administrative structure (Thwaites Rey, 2001). Because of their recruitment system and temporary nature, the parallel bureaucracy clearly depends on the political will of the executive to hire staff and to renew his contract. While these groups of officials do not necessarily respond to a political party, the precariousness of their employment and the consequent subordination to the political will greatly reduce their room for negotiation.

These structures can be more or less resisted by other bureaucratic actors because they constitute differentiated spheres and are not integrated into the regular administrative structures. They participate in the public policy process, but with a low contribution to the stability of policies and to the eventual strengthening state capacities (Zuñanic, Iacoviello, & Rodríguez Gustá, 2010).

The patronage bureaucracy does not have autonomy from the political system either. They are characterized by high turnover of employees who are not protected by Constitutional “immunity” that gives them stable positions rather than technical competencies. The decision to include an employee is discretionary and commonly results from political factors. We can understand these bureaucratic groups as an extension of the partisan political actor, having some veto power over the professional or meritocratic bureaucratic segments, with which they can enter into conflict. Its role in policy formulation or implementation is almost irrelevant, except

at the operational level of the most simple and routine tasks with a strong presence in the distribution of social services (Zuñanic, Iacoviello, & Rodríguez Gustá, 2010).

Within the patronage version of bureaucracy, it is possible to identify a strip of top officials called “political-managers” who seek to position themselves between the political actors and citizens and influence the public policy cycle. This segment is characterized by its exposure to the media as well as by their eagerness to show efficiency in the management of the sector and establishing links with interest groups and corporations (Scherlis, 2009; Thwaites Rey, 2001).

Having these various types of bureaucracy results in civil servants with little influence on policies. From a series of interviews of key players, Ferraro (2006) provides some indicators that show the low influence of Argentine bureaucrats in national public affairs. On the one hand, for each career official there are more than four political appointees occupying positions of influence. On the other hand, the intermediation of a large number of formal and informal bureaucratic levels limits the possibility of establishing fluid relations with the higher authorities.

Without the link of higher bureaucratic levels with their political superiors, working contacts are created between political advisers and ministers, secretaries, etc. Thus, the senior advisers operate as intermediaries between policy makers and civil servants. In short, career officials not only find it difficult to influence policy decisions, but communication with decision-making is rare due to the profusion of levels of political management and the large number of political appointees in positions of authority (Ferraro, 2006).

4. The Argentine State and the Successive Reform Processes

Acuña (2008) uses the image of the state as a “cemetery” of projects in order to understand the structure of the state apparatus, in which there is no successful practice of planning, repeating reiterated and contradictory reforms scarcely changed from their inception. Public administration in Argentina lacks the necessary articulation, due to several organizations and programs dependent on various governmental levels and ministries, with overlaps and functional duplications as a result of isolated, and discontinuous reform efforts.

In the same vein, Martínez Nogueira (2012) states that ministerial coordination mechanisms have not had a lasting effect, mainly because of the absence or weakness of strategic frameworks, and organizational inertia. In turn, the sector-oriented administration structure generates not only thematic specialization but also divides stakeholders, encouraging the fragmentation of problems and the development of partial and competitive views. In addition to the intermittent and uncoordinated nature of the reforms, other factors are often identified that favor the

weak institutionalization of a professional bureaucracy or poor performance, such as (1) lack of control of Congress on the national government; (2) the historical dominance of political patronage, accentuated by the recent consolidation of political parties as parastatal agencies with exclusive reliance on public office and state resources; and (3) the short-sighted actions of the executive and the consequent lack of incentives to build a permanent bureaucracy (Bambaci, Spiller, & Tommasi, 2007; Ferraro, 2009; Scherlis, 2009).

Four periods of administrative reforms can be identified during the past three decades. In the first stage, in the context of democratic transition, President Alfonsín (1983–1989) initiated a series of administrative changes orientated, first, to improve the qualifications of staff through the formation of a professionalized civil service aimed to occupy key positions of administration and, second, to optimize the civil service through the consolidation of meritocratic mechanisms (Repetto, 2001).

One embodiment of the reform was the creation of the Body of Government Administrators, with the intention of restructuring the state apparatus and making members of this new organization agents of change in a democratic administration. However, given the resistance from political and career officials toward these intermediary groups, recruitment was stopped and, consequently, this body was reduced to a fifth of its planned size (Iacoviello, Llano, & Strazza, 2011; Negri, 2005; Oszlak, 2003a; Piemonte, 2005; Pulido, 2005). On the other hand, they were unsuccessful attempts to consolidate the civil service through implementing transparent contests and promotions (Iacoviello et al., 2002).

These “hints of innovations” were followed by strong reforms during the Menem era (Oszlak, 2003a; Repetto, 2001). During this second stage, as in other Latin American countries, Argentina's modernization initiatives aimed at reducing the size of the state apparatus to reduce the fiscal deficit through measures such as deregulation of markets, privatization and concessionary public companies, the reorganization of administrative structures, and the decentralization of health services and education (Oszlak, 2003a; Ramió & Salvador, 2005). Following these measures, the state apparatus was “dismantled,” through which the national government lost more than 70% of its staff, reducing the number of public employees from more than 900,000 to about 270,000 agents (Oszlak, 2003b).

These quantitative reforms were accompanied by an implementation strategy for a comprehensive career system (Oszlak, 1999). Thus, through the creation of the National System of Administrative Profession (SINAPA) in the early 1990s, the goal was to strengthen and unify the great dispersion of ranking structures generated during the previous decade. While these measures represented a significant advance, as noted above, the new regime only reached just over 6% of national public employment. In addition, these efforts to professionalize the management of human resources were counteracted by the freezing of vacancies and constant inclination to

evade career rules (among other factors) which favored the emergence of a parallel bureaucracy composed of temporary contracts. Beyond these efforts to create a coherent civil service, cost containment prevailed as a criterion for reform, with employment reduction as a direct consequence (Iacoviello et al., 2002; Repetto, 2001).

The third stage reforms originated, mainly, during the government of the Alliance (1999–2001). Following the contraction–retraction dynamics of the bureaucratic apparatus during both Menem efforts, the new government devised a plan to modernize the state based on the reorientation of the administration toward citizens and managing for results (Iacoviello et al., 2002; Repetto, 2001). By mid-2000s, the government decided on a budgetary adjustment, linking administrative reform to the fiscal needs, again. This new scenario encouraged reduction of employee benefits as well as voluntary retirement. Thus, despite the declamatory turn intended to pass this wave of transformations, the main lines of continuity with previous reforms remained.

After the transitional government of Eduardo Duhalde (2002–2003), the fourth stage included the governments of Nestor and Cristina Kirchner (2003–2015). Since the beginning of this period and the need to reconstitute the presidential power from the deteriorating political, economic, and social crisis of 2001–2002, the predominant trend was the political and operational centralization in the presidency (CIPPEC, 2011). The tendency of previous governments to accumulate sectoral agencies in the presidency was abandoned, creating ministries reflecting presidential priorities. This conception in forming the cabinet as a mirror of the presidential agenda is common to all governments, highlighting its strategic direction (CIPPEC, 2011). This increases the demand for political and technical coordination through the Cabinet of Ministers, a figure which only rarely meets this demand, making public policies coherence one of the big government challenges.

The pulse of reform during this fourth stage is marked by strong union demands, raised in a crisis marked by inflation and by progressive marginalization of public employment. Given this scenario, administrative reforms have been oriented toward stabilizing labor relations in the state via regularization of temporary contracts, democratization of labor relations, wage recovery, and the reopening of competitive hiring processes, focused on operative and administrative positions. But in general they have been weak attempts to professionalize the bureaucracy, because of the progressive increase aforementioned parallel structure.

The most significant transformation during this period is linked to the impact produced by the process of re-nationalization of certain services and companies (Yacimientos Petrolíferos Fiscales, Aerolíneas Argentinas, Correo Argentino, Agua, Ferrocarriles) on the volume of public employment. The most illustrative case of this was the re-nationalization of the pension system, which involved transferring staff

who worked in private companies that manage pension funds to the tax office and social security agency (Caffarelli, 2012). Because of this renationalizing process, state companies increased their personnel by almost 350% (more than 90,000 new employees). This positioning of national government in the provision of goods and services reflected the incorporation of 17 new state companies (over a total of 51) mainly dedicated to energy and transportation sectors (Diéguez & Valsangiacomo, 2016).

5. Conclusions

There are macro institutional issues related to state power organization that are beyond the scope of our study but are still highly relevant, since they define the background for Public Administration functioning: federalism, presidentialism, and party system fragmentation, among others. But beyond these structural issues, we can also identify several challenges for public administration in Argentina, in line with the document on Latin American governance developed by the CLAD (2010): strengthening democratization of governance, advancing professionalization of the bureaucracy, mainly oriented toward results and not just process, and addressing the need for coordination as a strategic resource to facilitate comprehensive and consistent public interventions. These challenges overlap and create a complex scenario for the development of quality public policies.

Thus, actions aimed at democratizing political institutions and governance must rely on new technologies to disseminate information, promote accountability, and incentivize citizen participation. The challenge of professionalizing the civil service involves developing a meritocratic bureaucracy responsible for its actions, well rewarded and with consistent performance evaluation mechanisms, so that they can account for the demands of citizens.

To avoid falling into formalism, i.e., the proliferation of rules and procedures, giving the false impression that there is an impersonal power, it is necessary to guide public administration predominantly through results. This requires creating management based on targets and indicators, which should not only improve the actions of government but also public accountability. There are, however, dangers of producing an array of indicators that generate administrations that are more concerned with controls derived from results appraisals than by mechanisms that improve effectiveness and efficiency.

Last (but not least), the challenge of producing comprehensive public interventions to address complex problems must be addressed. This stands at the center of the debate on the issue of coordination between various agencies (national and subnational) in charge of policy and program implementation. This is

particularly difficult in countries like Argentina, with a complex federal system characterized by heterogeneity of the state apparatus, with a majority of organisms that are characterized as hierarchical and monolithic, working with a logic based on departmental division and specialization which function with few (or no) incentives for cooperation, noting that in many cases this will be perceived as another sign of weakness rather than strength. While coordination by itself does not resolve the major outstanding issues affecting the country, it is necessary to generate comprehensive interventions required, furthering a need for strategic planning to define the direction, clarify actions, and count on structures and capacities of adaptability to unexpected circumstances during the implementation phases.

Acknowledgements

In this project, students have also worked as assistants: Pablo Balan, Clara Rigou, Federico Tiberti, and Antonella Bandiera of the University of San Andrés. We also thank the collaboration of Laura Cafarelli, a graduate of the Master of Public Policy and Management at the University of San Andrés.

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Appendix

Table A1. Civil and No Civil Personnel by Hierarchies (and Selected Hierarchies) – National Executive Power and Other Nonfinancial Entities of the Public Sector.

Structure	Personnel by Hierarchical Group	Personnel in Hierarchies/Structures Selected	%
Total	283,433	175,638	62
Civil Personnel	117,707	99762	84.8
Regulatory Organs	1019		

Structure	Personnel by Hierarchical Group	Personnel in Hierarchies/Structures Selected	%
Personnel of the Nuclear Regulatory Authority (ARN)		172	
Science and Technology Organs	13,648		
Personnel of the National Council of Scientific and Technical Research (CONICET)		6,471	
Personnel of the National Institute of Agricultural Technology (INTA)		4,146	
SINAPA (SINEP)	23,609	23,609	
Armed Forces Civil Personnel (PECIFA)	20,314	20,314	
Foreign Service Personnel (SEN)	975	975	
Law N° 14.250 – Collective Labor Agreements	27,481		
Standardized Personnel – ANSES		5,021	
Personnel of the General Taxation Directorate (DGI)		14,936	
Law 22127. National Medical Residences System^a	1,806		
Other Structures	4,894		
Governmental Body Administrators (CAG)		157	
Contracted	23,961		
Decree N° 1184/01 – Contracts and other legal frameworks		9,540	
Decree 1421/02		14,421	
No Civil Personnel	165,726	75,876	45.8
Military Personnel of Armed Forces^a	77,285		
Security Personnel	88,441		
Security and Defense Personnel of the Federal Police		37,510	
Security and Defense Personnel of the National Guard		22,511	

Structure	Personnel by Hierarchical Group	Personnel in Hierarchies/Structures Selected	%
Security and Defense Personnel of the Argentine Naval Prefecture		15,855	

^a Structures not included in the analysis.

Source: Trimester job report in the National Executive Power, 2nd trimester 2006, National Job and Salary Directorate. Secretary of Finance. Ministry of Economy and Production.

Table A2. Characteristics of Selected Structures.

Competitive Income	Stability Subject to Performance	Promotion Subject to Performance	Career Structure	Structures
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	Competitive Income	Stability Subject to Performance	Promotion Subject to Performance	Career Structure	Structures
Meritocratic career systems with elements close to the New Public Management	Yes	Yes	Yes	Yes	Body of Government Administrators (CAG) Personal National Council of Scientific and Technical Research (CONICET) Staff of the National Agricultural Technology Institute (INTA) National System of the Administrative Profession (SINAPA) Civil Staff of the Armed Forces (PECIFA) Staff of the Nuclear Regulatory Authority (ARN)

	Competitive Income	Stability Subject to Performance	Promotion Subject to Performance	Career Structure	Structures
Yes	No	Yes	Yes	Security and Defense Personnel of the Gendarmerie Staff of the General Tax Directorate (ex DGI)	
Meritocratic career systems	Yes	Yes	No	Yes	Security and Defense Personnel of the Federal Police Security and Defense Personnel of the Prefecture
Yes	No	No	Yes	National Foreign Service (SEN) National Administration of Social Security Personnel (ANSES)	

	Competitive Income	Stability Subject to Performance	Promotion Subject to Performance	Career Structure	Structures
Contracts	Yes	No	No	No	Temporary Personnel Civil Staff of the Armed Forces Temporary Personnel of the National Social Security Administration (ANSES) Temporary Personnel of the National Institute of Agricultural Technology
	No	No	No	No	Decrees 1184/01 and 1421/02, other modes Temporary Personnel ex General Taxation Directorate (ex DGI) Contracted Nuclear Regulation Authority

Source: Prepared based on policy analysis.

Table A3. Selected Organs According to Type of Link.

Organs	Number of Agents	Regulations Analyzed
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	Organs	Number of Agents	Regulations Analyzed
Meritocratic career system with elements near to the New Public Management 52% of personnel analyzed	CAG	157	Decree 2098/87
CONICET	6,471	Law 20464	
INTA	4,146	Decree 127/06	
SINAPA (actual SINEP)	23,609	Decree 2098/08	
PECIFA	20,314	Decree 2355/73	
ARN	172	Law 24804/97 and resolutions	
Ex DGI	14,936	Law 15/91	
Gendarmerie	22,511	Law 19.349/71 Decree 980/08, 2049/70, 1669/01	
Traditional meritocratic career system 34% of personnel analyzed	Federal Police	37,510	Law 21965 Decree 1.866/1983
Prefectura	15,855	Law 18.398	
Convencionado anses	5,021	CC 305/98	
SEN	975	Law 20.957	
Contracted 14% of personnel analyzed	2345/08 and other modalities	9,540	Decree 2345/08
1421/02	14,421	Decree 1421/02	
Total of personnel analyzed	175,638		
Total personnel	283,433		

Source: Own elaboration based on normative analysis.

*The present analysis covers up until the second presidency by Cristina Fernández (2011–2015).

¹Congress has a number of formal instruments, including the appearance of Ministers, Secretaries of State, and Chief of Staff to provide explanations and reports, the annual presentation of the Presidential Report, requests for information, questioning the Chief of Staff on the occasion of a motion of censure, removal of the

Chief of Cabinet, impeachment, setting the budget and appointment of the Senate of Supreme Court judges, ambassadors, among others (Alcántara Sáez, García Montero, & Sánchez López, 2005; National Constitution).

²Since the beginning of his mandate (2003) until November 2007, Nestor Kirchner issued 232 decrees of necessity and urgency, equivalent to 4.3 decrees per month, comparable to that of Menem (1991–2005/1995–1999), of 4.4 (Levitsky & Murillo, 2008).

³In the committees, there is no development of informational skills or technical expertise because (i) the legislators belong to multiple committees and (ii) the high turnover rate of legislators (Jones, Saiegh, Spiller, & Tommasi, 2000). This low specialization of the legislature is also reflected in the low rankings obtained by Argentina in relation to Ability Index, congressional measure that covers the technical expertise, the strength of the committees, and the professionalization of legislators (Levitsky & Murillo, 2008; Stein, Tommasi, Echabarría, Lora, & Payne, 2006).

⁴Despite this, Calvo (2013) argues that despite certain theoretical prejudices, between 1983 and 2007, (i) the legislative productivity has not decreased (59% of the sanctioned legislation was proposed by legislators) and (ii) the Congress has the power to amend legislation proposed by the Executive (35% of the projects initiated by the executive received amendments of the Chamber of Deputies).

⁵Mustapic (2013) remarks that the tendency to fragmentation of the party system is associated with local incentives implicit in the design of electoral and party rules, combined with changes in the preferences or the electorate and the dynamics of competition within parties.

⁶Still, the 2015 presidential elections opened a new scenario with the emergence of Cambiemos, a right-center coalition emerged at the beginning of this century based on a political party that governed the Autonomous City of Buenos Aires since 2007. The UCR is part of this coalition.

⁷Retrieved from <https://www.pagina12.com.ar/diario/elpais/1-296611-2016-04-10.html> y https://www.clarin.com/politica/primeros-Gabinetes-Nestor-Kirchner-Macri_0_BJ7IX6yYDQg.html.

⁸As discussed below, in principle, these are career positions to be filled through open public competitions, but emergency regulations have been designated by criteria of political trust.

⁹The proportion of public employment of the central government on the total employment in Argentina exceeded the levels recorded in other countries of federal

structure such as Austria, Canada, the United States, Germany, and Australia (FIEL, 2012).

¹⁰The expansion of the bureaucracy is associated, to a large extent, with the increase in functions assumed by the state, as indicated throughout the text, and with the incorporation of personnel to certain areas of government (AFIP and ANSES) based on nationalization of the Retirement and Pension Funds Administrators (AFJPs).

¹¹During the 1980s, numerous special ranks were created, which also contained specific statutory aspects, breaking with the principle according to which general statutes should establish basic conditions of employment for all ranks of employees (Iacoviello et al., 2002).

¹²Article 14 of the Constitution of 1957 established the principle of stability of civil servants.

¹³The new National System of Civil Servants (SINEP) was approved through Decree No 2098/08. This structure covers civil personnel of the ministries and decentralized organizations.

¹⁴Includes the armed forces and security personnel.

¹⁵The estimates were made based on Fiscal Bulletin. 4th Trimester, 2014.

¹⁶Decrees 707/05, 2031/06, and 480/08 established that the people contracted under the regimen defined by Decree No 1184/01, whose monthly fees reach certain amounts for full-time, were hired, while the reasons for service will continue by the conditions specified in Art. 9 of the Framework Law Regulating National Public Employment (25164/99) and its Regulatory Decree 1421/02 and the Labor Contract Law (20744/76). In turn, this decision was reinforced in the General Collective Agreement signed by Decree 214/06, in which the government reaffirmed its commitment to promote actions aimed at limiting forms other than those provided for in the contract Art. 9 of the Framework Law on Public Employment Regulation and corresponding to the Labor Contract law (Art. 160).

¹⁷The normalization process of the contracted workers has significantly impacted the collective contract in the preeminence of the access regimes. In this sense, the volume of contracts signed through Decree 1184 to 1101 fell from 14,555 in 2002 to 2725 in 2008, while the additions made by way of decree from 1421 to 1402 rose from 90 in 2002 (the year approval of the standard) to 26 037 in 2008 (Salas, 2010).

¹⁸The estimates were made from data on Homogeneous Occupation Job Level Grouping for the National Executive and other Bodies of the Nonfinancial Public Sector, provided by Fiscal Bulletin, 4th Quarter, 2014.

¹⁹For this section, we worked with data corresponding to 2006, since after that year the publication of the Monthly Occupancy Report in the National Executive Power issued by National Employment and Wages Directorate was discontinued. At the time of preparing this chapter, only data on occupation classified by homogeneous scale groupings were available, and we could not disaggregate information by individualized scales.

²⁰In 2003, 56% of executive positions were appointed through competitive procedures, and only 24% were assigned by exception. This proportion was the opposite by 2014, with 90% of executive positions covered by exception (Zuvanic, 2016).

²¹These data were calculated based on the Work Climate Study II from 2009 to 2010, prepared by ONEP. The information shown reflects trends extracted from an opinion poll carried out permanent staff and contracts under employment relationship.

²²Restrictions imposed by Budget Law No. 23 237.

²³The estimates were made based on Fiscal Bulletin. 4th Trimester, 2009 and 2014.

²⁴The database used exceeds 18,000 cases.

²⁵Public trust in political parties decreased from 84% at the beginning of democracy to 4% in 2001. On the other hand, only 7% of citizens identified with a political party (Levitsky & Murillo, 2008).

²⁶Government effectiveness is one of the six dimensions within the Worldwide Governance Indicators (WGI). Besides the quality of the civil service and the degree of independence from political pressures, the index also captures perceptions of the quality of public services, the quality of the formulation and implementation of public policies, and the credibility of the government's commitment to such policies.

Chapter 3

Public Administration in Brazil: The Elusive State – Eighty Years Attempting to Build a Professional and Responsive Public Service

Francisco Gaetani, Pedro Palotti and Roberto Pires

Abstract

The objective of this chapter is to describe and analyze Brazil's main steps in its long and incomplete process of organizing a professional and responsive public service. During the twentieth century, Brazil had two authoritarian regimes and organized a state-oriented process of industrialization. After 1988, democracy has changed how public administration should be constituted, imposing demands for universal recruitment and accountability. The level of professionalization of the federal public service was improved, with a higher level of education, better wages and the recruitment of public servants to management positions. The challenges ahead are improving governance and executive coordination and raising the responsiveness and quality of public management (such as human resources, planning, budgeting, procurement, information and communication technologies, and organizational modeling) in a context of political instability, slow economic recovery, and substantial public debts at the federal government.

Keywords: public administration; civil service; Brazil; professionalization; political institutions; governance

1. Introduction

Brazilian public administration has been subject to analysis from time to time in order to capture the changes the country has gone through in its recent history. Three periods received more detailed attention from the academic community interested in the subject: the Vargas era, the authoritarian regime, and the attempts to implement managerial reforms in the 1990s (Lima JR, 1998).

From 1930 to 1985, Brazil lived 35 out of 55 years, under authoritarian or unelected regimes. Paradoxically, the most important attempts to modernize the Brazilian state apparatus took place during the Vargas period (1930–1945) and the military rule (1964–1985). The former launched the basis of the national government architecture and created the national civil service. The latter enabled the emergence of a developmental state anchored on the role of state-owned enterprises (SOEs).

The policy entrepreneurs involved in reforms pushed for comprehensive transformations both in the 1930s and 1960s. Simões Lopes – Vargas’ right hand for administrative affairs – envisioned a progressive public administration era inspired in the trajectory of the American Administrative State (Caminha, 2019). The hyper-centralization of power combined with the strength of clientelistic practices led to the erosion of the reforms of the period (Lima JR, 1998). During the turbulent democratic interregnum, they were not resumed with the same vigor, despite the rhetoric and presidential initiatives that took place in the period.

The reforms pushed by the first military government – Castelo Branco (1964–1967) – were surprisingly innovative for the period because they anticipated some managerial trends that would gain the world later on. The split of the federal administration in direct and indirect apparatus was an innovative arrangement at that time (Nascimento, 1967). The former was based on a merit-based civil service, in charge of policy formulation and responsible for monitoring and oversight, while the latter was composed by executive agencies and SOEs in charge of policy implementation. But the

accountability deficits typical of an authoritarian regime combined with the explosion of the state interventionism carried out via the indirect administration led to the emergence of a distorted, unaccountable, and asymmetric Leviathan (Lima JR, 1998).

The combined influence of the reforms of the 1930s and the 1960s produced an anomaly: an administrative state dominated by clientelism and patronage, equipped with strong executive arms formed by SOEs and executive agencies organized in private basis. The picture of the Brazilian government when democracy was reestablished in 1985 showed an almost incomprehensible mosaic. First, the federal public administration was basically a hollow group of ministries, dominated by appointed officials and contracted-out employees. Second, there were a huge number of SOEs practically unaccountable to their parental ministries that had been created under political and economic expediency logic (Marcelino, 1989).

The Constitution of 1988 attempted to counter these trends inherited from the prior authoritarian period. It advanced significantly in assuring democratic institutions, principles, and procedures for government activity, such as the rule of law, congressional authorizations (e.g., budget), meritocratic and competitive recruitment for civil servants, transparency (especially in public procurement), participation of civil society, decentralization to subnational governments, among others. Regarding administrative forms, it limited administrative flexibility and restricted the types of organizations and modes of operation for public management in Brazil, retroceding in comparison to reforms toward flexibilization of the prior decades (such as 1967s *Decreto-Lei* 200).

The goal of this chapter is to update available historical analyses of public administration in Brazil, taking stock of the more recent period, when democratic institutions consolidated and posed new procedural and substantive requisites for government activity. We make two interrelated claims. First, contemporary public administration in Brazil can be understood as comprising three different moments: the turbulent years of 1985–1994, the adjustment period of 1995–2002, and the reconstruction phase, since 2003. Each of them can be characterized by a specific issue image, respectively, uncertainty, minimalism, and capacity building. Second, these different moments, their advances and limitations, must be understood

as causes and products of the larger institutional environment that defines the structures of the state and of the political regime.

This chapter is organized in three sections and a conclusion. First, we describe the political, administrative, and institutional contexts set out since the Constitution of 1988, providing the general frame for understanding current advances and challenges faced by public administration in Brazil. Second, we present a contemporary picture of the Brazilian Civil Service – focusing on the Federal Executive Branch. Third, based on the data and contexts provided in the earlier sections, we enter into the politics of public administration reform and discuss the three phases or moments that characterize the evolution of public administration after re-democratization in the country. Then we summarize the main arguments about Brazilian public administration and explore some points in the agenda ahead.

2. The Context of Public Administration in Contemporary Brazil: Political System and Administrative Structures as Institutional Environments

The activities of managing organizations and policies in the public sector do not take place in an institutional vacuum. Rather, they are highly constrained or enabled by the institutions that define the political–administrative environment in which they take place. Therefore, administrative structures, reforms, culture, tasks, routines, and performance cannot be adequately understood without considerations with their interaction with the larger institutional environment that defines the structures of the state and of the political regime. In this section, we discuss the administrative structure of the state, as well as prominent features of the political system in Brazil, put in place since the Constitution of 1988. Such discussion provides a frame for understanding the sources of institutional support and emerging challenges faced by public administration in the country since its re-democratization.

2.1 Organizational Structure

The Constitution of 1988 restored the democratic rule in the country and provided formal independence and autonomy for the Executive, Legislative, and Judiciary branches. It defined the political–administrative system in

Brazil as a federal republic, involving municipal, state (including also the Federal District), and federal spheres of government with a combination of exclusive, shared, and complementary functions between them, depending on the policy matter.¹

The administrative structure of the Executive branch involves basically two categories of organizations: direct and indirect administration. Direct administration comprises the organizations associated with the Presidency and the Ministries, which provide the top-level guidance of public administration, through decision-making, rulemaking, and superior/executive management. These organizations have the power to define policy goals, organize and coordinate administrative means to meet such goals, hierarchically supervising indirect administration organizations.

In turn, indirect administration aggregates the organizational forms dedicated to service and goods provision, such as autarchies, foundations, public consortia (usually ruled by public law), SOEs (ruled by private law), with exclusive public capital or shared capital with the private sector. Additionally, reforms in the 1990s also created regulatory agencies, executive agencies, and two other organizational formats – Social Organizations and Social Organizations of Public Interest.² These administrative forms are present both at the federal and at the subnational level – the country is divided into 26 states (and one federal district) and more than 5,500 municipalities – with some degree of variation across the spheres of government and regions of the country.³

The division between direct and indirect administration was consolidated by a 1967 Act (*Decreto-Lei 200*), which attempted to provide greater financial and administrative flexibility and autonomy to organizations charged with the implementation of public policies, so that they would not have to follow the traditional bureaucratic controls that characterize direct administration organizations. The organizational decentralization principles anticipated managerial reforms of the 1990s. The 1988 Constitution, seeking to remedy the abuses of administrative power exercised during the military regime, began to blur these distinctions, limiting administrative flexibility and restricting the types of organizations and modes of operation for public administration in Brazil. The Constitution established that the Executive could only create new organizations (public enterprises, institutes,

ministries, etc.), involving increases in public expenditures, with the explicit approval of Congress. In addition, in the last decades, the Constitution triggered a gradual process of unification of the different administrative regimes (direct vs. indirect administration). As a result, procurement, recruitment, and budget execution of indirect administration organizations started to become alike the procedures followed by direct administration organizations – that is, reducing the autonomy and discretion of indirect administration organizations for contracting out, hiring personnel, and spending public money.

2.2 Political Institutions

A multiparty presidential regime governs the elections for Executive (majoritarian for mayors, governors, and the president) and Legislative (proportional for House Representatives and majoritarian for Senators) bodies at the three federative levels. Governing authorities for the Judiciary are indicated by the Executive and evaluated and approved by Congress to serve life-long tenured mandates. The 1988 Constitution restored rule of law and the democratic state in Brazil, on the one hand, but it also introduced severe conditions for constructing and sustaining governability (Ames, 2003; Palermo, 2000). This particular political–administrative configuration involves a varied set of actors, processes, and spaces for decision and interaction raising several complications for public management. Below, we will examine some of these features more carefully, in order to understand the conditions under which public administration is performed in contemporary Brazil.

Congress, Political Parties, and Governing Coalitions

In the early 1990s, the Brazilian political system raised concerns, as political scientists considered it an “explosive mixture.” Because it involved presidentialism and multipartyism in a federative administrative structure, many believed it would suffer from serious instability problems. Such combination tended to produce intense fragmentation, making governing coalitions hard to achieve, and increasing the probability of deadlock in executive–legislative and federative relations. In other words, in a system with such level of fragmentation and numerous veto players, making and implementing policies could be quite challenging.

Nevertheless, over more than a quarter century, coalition governments have been constructed and sustained in Brazil – as well as in other countries with similar political institutions (Figueiredo, Salles, & Vieira, 2009; Limongi, 2006). During this period, elected presidents have been able to obtain and maintain the support of congressional representatives, political parties, state governors, and city mayors in order to pass and implement their reforms, programs, and policies.⁴ This has only been possible because the president, in addition to her constitutional competences and powers, possess trade-worthy goods for managing the coalition. Two major instruments help the president attract and maintain relevant political actors on her side. First, the president can appoint politicians to posts, such as ministers or lower-level appointee positions in the administrative structure of the state. By doing so, the president allows political parties other than her own to participate in government, creating spaces for other political actors and groups to define policies and manage human, technological, and financial resources. Second, the president can negotiate amendments to the budget, allowing congressmen to direct resources and investments to benefit their constituencies (“pork barrel”) (Abranches, 2018; Raile, Pereira, & Power, 2011).

The construction and maintenance of governing coalitions on such basis has extensive implications for public management in Brazil. Resources essential to reform and policymaking must then be filtered through the logics of maintaining a strong political coalition, which are not always (or rather rarely) congruent with long-term planning and institutionalization. Such as described by Geddes (1994) as the “politicians' dilemma,” the appointees' need for immediate political return or survival tend to conflict with longer-run collective interests (such as professionalization of the civil service, institutionalization of policies and services, economic performance, etc.). Often, the least professionalized areas of the state will offer politicians greater discretion in the management of resources for short-term benefits.

In addition, coalition governments introduce challenges related to the coordination of actions across different administrative units. As ministries are occupied by appointees from different political parties or orientations, conflict or disinterest is likely to emerge around policies that require transversal administrative actions. Therefore, the goal of maintaining a coalition is not necessarily coherent with programmatic objectives for

policies. As a consequence, the tasks of public management related to the coordination of government organizations and actions face serious challenges under such political environment (Gaetani, 2011).

The Judiciary as Policymaker

Another aspect of the broader institutional environment that affects public management activities and strategies in Brazil is the role performed by the organizations of the Judiciary branch. Over the last two decades, these organizations have become increasingly more active in the treatment of political and administrative issues, which instigated debates about the “judicialization of politics” and about the “politicization of justice” (Castro, 1997; Koerner, 2010; Medeiros, 2011; Vianna, Carvalho, Melo, & Burgos, 1999).

The constitution of 1988 handed extensive authority to the Judiciary and placed it as its ultimate guardian. Judicial organizations (courts, special tribunals, and others) can be instigated diffusely, as any judge can manifest the constitutionality of a concrete case, or through specific actions in the Supreme Court (*Supremo Tribunal Federal*). Such institutional design, associated with a constitution that is very broad and detailed in defining civil, political, and social rights (individual and collective), makes the organizations and decisions of Judiciary a common presence in day-to-day public sector management.

On the one hand, the possibility of judicial activism expands opportunities for citizens and civil society groups to fight for the delivery of services and rights guaranteed by the Constitution, creating strong pressures on the Executive and on the Legislative for reform or improved performance (such as in the cases of gay marriage and of the establishment of norms for strikes in the public sector). On the other hand, judicial activism can also cause excessive intrusion, interfering with managerial decisions taken within executive bureaucracies and provoking distortions in the implementation of public policies. In these cases, the legitimacy of judges' decisions is confronted with the priorities defined by democratically elected authorities (Executive and Legislative). In the area of rights to health care, public managers often complain about the interference of judicial decisions on the planning and management of services. For example, while managers attempt to establish technical and socioeconomic criteria for access to services (such

as expensive specialized treatments or medication), judicial decision might impose the inclusion of individuals who do not match such criteria. Given the recurrence of such cases, the impacts on the original strategies defined by executive bureaucracy can be quite significant.

Accountability: Horizontal and Societal

The final set of reverberations coming from the larger institutional environment and imposing strict conditions of public management relates to accountability requirements defined in the 1988 Constitution. These requirements involve institutions as diverse as state organizations for bureaucratic oversight, mechanisms and channels for public participation, and active and passive transparency initiatives. As a whole, these institutions form a potent web of watchdogs on bureaucratic performance, restricting unchecked administrative flexibilities and requiring new capacities and abilities from public managers and their organizations.

First, in order to counter the unchecked and centralized bureaucracies of the past decades, the 1988 Constitution reformed and handed extensive authority to a set of relatively autonomous organizations designed to oversee bureaucratic action and guarantee rights and the due accomplishment of administrative rules and procedures. These include accounting courts (such as the *Tribunais de Contas*, linked to the Legislative branches), public prosecutors (as in the *Ministério Público*), and comptroller offices (such as the *Controladorias-Gerais*, linked to the Executive branches) at the three federative levels of government. Such organizations have been considerably strengthened in the last two decades and are now among the most professionalized bureaucracies in the Brazilian public service. They are responsible for auditing projects and other kinds of government action. They have privileged access to information and power to recommend changes in policy implementation, stoppage of projects involving large public spending, and in some cases can trigger criminal and other judicial actions (Olivieri, 2010; Teixeira, 2010). Currently, the interference of such oversight organizations in day-to-day public management is so great that responding to these auditing operations has become one of the most time-consuming tasks reported by civil servants in the Executive Branch (ENAP, 2018).

Second, the Constitution also embraced the idea of public participation, in order to counter a tradition of technocratic governments and allow citizens

to get closer to and participate in decisions about policymaking, monitoring, and evaluation. Since 1988, an intensive process of dissemination of participatory institutions has been taking place at the municipal, state, and federal levels of government (Avritzer, 2010; Pires, 2011). These participatory institutions take different forms and involve (1) policy councils – bodies composed of government and civil society representatives who meet regularly to discuss (and oftentimes decide) issues pertaining to each specific policy areas⁵ ; (2) public conferences – large assemblies of civil society representatives seeking to define guidelines for medium- and long-term planning and policymaking in each specific policy area⁶ ; (3) public hearings – public meetings called by government authorities to present and discuss projects and programs, as well as online consultations about administrative or regulatory rulemaking; (4) *ouvidorias* – which are a kind of organizational ombudsman that allow citizens and public servants to express their concerns and complaints about service provision⁷ ; and other organizational forms for sharing information and decisions between government and civil society representatives (Pires & Vaz, 2012). In addition to its expressive dissemination, and by force of law, these participatory institutions have become increasingly integrated into policymaking systems, contributing to the making of decisions and the monitoring of policy implementation (with important variations across policy areas). Therefore, these participatory institutions are also part of the enabling and constraining elements of public management in contemporary Brazil, as they introduce opportunities for increasing legitimacy as well as challenges for reconciling civil society demands with government priorities and political commitments.

Finally, a third set of checks on bureaucracy involves transparency initiatives aimed at publicizing information useful to citizens and organized groups in the monitoring of governments. Three initiatives deserve special attention. First, since the mid-1990s, municipal, state, and federal governments are required by law to publish online information about budget and expenditures (*contas públicas*). Second, in 2004, the *Controladoria-Geral da União* created the federal government's Transparency Portal, which actively discloses information about public servants (salaries, career, functional situation, etc.), procurement, contracts, transfers to state and municipal government, partnerships with civil society organizations, and

more information about government activities. Lastly, an Information Access Law passed in 2011 detailed prior constitutional provisions and strengthened citizens' right to access public information. Basically, the law severely restricts the classification of information as confidential and establishes the procedures for government organizations' responses (deadlines, appeals, etc.). These and other ongoing transparency initiatives have been imposing new conditions for public management in Brazil.

Together such features of the broader institutional environment indicate some of the historical advances, as well as contemporary challenges to be met by public management in Brazil. If, on the one hand, public management in Brazil is under pressure for being more transparent, participatory, and diligent with the prescriptions of the law; on the other hand, the challenges of coordination and production of coherent policies in such a complex system became ever more acute. Thus, public management in contemporary Brazil has to deal with the political delicacies of sustaining a governing coalition, reconcile the demands of political parties and congressmen with civil society demands and the priorities promised during electoral campaigns, and perform all of these tasks under the continuous scrutiny of oversight bodies. To make matters more complicated, in the last two decades, administrative flexibility has been considerably reduced, as a result of both legal changes restricting modes of operation allowed for public administration in Brazil and the growing protagonism of the Judiciary and courts of accounts in political debates and decisions.

The period of 2011–2016 was marked by intense political turbulence that stretched out the political system beyond its limits. The explosion of corruption scandals combined with the aggravation of the economic crisis destabilized the fragile coalition that sustained the second mandate of President Dilma. The political struggle ended with the ascendance of her Vice President – Michael Temer – to the presidency after Congress ousted her. The impeachment process of President Dilma Rousseff marked the erosion of the executive branch authority and the ascendance of the Legislative, Judiciary, and watchdogs like the Court of Accounts and the Public Prosecutors Office (Nunes & Melo, 2017). The 2018 general elections did not produce a restoration of legitimacy to the political process. On the contrary, it revealed a fragmented and divided country that does not have a functional democracy anymore. Institutions are working but in a very

distorted way that reveals the shortcomings of a political system that detached itself from Brazilian voters and society. The epilogue of these confusing periods was the election of an extreme-right populist candidate to the Brazilian Presidency at the end of 2018.

3. An Overview of the Brazilian Civil Service

In the previous section, we reviewed the main conditions and challenges posed to contemporary public administration in Brazil, emerging from the political, administrative, and institutional environment set out in the country since the Constitution of 1988. In order to complete a more accurate picture, we now turn to an overview of main characteristics and trends of the Brazilian civil service in the last decades.

The evolution of public employment indicates the growth of the public sector in Brazil over the twentieth century.⁸ The participation of public employment – civil servants – in the country's workforce raised from 15.3% in 1986 to 17.3%, in 2017. The total expansion in the public sector workforce was 123% from 1986 to 2017 or 2.5% per year (Lopez & Guedes, 2019). The main explanatory factor has been the expansion of attributions of the Brazilian State since the approval of the 1988 Federal Constitution.

The national distribution of civil servants also changed during the period. Up until the 1960s, they were concentrated in the Southeast – Rio de Janeiro, São Paulo, and Minas Gerais (Mattos, 2011). After that, when the federal capital was transferred from Rio de Janeiro to Brasília, the geography of the public employment in Brazil began to change. It became less concentrated in the country's wealthiest regions and distributed more evenly across the other states' capitals and in the interior. Considering the distribution across levels of government, only 10.4% work at the federal level, while 32.3% work in the states, and 57.3% at local level in 2017 (Lopez & Guedes, 2019).

Salaries are proposed by each branch and approved by Congress. Since the 1990s, the Federal Government initiated a process of raising salaries, initially limited to selected careers functional to the promotion of fiscal adjustment. The reduction of the size of the federal civil service during the 1990s was achieved mainly through the absence of replacement of those who retired. From 1992 to 2002, the total number of workers dropped from

620,000 to 485,000 (Cardoso JR. & Nogueira, 2011; Cavalcante & Carvalho, 2017; Lopez & Guedes, 2019).

From 2003 to 2016, initiatives were taken in order to recompose federal human resources, through a series of recruitment drives and public service exams. The resumption of the protagonist role of the State with Lula's government enabled the extension of the policy of raising salaries to the majority of federal civil servant careers. It was an asymmetric process in which the careers of the core of the government were the major beneficiaries and dragged the others to levels of salaries competitive with the private sector. By 2016, the total number reached 622,000, still below the number of workers employed in the beginning of the 1990s (Cardoso JR. & Nogueira, 2011; Cavalcante & Carvalho, 2017; Lopez & Guedes, 2019) (Fig. 3.1).

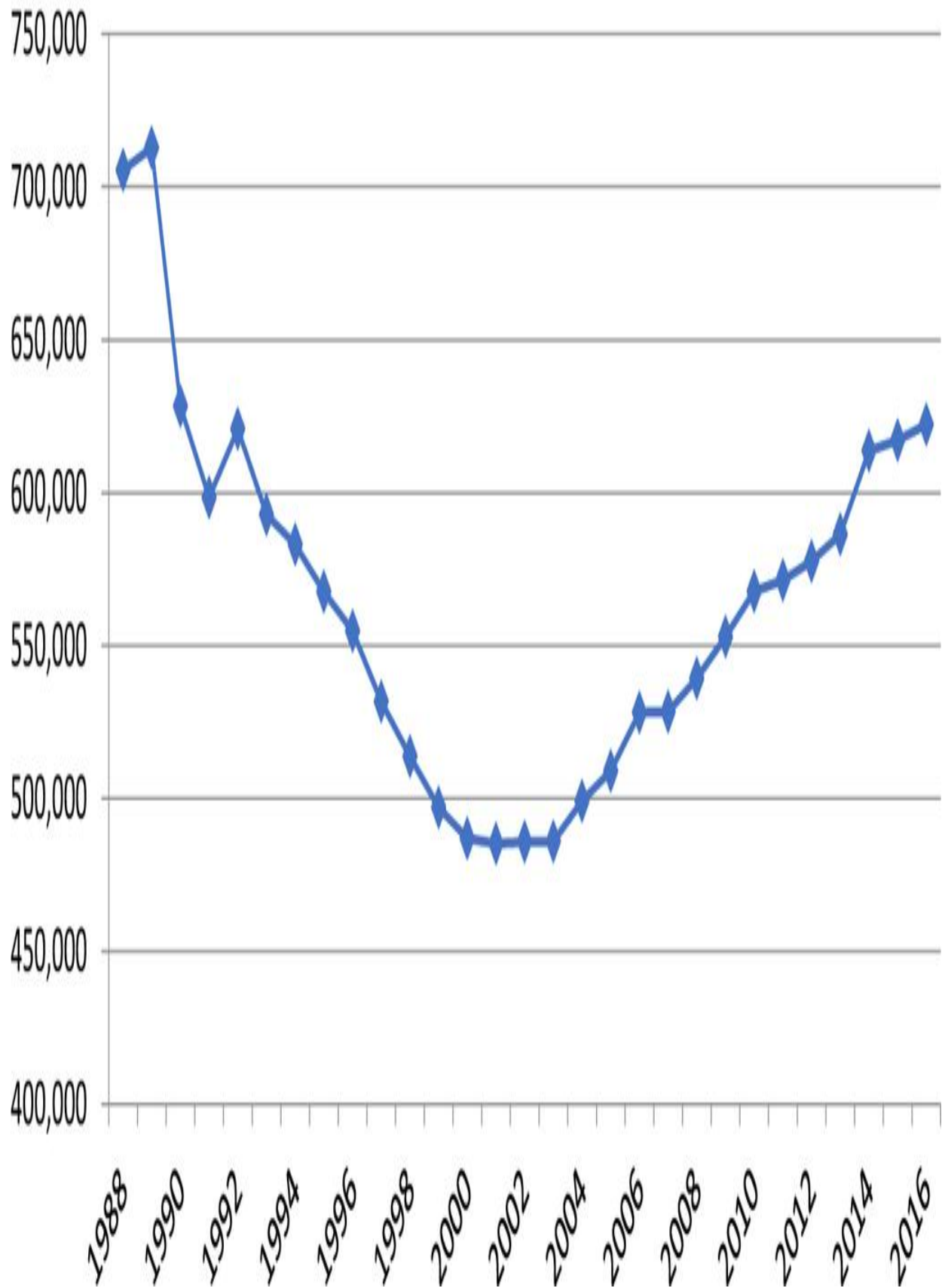


Fig. 3.1. Evolution of the Total Number of Active Civil Servants in the Federal Executive Branch. *Source:* Ministry of Planning, 2017.

The proportion of civil servant salaries in terms of percentage of GDP did not change substantively during the last decades despite the resumption of the salaries and the recruitment in levels without precedents (Cardoso JR. & Nogueira, 2011; Lopez & Guedes, 2019). Interventionist policies intensively based on manpower combined with the decision of the federal government to expand its activities in policies domains such as infrastructure and social policies. The resumption of economic growth after macroeconomic stabilization explains how the resumption of public selections combined of pay rises without major economic impact. The Fiscal Responsibility Law also contributed to restrain the abuse of public recruitment as a source of political patronage (Fig. 3.2).⁹

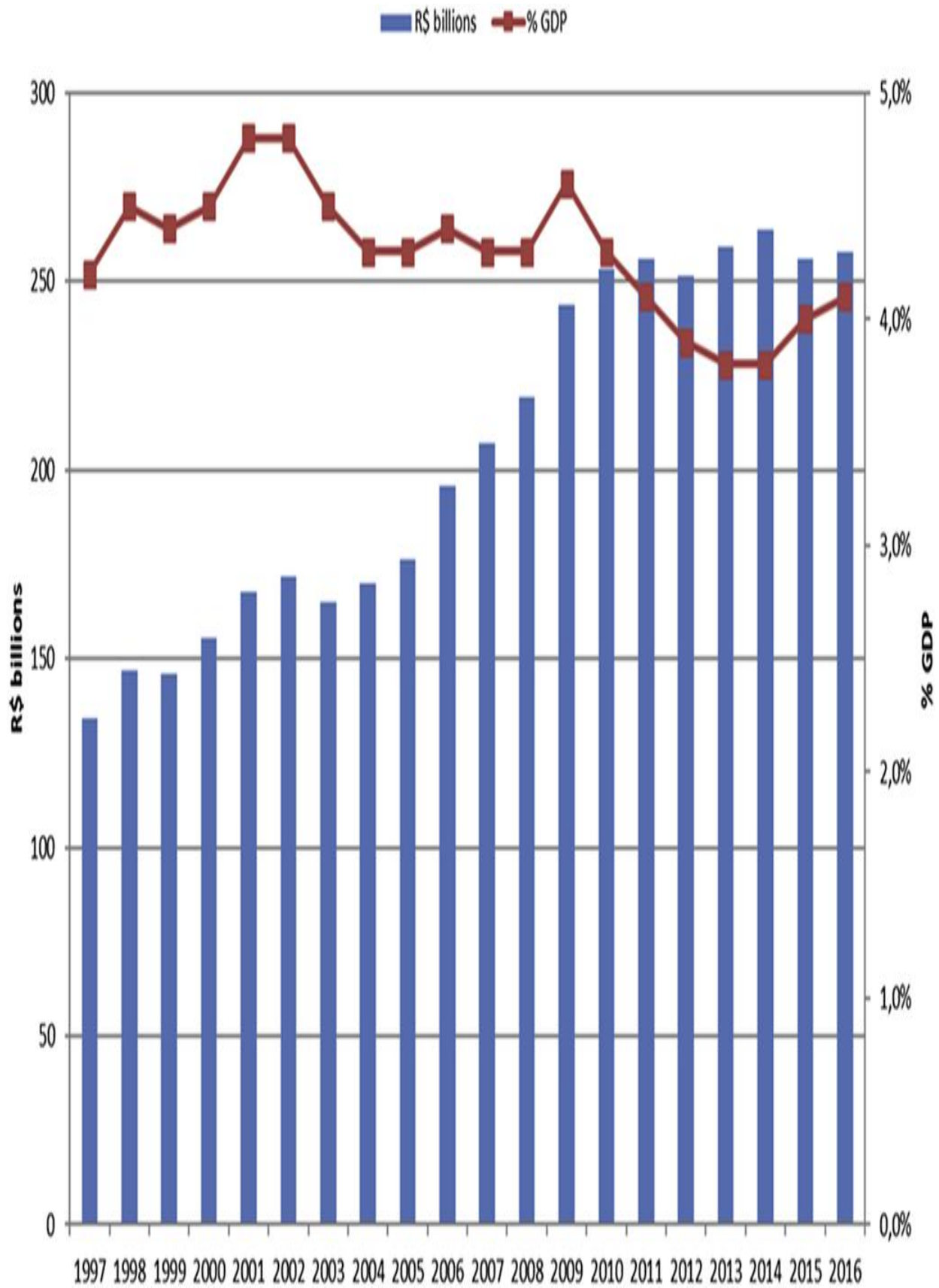


Fig. 3.2. Evolution of Brazilian Federal Government's Personnel Expenses.
Source: Ministry of Finance, 2017.

3.1 The Weight of Political Appointees

In the Executive Branch, since mid-1960s, the federal government organized the senior service by a Y-format amount of political appointees called DAS, which means literally Direction and Advisory Positions.

The number of appointed positions expanded 43% (from 17,128 to 24,641) between 1999 and 2014 and reduced by 8% (from 24,641 to 22,845) between 2014 and 2018, although about half of these positions was restricted to appointment from outside of the federal government. The creation and the reduction of new ministries and government agencies along different governments in part explains this oscillation.

According to Table 3.1, the number varied from 22, in 1990, to 26, in 2002, reaching 39, in 2014. This expansion of ministries was followed by subsequent expansion in previously existing management structures as well as the creation of other governmental agencies. Since 2015, an effort has been done in the federal government to reduce the total number of ministries and of political positions and to mitigate the role of political appointees in the federal government.

Table 3.1. Evolution of Total Number of Ministries From 1985 to 2018.

President	Tenure	Number of Ministries (Last Year of Government)
Sarney	1985–1990	22
Collor	1990–1992	19
Franco	1992–1994	21
Cardoso I	1995–1998	23
Cardoso II	1999–2002	26
Lula I	2003–2010	30
Lula II	2003–2010	37
Rousseff I	2011–2014	39
Rousseff II	2015–2016	31
Temer	2016–2018	29

Source: Figueiredo (2007) and Presidency's site.

Since the beginning of Lula's government, an attempt to reduce discretionary political appointment has been tried. The Presidential Decree 5497/2005 established that the percentage of civil servants occupying high-level posts should be 50% for the top-level positions and 75% for the intermediary managerial levels. In restraining the access to politically appointed professionals from outside of the public sector, the decision indirectly raised the possibilities of civil servants ascending in the hierarchy. It was also established an investigation previous to nominations to top-level positions, conducted by the President's Chief of Staff. This is a way to avoid or at least to diminish the appointment of condemned or prosecuted people to those positions.

During this period, some organizations autonomously asked for transformations of appointed positions in public posts to be fulfilled only by civil servants.¹⁰ In doing so, some organizations expected to reduce the role of political interference in policy matters. Such initiatives were more common in highly organized bureaucracies, such as the Foreign Affairs Service, the Attorney-General's Office, and Comptroller-General's Office.¹¹

In 2016, the Executive turned more than 10,000 DAS positions exclusively to public servants, called Executive Branch Commissioned Positions (FCPE). The FCPE only exists to intermediary-low level positions.

Fig. 3.3 shows how management and advising posts (ranging from top-level positions, i.e., DAS 5 and 6, to intermediary-low level positions, i.e., DAS/FCPE 1, 2, 3, and 4) were occupied regarding their links with the public sector. In this sense, almost 78% of political appointees are civil servants. The higher the position's level, the higher the proportion of recruitment from outside civil service.

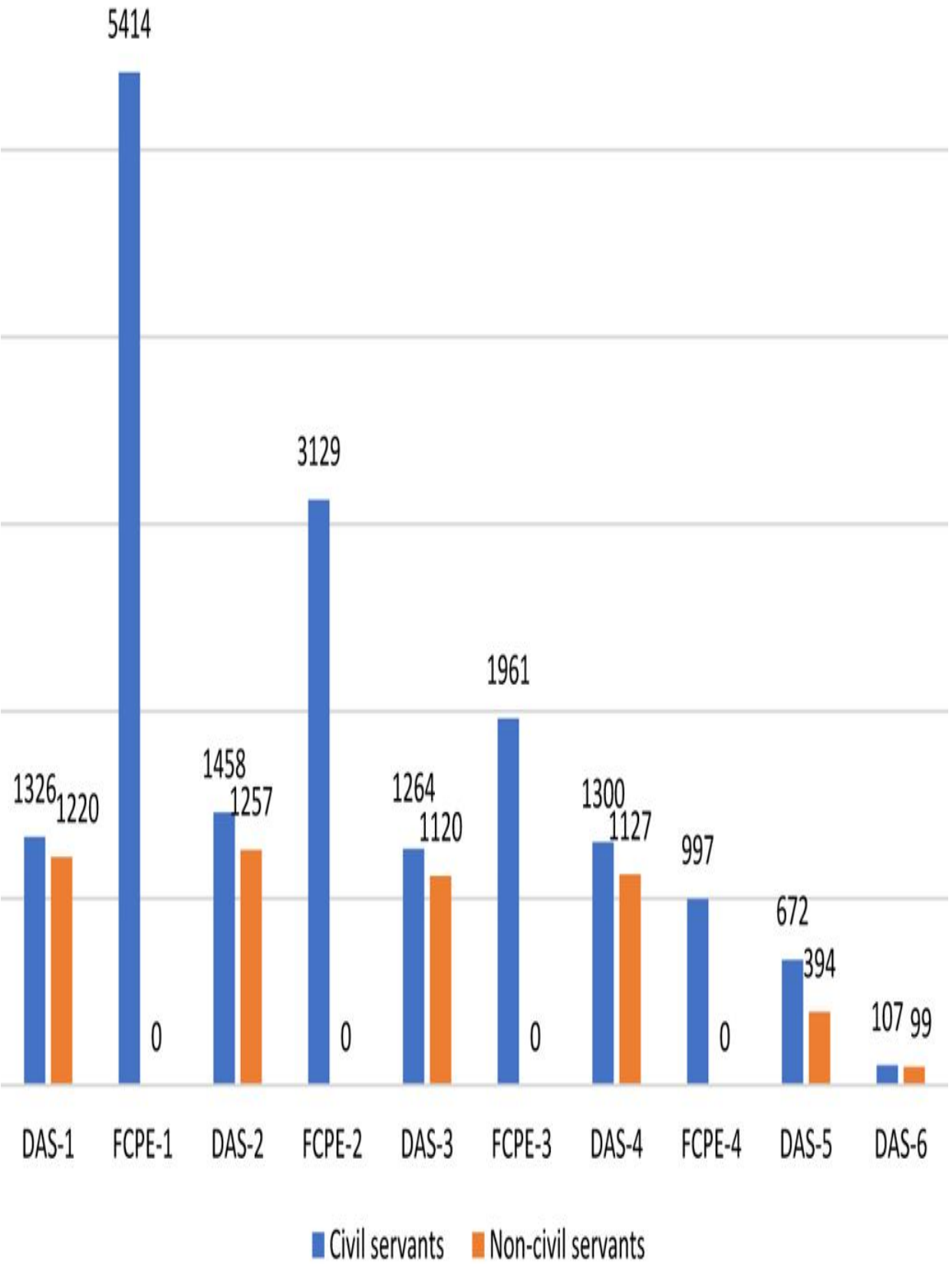


Fig. 3.3. Distribution of Direction and Advisory Positions (DAS) and Executive Branch Commissioned Positions (FCPE) by Employment Type. *Source:* Ministry of Planning, 2018.

An important move toward the professionalization of the federal public administration was the creation of a small group of pervasive careers destined to populate the whole executive branch or groups of sectorial ministries.¹² The rationale of these initiatives – championed by top officials – was to replace groups of old careers defined per ministries for broader careers aligned with a more flexible and mobile perspective.

The qualifications of the occupants of high-level positions in 2018 reveal also a greater participation of highly qualified professionals at the top of the hierarchy – see Fig. 3.4. Although there is not solid evidence to promote reliable comparisons, it is generally accepted that the profile changed in the last decades because of the advance of professionalization and because of the growing qualification of the workforce as a whole.

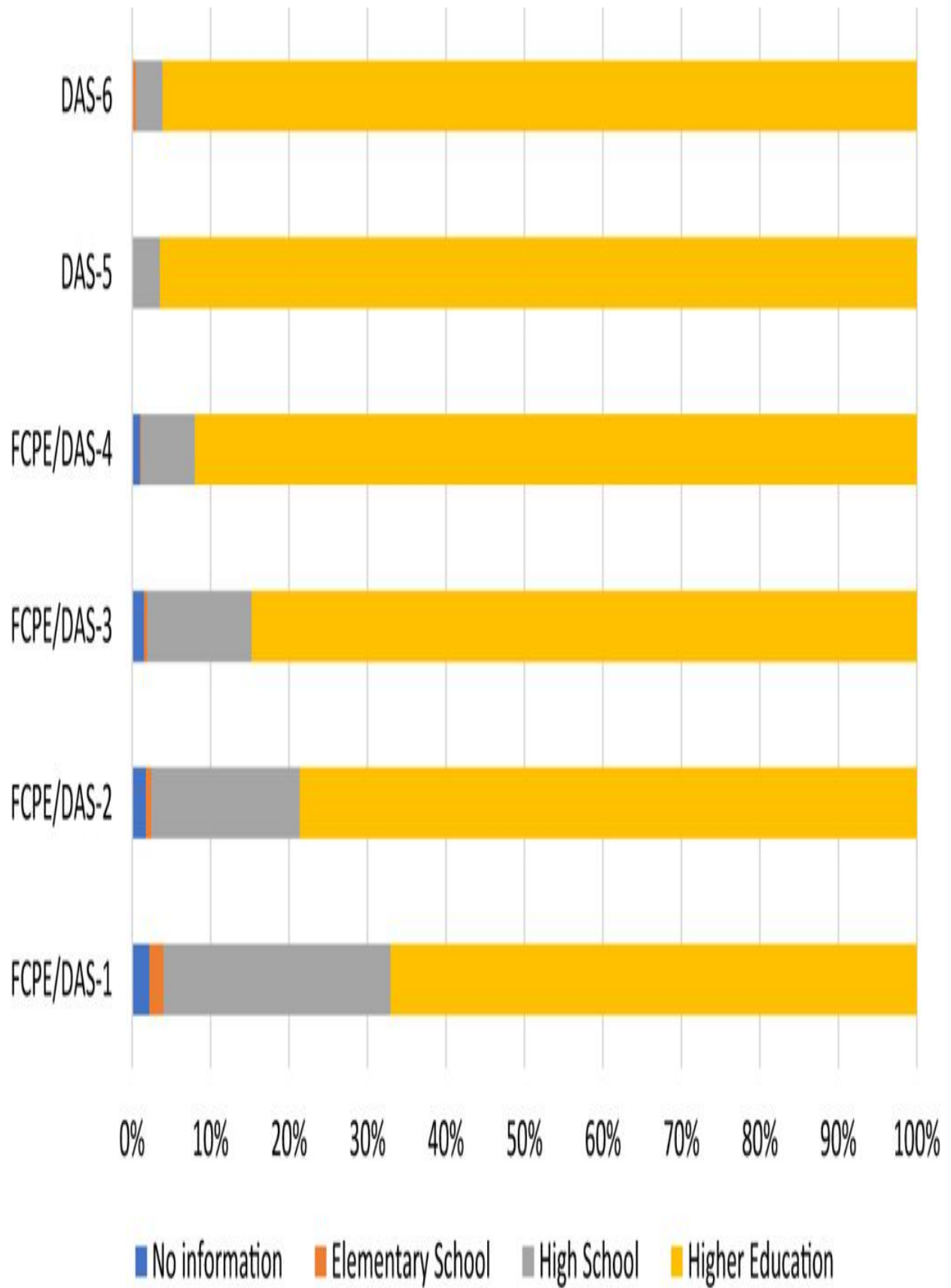


Fig. 3.4. Level of Education of Direction and Advisory Positions (DAS) Appointees. *Source*: Ministry of Planning, 2018.

3.2 Social Security Policy Changes in the Public Sector

Brazil has two social security regimes: the general regime for the whole economy and the special regime for civil servants. Both have gone through important changes in the last 25 years, after the approval of the 1988 Constitution. By now they march toward a tacit unification although the subject is not presented in this light by politicians engaged in social security reforms.

The Constitutional Amendment 20, of 1998, introduced a flexible regime of adjustments in the general regime while establishing a minimum age for civil servant retirement. A second important reform took place in 1999 with the approval of the Law 9876/1999. It aimed the general regime toward the introduction of a “reduction factor” in pensions that expressed the value of the benefit in terms of an equation that took into account the period of contribution, age, and life expectancy.

The most important reform that affected the public sector in the last decades was the Constitutional Amendment 41, of 2003. It introduced several modifications in the previous regime in order to make it closer to the general one. It created a tax over the difference between the superior limit of the benefits of the general regime and the value that retired civil servants are supposed to receive. The value to be received was established in terms of 80% of the major contributions of the last years instead of the last salary in full. It dissociated salary adjustments of the active workforce from those of the retired. Finally, it previewed the creation of pension funds for new civil servants via a legislation later detailed by the Law 12618/2012.

The federal public service still faces the challenge of paying retirement and pensions for inactive public servants (or their dependents), while at the same time attempting to recompose its workforce. The reforms take a long period of maturation, and results will only be observable in the long run. Today, the ratio between active and inactive (retired and their dependents beneficiaries of pension funds) public servants in indirect administration organizations (government agencies and public foundations) is approximately 1.5. In the case of the military, it is one to one. For the direct

administration (ministries), there is already a greater number of retired (and beneficiaries of pension funds) versus active employees.

This scenario indicates that a potential renovation of the workforce faces strong fiscal limits, given the commitments to the payment of retired employees. Relevant steps have been taken to improve these conditions, especially with the disconnection between active versus retired public servants payments and with the establishment of ceilings for the benefits of new contributors, since 2012. These changes can potentially contribute to reduce the differential benefits between public and private careers, creating space and need for a new structure of incentives for public sector recruitment, one that relies more on professional training and merit over the long life cycle of public servants (Fig. 3.5).

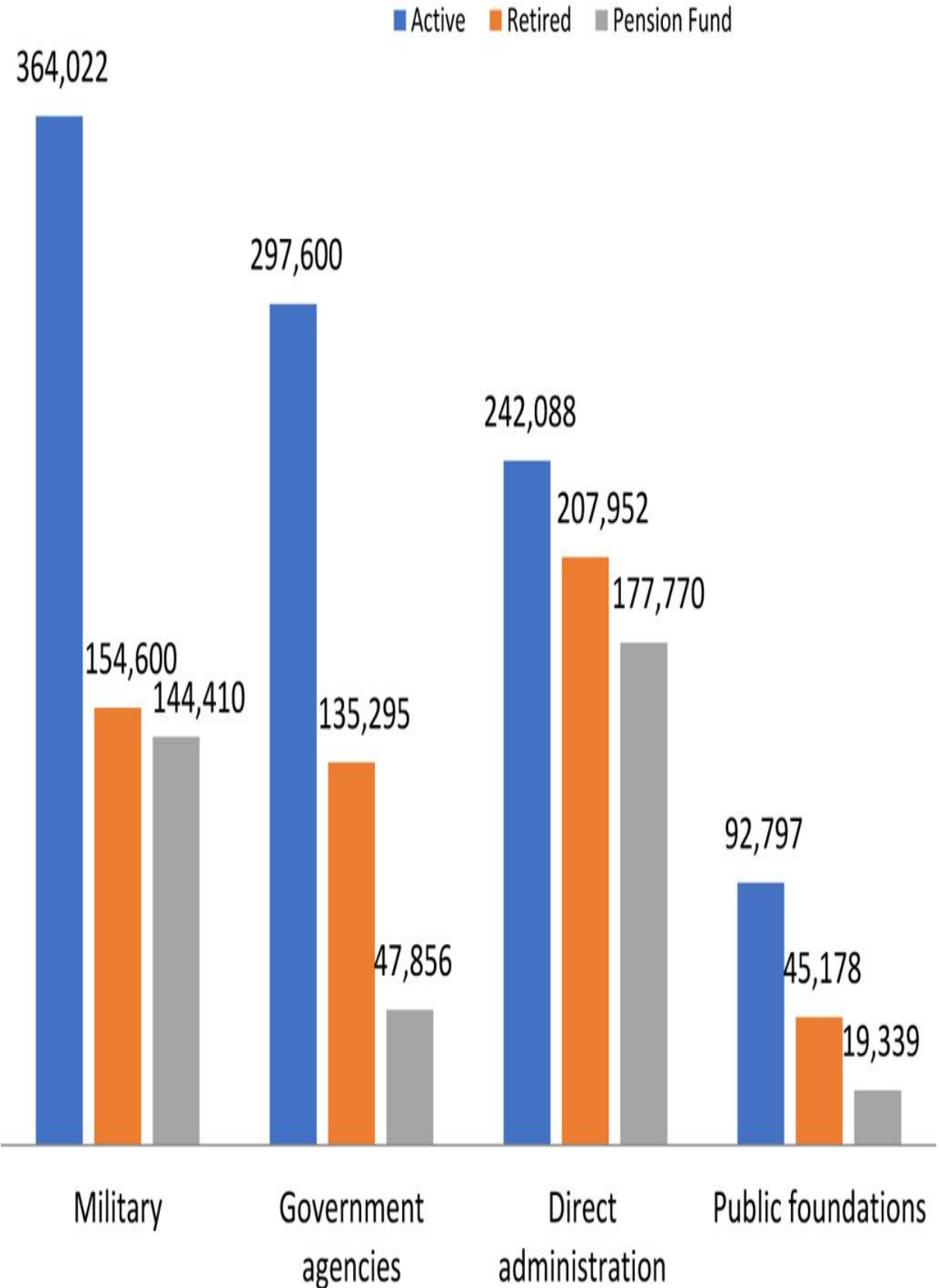


Fig. 3.5. Total Number of Federal Public Servants (Executive Branch), by Area and Type of Regime. *Source:* Ministry of Planning, 2017.

4. The Politics of Public Administration in Democratic Brazil

After discussing the political–institutional context (post-1988) and presenting an overview of current features and trends of the civil service in the country, we now turn to an analysis of the reforms and political processes that shaped public administration in contemporary Brazil. We suggest there are three distinguishable periods between 1985 and 2010 that help us reconstruct the historical trajectory and explain the present.¹³ The first phase can be identified as the turbulent years of 1985–1994. The second could be described as the adjustment period (1995–2002). And, finally, the third phase suggests a reconstruction period, starting in 2003.

There are important nuances and variations within each period – especially in the first because of the amount of policy changes and the number of zigzags, and also in the latter, given its continuity to present times. However, each one of them can be characterized, respectively, by an issue image: uncertainty, minimalism, and capacity building. Four driving forces conditioned the events within each one of the four periods. They were coalition politics, economic contingencies, policy priorities, and the learning pace of an infant policy community. After 25 years, a new federal public administration begins to take shape.

4.1 The Turbulent Years: Erratic Paths in a Context of Entropy

One of the important novelties of the first cabinet of the so-called New Republic was the creation of the Ministry without a portfolio of Public Administration – a subject neglected by the authoritarian regime since the reform of 1967. The reforms of 1960s enabled the emergence of a developmental state based on a highly qualified techno-bureaucracy entrenched in SOEs but neglected the direct administration.

The initial years of Sarney's Government (1985–1990) were marked by the continuous ascendance of the subject in the national agenda. The creation of the National Secretary of Public Administration (SEDAP-PR) together with the National Secretary of Planning (SEPLAN-PR) in 1986, both located

in the Presidency, marked the climax of the expectations of those committed to state reform initiatives mainly associated with a progressive public administration agenda.

The call of a National Constitutional Assembly combined with the progressive deterioration of the economic situation led to a gradual erosion of the political coalition in charge of the re-democratization process. There was an increasing distance of SEDAP-PR from SEPLAN-PR because of the positioning of the former as a spending ministry, while the later was desperately trying to keep inflation in bay. The government launched the “Dismantling Operation” at the end of 1988 in order to adjust the federal administration to the 1988 Constitution. SEDAP-PR and SEPLAN-PR were extinguished, and a new Ministry of Planning absorbed both secretariats. Its legacy included the creation of the National School of Public Administration and the organization of a public recruitment drive for a career of public managers.

The aggravation of the economic situation led the economic team to create new careers and organize public selections for the areas of budgeting, finance, and control in 1989. But the most important outcomes of the period were consequences of legislative action enacted by the Congress. The 1988 Constitution favored the statutory regime for the civil service – in contrast with the private labor legislation, extensively used by the previous authoritarian government. Approximately four hundred thousand of public sector employees were “transformed” into civil servants and acquired tenure and retirement rights with their full wages. The country reset artificially a national civil service that was not structured on merit basis. However, the new personnel cadres were protected by the rigidity of administrative law in a context of hyperinflation.

The first President elected directly by popular vote – Collor de Mello – recreated the Secretary of Federal Administration (SAF) located in the Presidency when he initiated his mandate in March 1990. A major downsizing operation was launched to reduce the size and the cost of the federal administration with disastrous results. Two years later, SAF was absorbed by the Ministry of Labor when the government was already lethally compromised by corruption charges that led to the President's impeachment. The Vice President took over at the end of 1993 and recreated

SAF just to replace the minister in charge six months later because of administrative sleaze.

The unstable political dynamics of the period had been devastating for the purpose of consistent public management reforms. Different ministers tried distinct courses of action in 1985, 1989, 1990, 1992, and 1993 under four presidencies. The subject achieved its climax in 1986 when SEDAP-PR was created but even at that time the contradictions incubated in the agenda compromised the reformist impetus that rose with re-democratization. The self-defeating idealist rhetoric was not strong enough to face the populist and economic counter forces of the period. The 1989 technocrat attempt to adjust the reformist initiatives to make them consistent with the economic antiinflation imperatives was destroyed by the ascendance of an antistate agenda with Collor de Mello.

The economic context played a decisive role in the trajectory of public management policies between 1985–and 1994. The disalignment that began in 1986 was briefly overcome in 1989 but it was definitely established from 1990 on. The inflationary process drained the presidencies' attention from other subjects. There were recurrent failures of macroeconomic policies in stabilizing the economy. They also compromised attempts to forge public management policies – typically long-term systemic policies – capable to conciliate short-term and long-term objectives. Moreover, the rigidity of the administrative law combined with the phenomena of currency devaluation stretched public administration capacities beyond their possibilities.

Ten years after the end of the authoritarian regime, public management reforms remained an unfulfilled promise. Several false starts and different approaches had left a discredited agenda. The confusing absorption of hundreds of public sector employees granted with civil service rights contributed to the erosion of public finances. The absence of public recruitment in the period, with the few exceptions that took place in 1988–1999, did not contribute to renew the public sector. The macroeconomic stabilization of the economy thanks to the Real Plan in 1994 when Cardoso was the Minister of Finance made room for new reform attempts that would take place after his presidential election.

4.2 The Cardoso Governments: A Stable Baseline and a Selective Start

The adjustment period was characterized by the reduction of the size of the federal government workforce because of the retirement of civil servants. The context was distinct from the previous one: macroeconomic stabilization and a stable governmental coalition replaced hyperinflation and political instability.

There was not a clear policy view of the scope of the civil service when Cardoso was elected at the end of 1994. Cardoso invited his comrade Bresser Pereira to be minister of a new portfolio: the Ministry of Administration and State Reform (MARE, the acronym in Portuguese) – previously known as the Secretary of Federal Administration. Six months later, a detailed plan to reform the whole state apparatus was sent to Congress. During Cardoso's first mandate, a comprehensive attempt to promote a managerial state reform dominated the public management scene.

The leading policy entrepreneur was the Minister of Administration and State Reform, Bresser Pereira, who designed a proposal for a new state apparatus in the early months of 1995 influenced by the British new public management reforms. He figured out a focused small civil service. They were supposed to integrate the core of the federal public administration. A small group of the so-called careers typical of state should constitute the civil service. These functions should be reduced to a minimum: tax inspectors, diplomats, federal police, comptrollers, and public prosecutors. But the government never drew a line distinguishing what should be part of this core public bureaucracy.

Evaluations of Bresser Pereira's reformist efforts are not consensual. On the one hand, new organizational forms of public institutions inspired in the British agencies and quangos were created and validated by a constitutional amendment. But they did not take roots in the federal government. On the other hand, the government organized reliable personnel statistics and focused public selections as a part of a policy change process. The managerial ideas spread in the following years but did not overcome the obstacles by the juridical establishment, still prisoner of a continental view of administrative law.

The Ministry of Planning absorbed the Ministry of Administration and State Reform during the transition period that followed Cardoso's re-election – an institutional rearrangement blessed by Bresser Pereira who was transferred to the Ministry of Science and Technology. The similarities with

what happened in 1988–1989 were obvious. The argument now was the opposite however. The merger was supposed to strengthen the managerial reform sponsored by Bresser, not avoid excessive public expenditure with the public administration.

During the second mandate of Cardoso, the managerial leg of Bresser's proposal did not take off. Contractualization and agencification did not get the support of the key political players of the governmental coalition.¹⁴ Paradoxically, the less emphasized public administration elements of the reforms initiated in 1995 acquired consistency and shape. The persistent organization of public selection for careers of core state functions such as budgeting, finance, control, and public management gradually began to change the landscape of the federal government. The tacit alignment with the structural adjustment imperatives favored drafting of the scope of the so-called core state careers, a move pushed on the one hand by high officials and on the other hand by the self-organization of the Unions of these careers.

At the end of the Cardoso era, the public federal administration presented a very different picture than the chaotic situation of 1994. The macroeconomic stabilization process followed by the adjustment period was compatible with a young professional bureaucracy located at the economic ministries. For the first time in Brazil's administrative history, the direct administration had constituted an embryo of a Weberian classic bureaucracy.

The advocacy coalition championed by Cardoso had placed in core ministries people chosen directly by the President, allies identified by a common history since struggles against the authoritarian regime, and economists who had worked with the previous ex-minister of Finance who led the launching and implementation of the Real Plan. During both mandates, Cardoso kept the key portfolios of Finance, Planning, and Chief of Staff in the hands of his closest agents. After the instability of the previous decade, the Cardoso years looked surprisingly stable despite the differences between the first and the second mandate.

The economic environment was decisive to provide the context for the strengthening of the economic ministries through public selections. The day after the first-generation macroeconomic reforms demanded different institutional capacities much more embedded in the governmental public administration than in the previous stage. Bresser posed his managerial reforms in a way consistent with the economic priorities of the government –

enough to get the economic team's tacit agreement but not its real sponsorship.¹⁵ The lower rank policy entrepreneurs who catalyzed less visible public management reforms in Cardoso's second mandate achieved results acting as an extension of the ministries of Finance and Planning. But they performed their entrepreneurial role in a much more low-profile way.

Public management reforms were not a top priority in Cardoso's agenda despite Bresser Pereira's campaign to attribute a high profile to the subject in the first mandate. Issues such as macroeconomic stabilization, privatization, and fiscal adjustment dominated the decision-making agenda, thanks to the central role performed by the team of economists who exercised major influence in both mandates. There was not a real connection between economic policy and public management initiatives despite the alignment between both. Even so, a certain degree of policy change was achieved because of the entrepreneurship efforts of the Minister of Administration and State Reform in the first mandate and middle rank professional bureaucrats in the second. Given the context of fiscal adjustment, a certain degree of policy priorities was attributed to these policies especially in the first mandate when even a constitutional change was introduced to enable managerial reforms.

The public management policy community in the early 1990s was in an irrelevant state. There were few academic programs in place. There were not professional associations. International policy dialogue was not a habit. Bresser Pereira's leadership in front of Ministry of Administration and State Reform changed this landscape. As soon as he assumed his position, he embarked in an international tour that put him in contact with what was going on in the US – Reinventing Government – and Britain – Next Step Agencies. The National School of Public Administration became a center of diffusion of managerialism. The beleaguered Centro Latinoamericano de Administración para el desarrollo (CLAD) was empowered and reassumed its role as a continental hub for public administration reformist ideas in Latin America.

During Cardoso's governments, “Brazil in Action” (*Brasil em Ação*) and “Go Brazil” (*Avança Brasil*) were tried in order to join planning to results in broader lines.¹⁶ None of these governments managed to formulate views beyond the period of a four-year plan (*Plano Plurianual* – PPA). Eight years

later, the managerial reforms of the period may have produced only partial results but one of its legacies was the emergence of a policy community that encompassed practitioners, academics, private consultants, and international experts. A cumulative policy learning process was somehow established.

4.3 The Ascendance of the Center Left: The Benign Perception of Public Administration

The election of Lula – the leading figure of the Workers' Party – at the end of 2002 raised high expectations with respect to public management policies. The experience of the left at local governments suggested possibilities of progressive public administration reforms and the empowerment of planning practices reinforced rational Weberian principles in government affairs, associated with the pursuit of the public interest.

The Worker's Party's ideas were closer to a progressive public administration agenda than to the managerial manifesto sponsored by Bresser Pereira. The fight against clientelism via the empowerment of a merit-based civil service and the adoption of anticorruption practices through the empowerment of watchdogs were some of the new government major concerns (Loureiro, Abrucio, Olivieri, & Teixeira, 2012).

In a surprising move pushed by severe economic circumstances, Lula's government approved a constitutional amendment in his first year in power that equalized public and private retirement regimes – an unthinkable reform coming from a government historically supported by civil servants unions.

During Lula's first mandate, the public selections to the core economic ministries were expanded with two new additions: the General Comptroller Office and the General Attorney Office. These two ministries were populated and empowered as they had never been in the past. The salaries of the central agencies of the Cabinet were consistently raised over the period for the attraction of qualified and competitive professionals.

A subtle initiative destined to improve the professionalization of the public administration was enacted: the Decree 5497/2005 that established limits to the appointment of public sector outsiders to occupy posts in the government, as discussed before. This measure established limits to politically motivated recruitment and sent a message to ministries and

national secretaries: patronage and clientelism were supposed to finish or kept contained.

Important human resources policy changes took place also in the regulatory agencies created in the previous years. Professional careers were created in order to replace provisional employees hired during Cardoso's years. In a few years, the 10 regulatory agencies of the Brazilian public administration became well-established public bodies, at least with respect of their manpower capacities.

Despite the fiscal concerns of the economic team, public selections to line ministries were authorized but their salaries were not enough to retain those approved. The evasion of those approved was high. Those who remained did not compensate numerically the ordinary flux of retirements.

Managerial reforms took place at line ministries such as social development, education, and social security. The conditional cash transfer program, *Bolsa Família*, linked extremely poverty to children attendance in schools and health programs. Educational funding and a voucher system were heavily introduced to enable low-income youngsters to attend private universities. Waiting lists were practically extinguished in social security services at the same time that ordinary people were granted retirement rights in real time, thanks to information and communication technology techniques.

All the previously mentioned initiatives regarding public management reforms were not coordinated nor did they obey a unique formulation. They were pushed by a political reformist impetus oriented to results but they were fragmented and disconnected except for the general presidential support.

The second mandate of Lula marked a number of public selections combined with pay rises without precedents in Brazilian public administration. A tacit alliance between high officials and political appointees supported politically by the President enabled the adjustment of salaries historically low at the same time that new careers were created in order to populate public organizations previously characterized by provisional human resources arrangements.

In terms of planning and management reforms, Brazil for All (*Brasil para Todos*) and the Acceleration Growth Program (*Programa de Aceleração do Crescimento-PAC*)¹⁷ – both in Lula's government –

introduced new courses of actions based in different premises: the expansion of popular consumption and aggressive redistributive policies.

A balance of public management reforms at the end of Lula's presidencies revealed a picture of the federal public administration significantly different from the existent in 2002. A professional public administration was well established in several areas of the federal government, notably in central ministries and regulatory agencies. So-called transversal careers such as infrastructure analysts and social analysts were also created in order to populate line ministries – historically known for capture and patronage practices.

4.4 Continuity and Change: Public Management Reforms after 2010

Given the slow pace of policy implementation, it is not clear if the tendencies that emerged after 2003 are irreversible. They have prevailed in Rousseff's administration although without the number of public selections and the generous pay rises of the previous period. Economic constraints combined with the lack of a comprehensive public management proposal established as a priority reduced the impetus of the reforms.

Nevertheless, Rousseff's administration finished one of the most important structural reforms of Brazilian public administration: the creation of a public foundation to take care of the public sector pension regime. It was an unexpected political achievement given the resistance of the public sector unions – one of the most important constituencies of the governmental coalition. The conclusion of the reform of the public sector pensions initiated in 2003 marked a new era in the public administration because it eliminated one of the most distinctive incentives of the civil service: retiring with last wage in full. The distinction between the public employment regime – equal to private sector labor contracts – and civil service regime became increasingly blurred.¹⁸

There were no substantive public management policy changes in comparison of Lula's second mandate with two particular exceptions: the new law of open government and the increasing use of concessions as a privileged mechanism of partnership between the public and the private sector.

The so-called transparency law was championed by the General Comptroller Office Ministry and its impacts have not been properly evaluated yet despite its increasingly use by the press, academia, think tanks, and interest groups. Brazil achieved international recognition by the policy's innovation that paradoxically was not appreciated nationally as such because each anticorruption operation strengthened the impression that there was more corruption in the present than in the past.

Lula's government approved a public-private partnership law that did not "take off," given the lack of political support. The turning point at the economic command in March of 2006 was destined to coincide the resumption of economic growth.¹⁹ PPPs were put aside. But concessions previously tried, almost on an experimental basis, were adopted as the main policy solution to raise investments in infrastructure, especially highways, airports, and ports.

Some nuances were introduced, however. The reconstruction of the federal administration continued to take place via new waves of public selections but there were not pay rises as in the previous years as in the past. A labor deal was cut with the majority of civil servants unions: no real pay rises beyond inflation losses. The measure was essential to face the economic difficulties of the period.

Another important spillover of previous initiatives of Lula's Presidency was the dissemination of the Differentiated Procurement Regime (RDC) – initially established to accelerate works of the 2014 World Cup and 2016 Olympic Games – to several other policy domains such as infrastructure, health, and education. While there is not an evaluation of its impacts – especially in terms of efficiency – there is general perception that it indeed speed up the rhythm of public works.

The central priority of Dilma's Presidency was a program of investments in infrastructure oriented to accelerate growth rates.²⁰ Public administration reforms became part of micromanagement efforts oriented to promote and enable sectorial policy changes. They obeyed punctual pressures, entrepreneurial initiatives, and specific circumstances – not an overall comprehensive strategy.

A new institutional player became part of the state reform landscape in the last decade: the Court of Accounts (TCU). TCU decisions were decisive

to push small punctual reforms in areas such as procurement, personnel, ICT, monitoring and evaluation, and governance (Nogueira e Gaetani, 2018).²¹ ,
22 , 23 , 24 TCU also provided the technical fundamentals – still controversial – that enabled the voting of President Dilma impeachment process – clearly a political process that demanded a technical reason.

5. Conclusion

Eighty years after the launching of the foundations for the Brazilian modern state, the federal public administration resembles a work in progress, apparently, with low possibilities of being reversed. The consolidation of democracy and the macroeconomic stabilization came together with a transformation of the values that govern public administration, at least at the federal level.

Patronage, clientelism, and capture are still frequent – especially at provincial and local levels. But the changes that took place in the last 30 years highlight a route for institutional building in the country. No setbacks were observed in the last five presidential mandates. There are differences in emphasis but all policy initiatives that were adopted point out to substantive changes in the way the federal government functions.

There are loose ends in the big transformation in process. Coalition governments do not make bureaucrats' life easier. There are pockets of resistance to professionalization in some public organizations. Generation changes are still necessary in others. The occurrence of strong corporatism phenomenon in strategic areas poses a threat to the democratically elected authorities. Efficiency is still not properly internalized in government corporate practices and systems. The quality of public expenditure is a whole subject to be explored yet. And there are several changes to be introduced in order to transform Brazilian federalist system in a cooperative one.

The agenda ahead presents notable challenges such as enhancing governance of national arrangements, improving executive coordination, and raising the responsiveness and the quality of public management – such as human resources, planning, budgeting, procurement, information and communication technologies, and organizational modeling.

The consolidation of public administration and public policy communities suggests the market for professionalization of governments is on track. International policy dialogue has become increasingly popular and the participation of Brazilian officials in global forums – especially the OECD – reached a frequency without precedents. Brazil acquired international projection, as well as the other “BRICS” countries, because of its growing economic weight on the global scene. The combination of consolidated democracy, social inclusion, and economic stabilization marked the emergence of a country connected with its major challenges, although there is still a long way ahead in order to achieve sustainable development in the long run.

Brazilian public administration is not a model to other countries despite being presented as a positive example in the context in Latin America (Longo, 2009). The historical legacies, size, heterogeneity, demography, administrative culture, complexities, low competitiveness, reduced productivity, deep inequalities, and youth of its democracy pose multiple challenges that Brazilian society needs to face, in order to produce a better government for a better country. But so far, enough transformations have occurred in the way the federal government is organized and operates to inspire, provoke, and provide a consistent push toward reforming public administration to meet the country's development needs.

The impeachment process of Dilma and the election of Jair Bolsonaro evidenced the shortcomings of the so-called coalition presidentialism (*presidencialismo de coalizão*). In a context of slow economic recovery and substantial public debts at the federal level, it is not clear how the new government will tackle public administration challenges except via minimalism.

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¹In some areas, the federal government retains exclusive competences for defining and implementing policies in the whole country, such as defining civil, criminal, and commercial codes, electoral laws, and regulation for postal service, foreign trade, mineral extraction, and transportation policy. In other areas, the federal government establishes general guidelines, but state and municipal governments are responsible for the implementation of policies and the provision of public services, such as policing, housing, water and sanitation, health, and education.

²Created by the Constitutional Amendment 19, approved in 1998. Both are ruled by private law.

³In addition to these two broader categories (direct and indirect administrations), there are other organizational forms situated between the private and the public spheres, which range from quangos to special contracts and forms of relationships between the public sector and economic (firms) and social agents (NGOs).

⁴The impeachments of Presidents Collor, in 1992, and Dilma, in 2016, are often attributed to their inability in managing a stable governing coalition in context of crises (Abranches, 2018; Amorim Neto, 2016; Nunes & Melo, 2017).

⁵Nowadays, participatory policy councils in areas such as health care, social assistance, and education are present in over 90% of the municipalities and state governments, in addition to the national councils at the federal level (Pires, 2011).

⁶Since 2003, the federal government has called over 90 conferences, in diverse policy areas, with the goal of developing national plans and policies (IPEA, 2011).

⁷There are over 200 *ouvidorias* in operation only at the federal level (Cardoso, 2012).

⁸It includes those who work in direct and indirect administration organizations in the public sector of the three spheres of government (local, state, and federal), in addition to those employed in state-owned enterprises (controlled directly or indirectly by the Brazilian government).

⁹The Fiscal Responsibility Law, established in 2000, emerged in the context of conclusion of the government's effort to decrease the public deficit and reorganization of government budget, which has begun in the middle of 1990s. This law covered aspects of planning, financial planning, debt limits, and restrictions the costs of personnel, both federal, as states and municipalities. It has adopted a comprehensive concept of personal expense, which is related to active, inactive, and retired public servants, military or civilians, including private contracts and outsourced relationships. It also has

imposed a limit of personnel expenses, from 50% for Union and 60% for states and municipalities, considering net current revenue.

¹⁰Evidences of the tentative moves to transform politically appointed positions in internally appointed positions in the indirect administration are the Laws 11.355/2006, 12.002/2009, 12.274/2011, 12.443/2011, and 12.898/2013 that focused, respectively, on the Social Security Institute, Minerals' Research Department, National Industrial Property Institute, National Education Development Institute, and National Department of Transports.

¹¹It is a debatable subject in the academic literature, and it is not clear yet if the motivations are based purely on corporatism or are more politically nuanced. It has not been a comprehensive top down policy move, but it still deserves attention as a potential trend.

¹²The cross-sectorial (or transversal) careers include the Infrastructure Analysts – Law 11539/2007 (1,200 positions) – and Social Policy Analysts – Law 12094/2009 (2,400 positions). The pervasive careers were Information Technology Analysts – Law 11907/2009 (350 positions) – Administration Analysts – Law 11907/2009 (2,795 positions) – and Administrative Assistants – Law 11907/2009 (3,600 positions).

¹³This analysis is partly based on Gaetani (2008), with emphasis on the historical role of policy entrepreneurs in pushing public management reforms between the 1930s and 1990s.

¹⁴10 regulatory agencies were created during Cardoso's governments as a by-product of the privatization process in the context of another policy process. But only one executive agency was created in the context of Bresser's framework. A small group of social organizations were created especially during the period he became Ministry Science and Technology Ministry in the beginning of Cardoso's second mandate but a constitutional questioning at the Federal Supreme Court – not judged until today – inhibited the dissemination of the model at federal level despite its adoption at state level.

¹⁵Bresser had been Minister of Finance in 1987 and had a different view of how to conduce macroeconomic policy. He has always sponsored distinct economic views of those championed by the Minister of Finance. Despite his

attempts to establish a strategic alliance with the economic team of Cardoso, he neither got their comprehension nor political support.

¹⁶For two interesting evaluations of the four-year plans of 2000–2003 and 2004–2007 see World Bank (2002, 2006). For an instigating approach to Brazil in action see Barzelay and Shvets (2004).

¹⁷The most important institutional innovation of PAC's dynamics was the introduction of the so-called “situation's room,” a powerful monitoring mechanism that enabled the then Minister Dilma Rousseff to oversee closely the state of the projects, although with limits for strategic planning (De Toni, 2014).

¹⁸The other relevant distinction – tenure – was formally suppressed by the 19th Constitutional Amendment of 1998 that was approved at the end of the managerial cycle of reform attempts of Cardoso's first mandate. Despite its enactment not even in Cardoso's second mandate, the provision was not de facto put in use. It was a formal, not a real, policy change.

¹⁹It is still debatable if economic growth was resumed, thanks to new economic policies, late effects of the previous measures, or because of the global commodities boom.

²⁰Dilma Rousseff was the Chief of Staff Minister of Lula's second mandate. When the Programa de Aceleração de Crescimento (PAC – Program of Acceleration of Growth) was launched in the beginning of 2007, she was appointed her manager, a decisive job that supported presidential bid in 2010. A new generation of PAC's projects occupied the center of the national development strategy of her second mandate. All efforts were carried out to improve the performance of PAC's projects including the adoption of the procurement special mechanism – RDC – and the introduction of concessions to bring the private sector in.

²¹Acórdão 2622/2015.

²²Acórdãos 3023/2013 and 358/2017.

²³Acórdãos 1603/2008, 2308/2010, 3117/2014, 882/2017, and 741/2018.

²⁴Acórdãos 243/2013 and 1209/2014.

Chapter 4

Modernizing the State to Strengthen Democracy: Public Sector Reforms in Chile

Susan Alberts, Mireya Dávila and Arturo Valenzuela

Abstract

In the decades following Chile's 1990 return to democracy, successive governments adopted pioneering reforms aimed at modernizing the state and strengthening democratic governance. This chapter discusses the major developments within Chile's public sector since 1990, with an emphasis on reforms affecting the civil service and public sector management. The politics of the reform process was notable for successful consensus building and led to a more meritocratic, professionally managed public employment system. This chapter also provides an overview of initiatives to strengthen accountability through greater transparency and citizen participation in government, as well as the major public sector management reforms adopted during the last three decades.

1. Introduction

The Chilean state stands out as one of the most extensive and well developed in Latin America. The emergence of a professionalized civil service as early as the nineteenth century sets Chile apart from many of its neighbors in the region, as does the country's long-lived experience with democratic government. The early development of socially rooted political parties and a relatively strong legislative branch stimulated the expansion of the state, which took off in earnest during the Parliamentary Republic (1890–1925). By the 1930s, the government had introduced strict civil service rules and financial controls and a strong Comptroller General wielded extensive powers.¹ During this period, the Chilean state adopted a socially and economically developmentalist role, creating numerous autonomous agencies to carry out infrastructure development, planning, service delivery, and other functions. Sharply competitive party politics helped ensure that public institutions remained relatively autonomous, contributing to the strengthening of the rule of law. The nature of Chilean democracy with its extensive patronage, logrolling, and bargaining among legislators of different parties contributed to the development of a public sector that was simultaneously politicized and relatively professional, judged to be honest yet characterized by a *sui generis* version of the United States' spoils system (Valenzuela, 1984).

This trajectory was broken by the military coup of September 11, 1973, which overthrew the government of President Salvador Allende Gossens.² During the years of military rule (1973–1990), the nature of the state was drastically altered, and its size sharply reduced. Extensive neo-liberal reforms shifted the state's role from owner and service provider to regulator. Numerous state activities were decentralized or devolved to the private sector. With the return to democracy in 1990, the public sector once again experienced fundamental changes. While the governments of the center-left *Concertación* coalition, in power from 1990 to 2010, maintained the fiscal and monetary discipline and structural adjustment policies of the military regime, they introduced innovative social policies to alleviate poverty,

tightened regulation of the private sector, and initiated pioneering reforms to modernize the state.³ Institutions were created to give concrete form to new public concerns such as the environment, government transparency, and accountability, and significant changes in the area of human resources management were introduced to improve the efficiency and efficacy of the public sector. After 2010, democratic rotation took place and a right-wing coalition led by Sebastián Piñera won the presidency; in 2014, for the second time, Michelle Bachelet came to power but with a different coalition than the Concertación; then in January of 2018, Piñera won power for a second time.⁴

This chapter discusses developments within the public sector since the return to democratic government, with an emphasis on reforms affecting the civil service and public sector management. The following section examines the structure of the Chilean state, including national and subnational government and administrative institutions and bodies. Section 3 focuses on civil service laws, particularly the 2004 reforms, and the characteristics of public sector personnel. The politics of the reform process is discussed in Section 4. The fifth section describes formal and informal mechanisms of accountability in Chile, including recent efforts to strengthen transparency and citizen participation in government. The final section provides an overview of major public sector management reforms in Chile during the past three decades.

2. Characteristics of the Chilean Public Sector

2.1 Government Institutions

Chile is a unitary democratic republic with a presidential system of government. Presidentialism has been the predominant political regime in Chile since the country's independence. The Constitution of 1980 divides institutional power among three branches of government, the Executive, Legislature, and Judiciary.⁵ Four autonomous bodies established by the Constitution outside the organizational sphere of the three branches also exercise power: The Central Bank, Public Prosecutor's Office (*Fiscalía* or *Ministerio Público*), Constitutional Tribunal, and Comptroller General of the Republic.⁶

The Executive

The President of the Republic serves as both head of state and head of government and is directly elected for a four-year term with no immediate re-election. She is also the leader of the party or coalition in power. Chile's presidency is one of the strongest in the region in terms of constitutional powers. The president has the exclusive power to introduce legislation concerning the budget and financial administration of the state, including modifications to the budget law; the imposition, reduction, abolition, or modification of taxes of any sort; creation of new public services; remuneration, pensions, and benefits for public sector personnel; the minimum wage for private sector employees; collective bargaining, including determination of cases where it may be disallowed; social security legislation for the private and public sectors; the duties and characteristics of public sector entities and changes to the political administrative structure of the state. Most legislation originates within the Executive Branch. Bills introduced by the President are called legislative projects (*proyectos de ley*). The President may enact decrees with the force of law, subject to delegation of authority from the National Congress. She may also convoke plebiscites, call special sessions of Congress, and declare states of exception according to constitutional criteria. The president can name and remove at her discretion Ministers of State and Undersecretaries, regional *Intendentes*, provincial Governors, officials who serve as political appointees (*de exclusiva confianza*), and heads of the Army, Navy, Air Force, and Armed Police (*Carabineros e Investigaciones*).⁷

The Legislature

The bicameral Legislature is composed of a Chamber of Deputies and a Senate. The Chamber of Deputies is made up of 155 members elected by direct popular vote for four-year terms, with the possibility of re-election. There are 28 electoral districts. Every four years, the entire Chamber stands for re-election. The Senate is comprised of 50 senators elected by direct vote for 8-year terms, with the possibility of re-election. There are 15 electoral districts. One-half of the Senate stands for re-election every four years.⁸

The Congress has the power to approve treaties, conduct impeachment proceedings against government officials, and exercise oversight of government actions. (Oversight powers are discussed in greater detail in Section IV.)⁹ Bills, referred to as motions, may originate in either the Chamber of Deputies or the Senate. Congressional action with respect to any of the areas in which the President has the exclusive right to introduce legislation is limited to either accepting or rejecting the legislation or reducing the sums in the case of monetary or budget proposals. In addition, if Congress fails to pass the proposed Budget Law within 60 days of its presentation, the President's bill automatically becomes law. The Constitution further specifies that Congress cannot increase or decrease estimates of government revenues; it can only reduce government expenditures. Congress may not approve any new expense without indicating the source of revenues. If that source is insufficient, the Constitution empowers the president to reduce the outlays.

The Judiciary

The highest court in Chile is the Supreme Court of Justice. This court is composed of 21 judges (called Ministers) who are designated by the President, with Senate confirmation, from lists of nominees proposed by the Supreme Court. They may remain in their positions until age 75, subject to good conduct. The Supreme Court's jurisdiction is national, and it oversees the other courts beneath it in hierarchy. These include 17 Appeals Courts and an equal number of Courts of First Instance located throughout Chile. The latter courts are specialized according to civil, criminal, labor, family, and other matters.¹⁰

Other courts are organizationally separate from the Judicial Branch. These include the Public Contracts Court, the Electoral Court, the Defense of Free Competition Court, and the Constitutional Court. Chile also has special Military Courts in each of its military divisions.

The Public Contracts Court (*Tribunal de Contratación Pública*) is a special, independent judicial body under the supervision and control of the Supreme Court, although it is not a part of the Judicial Branch. Established by Law 19,886 of 2003, the Court began functioning in 2005 and is responsible for enforcing the legality and transparency of State contracting processes. The court is composed of three judges and three alternates, appointed for five-year terms by the President of the Republic, from a list drawn up by the Supreme Court.¹¹

The Electoral Court (*Tribunal Electoral*) is an autonomous body charged with counting votes and certifying election results for President, Senators, and Deputies, as well as resolving legal claims concerning electoral matters.¹² It is composed of five members selected by the Supreme Court to serve four-year terms. Three of these must be members or ex-members of the Supreme Court; one must be a lawyer; and one an ex-President of the Senate or Chamber of Deputies. Regional electoral courts perform these functions at the local level; their decisions may be appealed to the national Electoral Court. The Constitutional Court and the Public Prosecutor, discussed in Section 4, are, respectively, empowered with overseeing the constitutionality of laws and carrying out criminal investigations and proceedings for the State.

The Defense of Free Competition Court (*Tribunal de la Libre Competencia*) is a special, independent court whose sole provenance is the promotion and defense of free market competition. The court was created by Law 19,911 of 2003 and began functioning in 2004. In addition to hearing cases, it is empowered to propose rules aimed at promoting competitive markets as well as the repeal or amendment

of statutory and regulatory provisions it deems contrary to free competition. Five members sit on the court: a president (designated by the President of the Republic from a slate of five names chosen by the Supreme Court, based on a public competition); two members designated by the Central Bank Council; and two by the President of the Republic, based on lists drawn up by the Central Bank Council from the results of public competitions. The court falls under the direct supervision of the Supreme Court, although, like the Public Procurement Court, it is organizationally outside of the Judicial Branch.¹³

Subnational Government

While Chile has a long tradition as a strongly centralized unitary state, important changes have occurred during the past several decades. The military regime introduced a new national administrative structure that replaced provinces with regions as the largest administrative unit of the state. In addition, during this period, education and health management were decentralized to the local level.¹⁴ Since the return to democracy in 1990, regional governments have been maintained and strengthened.¹⁵ Chile currently has 16 regional governments that are headed, as in the past, by an executive (*Intendente*) appointed by the President.¹⁶ *Intendentes* have a dual role: they not only oversee their region but also represent the President. They administer their region in conjunction with a Regional Council. In 2009, under President Michelle Bachelet, Law 20,390 reformed the Constitution to allow the direct election of regional councilors, which were held for the first time in December 2013.¹⁷ This law also permitted the transfer of more authority from the central government to the regions.¹⁸ Regional administration is also carried out with support from Regional Ministerial Secretariats (SEREMI), which are deconcentrated agencies of the national ministries.¹⁹

Below the regional level, Chile's 54 provinces are headed by a governor appointed by the president and subordinate to the *Intendente*.²⁰ The governor presides over the Provincial Economic and Social Council (CESPRO), a consultative body. Provinces are further divided into communes (*comunas*). At this level, local administration is carried out by municipalities, which are governed by directly elected mayors and communal councils. (Fig. 4.1).

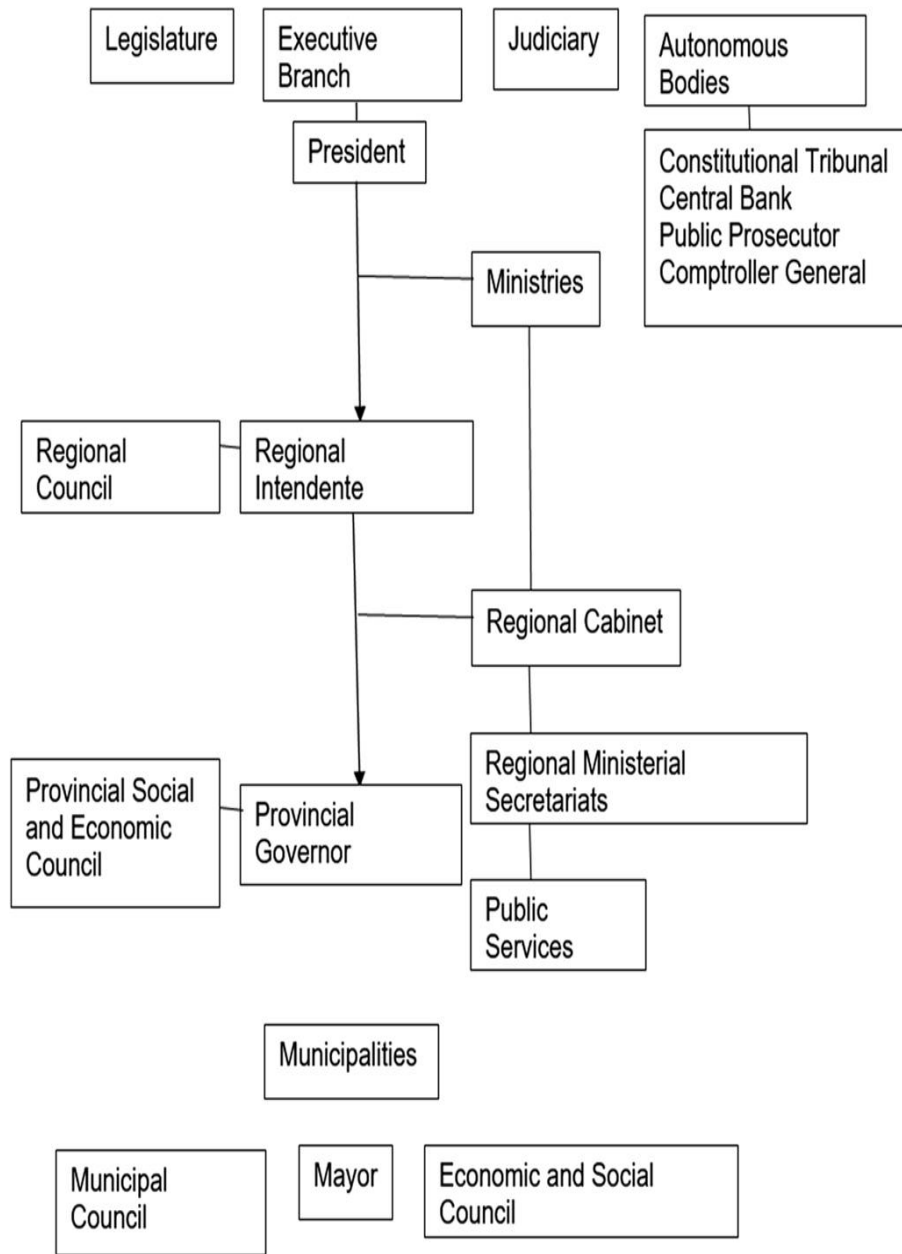


Fig. 4.1. Structure of the Chilean State.

Public Administration

The public administration is “the aggregate of organizations, people, formal and informal roles, capacities, and practices, the statutory mission of which is to convert policies into laws and the budget into useful services for citizens” (Echebarría & Cortázar, 2007, p. 126). Chile’s Constitution of 1980, Article 38, stipulates that the basic organization of the Chilean state’s administrative sector and the career civil service shall be established via organic law. In 1986, Law 18,575 on the General Bases of State Administration established the general organizational principles with respect to Ministries of State, Intendentes, Provincial Governorships (*Gobernaciones*), and public services.²¹ The main administrative entities according to this law are Ministries and public services. Chile currently has 23 Ministries.²²

These are the highest state bodies charged with carrying out government policies and functions in their respective spheres of activity. Ministers are appointed (and may be removed) by the President and are responsible for designing public policy. From the reestablishment of democracy in 1990 until 2010, the governing *Concertación* coalition assigned Ministers according to criteria of political balance among its parties. Very few independents occupied ministerial positions. This changed during the administration of President Sebastián Piñera (2010–2014), however, when more than half of government ministers had no political party affiliation.²³ A concern for balancing technocratic and political criteria has also played an important role in appointments since 1990. This was evident within the Ministry of Finance, where appointees have had a high degree of technocratic expertise.²⁴

Public Services are defined as administrative bodies in charge of “satisfying collective needs in a regular and continuous manner.”²⁵ They fall under the authority of either the Presidency or the Ministries and are responsible for carrying out the applicable policies, programs, and plans within their domain. Public services may be either centralized or decentralized. Centralized services operate within the legal identity and resources of the central government; decentralized services have their own legal identity and assets assigned by law and may be decentralized in terms of either function or territory.²⁶

Regulatory bodies or *Superintendencias* are deconcentrated agencies created to monitor the concession of public services to private entities to ensure that the latter fulfill their obligations. They are generally located within the relevant Ministries.²⁷

State enterprises are companies in which the state's share is equal to or greater than 50%. During the mid-twentieth century, the state Corporation for Production (*CORFO*, established in 1939) managed more than 500 state companies such as *Endesa* (electricity), *Enap* (petroleum), and *IANSA* (sugar).²⁸ The military government's privatization policy drastically reversed this situation and returned most state companies to the private sector. Currently, there are 32 state enterprises. Of these, 23 companies performing functions vital to the state (such as ports and sanitation infrastructure, transportation, and mining services) are grouped within the Business Management System (*Sistema Administrador de Empresas*, SEP), which was created in 1997 as a holding company. SEP represents the state's interests and acts as a technical advisory body.²⁹ Other companies in which the state has a part or whole interest include the State Copper Company (*Codelco*), the mail service, the State Bank of Chile, and various agricultural and fishing concerns.³⁰ The Budget Office's Department of Public Enterprises is responsible for overseeing the efficient allocation and use of resources of public sector companies.³¹

3. Public Sector Personnel

Since 1990, Chilean governments have undertaken gradual but progressively more comprehensive reforms in the area of public sector human resources management. Strongly influenced by the New Public Management (NPM) school of thought, the most significant reforms centered on two fundamental aspects of public sector management: the creation of a recruitment system based on open, merit-based competition for certain posts that were previously political appointees; and the adoption of modern management tools to increase the efficiency and responsiveness of government bodies (Barzelay, 2001; Zuvanic, Iacoviello, & Rodríguez Gustá, 2010). In relation to the latter goal, several new policies and laws were adopted aimed at improving human resources management, increasing government transparency, and promoting citizen participation. This section describes the major laws regulating public sector employment and the characteristics of central government employees.

3.1 Civil Service Laws

Prior to the 1990 return to democracy, two main laws governed civil service employees. Law 18,575 (1986) on the General Bases of State Administration (*Ley de Bases Generales de la Administración del Estado*) established the basic principles of the career civil service, including hiring, training, rights and duties, and termination of employment. Law 18,834 (1989), known as the Administrative Statute (*Estatuto Administrativo*), contained more specific regulations for human resources management. Both laws remain in effect.

The Administrative Statute defines the career civil service as “a comprehensive system regulating public employment, based on principles of hierarchy and technical and professional qualification and with the aim of guaranteeing equal opportunity for employment, training and promotion; employment stability and objectivity in performance ratings based on merit and considerations of seniority.”³² The provisions of this law apply to employees of Ministries, *Intendencias* (regional governments), *Gobernaciones* (provincial governorships), and the centralized and decentralized Public Services.³³ The law specifies four functional categories of career civil service positions: managers, professional, technical, and support staff. In addition, the law establishes three classes of civil service employment:

Permanent staff (*planta*): personnel who fill permanent positions assigned by law to an institution, hired by means of open, competitive processes. Entry to the career civil service as permanent staff includes the right to employment stability.

Contract employees (*contrata*): nonpermanent personnel (professional, technical, administrative, or support staff) hired by selection processes or decision of the relevant authority. Contracts expire yearly on December 31 but may be renewed indefinitely.

“Honorary” contract employees (*contratados a honorario*): nonpermanent employees attached to specific programs or projects; the scope of whose work falls outside the institution's usual functions.

The Administrative Statute stipulates that the number of civil service contract employees within an institution may not exceed 20% of the total number of permanent positions. Generally, honorary contract employees were either party militants filling positions responding to political criteria or specialized personnel whose expertise was required but who could not be hired as permanent staff due to the rigidities of the hiring system. Since 1990, reforms have aimed at regulating and increasing the transparency of the contracting process in order to avoid the abuse of public resources. As a result, honorary contract employees are no longer subject to the regulations contained in the Administrative Statute, but by the provisions of their respective contracts.³⁴

The career civil service extends up the hierarchy to those positions immediately below the level of political appointee (*exclusiva confianza*). Political appointees include members of the President's staff; Ministers, Regional Ministerial Secretaries (SEREMIs), and positions equivalent to or higher than division chief within government Ministries; and senior managers, deputy directors, regional directors, and managerial positions of equal or higher rank within the Public Services.³⁵ Hiring is subject to budgetary outlays and available number of positions. Traditionally, these positions were freely appointed by the party or parties of the coalition in power.

Building on this legal framework, the enactment in 2003 of Law 19,882, the New Deal on Employment (*Ley del Nuevo Trato Laboral*, hereafter LNTL) constituted a major landmark in the process of creating a meritocratic, professionally managed public sector employment system. This law partially amended the 1989 Administrative Statute and created new processes and organizational entities for human resources management. Among the law's most important contributions toward promoting a meritocratic state bureaucracy is its extension of the use of competitive hiring processes to senior management positions that were previously freely named political appointees at levels I and II within the organizational hierarchy, as well as to level III (department head) positions within the career civil service. A level I position is a Public Service Director (for example, the Director of the National Consumer

Service or the Metropolitan *Oriente* Health Service). Level II positions include Deputy Directors of public services, regional service Directors, and positions directly attached to senior executives.

The goal of this new system of competitive, merit-based hiring was to guarantee equal opportunity, transparency, and the absence of discrimination in public sector human resources management, while at the same time balancing political and technical criteria. To implement the system, the law created three new organizational entities:

The **National Civil Service Directorate** (*Dirección Nacional de Servicio Civil*, DNSC) is a decentralized public service located within the Finance Ministry. Since 2004, it has functioned as the governing body for the administration of human resources management, including recruitment and selection of senior public managers. It is composed of an Office of the Deputy Director for Personnel Development, responsible for the design and implementation of strategic human resources management policies, and an Office of the Deputy Director responsible for the Senior Public Management System (SADP, described below). The principal responsibilities of the DNSC include participating in the design of personnel management policies for the public sector, promoting reforms, advising Public Service heads and other authorities on personnel management, supporting the professionalization and development of personnel within government Ministries and Services, and promoting a participative culture with regard to improved conditions in the workplace. The DNSC also generates and administers a list of senior management positions and administers funds for scholarship programs.

The **Senior Public Management System** (*Sistema de Alta Dirección Pública*, SADP) oversees the use of open, competitive processes to fill political appointee positions at level I and II, the most senior ranks of the organizational hierarchy. As in other countries, this system differentiates between positions that design policies and those responsible for policy implementation, excluding the former.³⁶ Individuals in these positions are hired for a three-year period, renewable up to two times, and may be removed from office.

The **Senior Public Management Council** (*Consejo de Alta Dirección Pública*, CADP) supervises the recruitment process and conducts the competitive hiring processes for senior public managers. The council is an autonomous body composed of the head of the National Civil Service Commission and four councilors designated by the President of Chile and confirmed by the Senate. The council's members serve for a period of six years. To date, this organizational format has reflected the multiparty complexion of Chilean democracy, contributing to the reform's success.

Competitive hiring processes (*concurso*s) are initiated by public announcement and the preselection process is confidential. Job profiles are created, and private firms are used to evaluate candidates' backgrounds and carry out interviews subsequent to presenting the CADP (or its designated selection committee) with a list of nominees. The council reviews and approves the professional profiles of proposed candidates and proposes a list of names to the President (or relevant authority).

In 2016, a new law modified this system incorporating proposals made by the *Consejo de Alta Dirección Pública*, promises in Michele Bachelet's second presidential program, and recommendations of the Presidential Advisory Council Against Corruption and Conflict of Interest. The law increased the number of public agencies and public servants hired under the SADP, established transparency as a key principle, improved the way candidates were selected, and extended the duration in office for personnel hired under the system, among other changes.³⁷

The LNTL created two supervisory and consultative bodies. The **Tri-Ministerial Council**, comprised of the Ministers of the General Secretariat of the Presidency, Finance, and Labor and Social Welfare, is charged with monitoring the quality and coherence of the DNSC's work. The **Consultative Committee** is composed of experts in the field of human resources management and representatives from the Administration and public employees' associations.

Pursuant to the LNTL, various decrees regulate the competitive hiring process and tenure in office. Supreme Decree No. 69 of the Finance Ministry, enacted in 2004, contains the norms governing competitive hiring processes for career civil service positions and department heads, as well as for promotions when vacancies in permanent staff occur. Other decrees with the force of law define various positions in Ministries and Services that are to be filled by competitive hiring processes.³⁸ Career civil servants below levels I, II, and III have the right to job stability and ascension within their grade.³⁹ With the enactment of the LNTL, however, the most senior managerial positions are appointed for three-year periods, with the possibility of renewal for specified periods.

Other provisions of the LNTL establish modern management practices in the public sector such as the use of performance agreements (*convenios de desempeño*), performance indicators, and a system of performance-based pay incentives; competitive processes to determine promotions within the career civil service; creation of an annual award for institutional excellence and a system of trial employment. These build on earlier initiatives undertaken since the 1990s and are discussed in Section 5.

3.2 Public Employees: Numbers, Characteristics, and Rewards of Office

In the decade up to 2012, civilian central government employment in Chile increased by 36%, to over 214,000 employees. This number comprised approximately 3% of the country's total employment.⁴⁰ Most of the growth in personnel occurred within the central administration, which encompasses employees of government bodies attached to or under the supervision of government ministries. Growth continued apace from 2012 to 2017 (Table 4.1).

Table 4.1. Civilian Central Government Employees by Branch of Government, 2008–2017

Branch	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Central Admin.(a)	171,946	180,984	186,691	190,459	197,628	203,151	210,261	218,439	230,461	242,922
Comptroller General	1,654	1,775	1,751	1,858	1,891	2,000	2,023	1,972	1,972	1,999
Judiciary	8,932	9,198	9,983	10,469	10,528	10,871	10,868	11,614	12,222	12,414
Legislature	845	920	940	947	961	975	984	966	1,017	1,034
Public Prosecutor	3,675	3,729	3,728	3,713	3,747	3,737	3,733	3,745	3,923	4,030
Electoral Service	-	-	-	-	-	-	-	-	-	354
Total Central Gov.	187,052	196,586	203,093	207,446	214,755	220,734	227,869	236,736	249,595	262,753
Variation (%)	5	5,1	3,3	2,1	3,5	2,8	3,2	3,9	5,4	5,3

Source: Authors' compilation based on "Estadísticas de Recursos Humanos de Sector Público 2018".

Recent years have seen a steady increase in the number of employees hired by means of flexible contracts under the terms of the Administrative Statute (Table 4.2). Under this system employees have the same rights and obligations as permanent staff except in the area of job stability. Career civil service employees enjoy exceptional job tenure, with termination of employment occurring only rarely. Contracts are on an annual basis, can be renewed, and, despite the formal differences, tend to have a similar level of longevity in office as permanent positions (Iacoviello, 2010). Both permanent and contract personnel are to be rated yearly and their performance ranked according to four lists, with list 1 being the highest and list 4 signifying dismissal.⁴¹ Until 2006, more than half of all central government positions were filled with permanent employees. Since 2008, however, contract workers account for over half the positions.⁴² Recent survey research on the attitudes of Chilean public servants suggests some continuity amid change. Chilean public employees, known in the past for professionalism and civic mindedness, continue to reflect these qualities.⁴³

Table 4.2. Civilian Central Government Personnel by Employment Category, 2008–2017

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Permanent	86,069	86,352	85,547	84,387	85,024	84,819	85,069	81,627	83,141	83,189
Contract	97,430	106,473	113,823	119,043	125,528	131,705	138,672	150,979	162,360	175,409
Honorary (assimilated to grade)	24	14	9	11	13	14	9	9	12	5
Labor Code	3,529	3,747	3,714	4,005	4,190	4,196	4,119	4,121	4,082	4,150

Note: Calculation of the number of contract employees included permanent staff (*planta, titular of a post*) serving in contract positions at the time these data were compiled. Total to do not add up to 100% because two employment categories were omitted: those under the Labor Code and *jornadas permanentes*.

Honorary/assimilated to grade refers to contract employees (*empleados contratados a honorarios asimilados al grado*) whose functions are of a permanent nature within an institution and whose remuneration reflects the pay within the respective grade.

Labor Code: include permanent jobs.

Turning to the gender composition of central government staff, women have outnumbered men since 2000. In 2017, women employees totaled 154,319 compared to 108,434 men (Table 4.3).

Table 4.3. Central Government Civilian Employees by Gender and Function, 2017

	Senior Executives	Managers (Professional)	Managers (Nonprofessional)	Professional Staff	Technical Staff	Administrative Staff	Support Staff (Auxiliares)
Women	83	2,962	301	66,994	48,005	27,996	7,978
Men	167	4,040	702	50,721	25,179	14,457	13,168

Source: Authors' compilation based on data contained in “*Estadísticas de Recursos Humanos de Sector Público 2018*” Budget Office, November 2018.

By extending the use of competitive hiring processes, the LNTL dramatically reduced the number of positions that can be freely named by the President or other political authorities. Before the law came into force, approximately 3100 positions were filled by political appointment. By 2009, the number of these positions had declined by more than three-quarters, to 700 (Iacoviello, 2009).⁴⁴ Since the system began in 2004, the use of competitive hiring processes to fill senior management positions spread slowly but steadily. By 2013, 1,052 positions within 111 public services and 126 public agencies not formally attached to the SADP were incorporated into the system.⁴⁵ The proportion of senior managers hired from the private sector was 27% in 2010, falling to slightly less than one-quarter in 2013. Women constituted 29% of nominees in 2012, a percentage that has held fairly steady in recent years.⁴⁶

Reflecting changes in recruitment practices, the number of applicants for civil service positions filled by competitive hiring processes has increased markedly over time. In addition to announcements and links to *concurso*s on Ministry and Public Service websites, the government has a central website dedicated to employment information, www.empleospublicos.cl. The average number of applicants per *concurso* in 2013 was 149 as compared to an average of 68 applicants per *concurso* in 2005.⁴⁷ In 2012, 58% of nominees were not prior occupants of the position, demonstrating renovation in the ranks of public managers.⁴⁸

The Finance Ministry sets the budget allocations for the most senior (level 1) managers' salaries by means of a Supreme Decree. These allocations, in turn, are based on proposals made by the CADP with input from the DNSC and the analogous office within the relevant Ministry.⁴⁹ Financial incentives linked to job performance established by the LNTL include bonuses for institutional and collective performance

and a national award for institutional excellence. Fulfillment of objectives specified in an agency's annual management improvement program also entails a monetary reward.

The system put in place by the LNTL can claim important achievements, including the successful implementation of competitive hiring processes through the SADP since 2004.⁵⁰ These processes are widely considered to be impartial and are used across many government agencies and services. The system has been criticized, however, with respect to the use of temporary or provisional appointments and the efficacy of its strategic human resources management tools. The law's provision for filling positions with temporary replacements while awaiting the results of the competitive hiring process presented the potential for abuse since there was no limit on the number of times a president could reject nominees selected by the CADP. For example, a president could circumvent the system by choosing to install a replacement at his/her discretion and continuing to reject the nominees stemming from the formal competitive process.⁵¹ A presidential instruction issued in 2010 addressed this problem by limiting the duration in office (as well as some of the powers) of temporary and provisional appointees.⁵² Other challenges center on strengthening collective and individual performance agreements, employee evaluations, and criteria for dismissal.

Performance indicators could be improved in order to function as meaningful management tools. Too often they are designed in such a way that virtually guarantees their fulfillment, resulting in very few employees being placed on low lists. In 2013, for example, 97% of employees were placed on List 1 with a rating of “excellent” (Williamson, 2013). A bill sent to congress in 2013 stipulated processes and institutional structures to improve strategic human resources management, including performance agreements and evaluation. To this end, the bill institutionalizes the 2012 *ChileGestiona* program, which seeks to strengthen supervision of public service directors by their respective deputy secretaries and improve monitoring of service provision. Finally, appropriate compensation is a continuing challenge. Salaries tend to be relatively low at the managerial level compared to the private sector, although this varies according to the nature of the position (Costa & Waissbluth, 2007; Iacoviello, 2009).⁵³ Tensions exist between budget constraints and the goal of setting salaries at levels comparable to the private sector in order to attract well-qualified applicants. Added to this are the political challenges involved in raising government salaries that in some areas are already at the high end of the scale.

4. Bureaucratic Politics

While the role of the state altered dramatically during the military dictatorship (1973–1990), changes in the realm of public administration since then have been incremental in character. After the return to democracy in 1990, the center-left *Concertación* coalition governed Chile for two decades. From 2010 to 2014, following the election of President Sebastian Pinera, the center-right *Coalición por el Cambio* governed. From 2014 to March 2018, Michelle Bachelet served a second term in *La Moneda*.⁵⁴ Broadly speaking, all post-1990 governments supported public sector reforms, gradually leading to improvements in the professionalization and transparency of the state sector. This section presents an overview of the politics of the reform process.

Three factors converged during the 1990s to propel public sector management reforms: the support and leadership of President Eduardo Frei (1994–2000); the technical and political skills of a group of public officials within the Budget Office of the Finance Ministry (Dipres) and the role of the Ministry Secretary General of the Presidency (Segpres) in coordinating modern management initiatives; and, lastly, lack of interest on the part of the public and political parties (Olavarría Gambí, 2010). Public sector management reform attracted little interest on the part of citizens, political parties, and the media with the exception of specific periods, such as during the corruption scandals of 2002–2003. Prior to 2003, management reforms were adopted largely as “cabinet reforms,” often avoiding the legislative route.⁵⁵

The Finance Ministry was the impulse behind the construction of management control systems, annual management reports, quality awards, the management improvement programs, and the philosophy of gradual implementation. The challenge of instituting a new system of merit-based hiring, however, languished in the face of resistance to changing the traditional spoils system in which government jobs were used as “*botín político*” by the winning parties. This was not a minor issue: Chile had approximately 250 political appointee positions for every million inhabitants, totaling roughly 3500 jobs. To put this in perspective, the comparable number in the United States is 30 positions per million inhabitants, and in Great Britain only 1.3 positions per million (Costa & Weissbluth, 2007).

The enactment in 2003 of the New Deal on Employment Law (LNTL) signaled a change to a more participatory process of public sector reform. Like many other politically significant events in Chile's recent past, the passage of this law is a story of cooperation and consensus building among disparate groups, including the parties within the *Concertación* government, opposition parties, employee associations, think tanks, and academics. With respect to the latter's influence, in 1997, the right-leaning *Centro de Estudios Políticos* (CEP) formed a commission on State Reform composed of public figures, business leaders, and academics, resulting in concrete proposals in the areas of public financing of political activities and public management.⁵⁶ At first, their recommendations were largely ignored. The administration of President Ricardo Lagos (2000–2006) initially viewed public sector management reform as important but not urgent.

It took a crisis caused by corruption scandals in 2002–2003 to propel the adoption of reforms.⁵⁷ Extensive media coverage of cases of illegal payments made by and to government officials took over the public agenda, creating a political crisis within the government.⁵⁸ In particular, the so-called MOP-gate case, exposing illegal payments involving Ministry of Public Works officials, caused an uproar. The scandals raised the visibility of the need for more transparency in public administration and political finance. Specifically, they underlined the connection between misuse of public funds and the lack of merit-based hiring processes for senior government positions by exposing linkages between campaign contributions and appointments to senior management posts in the public services.⁵⁹ Unsurprisingly, the opposition seized this opportunity to strongly criticize the government. And public demand for reform undercut the position of groups opposed to major change, opening the door for a grand compromise.

In this context, the president of the largest opposition party in the Congress, Pablo Longueira of the *Union Demócrata Independiente* (UDI), offered a pact. In addition to being convinced of the need for reforms, Longueira had an eye on the next presidential election and wanted to gain political support by demonstrating his party's anticorruption and efficient government credentials.⁶⁰ The resulting government-opposition negotiations produced the “Political-Legislative Agreement for State Modernization, Transparency and Promotion of Growth,” popularly known as the “49 Measures.” The accords, which led to the 2003 passage of the LNTL, contained major initiatives in the areas of public sector management. These included strategic human resources management and financial management; decentralization; transparency; and economic growth. The accords reflected a balance among the interests of the competing political forces. The UDI wanted and obtained many of the proposals recommended by the CEP Commission on State Reform, including the creation of a Civil Service Commission and Senior Public Management System. The government obtained, among other measures, several important provisions aimed at greater transparency.

Chile's partisan structure of two broad coalitions of the center-left and center-right also facilitated the adoption of reforms. Although coming from different perspectives, each side perceived reforms to be in their interest. From the government's point of view, the 49 Measures allowed it to overcome the political crisis and show the public that problems within the state sector would be addressed. Adoption of the reforms allowed the *Concertación* to present itself to the voters as having forged a new political project, yet one with roots in prior government policies and programs (Navarrete Yanez & Gomez Amigo, 2010; Olavarria Gambi, 2010). For the center-right opposition coalition, support for the reforms served to

demonstrate its governing capability and burnish its democratic credentials. From the opposition's market-oriented perspective, the State was seen as inherently inefficient and best confined to a limited role. Management reforms influenced by private sector practices aligned with their stance in favor of greater government efficiency. The reform pact also limited the president's ability to freely name individuals to government positions, an advantage for the right especially while it was in the opposition.

As in other countries, government employee associations in Chile have raised objections to public sector reforms and inserted their demands into the reform process. The *Agrupación Nacional de Empleados Fiscales* (ANEF), Chile's major government employee association, has been a longtime ally of the *Concertación*.⁶¹ Progress toward the modernization and professionalization of public sector employment and management practices produced tensions between successive governments and ANEF, which viewed modernizing reforms as a threat to their members' job security and opportunities for employment. Negotiations with ANEF have figured prominently in the reform process since the 1990s. In 1997, the Frei government and ANEF signed the "Strategic Plan for Modernization of Public Management," which included a salary policy linked to performance, training for public employees, and increased possibility for horizontal and vertical mobility based on merit-based competitive processes. This agreement led to the 1998 adoption of Law 19,553, instituting a system of performance incentives and Management Improvement Programs (PMG). The Lagos government negotiated with ANEF after taking office as part of a larger outreach effort to generate dialogue and a participatory process on public management reforms, but this was superseded by the negotiations that led to the 49 Measures.⁶² ANEF is also an important actor in setting the annual wage readjustment for public employees, and under President Michelle Bachelet (2006–2010) negotiations with the association resulted in the 2007 enactment of Law 20,212, which increased the amounts of bonuses for collective performance.

Public sector reforms have continued to enjoy broad support across the political spectrum. This is due in no small measure to the more participatory nature of the reform process during the past decade as well as continuing public demand. President Sebastián Piñera's government (2010–2014) included State modernization in its official program, with a focus on improving services and streamlining the functioning of the central State administration, furthering the professionalization of personnel management, and deepening the decentralization of the State.

The change in administration in 2010 was widely seen as the "acid test" for the SADP in terms of its success in reducing the spoils system for government jobs. While in the opposition, the right-wing coalition consistently criticized the *Concertación* for using political quotas (*el cuoteo*) to fill government positions. Upon gaining office after 20 years of *Concertación* rule, however, the *Coalición por el Cambio* naturally put their own people in political appointee jobs, some of which were SADP positions.⁶³ Many SADP contract employees from the Bachelet administration were kept on until their contracts expired at the end of 2010 and then asked to step down. This is formally within the law. Nonetheless, dismissals unleashed criticism by opposition political parties and academics, who argued that the system was being undermined. Employee associations also reacted against what they termed unjustified dismissals and a general strike took place in August 2011.⁶⁴ On the other hand, parties of the *Concertación* coalition reacted in different ways to the question of their militants continuing to serve in the Piñera government. According to press reports, the Socialist Party indicated that it would be acceptable for its members to serve in technical positions within the government, while the Christian Democratic Party signaled that militants serving in political appointee positions under Piñera would be expelled.⁶⁵

The SADP, as is generally acknowledged, skillfully combines both political and technical criteria in appointing senior government managers (Cortázar, 2011; Longo Martínez, 2013). These debates underscore the inevitable tensions between politics and the development of a professional, meritocratic cadre of government employees.⁶⁶ Given that public argumentation and advocacy of conflicting interests are intrinsic to democracy, these debates can be expected to continue.

5. Accountability

Chile's institutions of accountability form a web of agencies and procedures whose functions extend both horizontally and vertically and include both traditional and innovative approaches to the control of government actions. The first part of this section describes the main horizontal mechanisms of accountability, in which some organs of the state monitor the activities of other state bodies. These encompass congressional oversight powers and control bodies. Vertical control mechanisms that facilitate citizen oversight of government are reviewed next. The final section discusses informal mechanisms of accountability.

5.1 Formal Institutions and Laws: Horizontal Accountability

Congressional Oversight

The powers of the National Congress to oversee government acts are enumerated in Chapter 4, Articles 52–54 of the Constitution of 1980. The Chamber of Deputies may request information from the government, summon Ministers to be questioned by the Congress, and create investigative commissions with subpoena powers. Congress does not have the power to censure and dismiss Ministers. Evaluation and oversight of spending on government programs are carried out by the Congressional Budget Advisory Office (*Unidad de Asesoría Presupuestaria del Congreso*) and the Special Mixed Committee on the Budget. The Chamber of Deputies may initiate impeachment proceedings against the President of the Republic, Ministers, Magistrates of higher courts of justice, the Comptroller General, Admirals and Generals of the Armed Forces, Intendentes, and Governors for acts that seriously compromise the honor or security of the Nation or infringe the constitution or its laws. The Senate makes the verdict in such cases.

Control Bodies

The Comptroller General (*Contraloría General de la República*), in existence since 1925, is the principal auditor of state administrative bodies. It supervises state revenues and investments, examines the accounts of persons in charge of state funds, and executes the accounting processes for the State. The Comptroller is appointed by the President with Senate confirmation, serves until age 75, and may not be removed from office. In recent years, under the leadership of a new director, this body has considerably strengthened its oversight of the legality of public officials' actions as well as the diverse contractual relationships undertaken by the State. Within the organizational domain of the Comptroller General are the Accounts Courts (*Tribunal de Cuentas*). These are independent courts responsible for conducting legal proceedings involving the possible misuse of state resources. In addition to standard preaudit and postaudit functions, the Contraloría reviews the constitutionality of all presidential decrees. Its rulings can only be overturned by a “decree of insistence” requiring the signatures of all members of the presidential cabinet, something executives have been reluctant to take because of the potential political blowback.

The Council for Internal Government Audits (*Consejo de Auditoría Interna General de Gobierno*) is a Presidential advisory body charged with coordinating audit and control policies to strengthen accountability within the Executive. Located within the Ministry Secretary General of the Presidency (Segpres), the Council proposes mechanisms aimed at improving public management and ensuring the proper use of public resources.

The Commission for the Protection of the Rights of People (*Comisión Defensora Ciudadana*) is an advisory body to the President that acts as an ombudsman responsible for protecting citizens' rights with respect to the actions or omissions of State administrative bodies. Located within the Ministry Secretary General of the Presidency (Segpres), the Committee issues quarterly reports to the President that are available to the public.

The Public Prosecutor's Office (*Ministerio Público* or *Fiscalía*) is an autonomous body with the exclusive power to conduct criminal investigations for the state. The Attorney General (*Fiscal Nacional*)

is named by the President with Senate confirmation and serves a ten-year, nonrenewable term.

The Constitutional Court (*Tribunal Constitucional*) rules on the constitutionality of organic constitutional laws before they are promulgated as well as laws that interpret constitutional precepts. The court also resolves questions of constitutionality that arise during Congressional consideration of bills, proposed constitutional reforms and treaties. The court is composed of seven members appointed by the President subject to confirmation by the Senate. They serve eight-year terms and may not be removed from office.⁶⁷

5.2 Vertical Accountability

Vertical accountability refers to citizens' ability to hold the government responsible for its actions. Free, fair, and open elections and mechanisms of direct democracy such as popular initiative, referendum, and recall are among the most frequently discussed institutional vehicles of vertical accountability. To carry out vertical accountability, however, citizens need both access to information and institutional means of affecting change. While Chile's constitution does not provide for mechanisms of direct democracy, a number of laws and programs since 2000 aimed to increase transparency and citizen participation, and thus merit discussion under the category of vertical accountability.

Transparency and Access to Information

Since 2000, new organizational entities have been created, several laws and presidential instructions have been enacted to increase government transparency and provide citizens with access to information. The principal laws with respect to transparency and public access to information include the following:

Law 20,050 (2005) reformed the constitution to provide a new legal framework with respect to the public nature of information within Chilean public administration. The law stipulated that the acts, resolutions, and procedures of State organs are public, thus establishing the right of citizen access.

Law 20,285 (2008) on "Transparency of Public Functions and Access to Public Administration Information" regulates the principal of transparency in public administration, the right of access to information from state administrative bodies, and the procedures for exercising this right. Commonly known as the Transparency Law, this initiative states that every person has the right to solicit and receive information from any administrative organ of the State under the conditions specified by the law and stipulates penalties for noncompliance.⁶⁸

Law 20,414 (2010), "Constitutional reform on Transparency, Modernization of the State and Quality of Politics," amended the constitution to require public officials to make a declaration of patrimony and to divulge information relating to potential conflicts of interest.

The Transparency Law, which came into effect in 2009, is a landmark in the process of opening up government and promoting citizen participation. The law conceptualizes transparency along two dimensions: *active transparency*, defined as permanent access to information made available on government websites, and the *right of access to information*, defined as the obligation of public bodies to respond to requests for information. Toward this end, Article 7 of the law stipulated the creation of a "Transparent Government" website (*Portal Gobierno Transparente*). This site is the platform for handling all public requests for information.

It contains instructions on how to request information and provides access to records contained on government websites in accordance with the law. According to *Oficio* 166 of February 2011, all administrative organs of the State were to create a link on their home pages to the Transparent Government website.⁶⁹ The website will also monitor the responses to information requests and offer training and assistance to public officials.⁷⁰ Between April 2009 and December 2010, government bodies

handled more than 60,000 information requests. In 2013 alone, organizations within the central administration received almost 52,000 information requests.⁷¹

In accordance with the law, a Transparency Council (*Consejo para la Transparencia*) was created within the Ministry Secretary General of the Presidency (Segpres). This quasi-judicial body has a four-member Board appointed by the President with Senate approval. The council monitors compliance with norms related to transparency, guarantees the public's access to information, and penalizes noncompliance. If a request for information is denied or a response is not received in a timely manner, citizens have recourse to the Transparency Council.⁷² The institutions obliged to comply with the Transparency Law are Ministries, regional governments, provincial governorships, municipalities, all services and agencies fulfilling administrative function, the Armed Forces, and Security Forces. Special language also covers autonomous bodies such as the Comptroller General and Central Bank, as well as public enterprises such as the State Copper Company (Codelco). The law also established a Requests Management System (*Gestión de Solicitudes de Acceso a la Información Pública*) to provide information on the legal right to access information and assist State administrative entities in responding to information requests.

Citizen Participation

Initiatives to facilitate citizen participation have multiplied since 2000. Many initiatives began during the administration of President Ricardo Lagos (2000–2006), whose Presidential Directive on Citizen Participation led to the establishment of “participation networks” (*redes de Encargados de Participación*). Public officials at the central government and regional levels were charged with creating mechanisms to receive and act on citizens' concerns and proposals (Sepúlveda Toro, 2006). Websites such as Portal Ciudadano (Citizens' Gateway) and Participemos (Let's Participate) were also established as channels of communication between government and civil society.⁷³

The 2011 enactment of the Law on Participation (Law 20,500) was an important milestone in the effort to strengthen vertical accountability by providing channels for government–citizen communication.⁷⁴ This law modified Law 18,575 on the General Bases of State Administration, adding a new title on citizen participation in public management. The law's provisions establish citizens' rights to participate in the policies, plans, programs, and activities of the State and obliges State administrative bodies to create formal procedures and mechanisms for citizen participation. For example, State administrative bodies are directed to implement annual participative public accountability sessions (*Cuentas Públicas Participativas*) to review their policies, plans, programs, and other activities and receive citizen input. These sessions are envisioned as means to enable a process of dialogue with representatives of civil society and the general citizenry. Part of this effort includes “virtual” public accountability sessions via the web pages of state agencies and public services.⁷⁵ Finally, the law also instructs State administrative bodies to create civil society consulting councils to strengthen communication and input from citizens with respect to the functioning of public entities.

5.3 Informal Sources of Accountability

Apart from formal institutional accountability mechanisms, the media and the public in Chile play important roles in holding the government responsible for its actions (or omissions). Freedom of expression and association is enshrined in the Constitution and generally respected by Chilean governments. The organization *Reporters Without Borders* 2018 index of press freedom placed Chile at number 38 out of 188 countries, surpassed only by Costa Rica and Uruguay within the region.⁷⁶ Chilean civil society is relatively well developed and active in the context of the region. According to a CIVICUS study, the country shows a diversity of social and political engagement although civil society groups are judged to have only low to moderate influence on the government.⁷⁷ This may be changing gradually,

however, due to a convergence of three factors. First, the CIVICUS report finds the environment for continued civil society development in Chile to be strongly favorable. Second, judging by the recent protest activity demanding improvements to the educational system, citizens are becoming more active. Third, the government's measures to promote citizens' input should lead to increased government–citizen communication over time, improving accountability and government responsiveness to citizens' concerns.

6. Reform and Change

The Chilean state has experienced profound changes during the past several decades. In the 1970s, the military dictatorship oversaw a brusque shift from a developmentalist to a regulatory state based on fiscal and monetary discipline and market opening. With the 1990 return to democracy, gradual transformation occurred as successive governments carried out progressively more ambitious public sector reforms. These reforms sought to create a modern, professional cadre of public employees, modernize public management practices, and increase the transparency of government processes in order to improve both the functioning and the responsiveness of the democratic state. Reforms to the recruitment and selection process for government personnel were discussed in Section II. This section describes other initiatives, particularly in the areas of strategic human resources management and electronic government.

The government of Patricio Aylwin (1990–94) was primarily focused on issues relating to the transition to democracy. Nonetheless, new Ministries and agencies were created to modernize the structure of the state and respond to citizens' needs, such as the Ministry Secretary General of the Presidency (Segpres), the National Women's Institute (Sernam), and the Social Investment and Solidarity Fund (Fosis), among others. In addition, social spending rose, municipal reforms were initiated, and the first steps were taken toward public service and sectoral reforms, beginning with the health and justice sectors.

The most important advances in the area of public sector reforms occurred during the administrations of Eduardo Frei Ruiz Tagle (1994–2000) and Ricardo Lagos (2000–2006). Motivated by the conviction that economic and social development were inextricably linked to a more effective state sector with modern management systems, Frei began the process of public sector management reform in earnest (Valdes Prieto, 2002). A key factor behind the reform efforts during this period was the political role played by officials within the Budget Office (Dipres) and the Ministry Secretary General of the Presidency (Segpres). A milestone of the Frei presidency was the Strategic Plan for the Modernization of Public Management. Implemented between 1997 and 2000, this initiative was codified in Law 19,553, which instituted a system of performance incentives and Management Improvement Programs (*Programas de Mejoramiento de Gestión*, PMGs). Programmatic commitments from this time sound much like those of more recent governments: strategic human resources management, transparency and probity, quality of service provision, citizen participation, and information technology (Araya & Cerpa, 2008). The process of reform accelerated further under Frei's successor, Ricardo Lagos, with the passage of the New Deal for Labor Law (LNLT) discussed in detail in previous sections.

The governments of Michelle Bachelet (2006–2010) and Sebastian Piñera (2010–2014) continued to move in the direction of modern public sector management practices and greater transparency. The Bachelet administration saw the passage of the landmark transparency law and the creation of the Transparency Council described in the preceding section. Under Piñera, two presidential instructions sought to strengthen the SADP by improving candidate selection process, limiting the tenure in office and powers of provisional appointees, and improving the usefulness of performance agreements as strategic management tools. In 2013, the Piñera government proposed legislation to strengthen management practices by, among other objectives, institutionalizing the *ChileGestiona* program. Introduced as a pilot in 2011 and expanded in 2012, *ChileGestiona* establishes a diagnostic tool to assess the management of public services and creates new organizational structures and mechanisms to promote more active

supervision of public services by their Deputy Secretaries' Offices (*Subsecretarios*).⁷⁸ In a related effort, since 2010, the DNSC has expanded its mission in the area of strengthening the capacity of public services to carry out strategic personnel management policies and practices. In 2013, the first Barometer of Personnel Management (*Barómetro de Gestión de Personas*) was completed.⁷⁹ This initiative measures the quality and results of personnel management within the Central State Administration in order to improve the design and decentralized implementation of management policies and tools.

One of the most significant components of Chile's efforts toward management reform was the Management Control System and Results Based Budgeting process.⁸⁰ The principal goals of this initiative included strengthening the quality and transparency of public expenditures and improving citizen services. Reflecting the incremental nature of Chile's reform process, the system included four elements implemented gradually since 1994: performance indicators (1994), program evaluations (1997), Management Improvement Programs and Comprehensive Management Reports (1998), and the incorporation of performance information into the budget cycle (2000).

Performance indicators provide quantitative and qualitative information on the achievements or results of service provision or the goods generated by an institution. These indicators and their goals are presented during the budget process. The Performance Indicators (*Indicadores de Desempeño*) are set up by ministry.⁸¹

Program evaluations are conducted on three levels: evaluation of new programs, impact evaluations, and comprehensive evaluations of expenditures. Protocols are signed with the Congress establishing the programs to be evaluated in a given year. Panels of outside experts chosen by competitive public processes carry out the evaluations. The results are sent to the Congress's Special Mixed Committee on the Budget. The Budget Office (Dipres) is responsible for overseeing this process, submitting the results of program evaluations to the Congress and monitoring follow-up with respect to recommendations stemming from the evaluation process. The Tri-ministerial Committee, described in Section 2, monitors evaluations for consistency with government policies, ensures that conclusions are made known to the institutions being evaluated, and sees that these receive the relevant technical support. A total of 263 programs were evaluated between 1997 and 2011.⁸² According to a 2011 government report, the results of 1,222 indicators in 20 Ministries showed that 87% of the goals were fulfilled satisfactorily, that is, they received a rating equal to or higher than 95%.⁸³

Management Improvement Programs (PMGs) monitor progress toward objectives in specified areas and are linked to monetary incentives.⁸⁴ They promote accountability by providing concrete tools to assess the degree to which public employees' performance and agency results advance government policies and goals. PMGs define institutional goals in four broad areas: strategy, support, attention to citizens, quality of management, as well as numerous more specific elements.⁸⁵ Each public service presents its PMG and its budget proposal to the Budget Office, which has overall responsibility for the program's operation. Achievement of the management objectives contained in the PMG gives employees within that service the right to a bonus. Public services are also required to compile information on their objectives, goals, and results in yearly Comprehensive Management Reports (BGI) submitted to Congress and made available to the public. The reports cover the Service's strategic plan and key results; the organizational structure, funding, and principal products; reports on performance, financial management, and human resources; and challenges for the coming year.⁸⁶

Finally, *Results-Based Budgeting* incorporates performance criteria into budget allocation decisions. Public agencies present their performance indicators and goals as well as the results of program evaluations to Congress during the budget preparation period. This information is taken into account during consideration of the budget law. A Special Mixed Budget committee within the National Congress was made permanent in 2003 with the mandate to solicit and examine information related to the budget and to monitor budget execution.

In addition to extensive public sector management reforms, Chilean governments since 2000 have carried out numerous initiatives in the areas of electronic government, beginning with the provision of information on public services and progressing to the online processing of services, such as paying taxes and obtaining birth certificates.⁸⁷ E-government was a high priority for the Lagos administration and by 2006 the following services were operational:

the Information System for Financial Management (SIGFE), a State intranet system,
the *Portal Pagos del Estado*, an electronic payment system for taxes, fines, and other charges,⁸⁸
the *Portal Tramites del Estado*, a website for processing various state services,⁸⁹
the *Chile Compra* website for online public procurement (discussed in Section IV).

Other advances include the website www.participemos.cl, located within the Division of Social Organizations of the Ministry Secretary General of Government. This site contains links to send suggestions and comments; obtain information about government services, benefits, and opportunities for citizen participation (*Buzon Ciudadano*); information on the Information and Claims Office (OIRS) and the *Infobus* program (a mobile office to promote dialogue with citizens); regional news; and links to volunteer opportunities and participative public accountability events, among other services. In January 2012, a new website “*ChileAtiende*” began functioning. Modeled on similar initiatives in New Zealand, Australia, Canada, and Singapore, the site provides a network of information on more than 2000 public services and benefits and online processing of state services within 140 government institutions.⁹⁰ In August 2012, a presidential instruction established an initiative called *Chile Sin Papeles* that seeks to reduce paperwork and facilitate service provision through electronic submission of forms.⁹¹

Gradual changes have also occurred at the level of regional and local government. In 2011, continuing an initiative begun by President Bachelet, President Piñera sent a legislative proposal to Congress to transfer greater authority to regional governments and establish the direct elections of regional councilors, which took place for the first time in 2013. A 2011 education law extended merit-based hiring practices based on the SADP to municipal school principals and certain municipal administrative posts.⁹² The law also stipulates the use of binding performance agreements and other management tools to strengthen the municipal education system.

7. Conclusion

Public sector reforms introduced in Chile since 1990 centered on creating new institutional structures and processes capable of responding to collective problems and goals in a modern democracy. Chile's experience in this regard is instructive for other countries seeking to develop a public sector that supports democratic governance. Perhaps most importantly, reforms were the product of a gradual, incremental process. At various times, moreover, this process included a broad swathe of political, government, and nongovernmental actors, including think tanks and the public employees' union. A second feature worth highlighting is that the task of reforming and modernizing the Chilean state did not lie with a specially created body, as in Mexico or Argentina, but within the Ministry of Finance and the Ministry Secretary General of the Presidency. The former concentrated primarily on modernization of management practices in terms of efficiency and performance measurement, while the latter undertook a coordinating role and was involved in electronic government initiatives. Finally, the character of Chile's reforms strongly reflected NPM principles such as the development of criteria for measuring and evaluating the performance of both personnel and programs, and the importance of providing incentives for improved performance. Along these lines, programs were introduced to increase the efficiency, effectiveness, and responsiveness of the public sector. At the same time, the introduction of various mechanisms of

electronic government supported these management initiatives and increased government transparency and citizen access. In the realm of public sector employment, merit-based competitive hiring practices were instituted for positions that had previously been freely appointed, professionalizing the hiring process for senior executive management.

A professional, effective public sector is one of the linchpins of a successful democratic system. While important challenges remain, Chile's reform efforts since 1990 led to significant advances toward a modern public sector able to support the country's democratic aspirations.

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¹See Valenzuela 1978, pp. 14–16, Valenzuela 1984, Valenzuela, 1994, and Valenzuela and Wilde 1979.

²See Valenzuela 1978.

³The following parties formed the *Concertación* coalition: the Socialist Party (PS), the Christian Democratic Party (PDC), the Radical Party (PR), and the Party for Democracy (PPD).

⁴The right-wing coalition that won with Piñera in 2010 was formed by UDI (Unión Demócrata Independiente) and RN (Renovación Nacional). In 2014, Bachelet took office with the *Nueva Mayoría*, a more left-centered coalition that added the Communist Party and other left wing parties to the *Concertación*.

⁵In 2005, President Ricardo Lagos introduced several reforms to remove some nondemocratic provisions like designated senators (*senadores designados*) and the inability of the president to remove the armed forces chief. The Constitution of 1980 and its reforms can be accessed at <http://www.leychile.cl/Navegar?idNorma=242302>.

⁶The Central Bank of Chile, created in 1925, is an autonomous body with constitutional rank, responsible for regulating the financial system and capital markets, issuing currency, regulating the amount of money in circulation, and carrying out other financial operations. It is not formally within the State Administration, is governed by its own organic constitutional law, and has a separate personnel regime. The other three autonomous bodies are discussed in Section 5, as they are agencies of horizontal accountability.

⁷Chapter 4, Article 32 of the 1980 Constitution specifies presidential powers. Chapter 5, Article 65 specifies the President's powers with respect to initiating legislation.

⁸Chile has a proportional electoral system.

⁹The powers of the National Congress are enumerated in the Constitution, Chapter 5, Article 52–54 and Article 65. Organic Constitutional Law 18,915 (1990) regulates the attributions and functions of Congress. See <http://www.leychile.cl/Navegar?idNorma=30289>.

¹⁰The Constitutional Court, Military Courts, and the National and regional Electoral Courts fall outside the supervision of the Supreme Court. The Judicial Branch is described in Chapter 6 of the 1980 Constitution.

¹¹See www.tribunaldecontratacionpublica.cl/web/.

¹²<http://www.tricel.cl/organismoselectorales/Paginas/TribunalCalificadordeChile.aspx>.

¹³See www.tdlc.cl.

¹⁴The results of this process were mixed due to the high degree of inequality among municipalities as well as disparities in their management capabilities. www.subdere.cl.

¹⁵For example, regional governance has been strengthened by the creation of mechanisms such as the FNDR (Fondo Nacional de Desarrollo Regional) and ISAR (Inversión Sectorial de Asignación Regional), which give regional governments greater decision-making authority with respect to investments. www.subdere.cl.

¹⁶Presidentially designated *Intendentes* have long been a feature of the Chilean system. The 1925 Constitution called for elected provincial assemblies, but this provision was never implemented because political leaders across the spectrum viewed elected assemblies as a threat to their political interests. See Valenzuela, 1977.

¹⁷For details see www.elecciones.gov.cl.

¹⁸See Constitution of 1980, Article 114 <http://www.bcn.cl/lc/cpolitica/leyes-reforma-constitucion>.

¹⁹A deconcentrated agency has technical and managerial autonomy but does not have an independent legal identity; rather, it is under the legal identity of the relevant central government agency. A decentralized agency, on the other hand, has a unique legal identity.

²⁰The Congress approved a law that established the first elections of gobernadores in 2020.

²¹ <http://www.leychile.cl/Navegar?idNorma=191865&idVersion=> The law's provisions do not apply to the Comptroller General of the Republic, the Central Bank, Armed Forces and Forces of Order and Public Security, Regional Governments, Municipalities, the National Television Council, the Transparency Council, and public enterprises, which are regulated by their own constitutional norms and other relevant laws.

²²These are the Ministries of Interior, Foreign Affairs, National Defense, Finance, Secretary General of the Presidency, Secretary General of Government, Economy, Social Development, Education, Justice, Labor and Social Welfare, Health, Public Works, Housing and Urban Development, Agriculture, Mining, Transportation and Telecommunications, National Property, Energy, Environment, the National Women's Service, the National Council on Culture and the Arts, and the recently created Ministry of Sports. Links to State Ministries can be found at www.gobierno.cl/ministros. A more comprehensive website found at <http://sitios.cl/directorio/estado.htm> has links to ministries, their related public services, and other agencies (as well as regional and municipal governments, regulatory agencies, and other government sites).

²³The same pattern is observed in the second administration of President Piñera.

²⁴For details about technocratic influence see Mireya Dávila, 2011. *Governing Together: The Concertación Administrations in Chile (1990–2009)*. PhD Dissertation. UNC.

²⁵Title II Article 22 of Law 18,575.

²⁶In 2009, there were 230 public services. See Iacoviello, 2009.

²⁷Chile's current regulatory agencies are the following superintendencias: Seguridad Social (1953); Electricidad y Combustibles (1985); Servicios Sanitarios (1990); Salud (2005); Casinos y Juegos (2005); Pensiones (2008); Medioambiente (2012); Educación Escolar (2012) e; Insolvencia y Reemprendimiento (2013). Years in parentheses indicate when the agency was established.

²⁸http://www.corfo.cl/acerca_de_corfo/que_es_corfo/historia.

²⁹For more information and a list of the public companies under SEP see <http://www.sepchile.cl/>.

³⁰A complete list of state enterprises and the transfers made to them by the central government between 2005 and 2010 is available at http://www.dipres.gob.cl/593/articulos-64215_recurso_1.pdf.

³¹<http://www.dipres.gob.cl/593/propertyname-680.html>.

³²Law 18,834 of 1989, Title 1, Article 3, accessed at <http://www.leychile.cl/Navegar?idNorma=236392&idVersion=> (own translation).

³³Law 18,834, Title 1, Article 5, note that the provisions of this law do not apply to the Central Bank, the Armed Forces, public security personnel, among others, which have their own separate personnel regimes. Employees of public enterprises are governed by the Labor Code. Teaching and nonteaching personnel at the municipal level are regulated by, respectively, the Estatuto Docente (Law 19,070) and the Labor Code, Law 19,464. Municipal-level primary health personnel are regulated by the Constitutional Organic Law of Municipalities (Law 18,695/D.S.No. 662/92) and by the Administrative Statute for Municipal Employees (Law 18,883). Iacoviello, 2010.

³⁴Law 18,834 Article 11.

³⁵Law 18,834, Title 1, Article 7.

³⁶The following positions are excluded from the Senior Public Management System: Ministers, Undersecretaries, Intendentes, SEREMIs, Governors, Ambassadors, and positions carried out by active members of the Armed Forces, Carabineros and Investigative Police, and areas of the central government responsible for designing (as opposed to implementing) policies.

³⁷Ley que Perfecciona el Sistema de Alta Dirección Pública y Fortalece la Dirección Nacional del Servicio Civil (Ley 20.955). The Consejo Asesor Presidencial contra la Corrupción y los Conflictos de Interés, guided by Universidad de Chile professor Eduardo Angel, included the need to improve the SADP as part of the Agenda for Transparency in Politics and Business (Agenda para la Transparencia en

la Política y los Negocios). <https://www.gob.cl/noticias/agenda-para-la-transparencia-y-la-probidad-en-negocios-y-politica-conoce-las-principales-medidas/>.

³⁸ www.serviciocivil.cl/concursabilidad/fuentes-legales-0.

³⁹ Title IV, Article 29 of DFL 29, which revised the Administrative Statute, specifies the rights for career civil servants, including tenure in office; see <http://www.leychile.cl/Navegar?idNorma=236392&idVersion=> Tenure in office for Level III and equivalent positions is described in Decree 69 of 2004, available at <http://www.serviciocivil.gob.cl/sites/default/files/Documento%20de%20Concursabilidad.pdf>.

⁴⁰ www.serviciocivil.gob.cl/gestion-de-personas-en-el-estado The term “central government” refers to all the bodies and branches of government in Table 4.1, these are under the same planning and budget norms and are funded through the Budget Law.

⁴¹ Law 18,834 Article 35. Senior management and certain other positions are excluded.

⁴² www.dipres.gob.cl/572/articles-70199-doc-pdf.pdf “Estadísticas de Recursos Humanos de Sector Público 2012” Budget Office, November 2012.

⁴³ Plissock, 2009.

⁴⁴ According to the Commission on State Reform, the appropriate number of political appointee positions is in the range of 500–1,000. See Valdes Prieto, 2002, p. 13.

⁴⁵ Positions not formally attached to the system (cargos no adscritos) are positions in public bodies that use the SADP selection and hiring processes but are not subject to the employment conditions stipulated by the SADP for senior managers, such as being a political appointee or having a three-year term limit. These public entities fill some senior management positions via the SADP and others using a system linked to the National Education Agency. See Reporte Estadístico Mensual, June 2013 www.serviciocivil.gob and Balance Integral de Gestión, DNSC 2012, www.dipres.gob.cl.

⁴⁶ Balance de Gestión Integral, DNSC 2012 at http://www.dipres.gob.cl/595/articles-103983_doc_pdf.pdf.

⁴⁷ www.serviciocivil.gob.cl/sistema-de-alta-direccion-publica.

⁴⁸ Reporte Estadístico Mensual Alta Dirección Pública, June 2013 at www.dipres.cl.

⁴⁹ Salaries for managerial positions at the second level are based on proposals made to the Finance Ministry by the relevant Minister. For a more detailed description see Iacoviello, 2009, p. 18 and Lavanderos and Silva, 2008, p. 323.

⁵⁰ For assessments of the system's strengths and areas in need of improvement see Longo Martinez, 2013 and Lafuente, Shuster and Rojas-Wettig, 2013.

⁵¹ See Costa and Waissbluth, 2007, p. 13.

⁵² Instructivo Presidencial No. 7, November 2010.

⁵³ The argument that public employees are relatively better compensated than most Chilean workers is made in the report “Reajuste Empleados Públicos 2011: En Pedir No Hay Engano,” Instituto Libertad Y Desarrollo, November 25, 2011, found at www.lyd.org. Williamson, 2013 notes that remuneration for some Level 1 positions is 55% lower than in comparable private sector jobs.

⁵⁴ The victory of former president Michelle Bachelet in the second round of the presidential elections in 2013 meant the return of Concertación parties to government in 2014, but this time with a new, broader coalition including the Communist Party. For election results see www.elecciones.gob.cl.

⁵⁵ See Navarrete and Gomez Amigo 2010, p. 147; Dockendorff Valdés, 2010, p. 181.

⁵⁶The commission studied and evaluated the current practices and experiences of countries such as Germany, the United States, Spain, and Great Britain, among others. The proposals are contained in two volumes edited by Salvador Valdes Prieto, 2002.

⁵⁷Some examples of the scandals are the sobresueldos case, involving extra payments made to State Ministers, the COIMAS case, involving bribes made to deputies for their help in securing permits from the Transportation Ministry, and the MOP-Gate scandal in which Ministry of Public Works officials defrauded the Treasury by means of illegal payments to contactors. See Olavarria Gambi, 2010, pp. 72–73.

⁵⁸Interestingly, this did not adversely affect President Lagos' ratings, which actually improved throughout 2003. In response to the question of whether one approved or disapproved of the president's management of the government (independent of the respondent's political affiliation), 41.1 % answered positively and 30.4% negatively in December 2002. By June 2003, the president's approval ratings had risen to 46% positive versus 26.2% negative; and by December 2003 the gap had grown to 47.4% approving versus 23.7% who disapproved. www.cepchile.cl.

⁵⁹Presentation by Eliodor Matte Larrain, Ceremonía Reforma del Estado, CEP, June 12, 2003, available at www.cepchile.cl.

⁶⁰Longueira's role is described in Olavarria Gambi 2010, p. 74 and Navarrete Yanez and Gomez Amigo 2010, pp. 121–49.

⁶¹ANEF is particularly allied with the Christian Democrat Party and the Socialist Party. Other public sector employee associations, such as the municipal health workers and teachers, have also been active, mobilizing to demand more resources or to protest initiatives they viewed as harmful to their interests.

⁶²See Navarrete Yanez and Gomez Amigo, 2010.

⁶³For examples within the Ministry of Education, see www.elmostrador.cl June 11, 2010.

⁶⁴See www.elmostrador.cl June 8, 2010, and August 23, 2011.

⁶⁵ www.elmostrador.cl February 9, 2010, February 10, 2010. In at least one case, according to a press report, the Partido por la Democracia (PPD) decided to “freeze” the membership of a party member that decided to remain in an executive position within the National Environmental Commission (CONAMA) (www.elmostrador.cl February 19, 2010).

⁶⁶For a discussion of such tensions see Peters, 2001.

⁶⁷See http://www.clad.org/siare_isis/perfiles/p-chile.html#1 Laws associated with the Contraloría General de la Republica are found at <http://www.leychile.cl/Consulta/listaMasSolicitudesxmat?agr=1049&sub=654&tipCat=1>.

⁶⁸See <http://www.leychile.cl/Navegar?idNorma=276363&tipoVersion=0> also see www.leydetransparencia.cl.

⁶⁹ www.gobiernotransparente.gob.cl. The following link to the National Economic Prosecutor's office (Fiscal Nacional Economica) within the Budget Ministry is an example of the types of information provided on Transparent Government websites in accordance with the Transparency Law: <http://www.fne.gob.cl/transparencia/index.html>.

⁷⁰ <http://www.probidadytransparencia.gob.cl/noticias-boletin/segpres-y-consejo-para-la-transparencia-crearan-portal-de-transparencia>.

⁷¹According to the Commission on Probity and Transparency, this rate of requests is high compared to other countries with similar systems. See <http://www.probidadytransparencia.gob.cl/noticias-boletin/el->

anio-de-la-consolidacion and http://www.cdc.gob.cl/wp-content/uploads/documentos/informes_estadisticos/Reporte_anual_2012.pdf.

⁷² <http://www.consejotransparencia.cl/>.

⁷³ www.portalciudadano.cl and www.participemos.cl.

⁷⁴ <http://www.leychile.cl/Navegar?idNorma=1023143&buscar=20.500>. This law began as a bill introduced by President Ricardo Lagos in 2004.

⁷⁵ http://www.cuentaspublicas.gob.cl/index.php/site/ley_participacion.

⁷⁶ <http://rsf.org> Chile's rank fell to 80 during 2011–12 but began to recover in 2013, when it ranked 60th out of 179 countries. The decline was related to widespread protests during 2011–12.

⁷⁷ On the state of civil society in Chile see the country report for 2009–11 “Deepening Democracy in Chile” Civicus Civil Society Index for Chile available at http://www.civicus.org/images/stories/csi/csi_phase2/chile%20acr.pdf.

⁷⁸ www.chilegestiona.cl. In 2014, 18 Subsecretarios and 71 public agencies participated in ChileGestiona.

⁷⁹ www.serviciocivil.gob.cl.

⁸⁰ Sistema de Control de Gestión y Presupuesto por Resultados – La Experiencia Chilena 2003, p. 8–9, at www.dipres.gob.cl/572/articulos-3620_doc_pdf.pdf and Sepúlveda Toro, 2006, p. 6.

⁸¹ www.dipres.cl.

⁸² Authors' compilation from www.dipres.cl Sistema de Evaluación y Control de Gestión.

⁸³ www.dipres.gob.cl/572/articulos-75370_doc_pdf.pdf, p. 33.

⁸⁴ This system is established by law (Ley 19.553 of 1998). Since 2014, PMGs are applied in 194 institutions covering more than 87,000 public workers.

⁸⁵ Three progressively more complex levels of PMGs exist. See Iacoviello, 2009.

⁸⁶ Information on and links to Comprehensive Management Reports, Management Improvement Programs, the Management Control and Evaluation System, through the Budget Office's website www.dipres.gob.cl. Also see Berner, 2008, “System of Management Control and Results-based Budgeting: the Chilean Experience.” Dirección de Presupuesto, Ministerio de Hacienda. Retrieved from www.dipres.gob.cl.

⁸⁷ The Tax Service (Servicio Interno de Impuestos) has been one of the most active in promoting the use of e-government.

⁸⁸ www.tesoreria.cl.

⁸⁹ www.tramitefacil.cl. Another website, www.tramitemunicipal.cl provides information about how to obtain permits, licenses, certificates, and other services.

⁹⁰ La Nación, January 9, 2012, “Red ChileAtiende Iniciará Marcha Blanca con 9 Servicios Públicos” www.lanacion.cl. Also see “President Piñera on the launch of the ChileAtiende network” at www.chile.gob, accessed January 13, 2012, and www.chileatiende.cl.

⁹¹ www.chilesinpapeles.cl.

⁹² Law 20,501 on the Quality and Equity of Education.

Chapter 5

Colombia: Public Administration in the Midst of Uncertainty

Maria Victoria Whittingham

Abstract

Uncertainty is one of the principal features of public administration in Colombia. Therefore, presenting a clear and consistent analysis is difficult. This uncertainty exists alongside interesting efforts to modernize institutions. Among the challenges faced by public administration in Colombia, we find corruption, illegal bands of drug traffickers, and the lack of trust between critical actors involved in governance. The aim of this chapter is to share an analysis that illustrates the difficulties and contradictions faced by those working in the public sector.

“Colombia is a legal social state organized in the form of a unitary republic, decentralized, with the autonomy of its territorial units, democratic, participatory, and pluralistic, based on respect of human dignity, on the work and solidarity of the individuals who belong to it, and the predominance of the general interest” (National Constitution, 1st Article).

1. Introduction

Colombian public administration was impacted by the two waves of state reforms that occurred during the last 20 years of the twentieth century and affected all Latin American countries; the first resulting from the Washington Consensus (1989) and the second as a result of the discussion registered in the document “Beyond the Washington Consensus: Institutions matter” (Burki & Perry, 1998), which built upon lessons learned from the Washington Consensus implementation.

Despite common initial principles, these were transformed once in contact with the social, economic, and political conditions of each country (Peters, 2014). In Colombia, there are three elements that should be considered for understanding the results of these reforms: its long-lasting internal conflict, its economic performance, and the deep political reform set in motion by the 1991 Constitutional reform (Robinson, 2005; Sáez, 1999).

Colombia's armed conflict has been the longest-running conflict in the Americas (Sánchez, Solimano, & Formisano, 2005; Welna & Giraldo, 2007), with a toll of 8.389.270 victims.²

In this context, the last, and probably most significant, peace process took place between the GoC and the FARC, who, after four years of dialogues, signed a peace accord on November of 2016; though, when the Colombians were asked to ratify the accord by a referendum, 50.2% voted against it. Surprisingly, Colombia has been considered the most stable democracy in the region (Hoskin, 1998; Taylor, 2009).

Regarding economic performance, Colombia was the only Latin American country showing economic growth during the crisis of the 1980s; in fact, while the GDP per capita in Latin America fell 6.6% between 1981 and 1988, in Colombia it grew an 11% growth (Garcia Garcia & Jayasuriya, 1997; Miranda Parrondo, 2002). It was also the only country in Latin America to pay back its debt on schedule and keep its inflation under relative control during that crisis (Edwards, 2001); despite its thriving economy, Colombia is the most unequal country in South America (CEPAL, 2016, 2018).

Additionally, it is important to consider the role that drugs and cartels play in shaping not only the economy but also the politics of the country; diverse studies found that drug trafficking has come to be the first cause of institutionalized corruption (Duncan, 2005; Michael Bagley, 2000; Thoumi, 1999; Ulloa, 2011).

Finally, the election of a National Constitutional Assembly in December of 1990, in which for the first time in history, all significant political forces came together to negotiate a new social contract, resulted in the New Constitution of 1991 (NC91), which, according to F. Cepeda Ulloa, a Colombian political scientist, constituted “*a new type of institutionalism, one that harmonizes efficacy and political responsibility, participation and institutionalization*” (Cepeda Ulloa, 2006, p. 18).³

Consequently, since the NC91, two different forces, not always easy to reconcile, have worked to transform the country's public administration: modernization and democratization. Also, perhaps as a consequence of these contradictions, the permanent tension between formal and informal regulations seems to be the leading characteristic of Colombian public administration and is crucial for understanding the politics of bureaucracy (Helmke & Levitsky, 2006; Stiglitz, 2000).

2. Basic Structural Features

The NC91 contained a number of important institutional reforms intended to promote a better balance of powers; it endorsed a more active role for the congress, the judiciary, and the subnational authorities and increased constraints on the executive (Stein & Tommasi, 2008).⁴ In order to do so, the Inspector General's Office, the Human Rights Ombudsman, the Constitutional Court, and the Superior Judicial Council were created. It also reestablished the position of Vice President. The constitution also authorized the introduction of an accusatory system of criminal justice to be instituted gradually throughout the country, replacing the previous inquisitorial system.

Finally, the NC91 included a series of measures for improving the country's Public Administration and granted special powers to the President, stating that:

For a period of eighteen (18) months after the coming into effect of this Constitution - and taking into account the evaluation and recommendations of a commission made up of three (3) experts in public administration or administrative law appointed by the Council of State,

three (3) members appointed by the national government, and one (1) member representing the Colombian Federation of Municipalities - the national government will eliminate, merge, or restructure the entities of the Executive Branch, the public institutions, the industrial and commercial enterprises, and the mixed [public-private] companies of national scope with the purpose of harmonizing them with the mandates of the present constitutional reform, especially the redistribution of the jurisdictions and resources that it establishes (Transitory Article 20).

Considering that the Washington Consensus' "recommendations" were in place, alongside the drive for a more inclusive democracy, a deep neoliberal reform was set in motion.

2.1 Government Institutions

Executive Branch

Colombian executive power has been traditionally identified with the president, both head of government and chief of state; it has enjoyed great discretion and repeatedly bypassed the formal system of checks and balances, due to its ample constitutional prerogatives, as the power to introduce legislative initiatives, assuming special powers during states of emergency, and having procedural and substantive veto powers (Botero, Hoskin, & Pachon, 2010; Kugler & Rosenthal, 2000). The Constitution grants the President regulatory power to issue Decrees (Decretos), Resolutions (Resoluciones), Directives (Directivas), and Orders (Órdenes) that must conform to existing laws (Const., Article 189–11).

Colombians elect the President, together with the Vice President, by a nationwide, universal, direct, and majority (50% + 1) vote every 4 years (a second round of voting is mandated if a single candidate fails initially to obtain the majority). By initiative of A. Uribe, during his first presidency, the Colombian Congress approved by *Acto Legislativo 02 of 2004*, an amendment to the NC91 under which a president could be reelected for a second consecutive period. JM Santos, immediately after having been

reelected in 2014, promoted a new amendment to the NC91, approved by *Acto Legislativo 02 of 2015*, to eliminate reelection.

At the subnational level, departments and municipalities are governed by democratically elected governors and majors, respectively. Departmental assemblies (deputies) and municipal councils (councilors) issue general and binding rules in their respective jurisdictions but are considered part of the executive branch (see law 489 of 1998, Article 39).

Legislative Branch

The legislative branch is constituted by the national bicameral congress that includes the Senate (*Senado*) and the House of Representatives (*Cámara de Representantes*).⁵, ⁶ The representatives are elected to Congress for 4-year periods, without limit to reelection.⁷ According to the 1991 Constitution, Congress' main functions are to issue national legislation and to exercise political control over the government and the administration (Const., Article 114).

In addition to the members of congress, legislative bills may be initiated by the national government, as mentioned before (in some instances exclusively), or by 30% of departmental deputies or municipal councilors, or by public petitions (signed by a number equivalent to 5% of registered voters). Also, the Constitutional Court, the Supreme Court, the Council of State, the Superior Council of Justice Administration, the National Electoral Council, the Attorney General, the National Comptroller, the Inspector General, and the National Ombudsman may submit bills related to their functions.

The hierarchy of Colombian norms is fairly typical of civil law jurisdictions. The supreme set of norms is provided by the Constitution. Congress in turn approves statutes (*leyes*) with varying hierarchy, which in all cases must conform to the Constitution. Once enacted, citizens can challenge their constitutionality before the Constitutional Court (*Corte Constitucional*). The Court's decisions are definitive and mandatory.

Most statutes are ordinary laws (*leyes ordinarias*). There are instances (foreign war, internal disturbance or social, economic, or environmental emergency) in which the President is temporarily empowered by the Constitution or by Congress to issue Decrees with the force of law that are

equal to ordinary laws (Decretos Ley o Decretos Legislativos). International treaties duly ratified by Congress also have the status of law. The Constitution expressly provides that international human rights treaties prevail over the internal legal order (Const., Article 93).

Departmental assemblies and municipal councils also exercise regulatory power within their jurisdictions through Ordinances (Ordenanzas) and Agreements (Acuerdos), respectively, that must conform to national norms. Once enacted, national, departmental, and municipal administrative norms can be challenged vis-à-vis their legality before the administrative tribunals, which have the power to annul them (see below).

Judicial Branch

Colombia's judicial branch is made up of the State's four high courts: the Constitutional Court (*Corte Constitucional*); the Supreme Court (*Corte Suprema de Justicia*), under which are the district tribunals and the municipal circuit courts; the Council of State (*Consejo de Estado*), under which are the Administrative Tribunals and Administrative judges; the Superior Council of the Judiciary (*Consejo Superior de la Judicatura*); and a Special Jurisdiction that recognizes the authorities of indigenous territories with jurisdiction on indigenous communities (CN91, Art.246) and authorizes the creation of peace judges (*Jueces de Paz*, CN91, Art.247).

The NC91 strengthened the administration of justice with the provision of a new accusatory system, replacing the previous Napoleonic model; it created the *Fiscalía General de la Nación*, similar to the US Attorney General, to coordinate all law enforcement efforts in the country, and the *Defensoría del Pueblo*, similar to the US Ombudsman (Angell, Lowden, & Thorp, 2001; Kline, 1996). It introduced new mechanisms for citizens' participation, such as local referendums, public watch boards, open town meetings, and the mandate to have a citizen's seat in the municipal council of planning (Fiszbein, 1997; Velásquez, 1994).

A study regarding the effectiveness of the institutional reforms mentions that while it has been noted that judicial power in constitutional matters has increased, courts ruling on administrative and criminal matters remain weak and impunity is rampant. Indeed, this is a worst case scenario where courts fail at their basic functions of enforcing human rights and property rights but intervene at the highest level of policymaking (Kugler & Rosenthal, 2000).

Other Government Institutions

The Constitution granted autonomy to a number of organizations that do not belong to the three traditional branches; these are divided in controlling, electoral, and autonomous organizations.

Local Government

The subnational level of political division in Colombia is organized in 32 departments, headed by the governors, which since the NC91 are elected by the people, and by 1,101 municipalities, administered by municipal governments, headed by a Mayor (*Alcalde*), elected by the people since 1986. The NC91 completed and complemented an already increasing demand for a decentralizing reform in Colombia.

According to many studies, the same weaknesses of the Colombian state that allowed clientelism and regionalism to flourish have also tended to have mixed implications for decentralization (Bardhan, 2002; Bird & Vaillancourt, 2008; Eaton, 2006; Silva, 2002). On the one hand, the limited capacity of the center to be present at subnational levels seemed to support the plea for a more decentralized state. On the other hand, the weakness of the subnational public administrations has also been the source of both technical and political difficulties and the source of a more concentrated and shuttered local political power, legal and illegal.

2.2 Public Administration

The Administrative Department of Public Service (*Departamento Administrativo de la Función Pública, DAFP*) oversees formulating the general policies of public administration, especially in matters relating to civil service, management, internal control, and streamlined procedures of the Executive Branch of Colombia.

The administrative reforms set in motion from 1991 to the present pursued (or at least argued) to create a modern state apparatus that carried out its functions as stated by it (Fox & Stetson, 1992; Rappaport & Dover, 1996; Uprimny, 2010). Undoubtedly, there have been interesting developments with regard to enhancing the country's public administration capacity. Although two topics raise some questions: first, the hyperlegalism of the reforms (Nef, 2003)—as if creating rule after rule would create a new

reality; second, the level of corruption in the country, illustrated, for example, by the Corruption Perception Index (CPI) score obtained by Colombia, which went from the 31st position in 1995 to the 96th in 2017, or a study, conducted in 2018, where the country's institutions were perceived, by the majority of the participants, as highly corrupt (Henao & Espinosa, 2018).

Some of the strategies formulated are the System for Administrative Development (SISTEDA) (Law 489/1998); the National System of Internal Control (decree 2145/1999), complemented by the Internal Control Standard Model (MECI, for its Spanish initials) (decree 1599/2005); the Quality Management System (SGC, for its Spanish initials) (Law 872/2003); the Public Policy for the rationalization of administrative procedures (*Política de Racionalización de Trámites y Procedimientos Administrativos*) (Law 962/2005); the National System of Service to the Citizens (*Sistema Nacional de Servicio al Ciudadano*) (Decree 2623/2009); the Anticorruption Statute (*Estatuto Anticorrupción*) (Law 1474 of 2011); the National Public Procurement Agency—*Colombia Compra Eficiente* (Decree Law 4170/2011); the Transparency Law 1712/2014; and the Ethical and Disciplinary framework for the members of the Congress (Law 1828/2017).

3. Public Personnel

Being a source of political bargain, the debate regarding the regulation of the public personnel service was more important than expected in the Constitutional National Assembly that redacted the Constitution of 1991 (Cárdenas, 2010; González, 2008; Grillo Rubiano, 2005; Hernández, 2005).⁸

The *Comisión Nacional del Servicio Civil—CNSC* (National Commission of the Civil Service) is the authority in charge of watching over and administering civil servant careers; the CNSC's coverage is national, territorial, and sectorial, clearly consistent with a global and unifying tendency for the administration of the public servants career (Grillo Rubiano, 2005; Villa Lara, 2005).

Many legal developments have occurred since 1991, supporting the claim that in Colombia the instability of the legal framework for the Civil Service takes place vis-à-vis an excessive profusion of norms (Cabrera

Eraso, 2009; Longo, 2005; Longo & Ramió, 2008). As a matter of fact, although the first Civil Service Law was dictated in 1938, more than seven decades ago, it is only in 2004 that an ample competitive call was made to incorporate more than 100,000 positions within the State. As of the year 2010, public competition had not concluded due to the pressure exerted by diverse players (Cárdenas, 2010).

Despite efforts, several recent studies locate Colombia in an intermediate level of development in regard to its civil service, basically due to the coexistence of traditions of patronage and clientele (of clientelism) (Echebarría, 2006; Hernández, 2005; Longo, 2005; Longo & Ramió, 2008). As stated by Grindle (2010), there is a persistent tension between law and reality; in a recent study she found that implementation, not law, determines the persistence of patronage and shapes the characteristics of emergent career services. So, it is not surprising to find contradictory and competing legal developments and contradictory and competing practices.

3.2 Public Employees

Article 123 of the NC91 states the types of Public Employees in Colombia. In 1992, two categories of public employment were added by Law 27: (1) Free appointment and removal and (2) Civil Service career personnel, subject to merit competitions. It also approved a system for exceptional incorporation into the civil service of employees of territorial levels (Martínez Cárdenas, 2008).

Due to the difficulties of implementing Law 27, particularly at the subnational level, a reform was introduced by means of Law 443/1998 that promoted a more operative approach for the CNSC by modifying its composition and creating the Departmental and District Civil Service Commissions. Later, in exercise of the extraordinary faculties granted to the President by this law, a Decree Law 1569/1998 was issued creating a public employees' nomenclature at the territorial level, standardizing the many existing systems.

After five years and, due to the difficulties of implementing law 443, once again, a new law was issued (Law 909/2004) on public employment, administrative careers, and public management. The political bargain resulted in a set of specific systems of civil services careers, supported by

the alleged specificity of the functions fulfilled by the organizations in which apply.⁹

Consequently, despite the normative framework established for promoting a professional and accountable civil service, according to diverse studies, it has been impossible to change the prevailing patronage and clientele culture, particularly at the directorial level (Ávila, 2002; Echebarría, 2006; Longo, 2005; Martínez Cárdenas, 2010; Vergara Mesa, 2012). In fact, one of the most salient characteristics of public employment in Colombia is what has been named *the parallel staff regime*, referring to the number of contractors hired to perform daily regular functions within public organizations.¹⁰

During the Uribe administrations, while his *Programa para la Reforma de la Administración Pública* PRAP (Program for the Reform of Public Administration) eliminated 40,350 employments, the total number of personnel under temporary contracts went from 13,888 in 2005 to 55,877 in 2010, accounting for 35% of the total people working for the state (Pérez Quintero, 2011). According to Transparency for Colombia, all 66 public entities evaluated in the National Transparency Index of 2009 had more than 50% of its personnel under service contracts (Transparencia por Colombia, 2011).

Data from the General Comptroller's Office for the years 2013–2014 showed that, on average, for every employee in a civil service career there were four people under service contracts (Contraloría General de la República, 2014). Thus, while participation in State employment, as a percentage of the total employment, decreased, the number of contractors working for the State increased significantly.

Former president Santos created a formalization program for reducing the number of people under service contracts and promoted organizational reforms at zero cost. According to the DAFP, due to the formalization policy, between 2012 and 2014, the service contracts were reduced by 11,704. The proportion of public employment in total increased from 1% in 2011 to 5.5% in 2014.

The hierarchical levels for public employment (decree 2772/2005) are managerial, assessor, professional, technical, and assistance; data from the DAFP, from the year 2011, showed that the technical and assistance

accounted for 63.9% of the total employment, in consistency with studies that asserted the lack of professionalization in the public service systems (Longo & Ramió, 2008). The next figure presents the public employment distribution (Fig. 5.1).

By 2016, the professional level accounted for 53.7% and the supporting level decreased to 36%, which may indicate an increasing professionalization. Data from SIGEP (*Sistema de Información y Gestión del Empleo Público*) showed that by 2016 the military accounted for 35% of the total public employment, teachers and school principals for 28%.

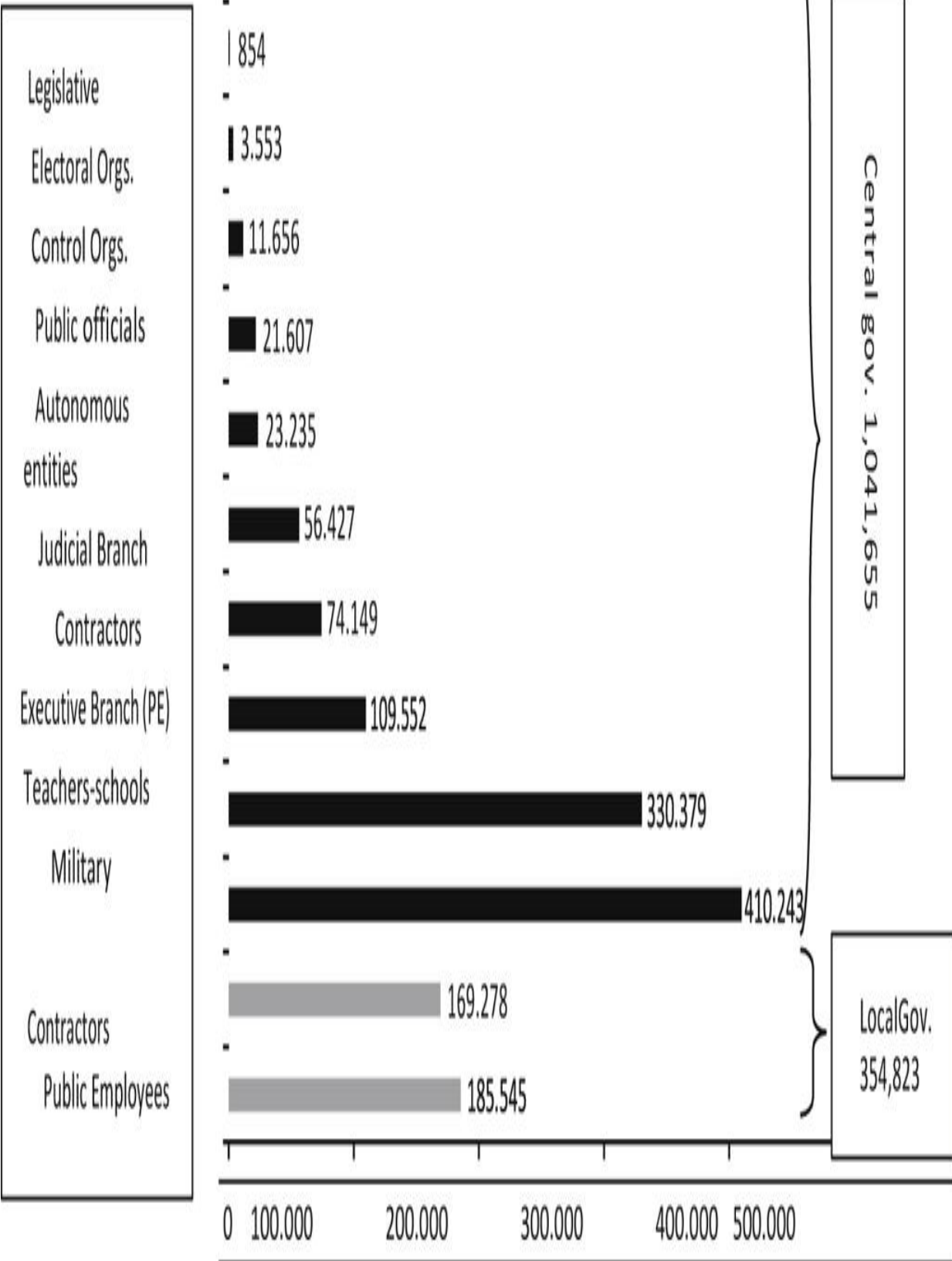


Fig. 5.1. Public Employment Distribution. *Source:* Public servants DAFP-SIGEP, 2017, contractors SECOP 2016.

Colombia signed the Iberoamerican Charter for Public Service in 2003, assuming the proposed capacities approach in the country's training system (Piana, 2010). Nevertheless, by 2008, more than half of the total public employees were concentrated in the elementary and high school levels of education (55%) (Castelblanco Burgos & Roa Quiñonez, 2008). By 2016, according to data from SIGEP, 56% of public employees had graduate and postgraduate studies.

In reference to remuneration, a study conducted by the Central Bank in 2006 found that the relation between level and salary seems to work on the higher levels, but as the scale goes down, salaries diminish faster, reflecting the high level of inequality prevailing in the country (Arango & Posada, 2007). A more recent study, conducted by the DAFP, found a high dispersion in the salary scale of similar public organizations, and that inequality is still a characteristic of the remuneration in the public sector (Rodríguez, 2016).

If analyzed by gender, the Colombian public sector is very similar to any other in developing countries; women are concentrated in the lower levels and men in the decision-making positions. Aiming at promoting a more equitable situation, the Quotas Law was issued (Law 581/2000).¹¹ From 2009 to 2013, the share of public sector employment filled by women that increased by 9.3 percentage points (from 39.8% to 49.1%) and attained a level close to parity. The share of women parliamentarians reached 22.5% in 2015, increasing by 13.7 p.p. since 2005 (OCDE, 2015). Nevertheless, according to data from CEPAL, the percentage of women mayors elected in the country does not reach 10% (CEPAL, 2012).

Rewards of Office

Presidential Decree 1227 of 2005 regulated the Incentives System for the Public Sector, aiming to promote social welfare programs for stimulating public personnel performance and commitment. The DAFP in supporting the implementation of decree 1227 and the creation of organizational incentives systems published a policy paper in 2007 in which the values, methodology, and aims of the incentives policy are presented (Vigoya Valencia, 2007). In

2010, the CNSC published the *Manual of Inspection, monitoring and control: regarding the performance evaluation of the public employees of 2010*, as a guide to implement and realize Law 909 of 2004 and any other legal regulation with regard to performance evaluation (Flórez Malagón & Ortiz Cabrera, 2010).

It is worth mentioning that, considering the number of people under service contracts, it seems unlikely to reach the desired goals of promoting efficiency and commitment because the systems are designed for the personnel that have a legal and formal labor relationship with the entities.

4. Politics of Bureaucracy

The politics of bureaucracy deals with the tension between the interests of politicians, bureaucrats, and citizens. The quality of the interactions, as well as the strategies used to interact, shape the political arena of any country and its governance. In the case of Colombia, adding to the increasing complexity resulted from the incorporation of private players in the provision of goods and services, the penetration of the political apparatus by diverse illegal forces, but particularly the narco cartels, has further complicated the politics of bureaucracy (Cepeda Uiloa, 2004; Thoumi, 1999; Vergara Mesa, 2012).

4.1 Links with Political Parties

Colombia has had a high degree of party politization of its public administration. Electoral and legislative support is paid for with high level positions in the state apparatus, and public policies and laws negotiated in Congress (Stokes, 2007), in concordance with Grindle's findings, patronage—the discretionary allocation of public sector jobs to reward followers and to cement political and personal relationships—continues to be a dominant method of government staffing in most Latin American countries (Grindle, 2010). The use of the bureaucracy as a political loot (Cárdenas, 2010) makes political coordination, coherence, and continuity a difficult task.

A study quoted by Mares and Young (2016) reveals that a range of clientelist strategies, including offers of money (which often originates in illegal drug activities), offers access to state favors (if local politicians are

coopted by armed groups) and intimidation prevailed during the 2014 parliamentary election in Colombia. Paramilitary organizations created authentic, local paramilitary-influenced governments, becoming part of the new regional elites. Violence and clientelism were the most commonly used strategies to expand their connections within the political leadership, political parties, and elections to the Senate and House of Representatives (Rodríguez, 2008).

As mentioned in the public personnel section, the provisional staff in the public administration has been a source of patronage, defended by the legislative and limited by the Constitutional Court, which has ruled against this type of contracts in support of the merit system (Vergara Mesa, 2012). The permanent tension between law and reality undermines the trust in government institutions and in democracy itself.

Title IV: Democratic Participation and Political Parties of the NC91 established the right to organize and promote parties and political movements if presenting 50,000 signatures; the opening of the system, after years of exclusion, provoked a party-boom not only with some new players but also with the traditional players disguised as new, using fragmentation as a strategy for maximizing options (known in Colombia as *operación avispa*) (Gutiérrez Sanín, 2002; Rodríguez Raga & Botero, 2006; Spiller et al., 2008). At subnational levels, paramilitary groups used violence, clientelism, and patronage as strategies to extend their networks in the political class and the political parties (Cepeda Ulloa, 2004).

Thus, the reforms designed to improve democratic quality brought about a gradual deinstitutionalization of the country's traditional party system as an unintended consequence (Bejarano & Pizarro Leongómez, 2002; Dargent & Muñoz, 2011; Shugart, Moreno, & Fajardo, 2007).

4.2 Links with Civil Society

The relationship between the bureaucracy and civil society in Colombia was historically very distant. During the National Front, people “learned” that voting was different from electing.¹² Thus, the only popular mandate given to the delegates to the Constituent Assembly was to open the political spectrum to promote a participatory democracy. This ideal had the aim of

changing the nature of the relationship between the government and the civil society (Cepeda, 1998).

Twenty-nine channels for participation were created between 1999 and 2002. However, there were no sanctions established for not complying with the rules. An evaluation conducted by Velásquez and González (2003) found that most of these new spaces for participation were conceived by the government in a top-down approach, compelling the socio-political practices to adjust to the norm, instead of recognizing the existing players and their rules. The same research found that citizens' participation has had very low incidence in the formulation of public policies and in the enhancement of public management (Velásquez & González, 2003).

This political behavior and practice seems to be the same that historically has defined the relations between the state and the civil society: *clienteles* and the prevailing idea that a member of the bureaucracy does not serve the public unless it has something to gain at a personal level (Velásquez & González, 2003). The tools created for enhancing the relationship between the government and citizens have concentrated in facilitating procedures but not in moving toward democratic governance.

As a result, trust and confidence in the political system did not improve. Data from the *LA Barometer* showed that the level of support for the political system in Colombia went down; while 57.7% of those interviewed was satisfied or very satisfied with the democracy performance in 2004, only 37.7% was in 2014 (García Sánchez, Rodríguez-Raga, Seligson, & Zechmeister, 2015). Skepticism is brewing over the extent to which democracy can succeed in delivering on citizens' expectations and improving the quality of their daily lives (Cohen, Lupu, & Zechmeister, 2017).

To conclude this section, it is important to remember that, as mentioned by Peters,

Involvement without the capacity to make the system perform to implement the decisions made in an open manner may be alienating and may be one of the emerging problems of contemporary democratic systems. (Peters, 2003; pp. 9–10)

4.3 Bureaucratic Politics

The bureaucracies in the Latin American countries are not homogeneous actors; they are complex and interdependent organizations that vary in terms of their autonomy and capacity. This heterogeneity may provide some keys to understanding the internal dynamics of the State apparatus and the degree to which different parts of the bureaucracy may fulfill different and even contradictory roles in the same country. (Stein, 2005, p. 70)

The Inter-American Development Bank (IDB) developed the Bureaucratic Merit Index and the Bureaucratic Functional Capacity Index (BCI) to assess the strength of bureaucracies in Latin America (Stein, 2005). The Colombian case is very well summarized in the IDB's report; Colombia is characterized as an Administrative Bureaucracy, with formal standards of merit, which are not applied in practice, civil servants are hired on the basis more of political than meritocratic criteria (Stein, 2005, p. 71). At the subnational level, actors exert influence by obstructing, delaying, or reshaping national policies (Stein, 2005, p. 74). The tension between the decentralization mandate and overcentralized practices created a communication gap between levels of bureaucracy and certain degree of confrontation.

Adding to these characteristics, the bureaucracy must adapt to changes introduced every four years, and citizens' demands for more efficient and accountable institutions. Colombia's ranking (35–50/100) reflects a country where practices based on merit coexist with traditions of political patronage (Stein, 2005, p. 69).

5. Accountability

Corruption can be seen as the opposite of accountability (Rothstein, 2014), as it hinders any formal effort to strengthen accountability; in the case of Colombia, mandates and functions for prevention, detection, and sanction of corruption are dispersed across multiple institutions, sometimes leading to structural or operational deficiencies that hinder action to prevent and punish it effectively (OECD, 2017b). At the regional and local levels, building

public integrity is also complicated because differences in institutional capacities challenge the implementation of any public policy (Herrera-Idárraga, López-Bazo, & Motellón, 2016; Loaiza Quintero & Moncada Mesa, 2013; Ramírez, Díaz, & Bedoya, 2014).

Most Colombians have little faith in the state's capacity to control corruption; as an example, a 2017 Gallup Poll found that 30% of respondents considered that corruption was the main problem of the country, and 85% of respondents considered that corruption was getting worse. Regarding key institutions, these are the percentages of people answering not trusting: Congress 82%, the Judicial system 84%, political parties 89%, the Supreme Justice Court 72% (Gallup, 2017).¹³ Thus, it is interesting to review existing strategies of accountability.

5.1 Formal Instruments

Political Accountability

For citizens to hold accountable those who represent them, the most evident mechanism of political accountability is voting. In Colombia, as established by Article 103 of the NC91, citizens have the right to revoke the mandate of popularly elected officials, governors, and mayors, when they do not perform adequately. Law 134/1994 regulates this political mechanism. However, of the 132 petitions initiated for revoking majors and governors mandates between 1991 and 2012, no one has progressed (MOE, 2012). Another tool for accountability is the *Veedurías Ciudadanas*, a democratic representation mechanism that allows citizens or different community organizations to exercise vigilance over public management, with regard to any institution responsible for the implementation of a program, project, contract, or the provision of a public service; Law 850 of 2003 regulates this mechanism.

There are several mechanisms for accountability from government to citizens; the Public Accountability Hearings, regulated by Article 33 of Law 489 of 1998, may be convened by public entities in order to discuss aspects related to the formulation, implementation, and evaluation of policies of collective interests; Communal Councils, a tool of the national Government used since 2002, allow direct contact of the president and his cabinet with

governors, mayors, and citizens in the regions, to be held accountable to local needs.

Article 114 of the NC91 establishes that it is up to Congress to exert political control over the government and the administration. Legislative act 02 of 2007 broadened these capacities, and it was determined that both departmental assemblies and councils exercise political control over the departmental and municipal administrations. For doing so, the legislative has two main mechanisms: citations and motions of censure.

The Judicial branch exerts legal and constitution control over all actions in the public sector. In particular, the Constitutional Court, created by the NC91, has the duty of guaranteeing the constitutionality of all public sector acts. The Office of the Inspector General safeguards the administration's compliance with the Constitution and applicable laws. Several municipal ombudsmen (*personeros municipales*) exercise local jurisdiction. Together with the *Defensoría del Pueblo* (National Ombudsman Office) and the local ombudsmen, the Inspector General endeavors to promote and protect human rights.

The Presidential Secretariat for Transparency (*Secretaría de Transparencia de la Presidencia de la República*), created in 2011, is responsible for coordinating the implementation of the transparency and anticorruption public policies.

Financial and Economic Accountability

Increasing budget transparency and anchoring fiscal responsibility are critical tasks for emerging economies seeking to enhance fiscal governance and curb corruption (Santiso, 2005). The NC91, in its Article 267, states that:

Fiscal control is a public function that will be exercised by the Comptroller's Office, which monitors the fiscal management of the administration and the individuals or entities that manage funds or property of the Nation. Monitoring the state's fiscal management includes the exercise of financial control, management and results, based on efficiency, economy, equity and assessment of environmental costs.

Several subnational comptrollers' offices monitor the expenditures of locally generated revenues. To support this function, the Electronic System for Account Report Rendering (the SIRECI) was created.

Understanding that public procurement represents a substantial nexus between the public and private spheres as well as a critical channel for services delivery to citizens (OECD, 2016); the creation of the National Procurement Agency (*Colombia compra eficiente*), by presidential Decree 4170/2011, improved significantly the country's economic accountability, by centralizing purchasing and adding transparency through an e-procurement solution open to the public. Government agencies are required to publish all procurement activities by Article 19 of Decree 1510 (2013), with the definition of procurement documents and an indicative list provided in Article 3 of the same decree (OECD, 2016, p. 19).

The creation of the Integrated System of Financial Information (SIIF), by presidential decree 4730 of 2005, provided an important tool for monitoring and evaluating the National General Budget execution. It also introduced the Mid Term Expenditure Framework, with the aim of having a results-oriented budget management.

Performance Accountability

In order to improve the state's capacity to accomplish its goals and therefore be more accountable, several mechanisms of performance accountability have been implemented, as:

Management controls: monthly meetings of the executive organizations to promote coordination and efficiency. Written reports are sent to the presidency before the meetings.

Management agreements: Article 50 of law 909/2004 established performance agreements as an evaluation mechanism for all public managers. Based on the strategic planning of their areas, they present the expected results and indicators for verifying the accomplishment of goals agreed upon.

The National System for Evaluation of Management and Results (SINERGIA for its acronym in Spanish): created by Constitutional mandate, and in operation since 1994, to track and measure public sector performance. In particular, the government seeks to use the M&E system to improve

resource allocation, assist in the formulation of the National Development Plan, and provide information for debate on public policies. It has three principal components: (1) results monitoring, (2) strategic evaluations, and (3) reporting for accountability or social control. The system also includes a web-based information tool, the System of Programming and Management by Objectives and Results (SIGOB) that provides performance information in real time.

With SINERGIA, the supply side of useful information has been strengthened by better coordination of data standards and data production, by reducing the costs of data supply, and by increasing the volume and breadth of types of evaluations which are conducted. Nevertheless, studies have shown that the use of the information generated is rather limited (Briceño, 2010; Ospina, Cunill Grau, & Zaltsman, 2004). The demand side requires the promotion of greater awareness of, and confidence in, the information that the system produces among ministers, civil servants, and civil society. It also requires improving the quality and quantity of the information produced. SINERGIA had accumulated 940 performance indicators by 2002, too many for efficient use for accountability purposes. It has subsequently been reduced to around 500 (Segone, 2009).

Internal Control units are defined in 9 of Law 87 of 1993 as one of the components of the internal control system, in charge of measuring and promoting efficiency, efficacy, economy, and transparency of the government's organizations. To standardize the functioning of these units, the presidential decree 1599 of 2005 established the standard internal control model (MECI).

Transparency pacts: an executive initiative aiming at engaging regional and local civil society in monitoring the level of performance of local authorities over goals previously agreed upon.

At the local level, only Bogotá and Medellín have mechanisms for rendering accounts of their performance. Bogotá has two decrees that require the Mayor to present the results of his management to the citizens. Medellín has a policy of transparency and probity that requires the city's

administration to present current and valid information on the administration's performance.

Excessive formal mechanisms for accountability might result in an overload of reports that could distort and hinder the original aim of adding transparency and efficiency to the state's performance.

5.2 Informal Instruments

The Media

It is commonly accepted that the media plays an important role in enhancing accountability (Besley & Prat, 2006)—assuming an independent and free media. The accuracy of this assumption is relative in Colombia, where there are strong ties between mass media and the elites who rule politics and business, and the active participation of media owners in the public and political spheres—either by holding office themselves or having close family ties with office-holders—raises important questions about the quality of the information, and its impartiality.

During the presidencies of A. Uribe, the media was manipulated profusely and required to portray an image of a president that was close to his constituents, dividing into those who play along with the president and those who struggle to remain critical (Gómez Giraldo, 2005). On the other side, thanks to the media, in October of 2005, a scandal involving the Administrative Department of Security of the Presidency was uncovered. The department was charged with intercepting the telephone lines of the opposition, union members, and magistrates of the Courts. Many newspapers and journals followed the story for years. *Semana*, a local magazine, denounced (in 2009) new cases of interceptions. The scandal claimed the destitution of executive members of the DAS and finally the closure of this department in October of 2011 under JM Santos' first presidency.¹⁴

The media's struggle to preserve freedom of speech has claimed many lives, according to the *Reporters without Borders* 2018's freedom of the press report,

Colombia continues to be one of the western hemisphere's most dangerous countries for the media, and its journalists continue to be permanently threatened

by “bacrim,” gangs of former paramilitaries now involved in drug trafficking. Death threats, physical attacks, abductions and murders are common. Actions by armed groups such as the ELN with the aim of silencing the alternative or community media that cover their activities lead to the creation of information “black holes,” especially in rural areas. Violence against journalists, in which local officials are often complicit, usually goes unpunished.¹⁵

Colombia ranked at the 130th position out of 180 countries.

The Public

In regard to social accountability, there has been a significant increase in the quantity and quality of civic and social organizations involved in monitoring public interventions (Isunza Vera, 2013; Velásquez & González, 2003). Social accountability, as a form of citizen participation, has been growing not only due to the promotion of new democratic practices led by the state but also due to the increasing interest of citizens in promoting alternative forms of social accountability (Hernández & Florez, 2011).

A research study found that 62% of the social accountability initiatives registered were initiated by the citizens and 38% by the state; of these initiatives, 92% had the intention to deliberate topics affecting communities (Velazquez & Gonzalez, 2013).

Some relevant social initiatives are the following:

Bogotá Cómo Vamos (*Bogotá, how are we doing?*), a public–private initiative to evaluate the local government’s performance, and *Concejo Cómo Vamos*, an initiative concentrated in improving and watching the City Council.

Congreso Visible (*Visible Congress*), which conducts permanent analyses of Congress since 1998.

Transparencia por Colombia (*Transparency for Colombia*), which developed core instruments to help civil society play its role as an active discussant in public matters. It has also developed a toolkit for transparency

and accountability, targeting private business, local governments, and electoral processes.

Visible Election, a coalition of 13 civil society organizations, founded in 2008, with the aim of tracking the process of nomination and election of judges and other senior officers in the High Courts.

Network of NGOs for Transparency, aiming at improving accountability.

5.3 A Final Note on Accountability: The Uribe Effect

Álvaro Uribe won the 2002 presidential elections and in 2004 promoted a constitutional amendment allowing reelection. The reelection reform had great impacts on the country's institutions, as the design for the balance of powers was conceived for a one-term presidency (Posada Carbó, 2005). For example, the lack of simultaneity between the presidential election and the General Prosecutor was conceived to submit the president, at least for part of her mandate, to the control of an independent authority. With reelection, the independence of that authority was impossible.

Furthermore, suspicions of illegal manipulation of Congress were confirmed after a long and difficult investigation. In 2008, one of the Congress members who voted in favor confessed that her vote was bought by functionaries of the Uribe administration, who offered her "two notaries in Barrancabermeja, a position in the Ministry of Internal Affairs and a notary in Bogotá."¹⁶ Nevertheless, the president remained until the end of his second mandate.

6. Reform and Change

As mentioned in the introduction, Colombia has undergone two waves of State Reforms, coming from outside, that were interwoven with the Colombian political reform set in motion by the NC91, aiming at recovering the trust of the Colombian people and building a true democracy. By reviewing the Constitutional reforms, it is possible to group them into two categories: first, the ones that are aimed at giving the State the necessary tools for realizing the model proposed by the NC91; second, the ones that

appeared to be geared at resisting it (Zuluaga-Gil, 2008). The NC91 has been reformed 35 times by presidential initiatives between 1991 and 2014.

Every president since 1991 has promoted State reforms, all of them mainly oriented by the NPM model with different emphasis, from economic or fiscal adjustment, to participation and decentralization (Jaramillo, 2011).

State Modernization, C. Gaviria (1990–1994)

The institutional reform promoted by Gaviria's presidency was clearly oriented by the New Public Management model and framed within a neoliberal ideology. President Gaviria created the state modernization counseling office (*Consejería para la Modernización del Estado*) to reform the State. In total, 19 organizations were closed, 43 restructured, and 7 transformed. The reform also created 7 new organizations. Downsizing the State was the central strategy (Restrepo, 2010; Rodríguez, 2011). As a result, 52,000 public employees were fired.

In the first years of the Gaviria administration, an important amount of economic structural reforms was adopted: a financial reform, tributary reform, indebtedness reform, and the exchange reform.¹⁷ , ¹⁸ In addition, the reform liberalized trade, introduced profound changes to the health and pension systems and loosened up labor market regulations (Angell et al., 2001).

A Presidency in “Check”, E. Samper (1994–1998)

From the very beginning, this presidency faced a deep political crisis caused by accusations of having received contributions from the Cali drug cartel in support of his electoral campaign. This administration's four years were under scrutiny; accountability was the main topic.

The development Plan of the Samper administration (1994–1998), *El Salto Social*, was presented as an alternative to the neoliberal model. It had four pillars: equity and solidarity, increasing social capital by investing in it, competitiveness, and social mobilization. Social investment went from 7.2% of the GDP to 15.8% in four years. However, due to the weaknesses of the country's economy, the State's fiscal balance worsened and the levels of poverty and unemployment grew significantly (Guzmán & Eclac, 2001). This situation brought so much debate that the *Expenditure and Public*

Finance Rationalization Committee was established by presidential decree 1359, on August 14 of 1995. The Committee, in diagnosing the problem, mentioned that the CN91 raised public expenditures significantly. Thus, reducing it was the recommendation (Junguito & Rincón, 2004).

Two important institutional reforms were initiated during this administration: the first aiming at reinforcing the meritocratic system in the public service career (Law 443/06-1998); the second, regulated by Law 489/12-1998, Statutory Law of the Colombian State and its functioning, intended at supporting the new organization and functioning of public administration.

Fiscal Adjustment, A. Pastrana (1998–2002)

This administration started out with an important fiscal deficit. In response, Pastrana advanced a severe cut to public investment; using special powers granted by the senate, he started a State reform intended at diminishing the size of the state, by fusing or eliminating public organizations, and reducing the number of public employees. Private investment through privatization of state companies was a central strategy of the administration. In 2001, he changed the allocation of resources to the subnational governments, introducing a management-by-results logic; resources for education and public health would be assigned depending on results.¹⁹

It is under this presidency that Plan Colombia was approved. The six-year “package of Financial Aid” from the United States was supported primarily by the Andean Counterdrug Initiative (ACI). US\$ 4,000 million would be contributed by Colombia (Álvarez-Uribe, Estrada-Restrepo, & Fonseca-Centeno, 2010; Archer, 1991; Restrepo, 2002).

Transversal Reforms with a Fiscal Focus, A. Uribe (2002–2006/2006–2010)

The Program for Public Administration Renewal (*Programa de Renovación de la Administración Pública-PRAP*), presented by Presidential Directive 10 of 2002, included five transversal reforms: public employment, public legal management, asset management, contractual management, and online governance strategy (Econometría, 2010). The policy framework for the PRAP is presented in the document CONPES 3248 of 2003.

In the second legislature of 2002, a reform to the retirement regime was approved (Law 79/2002). The reform promoted the reduction of passive pension liabilities of the public sector from 210% to 158% of the GDP, expecting to increment the fiscal savings from 0.1% of the GIP in 2003 to 1.0% in 2010 (Banco de la República, 2002, p.7).

Under the PRAP umbrella, 44 public organizations were eliminated, 77 were merged, 40 were reformed, and 14 were created (González & Verhoest, 2016). Many entities as INCORA, INRAVISION, TELECOM, INAT, INPA, DRI, INURBE, and CARBOCOL were eliminated (Junguito & Rincón, 2004), costing the loss of 40,350 government jobs. Interestingly, the number of territorial notaries grew significantly during the second Uribe's presidency, allegedly as “payment” for the reelection amendment (Alvear, Mato, & Maldonado, 2007).

Despite the calls for improving fiscal discipline, total, internal, and external, public debt rose considerably, from 27.7% of the GDP in 1995 to 53% of the GDP in 2004 (Caballero Argaez, 2004). Two presidential programs account for this increase, the Democratic Security Program (PDS) and Uribe's Conditional Cash Transfers' Programs (CCTP). To illustrate, the investment in the Democratic Security Program was of 986 billion in 2002; 912 billion in 2003; 858 billion in 2004; 758 billion in 2005; a trillion 115 billion in 2006; a trillion 109 billion in 2007; and three trillions 405 billion in 2008 (Leal Buitrago, 2006, 2011).

CCTP was also very costly economically, though very rewarding politically. *Acción Social*, a centralized presidential agency that was given the task of administering resources coming from national and international sources, was created in 2005. After four years, it grew to become a highly budgeted, widely known institution, associated by the population with the president (Granada, Restrepo & Vargas, 2009). The most “successful” CCTP, *Familias en Acción*, received an external credit of 85 million dollars to extend it and to increase its reach from 340,000 to 400,000 families in 2006. The second phase of the program began in 2007, with a credit of 1,500 million dollars for the financing of the program until 2010 (CONPES, 2010).

The final evaluation of the PRAP presented minor results in the five axes of the reform: public employment requires strengthening the institutional capacity of the organizations in charge; online governance improved interactions between the state and the civil society, though it is limited to the

central level of government; public legal management didn't advance as expected. Assets and contractual management were the areas of greatest accomplishment due to the creation of information systems that added transparency to the processes (Econometría, 2010).

Agencification, Formalization, Peace, J. M. Santos (2010–2014/2014–2018)

This administration was granted extraordinary powers to reform the state by the Senate (Law 1444 of 2011). As a result, previously fused organizations were separated, new organizations created, and some extinguished. Though, perhaps the most interesting figure of the Santos administration was the creation of 10 agencies, in line with the agencification trend.

Agencies operate at an arm's length from the government and carry out public tasks such as regulation, service delivery, and policy implementation. Compared to government bureaucracy, agencies face less hierarchical and political influence on their daily operations, and they have more managerial freedom (Van Thiel, 2012). As mentioned by Peters (2014), there are different reasons, not necessarily compatible, for why this tendency is rising, one is aiming at freeing certain parts of the administration from potentially adverse political pressures; another is the possibility of enabling governments to work on their policy goals while not appearing so “large”; lastly, as a formula for increasing the technical capacity of the state.

Santos created 10 agencies, concentrated in very sensitive topics in the country: mining (ANM), hydrocarbons (ANH), land (ADR, ANT, ART), reincorporation of ex-combatants (ANR), infrastructure (ANI), revenues (ITRS), state defense (ANDJE), and communications (ANE). The following table presents a comparison of the national executive branch composition from 2010 to 2018 (Table 5.1).

Table 5.1. National Executive Branch 2010–2018.

Legal nature	2010	2014	2018
Ministries	13	16	16
Administrative departments	7	8	8
Administrative units	18	39	39
Super intendencies	10	10	10

Legal nature	2010	2014	2018
Public establishments	42	34	34
State agencies	0	3	7
Industrial and commercial enterprises	9	9	7
Mix economy societies	59	40	43
Social enterprises	4	4	4
Electric power providers E.S.P.	20	11	6
Stock companies	2	2	1
Special nature	7	8	9
Science and Technology Institutes	5	6	6
Family compensation funds	1	1	1
TOTAL	197	191	191

Source: Data from the DAFP 2018, <https://www.funcionpublica.gov.co/web/sie/entidades-del-estado>.

This administration also intended to limit the number of people hired under services contracts, which it aimed to do by implementing a formalization policy. About 24,000 people were integrated within the regular permanent staff. As a result of the advances in the country's public administration, among other requirements, Colombia was admitted to the OECD on May 25th of 2018, after five years of evaluations.

Finally, Santos was committed to end the 52-year internal conflict. In a historical landmark and after four years of negotiations, he signed, in the name of his citizenry, the revised Peace accord with the FARC on November of 2016.

6.1 Decentralization

A central point debated by the Constitutional Assembly was the need for decentralization. As a result the new constitutional charter included several provisions for increasing the power of territorial units in the political, economic, and administrative spheres (Nieto-Parra & Olivera, 2011; Restrepo, 2002). Politically, it established that the governors of the 32 departments would be chosen through popular election; it also increased the financial resources of subnational governments.

Economic decentralization led to the creation of the General System of Participations (GSP) by which 50% of the current revenues of the nation had to be transferred to the municipalities and departments. Administratively, the social policies in health, education, drinkable water, sanitation, recreation, culture, and sports were transferred from the nation to the local governments. These elements pressed for a significant change in the territorial state bureaucracy and granted a little bit more autonomy to the regional governments to decide how to spend their income. Less than they expected and wanted (Borda, 2000; Gutiérrez Sanín, Barberena, Garay, & Ospina, 2010).

However, decentralization has also been contested by a series of constitutional reforms that seem to run in the opposite direction. A legal reform in 1995 established “amended criteria for the distribution of the national resources transferred to local authorities,” while Legislative Act 01 of 2001 limited the amount to be transferred to the subnational governments “won't be increased from one year to the next at a higher rate than the inflation rate, plus 1.5%.”²⁰ In 2001, the Legislative Act 01 modified Articles 356 and 357 of the CN91 to redefine the allocation formula and reduce the resources to be transferred from the central government to the territorial units (Lozano, Ramos, & Rincón, 2007).

6.2 From E-government to Digital Government

The inclusion and expansion of Information and Communication Technologies (ICTs) in public administration is a relatively recent phenomenon. It is said that ICTs allow governments to service citizens in a more timely, effective, and cost-efficient method. Thus, some authors consider that this is a central tool for the modernization of the public sector (Rodríguez, 2011).

From the year 2000, Colombia has developed an e-government campaign aiming to

Contribute construction of a more efficient, more transparent, more participative State that better serves its citizens and companies; resulting in a more competitive productive sector, a modern public administration and a

community well informed and with better instruments for the participation. (MINTIC, 2007)

Consecutive initiatives concentrated on consolidating these efforts, setting up a technological architecture for online government and the broader use of ICTs within Colombia's national development policies, mostly under the coordination and responsibility of the former Ministry of Communications.

An impact assessment of this strategy was conducted by the OECD in 2017; it states that Colombia's Online Government Strategy has a strong e-government focus on measuring public institutions' implementation activities and their digital products and does not provide insight into the impact of these initiatives on citizens and the public sector itself (OECD, 2017a). The United Nations e-survey of 2018 ranks Colombia in the 23rd position out of 193 countries in regard to the E-participation Index. The Crystal Urn, launched in 2010, is mentioned as a best practice, as it combines different communications channels to facilitate participation, using Internet, but also for those not having it, radio call-centers, and SMS (United Nations, 2018).²¹

The Online Government Strategy was complemented and broadened by the Digital Living Plan (*Plan Vive Digital*), which was launched in 2010 as part of the first Santos administration (2010–2014), and continued for a second four-year period (2014–2018) with the Digital Living Plan for the People (*Plan Vive Digital para la Gente*), which focuses on reducing the digital divide, addressing digital literacy and creating the country's ICT ecosystem more broadly (OECD, 2017a, p. 18). Regarding open government data (OGD), according to the open, useful, reusable (OUR) government data index of the OECD, Colombia is above both the Latin American and Caribbean (0.44) and OECD (0.56) average, with a score of 0.76 over a total of 1 (OECD, 2017a, p. 26).

According to data from MINTIC, by 2018, 64% of the population has internet access, 98% of the country's municipalities are connected to broadband, and there are 1,398 free Wi-Fi areas throughout the country.²² Data from DANE show that 44% of households had a desktop, tablet, or portable computer, though 79.30% were concentrated in capitals and main

cities and only 21% of households in rural areas (DANE, 2017 TICs indicators).^{23 , 24}

7. Closing Remarks

Considering the developments, achievements, and limitations of Public administration in Colombia since the NC91 was issued, solving the puzzle remains a challenge, and some new pieces have been added to it. The NC91 brought great expectations in all corners of the country, particularly regarding the opening of the political system and the search for a more balanced representation of interests; despite the efforts and achievements, though, there is a general disappointment about what has been achieved.

What is clear, however, is that the reformist enthusiasm and euphoria of the early 1990s are no longer there and that, as a consequence of a combination of factors, Colombia has seen its political, economic and social circumstances greatly deteriorate. (Edwards, 2001, p. 89)

Data from the Latino Barometer of 2017 showed a deterioration in the level of trust and confidence in Democracy in the region; Colombia ranks below the region's average. Regarding trust in the electoral system, only 22% of Colombians believe in it, and only 16% reports trusting the government. Corruption ranks as the first political problem in the country, and only 21% of the population believes the judicial system works; while 85% of the people consulted believe the government works for powerful groups and its own benefit.

Undoubtedly, while it is important to recognize that positive changes have occurred, the changes have fallen short of what was expected, deepening the gap between the country's public administration capacities and the citizen's expectations.

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²Data from <https://cifras.unidadvictimas.gov.co/> consulted on September 27/2018.

³The 74 seats of the assembly were distributed as follows: The Liberal party was granted 25 seats; the Alianza Democrática M-19 (a reinstated urban guerrilla movement) was given 19; the Movimiento de Salvación Nacional

(Conservatives) were given 11; the Partido Conservador (Conservatives) were given 5; the Independent Conservatives were given 4; and 10 were reserved for small and minority groups. The assembly had three joint presidents, which were liberal leader Horacio Serpa, AD M-19 (a former guerrilla movement) leader Antonio Navarro, and Conservative leader Alvaro Gómez.

⁴The Colombian government is divided into the three traditional branches: Executive, Legislative, and Judiciary, and by several independent institutions in charge of controlling the balance of powers and the electoral system; see Constitution articles 1, 113, 286, and 322.

⁵With 107 members, 100 elected every 4 years through a direct nationwide vote, 5 from the FARC, as agreed in the peace accord of 2016, and 2 additional senators representing the indigenous communities.

⁶The House of Representatives currently has 166 members; 2 from every territorial circumscription and 1 more by each 250,000 inhabitants. By constitutional mandate there are 5 special circumscriptions: indigenous (1), Afro-Colombians (2), political minorities (1), and expatriate communities (1) (see Decree 300 of 2010).

⁷Colombians voted an anticorruption popular consultation on August 26 of 2018, which didn't reach the threshold required to limit to a maximum of 3, the periods permanence in public corporations, and a significant reduction to the congress members' salaries, among its seven points.

⁸See Articles 125 and 130.

⁹It is not surprising that the following institutions have specific career systems: the Instituto Nacional Penitenciario y Carcelario-INPEC (Penitentiary and Prison National Institute); the Dirección de Impuestos y Aduanas Nacionales-DIAN (National Direction of Taxes and Customs); the public organizations that conform the National System of Science and Technology; the Superintendencias; the Departamento Administrativo de la Presidencia-DAPRE (Administrative Department of the Presidency); and the Unidad Administrativa Especial de la Aeronáutica Civil (Special Administrative Unit of the Civil Aeronautics). The dispositions contained in Law 909 applied, also, with auxiliary character, to the public servants in the following organizations: Rama Judicial del Poder Público (The Judicial

Branch of the Public Power); Procuraduría General de la Nación y Defensoría del Pueblo (Office of the Inspector General and Ombudsman Office); Contraloría General de la República y Contralorías Territoriales (Comptrollers' General Office and Territorial Comptrollers' Units); Fiscalía General de la Nación (General Office of the public prosecutor); entes Universitarios autónomos (Independent Universities) Personnel in the diplomatic career; Educational personnel; and SC personnel of the Congress. Too many exceptions.

¹⁰The term “parallel staff” has been coined by the media for referring to external personnel fulfilling functions that should be assigned to career employees.

¹¹A minimum participation quota for women in the decision-making level of 30% was established.

¹²A political agreement between the two dominant political parties, liberal and conservative, to alternate power that lasted 18 years (1956–1974).

¹³ <https://news.gallup.com/poll/234881/colombia-primed-change-ahead-election.aspx>

¹⁴Source: www.semana.com and www.elespectador.com.

¹⁵Source: <https://rsf.org/en/colombia>

¹⁶ <http://m.elespectador.com/impreso/judicial/articulo-330824-los-ritmos-de-yidispolitica>

¹⁷Laws 45, 49, and 51 of 1990.

¹⁸Law 9 of 1991.

¹⁹See Law 715/2001.

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http://www.secretariasenado.gov.co/senado/basedoc/cp/acto_legislativo_01_2001.html

²¹ <http://www.urnadecristal.gov.co/>

²²Ministry of Telecommunications.

²³National Department of Statistics.

24 <http://www.dane.gov.co/index.php/estadisticas-por-tema/tecnologia-e-innovacion/tecnologias-de-la-informacion-y-las-comunicaciones-tic/indicadores-basicos-de-tic-en-hogares>

Chapter 6

Costa Rican Public Administration: Neo-Weberian State, Fragmentation, and Dilemmas

Violeta Pallavicini

Abstract

Costa Rica is recognized as one of the two countries with the longest continuous democracy in Latin America. After a short civil war, the country dissolved its armed forces and adopted a new constitution that established the basis of a Welfare State and a meritocratic public administration. The aim of this chapter is to analyze the characteristics of the Costa Rican public administration since the end of the 1990s. We discuss the dilemmas presented by its high level of fragmentation and the actions that have been taken—based mainly on the neo-Weberian paradigm—to modernize the traditional public apparatus so that it becomes more efficient, transparent, and responsive to citizens.

Keywords: Public sector reform; Costa Rican public administration; public personnel; accountability; public institutions

1. Introduction

This chapter identifies, examines, and explains the most relevant characteristics of the Costa Rican political system and its public administration. For a better understanding of the evolution of Costa Rican public administration, I begin with an analysis of its government system and public administration structure. I then describe the different regimes regulating public employment and the relationships between the bureaucracy, civil society, and political parties. Finally, the mechanisms created for promoting accountability are considered, as well as the most important changes occurring during the last three decades as the result of administrative reforms in the country.

2. Main Characteristics of Costa Rican Public Institutions

2.1 Costa Rican Government System

Costa Rica is a unitary state, and its government “is popular, representative, participative, alternative, and responsible” (Political Constitution, Article 9). It has three independent powers: Legislative, Executive, and Judiciary (Constitutional Reform 8364, July 1, 2003). An Electoral Supreme College (*Tribunal Supremo de Elecciones*), independent of state powers, is exclusively and independently in charge of the organization, direction, and vigilance of actions regarding elections. A distinctive trait of the Costa Rican state is that in 1949 the Army was banned as a permanent political institution, with public order guarded by a police force.¹

The country has a presidential system of government, characterized by a popularly elected executive for 4-year periods, without immediate reelection, with limited constitutional powers, and with the power of appointing the cabinet. There are also two Vice Presidents who substitute for the President during absences. Presidential duties are (a) representing the Nation on official acts, (b) exercising supreme control over the police force, (c) proposing to the Legislative Assembly measures considered important for the Government's proper operation and the progress and well-being of the Nation, and (d) introducing legislation concerning the budget and financial administration of the state, including modifications to the budget law and the imposition, reduction, abolition, or modification of taxes of any sort (Political Constitution, Article 139).

There is a Government Council, formed by the President and its Ministers, for the coordination of the Executive Power actions. They meet weekly or whenever the President summons a meeting.

The *Legislative Power* is represented by the Legislative Assembly, composed of 57 representatives, popularly elected by province for a 4-year period, with no immediate reelection. The number of representatives per province is defined by the Electoral Supreme College proportionally to population. This number is revised every time a General Population Census is conducted.

The political direction of the Legislative Assembly falls onto a directory, elected every year on May 1st by the representatives themselves, with the possibility of reelection. There are two ordinary session periods for the Legislative Assembly. The first period goes from May 1 to July 31; the second goes from September 1 to November 30. In addition, the Executive Power can summon the Legislative Assembly to extraordinary sessions for the discussion of Law Projects, defined by the Executive Power on the summons decree.

Among the duties assigned by Article 121 of the Constitution, we find

- (1) To dictate laws, as well as to reform them, derogate them, and give them authentic interpretation;
- (2) To appoint Judges and Deputy Judges of the Supreme Court of Justice;
- (3) To approve or disapprove international agreements, public treaties, and concordats;
- (4) To give consent or not for the entry of foreign troops to national territory, and the permanence of battleships on ports and airports;
- (5) To authorize the Executive Power the declaration of states of national defense, as well as agreeing peace;

- (6) To suspend, by a vote of no less than the third of the total of its members, individual rights and guarantees;
- (7) To swear in Supreme Powers members and receive their resignations, with the exception of Ministers of State;
- (8) To admit or not accusations against the current President, Vice Presidents, Supreme Power members, as well as Diplomatic Ministers;
- (9) To dictate ordinary and extraordinary budgets of the Republic;
- (10) To appoint the General Comptroller and Sub-Comptroller of the Republic;
- (11) To establish National taxes and contributions, as well as authorizing Municipal ones;
- (12) To decree the alienation or application of public uses of the property of the Nation;
- (13) To approve or disapprove loans or similar agreements related to public credit entered by the Executive Power;
- (14) To create Courts of Justice and other organisms for national service;
- (15) To question Government Ministers, and by two thirds of the votes, to censure those officers when found guilty of illegal or unconstitutional actions, or serious mistakes which have caused or may cause evident harm to public interests.

Two very important institutions are ascribed to the Legislative Assembly: (a) the General Comptroller's Office (Contraloría General de la República) and (b) the Ombudsman Office (Defensoría de los Habitantes). Their duties will be explained in more detail in the Accountability section.

The total independence of the Judiciary Power from the other Powers of the Republic was granted by Articles 9 and 154 of the 1949 Constitution and its reforms. Article 9 establishes a separation of powers. Article 154 expressly indicates that “the Judiciary Power is only subject to the Constitution and the Law.” In order to consolidate its financial independence—by the request of Judges of the Supreme Court of Justice and with the support from the then President José Figueres Ferrer—Law 2122 of May 30, 1957 reformed Constitutional Article 177, which reads that “it will be assigned to the Judiciary Power a sum of no less than 6% of ordinary income, calculated for the economic year from the National Public Budget.”

The highest court is the Supreme Court of Justice. Other Courts, as well as their officers and employers are dependent on it. The Supreme Court is composed of 22 Judges and 37 Deputy Judges. Those Judges are elected by the Legislative Assembly for an eight-year period, with a possible indefinite reelection. The President of the Court is elected by the Judges among its members. Judges are divided into three Courts responsible for various competences, plus a fourth Court, with seven members, called the Constitutional Court, which enforces the Principle of Constitution Supremacy. All citizens can resort to this Court using one of the following appeals: Habeas Corpus, Appeal for Constitutional Right's Legal Protection, and Unconstitutional Action. The Court also takes constitutionality consultations made by the Legislative Assembly and other courts. The powers of the Constitutional Court has made it of great importance for democracy in the country and for its governance, as it settles conflicts of competence within State Powers, including the Electoral Supreme College, as well as the other entities or organisms indicated by law.

Apart from the Constitutional Court, there are Courts and Circuit Courts created according to the matter they have to try, the quantity and territory. There are various collegiate courts, listed as follows:

- Penal Appeals Court,
- Civil Courts,
- Penal Courts,
- Juvenile Penal Court,
- Contentious Administrative Procedures Court,
- Family Court,
- Labor Court, and
- Agrarian Court.

Circuit Courts are classified into

- Small Claims Circuit Courts;
- Misdemeanor Circuit Courts;
- Circuit Courts of First Instance in charge of civil, family, agrarian, alimony, labor, domestic violence, children and youth, contentious administrative, and civil of finances matters;
- Penal Circuit Courts, Penal Juvenile Circuit Courts, and Penalty Execution Circuit Courts;
- Traffic Circuit Courts.

Apart from its jurisdictional work, the Judiciary carries out investigative duties through the Judiciary Investigation Organism (Organismo de Investigación Judicial, OIJ), created by Law 5229 of December 12, 1973, as an organism dependent on the Supreme Court of Justice. It also has the duty of accusation and public defense by means of the Public Prosecutions Office, created by Law 7442, from October 25, 1994, and modified by Law 7728, for judiciary reorganization. Article 2 of this Law establishes as a duty of this Ministry to “require before penal courts the enforcement of the law, through the exercise of penal actions and the performance of preliminary investigations of public actions offenses.”

A summary of the main characteristics of the three Powers of the Republic is offered in the following chart (Table 6.1).

Table 6.1. Costa Rican Government System Characteristics.

Characteristics	Executive Power	Legislative Power	Judiciary Power
Number of representatives	President and two Vice Presidents	57 Representatives	22 Supreme Court of Justice Judges
Mandate term	4 years	4 years	8 years

Characteristics	Executive Power	Legislative Power	Judiciary Power
Appointment type	Popular election	Popular election	Legislative assembly
Reelection	Yes, but not immediate	Yes, but not immediate	Yes, immediate
Main competences	<ul style="list-style-type: none"> • Representing the Nation • Supreme Command of the Police Force • Directing and coordinating Government and Administration Duties • Proposal to the Legislative Assembly of measures needed for the government's good proper operation • Appointment of Ministers • To summon the Legislative Assembly to extraordinary sessions 	<ul style="list-style-type: none"> • Law Creation • Political control • Appointment of Judiciary • Power and Electoral Supreme College Judges • Public Budget Approval 	<ul style="list-style-type: none"> • Jurisdictional • Investigative Accusation • and Public Defense

Source: Author's elaboration.

2.2 Costa Rican Public Administration

For administrative purposes, Costa Rica is divided into seven provinces, and provinces are divided into 82 cantons—the municipal governments. As this is a unitary state, the country has a strong centralist tradition, evidenced in the fact that for the most part, public policies as well as the provision of public services are the responsibility of the central government and autonomous institutions, limiting the competences of municipalities only to specific services.²

Public administration has two levels: (a) central government (the ministries) and (b) autonomous institutions, and politically decentralized governments (municipalities). Costa Rican public administration developed between the years 1949 to 1979. During this period the transition to democracy occurred, along with the consolidation of the presidential system of government and the reorganization of public administration. These changes involved the new idea of development, where the State has a fundamental role as the promoter of development. The highest growth during this period was at the functionally decentralized level, where 113 new public institutions were created. Administratively decentralized institutions are autonomous institutions, semi-autonomous institutions, state-owned companies, and public non-state entities. A brief explanation of the meaning of these terms follows.

Autonomous institutions: These are institutions with administrative independence, subject to the Law in government matters including State banks, State insurance institutions, and institutions created by the Legislative Assembly by two-third vote of its members. The highest directing organism is its Board of Directors, whose composition is defined by Law No. 4646 from October 20, 1970, or according to the dispositions of the law for creation of the particular autonomous institution. The Institution's Executive President, appointed and removed by the Government Council, presides over this Board, her role is to execute decisions taken by the Board of Directors. Additionally, there is a General Manager, dependent on Board of Directors.³ The income of these institutions comes from the rates charged for their services.

Semi-autonomous institutions: Created expressly by Law, by simple majority. They also have administrative independence and other characteristics of autonomous institutions.

State-owned Companies: In Costa Rica it is difficult to define a single concept of Public State-owned Companies, as it can adopt various juridical figures, such as State-owned Company-Public Entity or as State-owned Company-Private Entity.

State-owned Company-Public Entity: Organizations developing “mercantile” activity ruled by Private Law, such as Autonomous Institutions: State Banks, National Insurance Institute (INS), and the Costa Rican Electricity Institute (ICE); Decentralized Organisms: National Liquor Factory (Fábrica Nacional de Licores, decentralized from the National Council for Production (Consejo Nacional de Producción, CNP); Non-State Public Entity: Popular Bank (Banco Popular)(Hernández, 2007, p. 129).

State-owned Company-Private Entity: Organizations developing industrial, commercial, or agricultural and livestock activities in which public interests, as they have public assets, but to avoid the rigidity of Administrative Law, resort to the form of public limited companies. Examples of this type are the *Empresa de Servicios Públicos de Heredia*, *Correos de Costa Rica S.A.*, *Refinadora Costarricense de Petróleos*, commercial state banks retirement funds operators, among others. There are also state-owned companies-private entities of mixed capital, where the public sector has 50% or more of their shares. Despite that, conflicts arising between the entities under direct administration and the state-owned company “must be known and resolved by the relevant administrative and civil of finance jurisdiction, since, under those assumptions, *Public Administration (central or decentralized) has a direct interest due to its majority participation in the social capital.*”⁴

Non-State Public Entity: “These are entities that are part of the State and act in collaboration with it, for the fulfillment of the general interest, but constituting separate administrations” (Costa Rica. MIDEPLAN, 2017, p. 10). Under this denomination, a great number of public organisms exists, such as “Corporative Decentralized Public Administration, whose management is trusted to a community or general assembly of people with a common interest, for instance, the exercise of a profession—the case of professional associations, or the development of an industrial, commercial, or other type of activity—productive or industrial public corporations” (Costa Rica. MIDEPLAN, 2017,p. 10).

In the following table the number of institutions composing the Costa Rican Public Sector is summarized (Table 6.2).

Table 6.2. Number of Costa Rican Public Sector Institutions, 2017.

Category	Number of Institutions
Central Government	98
Ministries	18 ⁵
Organisms ascribed to Ministries ⁶	80
Decentralized Public Sector	123
Autonomous Institutions	33
Organisms ascribed to Autonomous Institutions	11
Semi-Autonomous Institutions	11
State-owned Companies	23
Non-State Public Entities	45
Territorially and Administratively Decentralized Public Sector	90
Municipalities	82 ⁷
District Municipal Councils	8
Total	310

Source: Based on information from MIDEPLAN (2017). Manual de la Organización del Estado costarricense. Available at <https://documentos.mideplan.go.cr/share/s/irKPAgonTKegR1ba2wft7w>

These data offer a clear idea of the degree institutional dispersion of Costa Rican Public Administration and its management difficulties, as a high degree of inter-institutional coordination is required. In order to promote formal coordination, the Executive Decree No. 14184-PLAN was formulated in 1983: The Creation of a Sub-system for Sectorial Direction and Planning, which established the “sector” figure. A “sector” is composed of a group of public institutions that have competences in a specific function such as labor, education, health, among other. At the head of each sector, a rector ministry is appointed. At the beginning of each administration, a presidential directive is enacted for the elaboration of the national development plan, which sets the establishment of sectors, and Ministers sectors are issued. However, coordination remains a challenge for public administration.

Another indicator of the level of decentralization of Costa Rican Public Administration, is the distribution of public budget. As the following table shows, Costa Rica's public budget has an astonishingly high decentralized presence, since an average of 64% of the total public budget corresponds to autonomous institutions. In contrast, only an average of 1.6% corresponds to municipalities (Table 6.3).

2.3 The Philosophy and Culture of Governance

According to Pollitt & Bouckaert (2011), there are two strong models of governance: the Rechtsstaat model and the Anglo-Saxon notion of the “public interest,” with a few systems that fall between these two models. “From the Rechtsstaat perspective, the state is a central

integrating force within society, and its focal concerns are with the preparation, promulgation, and enforcement of laws. It follows from this that most senior civil servant will be trained in the law and, indeed, that a large and separate body of specifically administrative law will have been created. In such a culture, the instinctive bureaucratic stance will tend to be one of rule-following and precedent, and the actions of both individual public servant and individual citizen will be set in this context of correctness and legal control.... The typical values of this approach will include respect for the authority of the law as a socially necessary and integrating force, attention to precedent, and a concern with equality, at least in the sense of equality before the law.... By contrast, the 'public interest' model accords the state a less extensive or dominant role within society.... Government is regarded as something of a necessary evil, whose powers are to be more than are absolutely necessary, and whose ministers and officials must constantly be held to public account by elected parliaments and through other means" (p. 62). Costa Rica illustrates the first model as we can see in what follows.

The activities of the Costa Rican public sector (central government, institutionally decentralized sector, and municipalities) are regulated by Law 6227 of May 2, 1978, the General Law for Public Administration. Article 1 of this law indicates that "Public administration will be constituted by the State and other public bodies, each with legal personality and capacity of public and private law." Among the principles regulating Public Administration is the principle of legality, as stated on Article 11, which reads as follows: "Public Administration will act according to the judiciary legislation, and will only perform those actions or provide those public services authorized by this legislation, according to the hierarchical scale of their sources." In addition, Article 15 indicates "Discretion can apply by absence of law in a specific case, but shall be subject in any case to limits imposed expressly or impliedly by administrative law, to ensure that the exercise is efficient and reasonable."

Based on the above, a comprehensive normative framework has been established to regulate public administration in various fields of action. A brief summary of them is offered as follows:

Law 8131 of October 16, 2001 "Financial Administration of the Republic and Public Budgets": regulates the financial-economic regime of public administration, and all state powers. Municipalities as well as organisms with maximum autonomy, such as public universities, and the *Caja Costarricense del Seguro Social* are only obligated to respect Title II of that law concerning principles and general rules for financial administration. The aim of this Law is to: "(a) promote the application of public resources performed according to principles of economy, efficiency and efficacy; (b) to develop systems facilitating timely and dependable information about the financial behavior of the national public sector, to support decision-taking processes, and management evaluation, and (c) to define a framework of responsibilities for the participants in the systems under its regulation."

Law 8292 from July 31, 2002 "Law for Internal Control": where "the minimum criteria to be observed by the General Comptroller's Office, as well as the entities or organisms subject to inquiry, in the establishment, functioning, maintaining, perfecting, and evaluating of their internal control systems" (Article 1) are defined.

Law 8422 from October 6, 2004 “Law against corruption and illicit enrichment in the public function”: created with the goal of “preventing, detecting, and sanctioning corruption during the exercise of public function” (Art. 1). It is a fundamental instrument for transparency, Article 7 establishes free access to public information, and Article 8 regulates the protection of the rights of appellants against administrative procedures. The law also forbids having more than one simultaneous paid appointment in public administration. Another important instrument is a mandatory declaration of assets for all elected authorities and civil servants involved with administering public funds. This declaration must be presented when entering the service, annually, and at the end of their employment.

Law 8220 seeks to comply with the principle of publication of procedures, so citizens may know beforehand the requirements needed to be presented. It also seeks to eliminate redundancy in the requirements for citizens to provide information to government. The application of this law has been difficult, thus the Chinchilla Miranda Administration (2010–2014) chose to decree the simplification of procedures in specific sectors, such as the economic sector.

As Pollitt and Bouckaert (2011) have argued, this has led public officials and citizens to develop a great deal of respect to the completeness of the law and the defense of their rights before the courts.

3. Public Personnel System

In order to describe the regimes regulating public employment in Costa Rica, the following section is divided into two parts. In the first, the institutional framework regulating the system is analyzed, and in the second, a characterization of public employees is provided.

3.1 Institutional Framework of the Public Personnel System

According to Marín (2008) “In Costa Rica, conservative as well as liberal governments, in their different versions, tried to establish an integral administrative system to the service of not only the power elites and the upper class, or for the intervention in class conflicts, but they also wanted to achieve a relatively efficient institutionality, capable of articulating a viable State project”(p. 190). Thus, it is not surprising that in 1953 by Law 1581 a “Statute of Civil Service” was enacted, regulating public employment for the central government, in compliance with what is established on Article 191 of the Constitution: “*A Statute of Civil Service will regulate the relationships between the State and civil servants, with the aim of guaranteeing the administration’s efficiency.*” The principles of merit and stability in the public function were also constitutionally stated since “*public servants will be appointed based on proven suitability, and they can only be removed by the causes of justified dismissal considered on labor legislation, or in the case of forced reduction of services, due to lack of funds or for reorganizational purposes*” (Article 192 of the Constitution). Additionally, the Statute of Civil Service states the principles of equality and publication of public positions.

In 1954, the Law for Licenses for Training of Civil Servants was enacted, regulating scholarships and study possibilities for civil servants. In October 1957, the Law of Wages for Public Administration was approved, establishing the legal framework for the public sector wage system. On May 4, 1970, the Law 4564 “Of Teaching Career” is added to the Statute of Civil Service, so that the teachers, technical teachers, and administrative teachers are also regulated by the Civil Service System. The teaching career law covers elementary, middle, and high school public teachers.

The General Direction of Civil Service, an organization within the Ministry of the Presidency, is the entity responsible for the management of human resources of the central government, as well as teachers. There is also a Civil Service Court (*Tribunal de Servicio Civil*), which is responsible of taking decisions related to dismissals and sanctions to civil servants.

Other civil service regimes also exist, regulating the human resources management of the Judiciary Power, the Legislative Assembly, and organisms ascribed to it (for example, the General Comptroller's Office and the Office of the Ombudsman), the Police Force, Foreign Service officials, Electoral Supreme College, and the Municipal Regime. In the case of autonomous institutions, a collective bargaining agreement system is used.

Despite the diversity of regimes, they all share the same principles guiding the Statute of Civil Service: the principle of merit (appointments are made based on suitability and merit), equal opportunity public career positions, administrative career, work stability, objectivity and probity in the exercise of the public function, classification and positions assessment, and civil servants training. But, there are indeed wage differences for similar positions among central government posts, autonomous institutions, and the other State Powers. These differences are due to the flexibility those institutions have for the definition of their wages and other compensation, as they are not part of the National Public Budget, the authorization of their own budgets depends on the General Comptroller's Office. In order to regulate human resource management in the public sector, during the period of State reforms initiated by the Calderón Fournier administration (1990–1994), a project for a Law for Public Employment was presented, proposing, among other things, the use of remuneration techniques based on productivity, evaluations, and performance. Nevertheless, this project was not approved.

Since 2010, the Civil Service General Direction has been promoting two initiatives in order to have an integrated Human Resources Management System for the Costa Rican Public Sector. These initiatives are

Addition of a new chapter to the Statute of Civil Service for the creation of the Human Resources Management System (*Sistema de la Gestión de Recursos Humanos*). This chapter reiterates the governing duty of the Civil Service General Direction, including among its governing duties the issuing of regulations in, consultancy for the Human Resources Offices of Ministries and institutions under this regime, and the duty of controlling their actions. For coordinating the system's organizations the use of a digital platform is emphasized, through which procedures for human resources management are developed and the power of the

Direction to delegate the final decisions on institutional human resources management processes is ensured.

Reform to Article 7 of its Statute in order to turn this Direction into an organization with maximum decentralization, ascribed to the President of the Republic, with instrumental legal status, governing the human resources under the Civil Service Regime. This initiative was approved by means of the Legislative Decree No. 8978 from July 27, 2011.

3.2 Civil Servants

As part of the State Reform Program of the Administration of President Rafael Angel Calderón Fournier (1990-1994), a strategy was applied to reduce the number of public employees, with the aim of decreasing public spending, due to the high fiscal deficit of the country (Zúñiga, 1995). As Table 6.4 shows, from 1990 to 1995, the number of public positions decreased in 4.32%.

Table 6.3. Distribution of Public Budget by Institutional Sector (Percentage).

By Sector	2010	2011	2012	2013	2014	2015	2016	2017	2019
Central Government	0.32	0.33	0.34	0.34	0.35	0.35	0.34	0.36	0.389
Autonomous Institutions	0.66	0.65	0.64	0.65	0.64	0.63	0.63	0.61	0.589
Municipalities	0.02	0.02	0.02	0.02	0.01	0.03	0.03	0.03	0.022
Total	100	100	100	100	100	100	100	100	100

Sources: Based on information from Contraloría General de la República (2011–2019). Available at <https://www.cgr.go.cr/03-documentos/publicaciones/presupuestos-publicos.html>

Table 6.4. Number of Public Positions by Institutional Sector.

By Sector	1990	1995	2010	2012	2014	2016	2018	2019
Total public sector^a	141.645	135.512	204.901	211.879	278.500	265.285	275.375	278.497
Central Government	n.d	68.657	104.696	106.913	128.727	118.386	121.279	123.456
Autonomous Institutions	n.d	60.578	86.389	87.023	117.718	119.039	123.155	123.530
Municipalities ^b	n.d	n.d	13.428	17.943	17.563	12.795	15.156	15.492
Other branches (Legislative, Judiciary, and Electoral)	n.d	6.578	13.816	13.854	14.492	15.065	15.784	16.019
Total number of public employees	173.083^c	171.835^c	n.d	n.d	n.d	288.395^e	267.634^e	304.855^e

By Sector	1990	1995	2010	2012	2014	2016	2018	2019
Total number of private sector's employees^d	823.425	972.048	1.596.164	1.710.628	1.723.287	1.848.531	1.801.374	1.878.340

Source: (a) Ministerio de Hacienda, Empleo Histórico 1994-2013 available at https://view.officeapps.live.com/op/view.aspx?src=https://www.hacienda.go.cr/docs/5391e6f72fca2_Empleo%20historico%201994-2013%20a%20publicar.xlsx; (b) Ministerio de Hacienda (2010 to 2019). "Cifras de Empleo Público" available at <https://www.hacienda.go.cr/contenido/47-cifras-de-empleo-publico>, (c) Alfaro Redondo, 2004, p. 16, (d) estadonacion.or.cr/estadisticas/, and (e) inec.go.cr/empleo/

Table 6.5. Initiatives Received in the Department of Citizens Participation of the Assembly Legislative (1999–2016).

Total	Known in Legislative sessions	Projects Known in Legislative Commissions	Projects Filed away	Projects that Became Law
2255	108	12	75	19

Source: Department of Citizens Participation's Assembly Legislative.

However, since the beginning of the twenty-first century there has been a moderate increase in the number of public positions and public employees, due in part to the creation of new public organizations, and some years, such as 2016, that shows a decrease. The number of public employees has also increased.

In 2010, the Central Government's positions represented a 51.10% of positions on the public sector, and autonomous institutions a 42.16%. By the end of the period, positions for the Central Government stand for 44.32%, and autonomous institutions a 44.36%. Positions at the municipal level has also increased which seems to coincide with the reform to the Municipal Code in 1998 which gives to municipalities greater political and financial autonomy. However, the main employer is the private sector which corresponds to 88%.

4. Politics of Bureaucracy

In this section, relations between the bureaucracy and political parties are examined, as well as its ties with society and political bureaucracy.

4.1 Bureaucracy and Political Parties

Due to various laws regulating the activities of public administration (see Section 2.3), as well as the consolidation of the rule of law, there are very few cases where a formal relation between bureaucracy and political parties can be observed. One case is the appointment of Public Administration Higher Management—Ministers, Vice Ministers, Executive Presidents, Board of Director members of autonomous institutions, and their consultants. By their nature, these positions are not regulated by a merit system. The President makes the appointments with people from the winning political party. There are also positions of trust

within public institutions, appointed by the institution's president. These positions are not subject to Civil Service Regulations.

A second case is the temporary appointments elementary and high school teachers. In this case, in some occasions legislative representatives or political authorities intervene in the assignment of positions to their followers. But, this situation is being eradicated by increasing the number of permanent positions in the sector, as well as the filtering of the eligible database managed by the Civil Service General Direction, in coordination with the Ministry of Public Education.

4.2 Relation with the Civil Society

Since the 2000s, the development of greater spaces for citizen participation has been promoted in the country, thus increasing relations between the Bureaucracy and the Civil Society. Nationally, these participation spaces are:

Referendum: Law 8221 in May 2002 allows referendums to ratify, or not, the approval of ordinary laws or partial reforms to the Constitution. Projects related to budget, taxes, fiscal, loans and contracts approval or administrative actions are excluded. Those able to call for a referendum are the following: (a) the Legislative Assembly, by a 2/3 vote; (b) the Executive Power, in conjunction with a simple majority of the Legislative Assembly; and (c) at least 5% of the citizens registered in the Electoral Register. For the referendum result to be binding, the participation of at least 30% of registered voters is required. To this date only one referendum has taken place for the approval of NAFTA (North America Free Trade Agreement) with Central America in 2007.

Popular Initiative: Law 8491 from April 3, 2006, gives citizens the power to initiate a Law Project. The Law Project must have the support of at least 5% of the citizens registered in the Electoral Register, and it can only be presented during the Legislative Assembly's ordinary sessions. The same issues excluded in a referendum are excluded here. In order to facilitate participation, the Legislative Assembly created a Popular Initiative Office for this purpose, giving technical support for the project writing. Table 6.5 shows the number of initiatives presented to that office.

Citizen Participation Forums: This mechanism has been especially used in managing social policies, and more recently in the elaboration of the National Development Plan 2010–2014, and the National Security Plan (Plan de Seguridad Nacional).

Public Hearings: This mechanism is limited to certain areas, such as the setting rates for public services, which forces the Public Services Regulating Authority (Autoridad Reguladora de los Servicios Públicos) to summon to a public hearing before approving a raise or decrease of the charges.

Since the 1998 reform of the Municipal Code, more citizen participation spaces have opened: plebiscite, referendum, town council, public hearings, and District Municipal Councils. At an informal level, participation has grown due to the development of social movements, reacting to unsatisfied demands. In the last years, the number of social protests has increased, thus in 2011 there were 632 collective actions, “very much above the numbers

registered in 2010 (340), and 2009 (394) During the period 1995–2011, there were a mean of 34 collective actions by month” (CONARE, Estado de la Nación, 2012, p. 259).

5. Accountability

Costa Rica is considered as one of the most stable democracies in Latin America. Nonetheless, it was not until the year 2000, by means of the Constitutional Reform 8003 of June 8, that Article 11 states the compulsory accountability of civil servants. The article establishes that:

“Civil servants are simple authority receivers. They are obligated to comply with the duties the Law imposes on them, and they cannot claim faculties which are not granted by Law. They have to swear to observe and comply with the Constitution and the Law. The action for demanding penal responsibility for their actions is public.

Public Administration in a wider sense will be subject to an evaluation procedure of evaluation of results and accountability, with the consequence of personal liability of civil servants in the compliance of their duties. The Law will indicate the means, so this control of results and accountability works as a system, covering all public institutions” (Political Constitution of Costa Rica).

I will use O'Donnell's taxonomy (1999, 2001) to examine accountability in Costa Rica. First, O'Donnell differentiates between horizontal and vertical accountability. Horizontal accountability refers to the actions developed by State agencies with legal authority to impose sanctions when “*actions or omissions of other agents or State agencies which, in principle or allegedly, can be qualified as illicit*” (O'Donnell, 1999, p. 116). Vertical accountability considers the means citizens have to demand accountability from their rulers, such as voting, social and media pressures. In the next section, the mechanisms for each type of accountability are identified.

5.1 Horizontal Accountability

O'Donnell identifies two types of institutions exercising horizontal accountability: (a) institutions of balance and (b) institutions with the specific mandate for exercising accountability. The first type is related to institutional separation of powers, based on the principle of checks and balances. The second type are public organizations specifically created for investigating and sanctioning acts of corruption or failures of institutional representatives to perform their duties. In the following section, a detailed list of the organizations involved in these two types of accountability, and their duties, is given.

Institutions of Balance

In order to guarantee the balance between Powers, each of them has the following duties of mutual control, shown on the following table (Table 6.6).

Table 6.6. Control between State Powers.

Legislative Control on the Executive

Legislative Control on the Executive

Electoral Supreme College Control

Art. 139, incise 4: To present to the Legislative Assembly, at the beginning of the first period of annual sessions, a written message about different Administration issues, and the political state of the Republic.⁸

Art. 140:

(11) To present reports the Legislative Assembly requests in use of its attributions.

(15) To present the National Budget Project to the Legislative Assembly.

Art. 144: Each year Government Ministers will present a report to the Legislative Assembly, within the first two weeks of the first period of ordinary sessions.

Art. 121:

(9) To accept or not accusations against the current President, Vice Presidents, members of the Supreme Powers, and Diplomatic Ministers, declaring by two thirds of the Legislative Assembly total votes if there is a case or not against them, placing them, if there is a positive response, to the disposition of the Supreme Court of Justice for their judging;

(10) To decree the suspension of any official mentioned in the previous incise, whenever needed to proceed against them for common crimes;

(23) To appoint investigative commissions for investigating any issue the Assembly commends them;

(24) To question the Government Ministers, and also, by two thirds of the votes, censure those officials, when the Assembly decides they are guilty of unconstitutional or illegal actions, or of serious errors which have caused or may cause evident harm to public interests.

Executive Control on the Legislative Power

Art. 126: Within 10 working days, counting from the date in which a Law Project approved by the Legislative Assembly, the Executive Power can object it. If not, it cannot sanction and publish it.

Constitutional Control

Law No. 7128 from June 1998 reforms the Constitutional Article 10 to create “a specialized court within the Supreme Court of Justice, with the power to declare, by absolute majority of their members, the unconstitutionality of the regulations of any nature, and the actions subject to Public Law....it also has to: a) resolve conflicts of competence between the two State Powers, including the Electoral Supreme College, as well as the other entities or organisms considered by Law; b) to know about the consultation of constitutional reforms projects, the approval of international treaties or agreements, and other law projects”

Legislative Control on the Executive

Art. 102, incise 5: “The Electoral Supreme College has the power of investigating any complaint formulated by political parties about political bias of the State servants in the exercise of their positions, or about political activities of their officials, who are forbidden to do so. A guilty declaration by the Court will be an obligatory cause of destitution, and the guilty party will be disabled for exercising public positions for a period of no less than two years, with no harm of penal responsibilities that can be demanded. Nevertheless, if the investigation involves the President, Government Ministers, Diplomatic Ministers, the General Comptroller or Sub-Comptroller, or Judges of the Supreme Court of Law, the Court will only present to the Legislative Assembly the results of their investigation.”

But, Article 262 of the Electoral Code establishes that “the TSE will cancel or annul the credentials of the President, Vice Presidents and representatives of the Legislative Assembly, only by causes established in the Political Constitution.”

Art. 112: Representatives cannot directly or indirectly, or by representation, to sign contracts with the State, nor obtaining the concession of public goods implying privileges, nor intervening as directors, administrative personnel or managers in companies having contracts with the State, as well as works, supplies or exploitation of public services. Violation to these prohibitions will cause the loss of the Representatives' credentials.

Art. 259 from the Electoral establishes the canceling of credentials of elected authorities when committing a serious misdemeanor affecting the control and fiscalization system of Public Finances.⁹ Thus, the case is sent to the General Comptroller's Office for recommending the proper procedure, and once this office and the Courts have taken a decision, the TSE will proceed to the canceling of credentials.

Art. 253: The Electoral Supreme College has the power of canceling the credentials of municipal authorities of popular election, when they have incurred in some misdemeanor expressly considered by Law.

Institutions with Specific Mandates

In this category there are three types of institutions: auditing, formal complaint and investigation, and the defense of citizens' rights.

Auditing Institution: The General Comptrollers' Office

The institution responsible for supervising the legality and efficiency of internal controls and the management of public funds is the General Comptroller's Office (CGR). It is granted the higher control of Public Finances and the government of the fiscalization system contemplated by the Law 7428 from 1994. To exercise its duties, “absolute functional and administrative independence, from any Power, entity or public organism” (Political Constitution, Article 183) is granted. Its decisions are only subject to the Political Constitution, to international treaties or agreements and the Law (Law 7428, Art. 2). Organizationally, CGR is linked to the Legislative Assembly, and its directions is exercised by a General Comptroller and a Sub- Comptroller, both appointed by the Legislative Assembly “two years after the presidential period has started, for an 8-year term; with indefinite re-election” (Political Constitution, Article 183).

Its supervisory duty is exerted over (a) State institutions and public Non State entities, (b) “private subjects, custodians or managers, by any title, of public funds and activities according to this Law” (Law 7428, Article 4), (c) foreign organisms where Costa Rican public institutions have a majority participation or whose patrimonial or financial endowment comes from Costa Rican public funding. The criteria issued by the General Comptroller's Office to the entities under supervision are binding.

For the exercise of its duty, the General Comptroller's Office has access to any information source or system, register, document, instrument, account or declaration of the entities under supervision (Law 7428, Article 13). In order to strengthen the independence of the fiscal system, auditors and sub-auditors of the Public Administrations are permanent. They can only be dismissed “by just cause and by a decision taken by the respective authority, with a previous administrative inquiry, with opportunity of a hearing, and self-defense, as previously positive ruling from the General Comptroller's Office” (Law 7428, Article 15).

The types of control exerted by the General Comptroller's Office are

Control over the execution and liquidation of the Republic's ordinary and extraordinary budgets;

Approval, disapproval, and auditing of the execution and liquidation of de autonomous institutions, semi-autonomous institutions, State-owned Companies and Municipal budgets. In case of disapproval the budget from the previous year is used;

Approval of contracts signed by the State, for which there is a 30 working days term (Law 7428, Article 20);

To perform financial operative and special character auditing (Law 7428, Article 21);

To carry out special investigations ex officio requested by an interested, the Legislative Assembly or at least five of its representatives. It can also carry out administrative summaries (Article 22);

To control changes and variations in the asset's situation of elected authorities, the Executive Power authorities, public administration officials, and every civil servant “who manages, have custody or are concessionaires of funds, goods and public services” (Law 8422, Article 21).

Organisms of Accusation and Investigation: Even though in the present it is ruled by Law 7442, from October 25, 1994, modified by Law No. 7728 from December 15, 1997 for judiciary reorganization, the prosecutor's office duties have deep historical roots. Since the Fundamental Social Pact (Pacto Social Fundamental) of 1821, known as Pacto de Concordia, Spanish legislation was applied, especially the Organic Law of Audiences and First Instance Circuit Courts from October 1812 indicated the number of prosecutors and public prosecutors each Court might have.

The Fundamental Law of 1825, creating the Costa Rican state, introduced the figure of Prosecutor in the Public Prosecutions Office, defining her duties in the laws enacted on May 15, 1827 and April 22, 1830. The first Public Prosecutions Office Organic Law was approved in 1887 and modified in 1895. The composition of this organization was defined as

including Prosecuting Promotor (Chief of the Public Prosecutions Office), Court Prosecutors, Prosecutor Agents, Public Prosecutors, and Specific Prosecutors. Except for Court Prosecutors, appointed by judiciary instances, the other officers were appointed by the Executive Power.

After the 1948 Civil War, the Second Republic Founding Board stipulated that while formulating the Law General Attorney's Office Law, the competence of the Public Prosecutions Office was temporarily delegated to the Ministry of Justice. On January 10, 1967, by means of the Law 3848, the Public Prosecutions Office competences are confirmed. These competences were intervening in public action processes, promoting and enforcing its judging. With the enactment of the Code of Penal Procedures (Código de Procedimientos Penales) on October 19, 1973, the Public Prosecutions Office is created as a dependence of the Judiciary Power, with the power of exerting penal action in acts of its competence.

On October 25, 1994, the Public Prosecutions Office Organic Law is approved, confirming the location of this Office as a dependency of the Judiciary, endowed with operating independence for the exercise of its faculties and legal and statutory attributions. The figure of the Director of Public Prosecutions (Fiscal General de la República) has the maximum authority of this Office, which will have under its hierarchy assistant prosecutors, from which prosecutors are dependent on. The appointment of the Director of Public Prosecutions is made by the Full Court for a four-year term, with immediate reelection. One of its duties is “to request before penal courts the application of the Law, by the exercising penal actions and carrying out a preliminary investigation for public action crimes.” (Art. 2).

Law No. 8221 from March 8, 2002, the Public Prosecutions Office creates the Public Finances and the Public Function Prosecutions Office (*Fiscalía Penal de Hacienda y de la Función Pública*) in charge of investigating, filing of charges, filing of accusations, and carrying out the penal process of illicit doings committed against Public Finances and the Public Function. Additionally, the Victims Civil Defense Office (*Oficina de Defensa Civil de las Víctimas*) is linked to the Public Prosecutions Office and provides compensatory civil actions and the enforcement of respect for the “victims' rights, derived from public action crimes” (Law 7441, Article 33).

Organisms for the Defense of Citizens Rights: The Office of the Ombudsman and Service Comptroller's Offices.

As part of the strengthening of citizens' rights, the country has created two institutions responsible for rights enforcement at two different levels.

The Office of the Ombudsman. In 1992, Law 7331 created the Office of the Ombudsman as an entity linked to the Legislative Assembly, with the duty of ensuring “... that the public sector operation fits morality, justice, the Political Constitution, the laws, agreements, treaties, and pacts subscribed by the Government with the general principles of the Law. Also, this office promotes and disseminates the citizens' rights.” Thus, it has a wide scope of action because it not only monitors the proper conduct of the public sector but also is accountable for the state of human rights in the country. This office is in the hands an Assistant Ombudsman or Ombudswoman elected by the Representatives, by absolute majority for a four-year period, with possible reelection for only one more period. For

exercising its duties, the Office of the Ombudsman is independent from administrative controls.

Decisions of the Office of the Ombudsman are not binding, but they do influence civil servants. The Ombudsman has the right to summon civil servants to appear in court for clarifying actions or omissions in administrative activities. In case of contempt, the civil servant will be guilty of the offense of disobedience which the Office of the Ombudsman will make known to her superior and the Public Prosecutions Office. Additionally, Article 14 (3) establishes that “the unjustified noncompliance of the recommendations of the Office of the Ombudsman may be subject of a reprimand for the civil servant who does not comply with them or, in case of reiterated non-compliance, a recommendation of suspension or dismissal.” To reinforce this, Byelaws of the Law of the Office of the Ombudsman requires a report indicating how the recommendations of this office will be observed in a 15 working days maximum term after the report reception.

Article 12 of Law 7331 grants the following competences:

To initiate, ex officio or by the request of a party, any investigation leading to the clarification of material actions, of actions or omissions in the administrative activity of the public sector;

To inspect public offices, without prior notice, and to request from them all documentation and needed information for the compliance of its duties;

To file jurisdictional or administrative actions for which the Law has given power;

Promoting and dissemination of their rights to the citizens, so citizens can participate and exert supervision on State's activities.

In the compliance of its duties, the Office of the Ombudsman has emphasized fighting corruption. As part of the strategy of promotion of transparency and accountability of civil servants, on November 2004, the Inter-institutional Network for Transparency (*Red Interinstitucional de Transparencia*) was created “to guarantee the constitutional right to information access all citizens have, concerning the proper administration of public resources, and to prevent corruption acts through accountability and citizen inquiry” (from <http://www.dhr.go.cr>). Currently, 26 public institutions belong to this Network. These institutions post on their web pages public interest information regarding institutional work, such as budgets, income, expenditures, investments, payrolls, bids, hiring, purchases, providers, operative plans, work and auditing reports, minutes, agreements, contracts, and other relevant information.

Service Comptroller's Offices

The Services Comptrollers Offices National System (Sistema Nacional de Contralorías de Servicios) was created as a product of a coordinated effort from the Office of the Ombudsman and State Reform Program from the Ministry of Planning, via Decree NQ 22511-MIDEPLAN.¹⁰ The goal of this System is to contribute to improving public services provision by the public administration. The System Technical Secretary's Office (Secretaría Técnica del Sistema) is located at the Ministry of Planning, which works as a facilitating

specialized organism. According to a 2009 report from the Secretaría Técnica del Sistema Nacional de Contralorías de Servicios, 90 Comptrollers Offices were at work.

Article 5 from Decree 34587-PLAN from May 27, 2009 governing the Comptrollers Offices System assigns it the following goals:

“To diffuse among organs and entities conforming Public Administration, the creation, modification or abolition of regulations and procedures contravening the proper provision of public services in order to guarantee efficiency and efficacy.

To contribute in different organs and entities comprising Public Administration with the development of systematic and permanent modernization of their administrative organization and management in order to guarantee their efficiency and efficacy of public services.

To contribute to formation of a culture of society's participation, in the process of provision and improvement of the public services the Costa Rican State offers.

To enforce that, civil servants provide services following respect for the human dignity that every user has as a citizen.”

The goal of the Comptrollers's offices is to “promote—with user participation—the continuous improvement on the provision of public services the Costa Rican State offers, which will depend on the maximum authority of the organism or public entity” (Decree 34587-PLAN, Article 9). The direction of these offices is in the hands of a Service Comptroller, appointed by the institution authority by an indefinite term. Regarding the performance of these offices, the evaluation carried out by the Technical Secretary's Office in 2017 shows that they are still in a process of organization, and that greater support from the institutional authorities is needed to endow them with their own budget, staff, and technology in order to perform the assigned duties (Costa Rica. MIDEPLAN, 2018).

5.2 Vertical Accountability

Besides electoral processes, mass media and social mobilizations are important accountability mechanisms. In the case of mass media, although there is no legal framework regulating the Right to Information, Article 27 of the Costa Rica's constitution guarantees the fundamental right of the freedom of petition, individual or collectively, before any civil servant or official entity, and the right to obtain a prompt resolution. The constitution also indicates that all citizens have the right to “communicate their thoughts orally or in writing, and to publish them without previous censorship; but they will be responsible for the abuses committed in the exercise of this right” (Article 29). Additionally, Article 129 indicates that for a law to have effect, it must be published, and the General Law for Public Administration also requires publication of all decisions taken by public administration.

Thus, media plays an important role in investigating public interest issues through investigative journalism; they also support accountability through questioning public authorities about their actions and the resolution of the problem's citizens face. For this purpose, media organizations have spaces where citizens can present their demands to public authorities concerning the quality of the services they receive. The importance of mass media for social control and the inclusion of issues on the public agenda may result from the level

of trust citizen's show on the media, in contrast with the trust they show for the representative institution par excellence in democratic systems, the Legislative Assembly, along with political parties and public administration (Table 6.7).

Table 6.7. Citizens' Level of Trust in Media and Institutions, 2018 (%).

Scale	Media	Political Parties	Legislative Assembly	Judiciary Power
Much trust	19.7%	2.3%	4.7%	16.0%
Some trust	35.7%	15.1%	22.0%	33.1%
Little trust	29.6%	35.0%	40.1%	31.1%
No trust	12.8%	45.7%	30.0%	18.0%

Source: <http://www.latinobarometro.org/latCodebooks.jsp>

From the information on the Chart 8 above, it can be concluded that citizens show a mean level of trust of 55.4% on media (newspapers, TV, radio), followed by the Judiciary Power (49.1%). This situation contrasts with the level of trust shown on Legislative Assembly (26.7%); and political parties have the lowest level of trust, 17.4%.

Social mobilization is protected under constitutional Article 26, in which the citizens right to “gather in a pacific and unarmed manner, whether for private businesses, or to discuss political issues and to examine the public conduct of civil servants” is recognized. Recently, citizens have resorted to this type of demonstration to show their dissent on various issues, such as the financial crisis of the Costa Rica Social Security System (Caja Costarricense del Seguro Social), low increases on wages, increased public services fees, and the approval of NAFTA, among others. According to the XVIII Report of the State of the Nation from 2012, “it seems that there is a common denominator at the peak of the protests: the defense of the State institutions and the benefits derived from them for some groups of the society. Whether the retirement funds regime, ICE's monopoly, State technical revision, economic opening, or the fiscal plan, along with the Caja Costarricense del Seguro Social crisis, and collective agreements” (p. 260).

6. Reform and Change

As in other countries, in 1982, Costa Rica had a severe fiscal problem requiring the intervention of the IMF. After economic stabilization, a new model of development began, based on the promotion of exports and inserting the economy into the world economy. To carry out this process, three programs of structural adjustment were introduced. The third program focused on State reform. The Calderón Fournier Administration (1990–1994) began the process of State reform, motivated by the principle of a subsidiary State. The adopted measures were framed on so-called “First-Generation Reforms,” oriented to the reduction of the size of the State. Among the measures adopted were the application of a voluntary labor mobility program, which as explained before significantly decreased the number of civil servants in central government (Zúñiga, 1995).

During the Figueres Olsen Administration (1994–1998), a Minister without Portfolio for State Reform was created, guiding its actions based on the principles of the New Public Management. During this period several actions were developed:

(1) For the improvement of the use of public resources, the following reforms were made:

Retirement funds system reform (July 13, 1995);

Law for Administrative Contracting (October 13, 1994);

Customs Reform: New General Customs Law for the reduction of procedures and corruption elimination;

Law for the Concession of Public Works (May 3, 1994) for allowing the participation of the private sector in the construction of infrastructure.

(2) Financial System Reform:

Modification of the Central Bank Organic Law (Ley Orgánica del Banco Central) (November 27, 1995): A General Superintendency of Financial Entities (Superintendencia General de Entidades Financiera) (SUGEF) was created and private banking is allowed to open current accounts and rediscounts, activities that were only possible for State Banks;

Reforms to State Banks by means of an agreement from the Government Council from October 4, 1995: this reform's goal was to reduce the financial intermediation, to lower administrative costs, to offer joined services, and to improve credit approval;

Closing the Banco Anglo Costarricense which was State-owned due to their losses. This decision has been subject to a number of objections;

Sale of the Banco Internacional de Costa Rica, settled in 2005;

Privatization of insurance commercialization by the Instituto Nacional de Seguros (INS) and its modernization. This decision was never settled. Due to the signing of NAFTA, the opening of the insurance market was approved among complementary laws, and INS lost its the monopoly.

(3) Ministerial Reforms. The following reforms stand out:

Ministry of Agriculture and Livestock: This Ministry was previously excessively centralized in San José, with an excess of hierarchical levels and failures in technical assistance. Thus, the organization was decentralized, along with closing several programs, eliminating 776 positions;

Ministry of Public Works and Transportation: The activities of the Ministry were concentrated on ruling, leaving service provision to specialized Councils so they could be more efficient in the administration of resources. This generated the following Councils: Public Transportation Council (Consejo de Transporte Público), National Council for Concessions (Consejo Nacional de Concesiones), and National Council for Highway Administration (Consejo Nacional de Vialidad);

The Ministry of Foreign Relations closed embassies, consulates, and missions not considered to be strategic;

The Ministry of Interior (Ministerio de Gobernación) merged into the Ministry of Security; Creation of the Ministry of Foreign Commerce, from a merger between the Center for Exports and Investments Promotion (Centro para la Promoción de las Exportaciones e Inversiones) (CENPRO), Tax-free Areas Corporation (Corporación de Zonas Francas), and the National Council for Investments (Consejo Nacional de Inversiones).

(4) Reforms to autonomous institutions: These reforms were fundamentally oriented reducing posts. Closing several institutions was proposed, although that did not occur. Also, during this administration, the National Direction for Communications (Dirección Nacional de Comunicaciones) (CORTEL) became a State-owned Company, now called Correos de Costa Rica, S.A. Another relevant event was the transformation of the National Electricity Service (Servicio Nacional de Electricidad) (SNE) into the Regulating Authority of Public Services (Autoridad Reguladora de los Servicios Públicos) responsible for the setting rates for public services (water, transportation, energy).

In the Rodríguez Echeverría Administration (1998–2002), the development of Digital Government was begun through the *Programa Impulso*, oriented to the promotion of the use of TIC's in State duties, and the communication with the civil society. In this period, it was emphasized the creation of public institutions web pages to give information to the citizens about the services provided. The Pacheco de la Espriella Administration (2002–2006) continued to strengthen digital government with the goal of making public management more transparent and to facilitate new forms of interaction between citizens and institutions, as well as to conduct transactions to expedite service provision. The Digital Government Program was contained within the National Plan for Development. From the projects launched during this administration, one of the most successful was the Digital Customs.

The Arias Sánchez Administration (2006–2010) faced a situation of divided government, complicating relations with the Legislative Assembly, something also present in the previous administration; there was also an increased division of the Legislative Assembly, due to an increased number of political fractions represented in Congress. Also, a severe problem of lack of coordination between State institutions and the slowness of procedures affected government management.

To help solve this situation, the National Plan for Development 2006–2010 contained the following goals of Institutional Reforms:

“To improve coordination, control, and execution of Government policies, strengthening its abilities for political leadership and planning.

To expedite, simplify, and raise the quality of critical public services, executing organizational reforms in sensitive areas and strengthening the mechanisms for the evaluation of results.

To prioritize, rationalize, and increase the efficacy of public investments, through the creation of a National System for Public Investments (Sistema Nacional de Inversiones Públicas).

To expedite the public administration processes by promoting Digital Government and efforts at simplification of procedures.” (p. 92)

For accomplishing these goals, the following actions were proposed:

(1) Strengthening political leadership and planning of institutional actions:

Strengthening sectoral governments, giving the powers to establish priorities of public policy;

Strengthening the Ministry of National Planning and Economic Policy;

Compliance with the programming principle of the central government public budget: to connect the budget to the National Plan for Development and redesign the evaluation system;

Strengthening public accountability systems:

i. Define standards of quality and content of the annual reports of public entities,

ii. Quality standards for responding to citizen's requests,

iii. Strengthening the internal control system;

(2) Improvement of critical areas of public service: expedite, simplify, and raise the quality of services;

(3) Creation of a National System for Public Investment;

(4) Improvement of technical and administrative support for expediting and simplifying public management processes:

Digital Government for selected public services for expediting procedures;

Effective implementation of the Law 8220, March 2002, for the Protection of Excess of Administrative Requirements and Procedures (Ley de Protección del Exceso de Requisito y Trámites Administrativos). This law seeks to comply with the principle of publicity of proceedings so that citizens can know in advance the requirements that must be met. Its application has been very slow, which has forced subsequent administrations to impose the simplification of procedures in key areas of the operation of the public administration.

In the Chinchilla Miranda administration (2010–2014), efforts to strengthen Digital Government continued, but in a more focused manner, that is, using it for specific projects. Simplification of procedures is still in progress, which reduces competitiveness of the country. One goal of the National Plan for Development (2011–2014) was the introduction of the Public Administration Results Management (Gestión de Resultados en la Administración Pública), and that innovation is still in progress.

Thus, reform efforts fundamentally have involved shrinking the state apparatus (through staff reduction and closing public institutions) and modernization of public administration. But, coordination for strengthening of implementation public policies remains a challenge. To overcome this coordination deficit, during the last two government administrations, different coordination mechanisms have been tried, such as creation of a Ministry for Inter-institutional Coordination in the Arias Sánchez Administration (2006–2010) and the creation of Presidential Councils in the Chinchilla Miranda Administration (2010–2014). These coordinating mechanisms are an addition to traditional mechanisms such as the Government Council composed by the President and ministers and the Minister Sectorial Regent, having a Sectoral Technical Secretary Office for supporting its coordination of sectoral policy.

7. Conclusion

Costa Rican Public Administration is a complex product of a robust system of checks and balance, a strong rule of law, a bureaucratic culture of governance, an early developed civil service system, and a particular strong position of the Comptroller General. In addition, “agencification” was a central feature of the construction of the Costa Rica's public administration. The first autonomous institution was created in 1940s with a mandate of service delivery such as health (Caja Costarricense de Seguro Social created in 1943) and energy (the Costa Rican Electricity Institute created in 1949). The creation of many of these was related to the import-substitution economic model.

Moreover, this administration continues to be in a transitional stage between the paradigms of traditional bureaucratic administration, the neo-Weberian, and New Public Management. From this situation, several internal contradictions arise, affecting management of the public services. Even though efforts for making public administration more democratic and more efficient have been implemented, they have not been continuous. There is a long way to go, and for researchers and future professionals, this challenge should become a motivating element for research.

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¹In 1948, a Civil War took place when the officialist candidate, Dr. Rafael Angel Calderón Guardia from the Partido Republicano, did not recognize the electoral victory of Otilio Ulate, from the Partido Unión Nacional. After the War, the Army was banned to prevent further bloodshed.

²Municipalities are responsible for the provision of public municipal services (public lightning, road cleaning, garbage recollection), as well as the development and maintenance of the Canton's road infrastructure, and the regulation of the county's economic activity. Additionally, other competences have been given to them by means of special laws, regarding environment, education, etc.

³According to Law No. 5507 from April 15, 1974.

⁴Opinión jurídica No.O.J.249-03 del 28 de noviembre de 2003 de la Procuraduría General de la República.

⁵ Ministries are the following: Presidency; Foreign Affairs and Church Affairs; Agriculture and Livestock; Science and Technology; Foreign Commerce, Culture and Youth, Economy, Industry and Commerce; Public Education; Local Government and Police; Finance, Justice and Peace; Environment, Energy and Telecommunications; Public Works and Transportation; National Planning and Economic Policies; Health; Public Safety; Labor and Social Security; Housing and Human Settlements.

⁶ Four organisms are ascribed to the Presidency of the Republic.

⁷ On May 30, 2017, the Legislative Assembly approved the Law No. 9440 that created a new canton, the Four River (Río Cuarto), therefore a new municipality was created.

⁸ This instrument has limited effectiveness because only the reaction of legislative representatives to this report is offered, and there is no exchange between the President and the legislative representatives concerning the course of the Nation.

⁹ The higher control and fiscalization system of Public Finances has as a judicial base the Organic Law of the General Comptroller's Office, the Law against Corruption and Illicit Enrichment in the Public Function, and the Law for Internal Control.

¹⁰This decree was abolished and substituted by Decree No. 26025 from April 18, 1997. The ruling one is Decree 34587-PLAN from May 27, 2009.

Chapter 7

Mexico's Public Administration: Huge Problems, Partial Solutions

María del Carmen Pardo

Abstract

The purpose of this chapter is to analyze the profile of public administration concerning its capacity to authoritatively assign values to a society, and in particular to the political system in Mexico. Many of the recent transformations in the Mexican public administration have occurred in a context in which a democratic opening of the political system has been the main trait of public life. This is the main light under which these changes in Mexico's federal public administration in recent years should be read.

The article explores the structural features of both the government and the federal public administration in Mexico. In particular, the transformation of the administrative apparatus not only in quantitative but also in qualitative terms is explained as a result of a change in the balance between the public and private sectors in recent decades, as well as the experience of the Professional Career Service and its impact on public officials in Mexico. We examine the links of the bureaucracy with political parties and civil society, as well as the political relationships within the public administration itself. We also describe accountability within the federal public administration. We explore recent reform and change processes in Mexico's administrative apparatus. Finally, some considerations are given to the

opportunities and challenges facing the contemporary Mexican public administration as a result of having huge problems and at the same time partial solutions.

Keywords: Government, public administration, civil service, bureaucracy, civil society, reform

1. Introduction

This chapter will analyze the profile of public administration concerning its capacity to authoritatively assign values to a society, and in particular to the political system in Mexico (Easton, 1957; Peters, 1999). This being said, it should be stressed that many recent transformations in the Mexican public administration have occurred in a context in which a democratic opening of the political system has been central to public life (Becerra, Salazar & Woldenberg, 2000; Cejudo, 2003; Merino, 2003). Thus, this is the main perspective under which this overview of changes in Mexico's federal public administration in recent years should be read.

In the first part of this chapter, we explore the structural features of both the government and the federal public administration in Mexico. In particular, the transformation of the administrative apparatus, both quantitatively and qualitatively, is explained as a result of a changing balance between the public and private sectors. In the next section, the experience of the Professional Career Service and its impact on public officials in Mexico are evaluated. In the third part, we examine links between bureaucracy and political parties and civil society, as well as the political relationships within public administration itself. Next, accountability within the federal public administration is described. In the fifth section we explore recent reform and change processes in Mexico's administrative apparatus. Finally, some considerations on the opportunities and challenges facing the contemporary Mexican public administration are presented.

2. Democratic Transition and Change in Mexico's Government and Public Administration

2.1 Governmental Institutions

Changes in the structure and profile of Mexico's government in general and the public administration have responded to extensive transformations of the political system and the economy of the country during the past decades. Today, Mexico is a federal presidential system structured on three levels: federal, state, and municipal (Guerrero Gutiérrez, 2002). The Executive Power is supported by 18 federal secretariats in charge of the economic, labor, environmental, and energy sectors, among others, the Attorney General's Office (Procuraduría General de la República), and the Office of the Legal Counsel of the Executive (Consejería Jurídica del Ejecutivo Federal). The Legislative Power is constituted by the Congress of the Union, divided into the Chamber of Deputies and the Senate. Finally, the Judicial Power has the Supreme Court of Justice as its maximum authority and includes a network of courts and circuit courts organized by sectors, such as the labor or the electoral sectors.

Throughout the last decades of the twentieth century, Mexico endured a series of severe problems, including balance of payment crises, monetary devaluations, and even economic recessions, in the aftermath of which the country finally transited from an economic model based on import substitutions to one oriented toward international markets and the export of more or less value-added goods (OECD, 2011a,b). The public sector, as a key element of Mexico's political economy, has played a main role in this transformation, by means of bureaucracies with restored capacities, concerns, and strategies, and likewise, as an economic agent having a direct impact on government and public regulation of the entire national economy (Cejudo, 2007a,b).

Hence, while in the past it was assumed that the President had the last word concerning the change or permanence of the political system in Mexico and the public administration itself, in recent years new actors such as the Congress, the Judicial Power, and civil society have emerged, transforming both in level and form of their political participation. This transformation has come about through the use of previously established

capacities which had not been effectively assumed, as well as with the broadening of new legal authorities and instruments to oversee, evaluate, and regulate the actions of the Executive Power and the federal public administration (Loaeza, 2010; Pardo, 2010a,b). Consequently, most of the reforms and changes in Mexican public administration described here took place in what was at that moment depicted as an unprecedented situation for most of the Mexican democratic political actors.

Reforms made to both the Mexican market and government have been partial and contradictory in nature (Pardo, 2010a,b). The development of the transparency and accountability agendas in government has had limited success. The lack of resources and the risk of private monopolies have also curtailed possibilities for a more competitive economy and a better trained government to strategically intervene in the market so that the necessary distributive equality is guaranteed.

Changes in the rules of the public game have been made, forcing the public administration and the rest of the political system actors to modify their strategies and even their objectives and interests (Cejudo, 2007a,b; Dussauge, 2007; Pardo, 1991). It should be noted, for example, that both during the governments of Presidents Fox and Calderón (2000–2006 and 2006–2012, respectively) and President Peña Nieto's administration (2012–2018), reform processes were operated through different political logics. While the former administrations struggled to overcome a divided and stagnated Congress, the latter managed to use its political momentum after winning the elections, in order to establish a grand coalition that would grant the 2/3 qualified-majority vote required for constitutional amendments.

Similarly, I will emphasize exploring how these modifications have produced different ways of distributing benefits to certain sectors of the population, and how, reciprocally, they have reduced or canceled rewards for others (Peters, 1999). Some authors argued that the possibility of modernizing public administration in Mexico was mediated by the difficulty of implementing broader structural reforms in a more plural and sometimes therefore divided democratic context (Cejudo, 2007a,b). However, the experience of the *Pacto por México* as an unprecedented case of grand coalition between the three main political parties provided valuable and concrete evidence of the extent of reforms a politically operated alliance can achieve. Even though it was short-lived—and imposed tremendous electoral

costs on the parties involved—the PRD-PRI-PAN legislative alliance managed to achieve constitutional amendments resulting in reforms of the educational, labor, budgetary, energy, and telecommunications sectors within the first half of Peña Nieto's government.

Underlining the political change process in Mexico is particularly important for the issue we are considering here: the expansion of democratic life—though it may be mainly in the electoral arena (Merino, 2003). This has resulted in citizens having new expectations, not only regarding the representativeness of political parties and other political institutions but also about an equitable, responsible, and transparent public administration (Pardo, 1998). However, it should be noted that after the PRI's return to power in 2012, disenchantment and mistrust toward political and government institutions increased, due to corruption and violence-related scandals such as the *Casa Blanca* issue, the Odebrecht related cases of bribes, the massacre of 43 students at Ayotzinapa, and the self-defense groups crisis in Michoacán. Inadvertently, this public condemnation of the PRI government spilled over to its *Pacto por México* allies, PAN and PRD. Thus, the main components of the tripartite party system that structured the Mexican political landscape for the past 25 years effectively lost public legitimacy.

Additionally, in the case of Mexico as in other parts of the world, public administration has gained renewed relevance in the public arena as a direct outcome of the most diverse, complex, and specialized duties of government regarding the life of citizens and society in general (Peters, 1999), even considering the significant material decrease of the State and government in the course of the last decades of the national life (Ros & Moreno-Brid, 2010).

2.2 Current Profile of Public Administration

Changes in the Mexican political system and government agencies have also significantly impacted the profile and structure of the federal public administration. At the risk of simplifying the development of public administration during the last years, it could be said that, on the one hand, the effects of the new outward-oriented economic development model established the basis for the material and structural transformation of both

the public sector and the public administration, in particular. On the other hand, political liberalization and democratic opening had an impact on the federal administration mainly in terms of the renovated public contents, language, and values aimed at performance, democratic responsibility, and citizen participation (Guerrero Gutiérrez, 2002).

However, the importance of this analytical distinction should not be overstated. Both processes—economic liberalization and democratic opening (at least for the electoral arena) (Merino, 2003)—were factors that not only coexisted throughout time but also created synergies, interests, contradictions, and renewed alliances in the Mexican public sphere (Cejudo, 2007a,b). At the same time, they jointly posed a new series of challenges and opportunities to the federal public administration. Therefore, as the public administration's withdrawal from the economic arena occurred, the Mexican public sector, immersed in a context of scarce fiscal resources and economic uncertainty and supported by both theoretical and practical, local, and international administrative innovations (Pardo, 1998), has sought to develop new strategies, instruments, and policies aimed at using public resources not only more efficiently but also more democratically (Fig. 7.1).

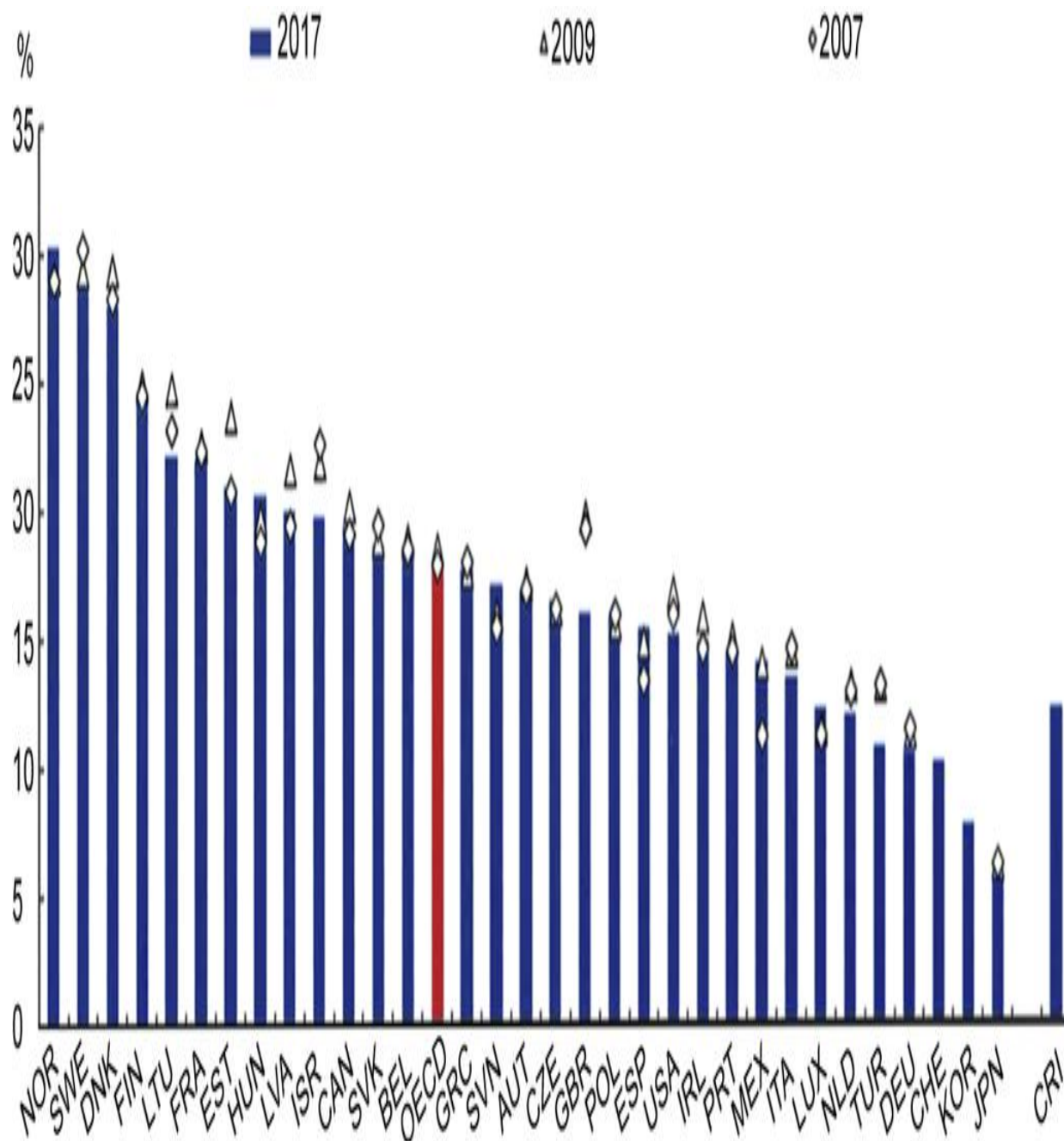


Fig. 7.1. Employment in General Government as a Percentage of Total employment, 2007, 2009, and 2017. *Source:* OECD National Accounts Statistics (database), Data for Japan, Korea, Mexico, Switzerland, Turkey and the United states are from the International Labor Organization (ILO), ILOSTAT (database), Public employment by sectors and sub-sectors of national account.

Thus, none of these transformations in the public sector have been exempt from obstacles and even contradictions in their implementation (Dussauge, 2007), and therefore, it is commonly accepted that Mexico's current public administration challenge consists not only in modernizing its structure and strategies but also in mitigating the decades old inadequacies and vices of public administration (Cejudo, 2007a,b). Hence, it should have been more or less evident after several administrative reform attempts in the past decades (Cejudo, 2003) that the administrative agenda for the future should not consist in implementing ad hoc solutions for the various challenges facing the Mexican public sector, but in producing long-term solutions, based on a coherent agenda of administrative development, as well as on a consensus among actors from outside and inside the public sector (Guerrero Amparán, 2001). Also, the series of transformations that have occurred so far were not only the result of the already mentioned shift from a domestic market-oriented economic model to an export-oriented development model, but they also derived from specific economic policy decisions that impacted the material structure and dimensions of the public sector. Also, these economic policies aimed at creating a new State labeled as “liberal” or “neoliberal” concurred with the ascent of a new technocratic-oriented political class that pledged their commitment to economic growth based on the market as well as on a drastic reduction of State intervention, and that had hastened the change processes set off even before signature of the North American Free Trade Agreement (NAFTA) (Cejudo, 2007a,b). More recently, when looking at the justifications and rationale sustaining the structural reforms approved between 2013 and 2015, axioms and principles rooted in the neoliberal paradigm are easily identifiable. Conceived as the main pillars of a “Reformation of the State” (www.reformas.gob.mx/2012), their main aims have been downscaling State participation, restructuring institutional arrangements in order to maximize efficient administration, and an overall creation of conditions that generate sustained rates of economic growth.

3. Public Personnel

3.1 Civil Career System

In this section we should begin by recalling that the Ley del Servicio Profesional de Carrera or LSPC (Professional Career Service Act) (DOF, April 10, 2003; amended on January 9, 2006), the first of this nature in the history of Mexican public administration, was unanimously approved both by the Chamber of Deputies and the Senate on April 2003.¹ Enactment of this new civil service law has been construed, on the one hand, as a partial answer both to the increasingly severe problems of corruption, discretion, and inefficiency of the federal public administration and to the change in the balance of powers among the main political forces—clearly indicated by the decline at the beginning of this century of the Partido Revolucionario Institucional (PRI) that had been the hegemonic party (Méndez, 2010a,b). On the other hand, this federal administration reform responded to long-standing transformation trends concerning both the national macroeconomics and the democratic opening of the political system that had begun some decades before (Cejudo, 2007a,b; Méndez, 2010a,b).

Perhaps one principal feature of a public administration such as Mexico's is its syncretism, which requires the concurrent implementation of regulation and operative principles of traditional bureaucratic models and others coming from contemporary administrative models which permit facing today's political and operative challenges (Arellano Gault & Klinger, 2006). Thus, the Professional Career Service that was developed in the early 2000s in Mexico aimed explicitly at integrating a traditional component—recruitment based on merit—with elements linked to the theory and practice of the New Public Management, based on principles such as the evaluation of performance and transparency of government information (Arellano Gault and Klinger, 2006; Méndez, 2010a,b; Pardo, 2005).

As expected, in the first decade of the century, the delicate balance among civil service profiles would prove to be a challenging set of ambiguities and even contradictions that were at times insurmountable. The system was also about to start a new period of experimentation and reform (Arellano Gault & Klinger, 2006). Simultaneously, the new drive for professionalization of its staff would also prove to be an incomparable opportunity to achieve progresses, goals, and the institutional memory required to maintain a continuous improvement of the central government's functioning in and out of the public sector.

As a result, the career civil service reform was generally perceived as a decisive change in the PRI's protracted hegemony, not only in the electoral arena but also in controlling state resources and, specifically, public administration (Arellano Gault & Klinger, 2006; Pardo, 2005). Consequently, the purpose of the LSCP consisted in promoting open competition as the main method to fill vacancies at the federal government; regulating public officials' promotion and incentives based on merit; furthering the establishment of mandatory permanent training at the federal agencies; and strengthening performance assessment and labor security as guiding principles of human resource management (Méndez, 2010a,b).

The LSPC applied to public officials of the so-called centralized federal administration—that is, State secretariats²—which left out those of the decentralized federal administration—public sector firms and social security institutes. Neither the officials of the Secretariat of Foreign Affairs, the Instituto Federal Electoral (now National Electoral Institute) (INE), nor public employees, such as the doctors and teachers' sector, was subject to this law. Finally, in a polemic decision that was taken to avoid confrontation with labor unions and state employee groups, so-called classified employees were excluded (Arellano Gault & Klinger, 2006; Pardo, 2005). By 2008, the reform considered only around 37,000 federal government positions, from a total of almost 1.5 million, with broadly 600 thousand workers belonging to the central government.

The Secretaría de la Función Pública or SFP (Secretariat of Public Administration) is in charge of guiding the LSPC regulations, implementation, and evaluation. Committees were also created within the federal secretariats aimed at adapting and monitoring the internal observance of new regulations (Méndez, 2010a,b; Pardo, 2005). However, the SFP was in fact perceived as an extremely centralizing and regulating unit of the reform, and task overload prevented it from complying with its implementation and regulatory duties. Also, some considered that the rigid leadership from the head of the SFP and his staff hindered a consensual and timely implementation of the LSPC main regulations. This factor was considered to have complicated the recruiting and capacity-evaluation methods for candidates to public positions (Méndez, 2010a,b).

The initial outcomes of the Professional Career System (SPC) have aroused suspicions about the consistency and transparency of personnel

recruitment. Therefore, one of the main problems has been the perception of an abusive use of Article 34 of the LSPC itself, which stipulates exceptions from hiring via open competition in cases of extreme need. In the second half of the Vicente Fox administration, 2,290 public officials were appointed using this legal resource which is supposed to be exceptional. Also, in the first years of Felipe Calderón government—between January 2007 and July 2008—almost 7,000 appointments were made under the same clause.³ Thus, appointments not based on open competition during Vicente Fox's administration almost equaled those made through open competition (2,904 from April 2004 to September 2006); whereas in the Calderón administration they were more than double (2,486 from January 2007 to July 2008), representing almost one-fifth of the 37,000 public servant positions subject to the law. More recently, at the beginning of Peña Nieto's administration, Congress approved amendments to the LSPC, allowing 1,213 general director and 2,409 adjunct general director positions to be exempt from any competitive procedures (Delgado, 2018).

One principal reason for the Mexican SPC's somber situation was attributed to overregulation by the SFP of labor profiles and organizational structures of other federal secretariats. Also, as a result of this situation, numerous open competitions were declared void, so almost one of every three contests was unable to fill available positions in federal offices (Méndez, 2010a,b). This state of affairs has directly impacted the central government's capacity for providing goods and public services. Researchers have also doubted the quality and effectiveness of public officer training methods. Criticisms have included the formats of continuing education courses, the quality of the training centers in charge of this task, as well as to the real impact on the development of knowledge that may be useful for officials at different public administration spheres (Cejudo, 2007a,b; Dussauge, 2007; Méndez, 2010a,b).

In September 2007, the SFP issued a new regulation for the LSCP. The main purpose of this regulation was to decentralize and simplify the operation of the SFP and the rest of the administrative units in charge of implementing the SPC. Regarding the scope of this regulation, the decreasing social involvement in the evaluation of the PCS has been remarked as a result of the organic changes by the SFP Consultative Council in charge of this matter and the growing lack of homogeneity and coherence

between the LSPC original provisions and their implementation by the committees at each federal Secretariat. Finally, criticisms were also made to the growing inflexibility of open competitions as regards human resources recruited for the first time outside the federal public administration (Méndez, 2010a,b).

The establishment of the Unidad de Recursos Humanos y Servicio Profesional (Human Resource and Professional Service Unit) structure in 2009 had a similar fate. Even though the purpose of restructuring this unit was to confer it with more autonomy, the truth is that it resulted in a reduction of its size and staff, as well as a decline of its influence on the operation of the SPC (Méndez, 2010a,b). This series of setbacks and obstacles gave rise to serious inquiries, firstly, not only about the capacity of the SPC subsystems to implement the reform but also about the appropriateness and potential of the SPC given the current structure of Mexico's federal public administration, and power relationships within it and with the rest of the political system and civil society (Pardo, 2005).

Although in legislative terms significant advances have certainly been attained in professionalizing recruitment, promotion, and training of Mexican bureaucracies at the federal level, its implementation has not been exempt from difficulties, contradictions, and important flaws. Legislation on this matter did not aim to regulate recruitment and incentives of the low-level staff in the bureaucracy. This was due, largely, because this level of bureaucracy did have adequate organization and legal protection of labor rights, producing stronger resistance against the introduction of a SPC (Cejudo, 2007a,b).

Briefly stated, one of the most severe problems that has been identified concerning the implementation of the SPC reform in Mexico is that it has been extremely hard, turning LSPC principles and values into specific operative frameworks both for the SFP and other federal secretariats. The political culture of some central government public officials has acted against the implementation of civil service, as some have made dishonest use of ambiguities in the current legislation (Arellano Gault & Klinger, 2006; Pardo, 2005). They have resorted to various means to maintain control over public servant appointments, especially on middle and high-ranking central government positions. This central problem has been understood by some as the result of a lack of political, legal, and operational clarity regarding both

the difference between officials appointed with political responsibility and public servants and the quite different array of incentives, expectations, and responsibilities held by these two groups (Arellano Gault & Klinger, 2006).

The superimposition of a traditional civil service model on a model with new public management elements has also seriously hindered implementation of this reform. The need to arrange sometimes clashing requirements has generated gaps and ambiguities in regulation and implementation which sometimes have favored abusive actions by those in charge of staffing (Pardo, 2005). The fact that design and implementation problems were not acknowledged was partially due to an excessive belief on the virtues and potential of civil service for a heterogeneous and unevenly consolidated administrative context, as would be the case of Mexico (Arellano Gault & Klinger, 2006).

Finally, the SPC's institutional framework has yet to be improved, especially concerning an effective but tidy decentralization of the SFP's implementation and regulation functions in its relationship with committees of other secretariats and federal agencies (Méndez, 2010a,b). This is a challenge that also results from the need to balance current capacities and flexibility of the various areas of federal administration and the need for responsible officials to exert a reliable but dynamic leadership (Arellano Gault & Klinger, 2006).

In spite of what has been previously said, reforms such as the PC and access to government public information have promoted many lively discussions on a variety of issues. Debates held not only at public and private universities, consultancy firms, and research institutions but also with the support of public officials have significantly furthered the creation of a new scope of concerns, values, and behaviors within the public sector (Arellano Gault, 2006). The application of controls and democratic accountability has certainly not changed the behavior of public officials once and for all (Cejudo, 2007a,b). Yet, the implementation of new regulations, (positive and negative) incentive systems, and the socialization of public officials themselves in the new languages and practices of more responsible bureaucracies toward elected politicians and citizens have created new expectations, limitations, and incentives aimed at promoting democratic values within public administration.

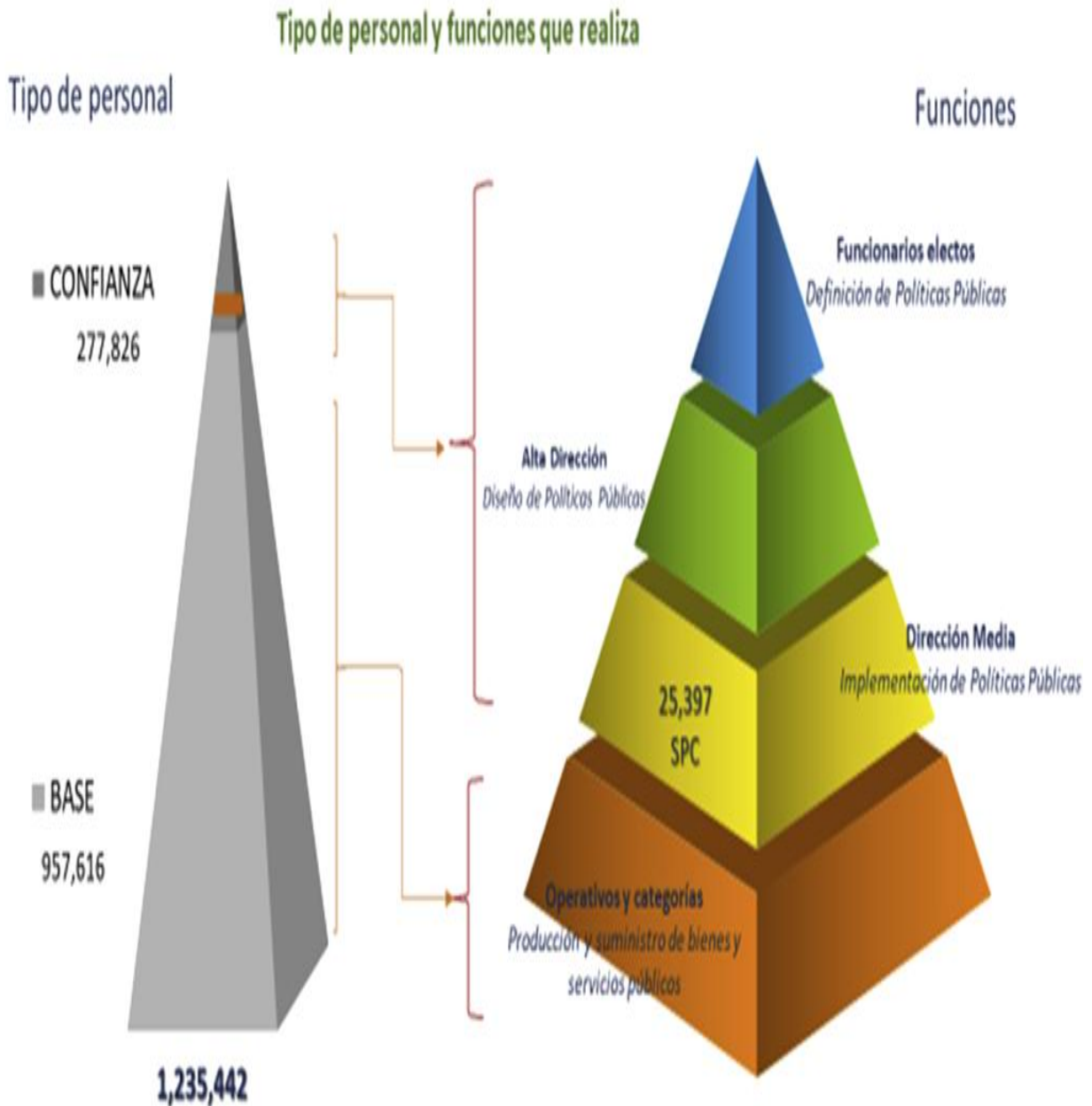
3.2 Public Employees

Because of processes described above, public administration has significantly reduced its use of material resources by decreasing public spending, dismantling, or privatizing previously State-owned companies and decentralization of public resource use from the federal sphere to state and municipal levels of government (Cejudo, 2007a,b). Therefore, Mexican public administration currently comprises 18 federal secretariats and other agencies, such as the Juridical Council of the Executive and the General Attorney's Office (Arellano Gault & Klinger, 2006). With the change of the federal administration in 2012, the new government of Enrique Peña Nieto restructured the Federal Administration. Two federal secretariats disappeared: The Secretariat of Public Security (Secretaría de Seguridad Pública), which was restructured to become a undersecretariat of the Secretariat of Interior (Secretaría de Gobernación), and the Secretariat of Public Administration (LOAPF, 2013). Noticeably, although the latter was scheduled to disappear and be substituted by a National Anti-corruption Commission, failure in creation and implementation of the new institutional arrangement led to the reversal of this decision, reinstating the SFP three years later (DOF, 2016).

In 2007, public employment in Mexico represented 8.8% of the total workforce, one of the lowest rates among OECD member countries, whose average level for this indicator is 15% (Fig. 7.2). The ratio of public employment with respect to workforce has decreased in general terms since 2000, when the rate was 11%. Although in 2009 there was a slight increase of the public employment (only 0.2 percentage points), Mexico retains one of the lowest rates in the OECD. This is the result of reforms, policies, and programs, such as the *Decreto de Austeridad y Disciplina del Gasto de la Administración Pública Federal* (Austerity and Discipline Decree for Federal Public Administration Spending) (DOF, September 4, 2006) and the *Ley del Servicio Profesional de Carrera en la Administración Pública Federal* (Professional Career Service Act) (DOF, April 10, 2003; amended on January 9, 2006).

Personal de la Administración Pública Federal Mexicana

Cada tipo de personal tiene su modelo de gestión de recursos humanos y régimen disciplinario propio, considerando su nivel y las funciones que realiza.



Fuente: Registro de Servidores Públicos del Gobierno Federal (RUSP) con información reportada por las dependencias y entidades de la Administración Pública Federal. Fecha de generación del 23 de mayo 2018 y para SPC RM.Net.

Fig. 7.2. Public Servants in Mexican's Public Central Administration.
Source: Mariana Chudnovky.

If we examine the National Institute for Statistics and Geography's data, we see a similar trend in Mexican public employment. During 2000 and 2005, there was an increase in the public employment as percentage of the labor force (from 4.5% to 11.28%). This increase reflected the creation of new federal secretariats during the administration of Vicente Fox. However, during the administration of Felipe Calderon, the upward trend stopped, and it maintained roughly at levels of 11%, and in 2010 there was a decrease (Fig. 7.3). This change can be explained by the Austerity and Discipline Decree for Federal Public Administration Spending of 2006. It should be noted, nonetheless, that the data refer to both federal and subnational governments, but the information shows that levels of public employment did not have the same rate of growth during Calderon's administration, and its policies might have some influence on this trend.

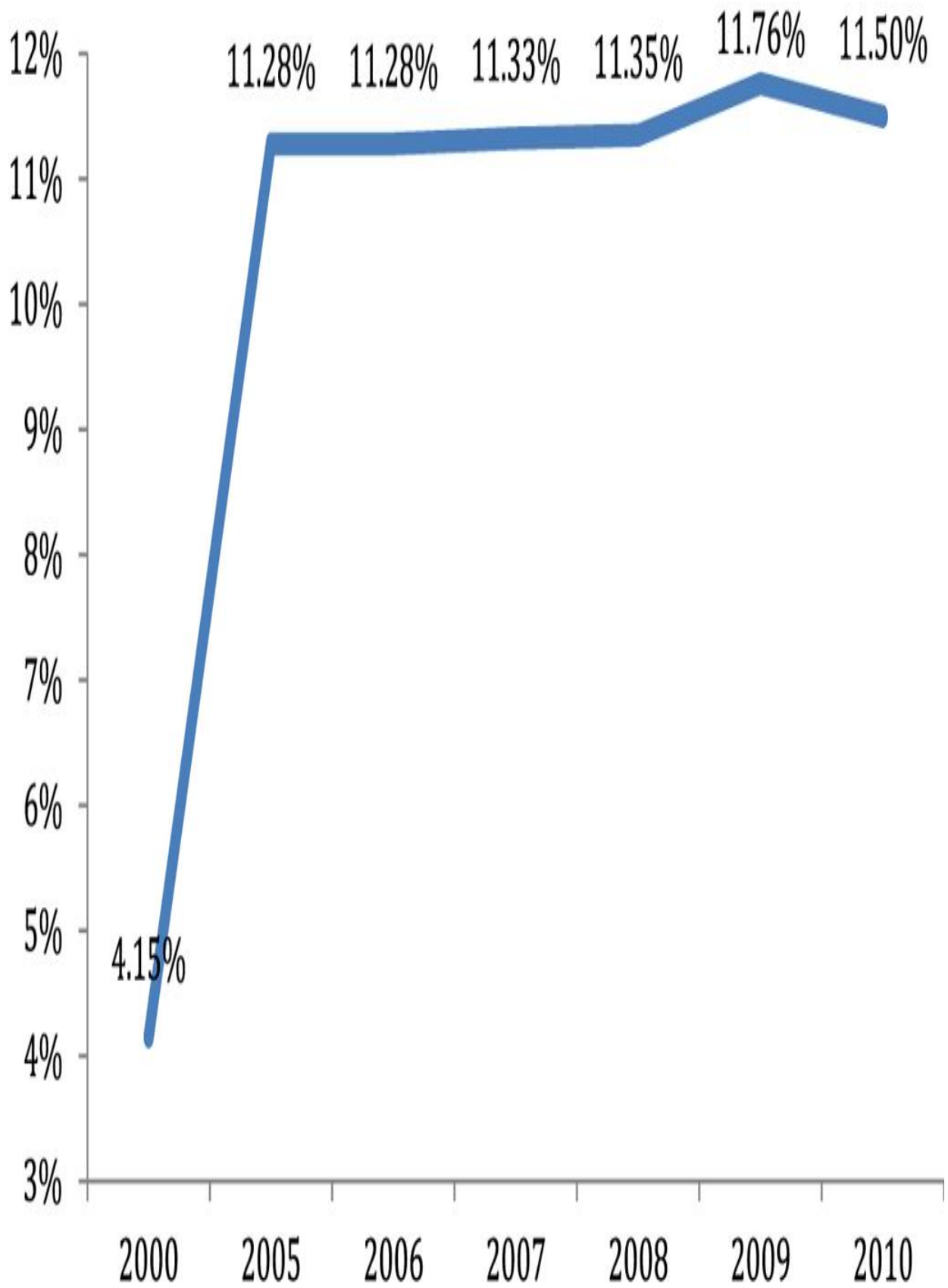


Fig. 7.3. Public Employment as a Percentage of the Labor Force from 2000 to 2010. *Source:* INEGI, Encuesta Nacional de Ocupación y Empleo, 2005–2010.

On the other hand, the decline of public employment has tallied with the increase in production of public goods and services, thus suggesting a productivity rise in the public sector. Perhaps this is partially due to the growing decentralization of public employment during the last decade: while in 2000 public employment at the federal level represented 35% of the total, in 2007 this had dropped to 30% (Fig. 7.4). I should stress that, despite increasing fiscal restrictions that the federal government has faced, in recent years some indicators measuring the efficiency of the collection cost in Mexico have improved. In turn, these improvements may have been the result of not only increases in the total sum of tax collection but also of a better tax collection organization by the public sector (OECD, 2011a,b).

Government employment in central and sub-central levels

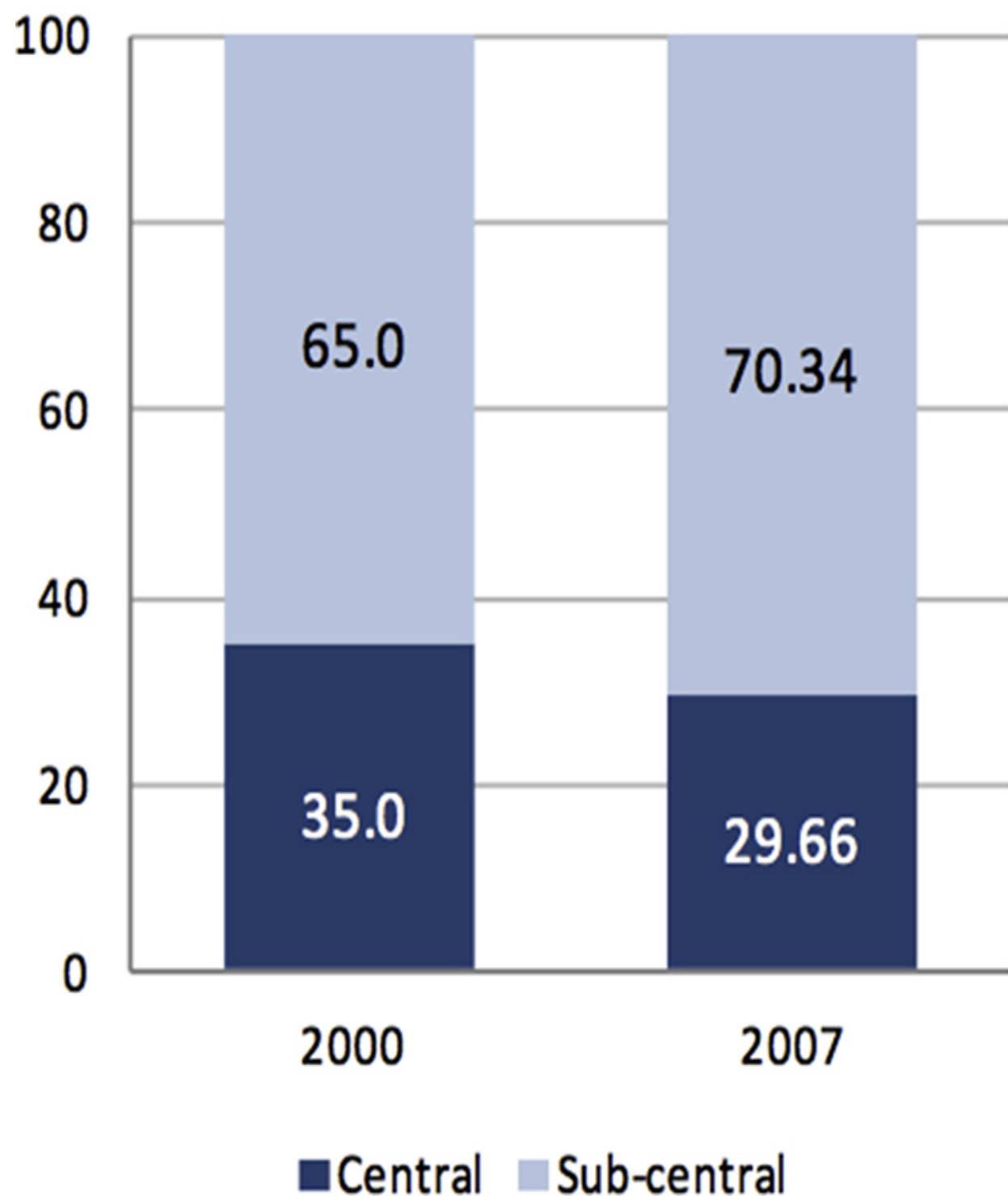


Fig. 7.4. Government Employment in Central and Subcentral Levels (2000–2007). *Source:* OECD, *Government at a Glance: Country Note (Mexico)*, 2011b.

As mentioned, redistribution of personnel and public spending along the federal, state, and municipal levels of government has been a salient trait of current public administration (Fig. 7.4). While in the past almost all public resources were assigned to the federal government, in 2006 it had only 59.2% of public spending, the remaining 38.5% being at the state and municipal levels. In addition, this new balance among government levels has been in parallel with a more equitable arrangement of government personnel at the federal and local governments (Cejudo, 2007a,b).

To have a more precise perception of public administration's profile in Mexico, in 2009, a little more than one-fourth (26.7%) of the federal government's public employees were more than 50 years old. Also, in 2005, roughly 45% of federal government employees were women, and almost 35% of the high-level positions were also filled by women (OECD, 2011a,b) (Fig. 7.5).

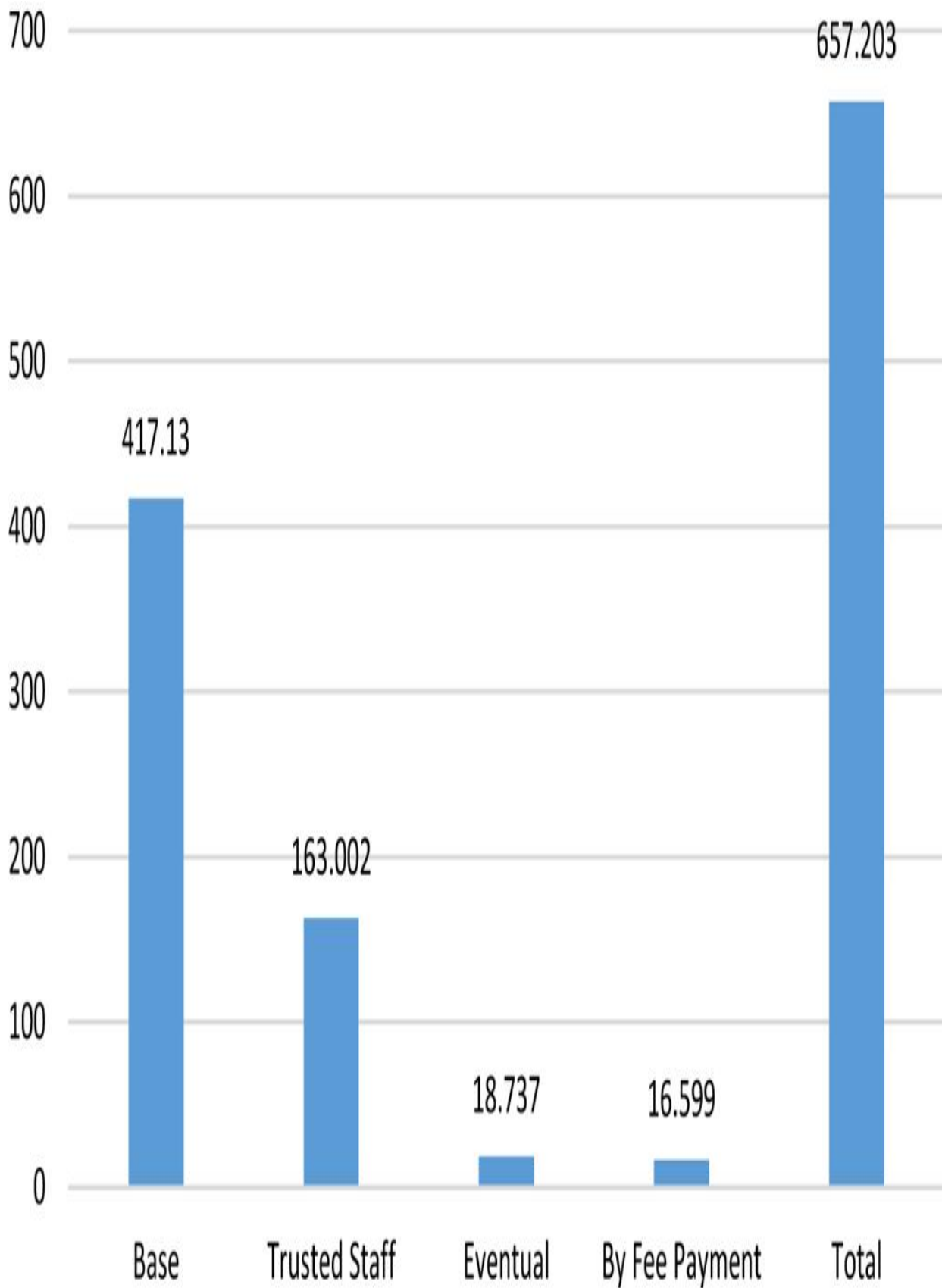


Fig. 7.5. Mexico's Centralized Federal Administration: Types and Number of Positions. *Source:* Elaborated with data provided by INAI through a Public Information Request, 2018.

In terms of fiscal revenues and public spending as a percentage of GDP, the Mexican government is among the smallest in OECD members. Thus, public revenues as a ratio of GDP received by the government in 2000–2011 have maintained roughly at 14%—in 2011, public revenues amounted to 16.2% of GDP (OECD, 2012). As to public spending, it has also been kept a higher ratio of 21.2% from 2003 to 2011. Therefore, in 2011, public spending in Mexico represented 22.76% of GDP (OECD, 2012). It can be said that public spending is higher than the tax revenues of the central government. In view of the financial crisis that broke out at the end of the last decade, government spending focused on the development of public infrastructure, subsidies to employment, and on increasing social transfers. This public resource injection was mostly financed with stabilization funds coming from the oil sector.

According to 2009 figures, around 12% of the economy—that is, the government's production costs—is aimed at the production of public goods and services. From this proportion, 9.2% is for hiring public officials and 2.7% for employees contracted to produce public goods and services. This situation also reflects that the Mexican government is one depending the most on its own employees to produce public goods and services: 76.8% of these products were directly generated by government employees, as opposed to the 48% average of other OECD countries (OECD, 2011a,b).

4. Politics of Bureaucracy

The transformations in Mexico's public life during the last decades that we have analyzed so far has also had a specific bearing on the concerns, strategies, organization, and even the size of the Mexican federal bureaucracy. The political liberalization and ensuing democratic opening have equally impacted each actor in the country's political system, and how they relate to one another (Hernández Rodríguez, 2010). The increasing political autonomy and complexity of federal public administration has also

been reflected in its relationship with both the state and municipal administrations and with the newly created autonomous agencies—the National Electoral Institute (INE), the Human Rights National Commission (CNDH), the National Institute for Access to Information (INAI), and the Banco de México (Bank of Mexico)—and notably, with the political parties and the rest of the State powers that have developed new forms of interest and relationship with the public administration.

An additional way in which democratization has affected the public sector is by introducing new pressures for transparency and improvement of provision of public goods and services. It has been argued that these new concerns and public languages account for the recent efforts to attain reforms within the federal public administration (Cejudo, 2007a,b). Additionally, the issues of public officials' corruption and the distribution of public goods have also gained strength in the context of democratic opening. Briefly, the democratic opening has transformed the scope and opportunities of the Executive Power and the public administration apparatus toward the rest of the political system in a way rarely seen in Mexico's contemporary history. This new political context that has developed in the course of the last decade has been called “reactive presidentialism,” or more recently “coalition presidentialism” (Albala, 2017).

The main trait of this kind of presidentialism is that, contrary to the past, the Executive lacks qualified or absolute majorities at the two chambers of Congress that had allowed it to advance the Executive's policy preferences without significant hindrances (Guerrero Gutiérrez, 2002). In this scenario, any attempt at promoting not only constitutional reforms but also relevant programs or public policies must be supported by a coalition of political parties, even though fragile and temporal. This feature by itself is enough to promote a whole new series of logics of alliance, opposition, criticism, and monitoring by opposition parties regarding the performance of the governing party's bureaucracies. It is also worth noticing that cross-spectrum alliances—such as the *Pacto por México*—are bound to happen on the grounds of legislative efficiency that might also increase the perceived legitimacy of its members.

Although the democratic opening and resulting electoral competition in Mexico has definitely affected accountability among politicians, public administration, and electorate, this development has not gone without

obstacles and costs that will have to be negotiated if new public policies are sought. First, any effort in the field of public policies means an opportunity cost for politicians, both in terms of time and physical and human capital and also in terms of political legitimacy as members of different political parties and even some key actors of civil society must reach an agreement (, Guerrero Gutiérrez, 2002). On the other hand, the long-standing implementation problem remains and reappears whenever decisions of elected politicians—what has been called the “enactment coalition”—are sought to be implemented with accuracy and coherence by public administrators (Guerrero Gutiérrez, 2002).

4.1 Links with Actors and Political Parties

The gradual decentralization of public spending and administrative staff in the course of the last decade can be in one way understood in its relationship with electoral competition in the three levels of government and the ensuing scrutiny and monitoring of the opposition parties' management of public administration, mainly with regard to the Legislative Power arena (Cejudo, 2007a,b). This context of increasing political rivalry has also implied an increasing involvement of the Judicial Power in Mexico's public life.

At the end of the last decade, the historical dominance of the Partido Revolucionario Institucional (Revolutionary Institutional Party, PRI) not only in the Executive but also in the legislature began to decline progressively until the party lost control of both branches of power (Hernández Rodríguez, 2010). In contrast to a generalized view that had prevailed for decades, this new setting of electoral competition and divided governments showed that the supremacy of the Executive Power and its government agencies was not a structural element of Mexican political institutions, but the outcome of the political, ideological, and organizational homogeneity resulting from the single-party dominance throughout the past decades (Hernández Rodríguez, 2010).

According to Eduardo Guerrero Gutiérrez (2002), the electoral competition has had and will have in the future specific impacts not only on the accountability link between politicians and bureaucracies but also on the people and on public administration:

Politicians' and public administrators' concerns will match at times of electoral competition because to win (or not lose) votes politicians will do their best both to pass those programs that fully respond to the voters' demands and to ensure thorough implementation of those programs by public administrators.

This transformation has brought about at least two crucial processes in the relationships of the Mexican political system, including those related to the federal public administration. The first process refers to the increasing disagreements between the Legislative and the Executive Powers, which have not only prevented development of structural reforms but also stagnated or disrupted administrative reform projects during the last decade as a result of the political and electoral polarization (Cejudo, 2009; Dussauge, 2007). The second process concerns the growing involvement of the Judicial Power and especially the Supreme Court of Justice as arbitrator in the judicial arena; this, however, has indeed raised public debates and controversies (Hernández Rodríguez, 2010).

The process of democratic opening and electoral competition has also impacted the relationship between the Congress and public administration. Accordingly, although the Congress' duty is basically to legislate, in view of its plural political composition, several of its other powers are beginning to be exercised again. The importance of Congress as guarantor of an effective and exact compliance of the laws drawn up by the legislators with respect to the activities of the public officials has increased to ensure the continuity of reforms (Arellano Gault & Klinger, 2006).

One way to substantiate this power has been by reviewing the role of legislative committees that have directly monitored and coordinated the administrative agencies, even summoning the heads of the federal secretariats to account for matters considered a priority by legislators of opposition parties (Guerrero Gutiérrez, 2002).⁴ Also, less visibly but not less important, the Congress has also promoted the review of secondary rules, regulations, statutes, and operation manuals based on which public administration enforces the content and principles originally stipulated by legislators (Guerrero Gutiérrez, 2002).

In this sense, it is also true that the Congress has begun to have an increasingly active role in public reports of corruption, besides having established agencies such as the Auditoría Superior de la Federación (Superior Audit of the Federation), which supervises not only the Executive Power but also the two other powers, as well as federal public agencies and even sometimes local authorities (Guerrero Gutiérrez, 2002).

Budget is another arena where this new dynamic of the relationship between the Executive and the Legislative branches has been particularly intense. While the Executive is certainly able to present an annual project of the Federation Spending Budget, it is nevertheless restrained to changes, cuts, and amendments made by the Congress (Guerrero Gutiérrez, 2002). Clearly, control over allocation of public resources is a crucial aspect in the interaction between the Executive Power and public administration, on the one hand, and legislators, on the other.

4.2 Links with Civil Society

The new political context which currently affects the activity of the Mexican federal public administration has also favored changes in the relationship between government and civil society. First, I should stress that this transformation has been closely related with the historical expansion of civil society over the last two decades. The number of civil organizations in Mexico has increased from 2,364 in 1994 to 10,620 in 2008 (Somuano, 2010), mostly as a result of the exhaustion of traditional forms of collective action, structured around trade unionism and clientelism, which were common in past decades. The material reduction of the State and federal public administration at the beginning of the 1980s brought about a dismantling of the corporative links with grassroots and civil sectors (Somuano, 2010). The following years affected by the material impoverishment of broad segments of society that occurred during the following years also triggered demands for the democratization of political institutions and the fight against bureaucratic and government corruption.

On the other hand, it has been considered that the market and government opening in Mexico, particularly after the NAFTA signature in the mid-90s, increased international pressures, both of government institutions and global civil society on issues connected to human rights

protection, fight against corruption, and increased involvement of society in the design, implementation, and assessment of public administration (Somuano, 2010).

In short, the transformations that have taken place in the last decades have developed new and more solid autonomy and accountability spheres between civil organizations and public administration. Among several processes, some of them are particularly important in this sense, such as public financing for the development of social organizations, an increasing involvement of these organizations in providing public services and targeted policies, as well as the increasing links between the Mexican civil society and international groups to promote the agenda of administrative development and State democratic responsibility (Somuano, 2010).

5. Bureaucratic Politics of Accountability

We can assert that in Mexico transparency, the fight against corruption and, in particular, accountability have become the most visible issues of public debates during the last decades (Dussauge, 2010). A series of new legislations and regulations including the *Ley Federal de Responsabilidades Administrativas de los Servidores Públicos* (Federal Law of Administrative Liabilities of Public Officials) (2002), the *Ley Federal de Transparencia y Acceso a la Información Pública Gubernamental* (Federal Law of Transparency and Access to Government Public Information) (2002 and 2006), and the *Ley de Fiscalización y Rendición de Cuentas de la Federación* (Federation's Supervision and Accountability Act) (2009), among others,⁵ have decisively contributed to consolidate this scenario. However, whether the accountability agenda in Mexico has regained its exact meaning and practice, in theoretical and practical terms, is a less evident issue.

In federal public administration, the concept and practice of accountability is not yet homogenous and has been given different theoretical and practical interpretations (Pardo, 2010a,b). One can therefore refer to at least three ways in which accountability is articulated in the languages and practices of the federal public administration. The most elemental form of accountability here is control mechanism, which refers to

the provision of information concerning the powers that have been assigned by law to government agencies (Pardo, 2010a,b). The organizations in charge of this task are the two globalizing secretariats: the Secretariat of Public Administration,⁶ and the Secretariat of Finance and Public Credit, although it must be stressed that the political, institutional, and administrative coordination—mostly with regard to the allocation of budget based on performance—still represents a huge challenge for the future (Pardo, 2010a,b).

In general terms, it may be said that the Secretariat of Public Administration is charged with developing management indicators contained in the Sistema Integral de Gestión (Comprehensive Management System) for this purpose and is supported by the so-called Órganos Internos de Control (Internal Control Bodies) (Pardo, 2010a,b). For its part, the Secretariat of Finance and Public Credit (or SHCP) is responsible for running the Sistema de Evaluación del Desempeño (Performance Evaluation System). The SHCP and control over financial management reports—where agencies account for the use of tax resources, consolidated by the Unidad de Política y Control Presupuestal (Budgetary Policy and Control Unit)—must be overseen by the Auditoría Superior de la Federación (ASF) (Superior Audit Office of Mexico) and sanctioned by the Congress (Pardo, 2010a,b).

During President Calderón's administration, the SFP was directly responsible for both the *Programa Nacional de Rendición de Cuentas, Transparencia y Combate a la Corrupción 2008–2012* (2008–2012 National Program of Accountability, Transparency and Fight Against Corruption or PNTCDA) and the *Programa Especial de Mejora de la Gestión 2008–2012* (2008–2012 Special Program for Management Improvement or PMG). The goals of the PNTCDA are considered by public officials as the major strategy regarding accountability (Pardo, 2010a,b). The most recent attempt to install mechanisms of institutional transparency and accountability is the National Anti-Corruption System. Initially, the 2013 organizational design integrated seven institutions that would have been coordinated by a National Anticorruption System, organizational design that integrates seven institutions, (DOF, 19/12/2016). However, due to an overload of legislative procedures and deteriorating political conditions—due to the disintegration of the *Pacto por México*—the proposal had to be modified two years later.

Most noticeably, by mid-2016, the initially eliminated SFP had been fully reinstated and turned into the coordinating entity of the system.

With regard to the SHCP's accountability efforts, their main goal is to support the Executive Power concerning the preparation of financial management reports; to establish rules and guidelines to control public spending; and, in general terms, to integrate the federal public account.⁷ The SHCP is therefore supported by individual agencies each fiscal year. How much will the SHCP's activities contribute to the establishment of a performance evaluation system linked to the budget rather than promoting only the control and surveillance of the federal offices is still to be seen.

In any case, the fact is that the set of functions performed by this Secretariat are crucial, especially concerning the relationship between the Executive Power and the Legislative Power, because the latter has the responsibility of controlling and overseeing the financial management of public resources each fiscal year. The ASF plays also a relevant role in this sense, by auditing incomes and expenditures and taking custody and allocating funds and resources of the three state powers and federal agencies, in general (Pardo, 2010a,b).

Despite being an agency structurally linked to the Legislative Power given its technical nature, the ASF is one of the key elements of the Executive regarding what the accountability structure of this sphere should be (Pardo, 2010a,b). The task of the ASF is to promote external control, in contrast with the SFP and SCHP control activities within the federal administration (Dussauge, 2010). Its duty consists in auditing the three state powers, the constitutionally autonomous organizations, as well as states and municipalities, and even individuals spending federal resources.

Therefore, the ASF was created to support the constitutional duties of the Chamber of Deputies relative to the review of the federal public treasury's account with the aim of knowing the results of financial management, verifying if the account complies with the guidelines established by the Federation Spending Budget, and the Income Act, and verifying the form and level of compliance with the objectives and goals of the federal government programs. The final product of the ASF's work is the *Informe de Resultado de la Revisión y Fiscalización Superior de la Cuenta Pública* (Report on the Results of the Review and Superior Auditing of the Public

Account), which is submitted to the Chamber of Deputies, thus becoming public information (Pardo, 2010a,b).

The second type of accountability implemented within the federal administration is the so-called social accountability, which links the information on government performance's evaluation and use of public resources with the citizenship (Dussauge, 2010; Pardo, 2010a,b). This type of accountability involves the relationship between the federal public administration and the citizens, but, in a broader sense, it refers also to the responsibility between elected politicians and society even beyond the electoral moment (Pardo, 2010a,b). The origins of this type of accountability can be traced back to the creation of social development programs that were financed by the federal government during the two previous decades. Currently, however, it is the Unidad de Operación Regional y Contraloría Social (Unit of Regional Operation and Social Auditing) of the SFP who is in charge of promoting social auditing and was responsible for the publication in 2008 of the *Lineamientos para la Promoción y la Operación de la Contraloría Social en los Programas Federales de Desarrollo Social* (Guidelines for the Operation and Promotion of Social Auditing in Federal Social Development Programs).

The enthusiasm concerning advances in the social auditing agenda in the federal administration should be restrained, as the existence of a judicial framework and some administrative mechanisms, programs, and spaces for supervision and control do not guarantee that the federal public administration will in fact be accountable to society (Pardo, 2010a,b).

Finally, the third form in which accountability has been implemented in the federal public administration is transparency. Subsequent to Mexico's democratic opening, the vitality of the accountability issue has been perhaps mostly due to the renewed display of the existing link not only between the voters and public representatives but also between the voters and public officials (Guerrero Gutiérrez, 2002). The increasingly complex and specialized duties of public officials have also amplified the visibility of this public relationship. Certainly, an important piece of Mexico's democratic puzzle is making available to citizens and interest groups complete, accurate, and useful information about the origins and use of public resources in the hands of the federal public administration.

In this sense, it's very important to note the fact that Congress passed the *Ley Federal de Transparencia de Acceso a la Información* or LFTAIPG (Federal Transparency Act on Access to Information) in July 2002, in addition to the establishment of the Instituto Federal de Acceso a la Información (Federal Institute of Access to Information, IFAI) to implement the legal regulations (Dussauge, 2010). This legislation introduced a new operative logic within the federal public sector by stipulating that the government information is public as a general rule and may only be restricted in exceptional circumstances.

The LFTAIPG itself established mechanisms and procedures to request information, as well as instruments to penalize entities and officials failing to answer valid requests to access government information. As part of the last pieces of legislation approved during the structural reforms process, the 2015 *Ley General de Transparencia* altered the IFAI nature. Following Peña Nieto's administration recentralization tendencies, the Institute ascribed a broader scope to exert its functions. As a reflection of the incorporation of public unions, political parties, autonomous institutions, and state level institutions as obligated entities, the IFAI was renamed INAI and thus from being federal, it became a national attribution ranged institute.

With regard to the federal public administration and pursuant to the objectives set forth in the new legislation, the Comisión Intersecretarial para la Transparencia y el Combate a la Corrupción (Inter-secretariat Commission for Transparency and Fight Against Corruption) was created and later transformed into the Unidad de Políticas de Transparencia y Cooperación Internacional (Unit for Transparency and International Cooperation Policies). Similarly, the inclusion of e-government mechanisms and information technologies has been particularly important, as is the case of the Compranet, Portal Ciudadano, and Tramitanet websites, aimed at making transparent the access to information concerning purchases, biddings, and other federal government processes and services, and even the websites promoted by the IFAI to homogenize and promote government's public information, including Infomex Zoom and the Portal de Obligaciones de Transparencia (Transparency Liabilities Website) (Dussauge, 2010).

The implementation of accountability as the backbone of the federal public administration still faces serious challenges, where strategic collaboration with civil society will perhaps be crucial. Here, a major

challenge ahead is the fact that accountability has walked on ambiguous grounds, crossed by a traditional control structure and an improved accountability system based on performance (Guerrero Gutiérrez, 2002). This design goes, in one hand, with the characteristic imbalances of the divided institutional structure between the SFP and the SHCP (Pardo, 2010a,b). On the other hand, it is also disturbing that some aspects of the reform regarding accountability are motivated by international requirements or expectations, thus lacking the domestic support and leadership required to promote changes that are crucial for the accountability owed by public servants to society (Pardo, 2010a,b).

Yet, perhaps the major challenge of the accountability agenda is the fact that current accountability relationships do not seem linked to any kind of feedback or positive and negative incentives, as a result of government public information being released within and out of the public sector. The main problem of this challenge is that if this trend would continue it may end up eroding and corrupting the accountability's discourse and practice, by proving it is incapable of producing effective inputs not only for public policy decision-making but also, in a broader sense, for the relationship among elected politicians, public servants, and citizens (Pardo, 2010a,b).

6. Reform and Change

Certainly, the last three decades represent the most significant episodes of change in Mexican public administration. This metamorphosis has come about both in terms of the size and structure of the public sector and of the language, visions, and contents of public servants, institutions, and public programs. However, to summarize, we may say that changes in Mexico's public administration have changed from the public sector as the agent of development to the privatization of government-owned firms and the material reduction of public agencies, leading to a boom of new public management in the languages and practices of contemporary administration and a growing exposure of it to the international arena (Pardo, 2010a,b).

Planning and control languages and practices have thus given way to those linked to professional career service, human resource management, performance assessment, transparency, and accountability (Guerrero

Gutiérrez, 2002). Also, these changes have been concurrent with transformations in the structure and institutions that constitute the federal administration; agencies targeting specific sectors have been established, and new entities have also been created, including the Secretariat of Public Administration, aimed at integrating under a sole command the administrative reform and government innovation tasks (Cejudo, 2007a,b), while at the same time decentralizing some activities so as to adapt to more complex and diverse institutional contexts.

The key aspects of these transformations in the Mexican political system and the public administration reform suggest, on the one hand, that the public sector's change in size and economic involvement can be explained as a result of broader changes in economic policies and the national economic model itself during the last decades. On the other hand, changes in the structure and public management policies have been connected to the economic liberalization processes (Cejudo, 2007a,b; Guerrero Gutiérrez, 2002).

As argued elsewhere (Cejudo, 2007a,b), some of the most significant changes in the public administration profile have not resulted from specific and definite decisions taken by incumbent governments. Actually, the series of changes have resulted not only from specific efforts aimed at transforming some of its structural features but were also part of a broad reshaping process of Mexico's political economy, both the economic system and the political system itself (Cejudo, 2007a,b). Yet, the transformation of the broader political and institutional context where those reforms took place was not generated by specific actions or omissions of individual actors but reflected rather a series of tendencies and drives that took several years or even decades to materialize (Cejudo, 2003).

Therefore, while the impact of management approaches in Mexico started to become apparent before the shift of government at the federal level,⁸ it was only after the democratic transition that these were more explicitly and visibly articulated as an outcome of processes that had taken decades to sprout. However, this period's administrative reform has been widely criticized due to its lack of leadership, strategic implementation, and institutional significance (Cejudo, 2009; Guerrero Amparán, 2001).

The previous stage of administrative reform was linked to strengthening accountability, institutionalization of access to government information,

public service professionalization, fight against corruption, and the assessment of public policies and accountable public officials. However, the mistaken diagnosis and implementation in Vicente Fox's reform project critically limited its ability to be continued over time. Throughout the period, the strategies of the Good Government Agenda proved to be above the heterogeneous contexts of institutional development of the federal public administration (Guerrero Amparán, 2001). And the administrative development condition worsened when the political leadership needed to carry out a program of such proportions ended up vanishing toward the end of this administration.

During the next administration, with President Felipe Calderón (2006–2012), things did not necessarily improve. While at the beginning of the Calderón administration there were some signs of administrative commitment—for example, with the *Programa de Mejora de la Gestión 2008–2012* (Management Improvement Program 2008–2012)—the economic and financial crisis that detonated by the end of the last decade imposed major limitations to the public budget, in general, and specifically to the administrative development agenda. Though it has been suggested that the impact of economic crises on the domain of administrative reforms does not necessarily lead to neglecting the latter (Cejudo, 2003), during this episode there was certainly no development strategy to face the new national and international context of uncertainty. On the contrary, the so-called administrative austerity policy started to be considered, entailing major financial and institutional cutbacks to the Secretariat of Public Function and its administrative innovation programs, which threatened to cause serious institutional unbalances within the federal administration as a whole (Sosa, 2009).

Taking into account the previous government's experiences, Peña Nieto's structural reforms signified an unprecedented advance through the political maneuver that the *Pacto por México* was at least in legislative terms. However, the implementation of said reforms has not been exempt of problems: the education reform alone has caused massive protests in 22 states since its approval in Congress (Almaraz & Hernández, 2016). Episodes of resistance such as this remind us that regardless of the technicalities contained in administrative reform initiatives, these occur within a reactive political context that must always be accounted for.

7. Conclusions

It was said that, with the implementation of reforms of huge dimensions and considerable impact on the operation of the federal public administration—such as the professional career service and the access to public information—Mexico had transited from a structural reform period to a stage of enhancement, adjustments, and incremental changes aimed at implementing the principles and values set forth by the new laws. An essential aspect of this change was that the structural reforms were mainly promoted by the State, although some groups of civil society contributed with their expertise (Dussauge, 2010).

Therefore, while management reforms have indeed played a key role in the new profile of Mexican public administration, it is also true that it has only been in a fragmented and sometimes sharply conflicting way (Cejudo, 2009). Hence, the public administration's process of transformation relative to the social and economic development of the country has sometimes been reduced to implementation of adjustment policies in the context of severe economic and financial crises or lengthy periods of economic stagnation. As a result, the rhetoric and practice of management reforms were interpreted as a strategy of post-democratic transition governments, which were not quite willing to tackle major political challenges albeit their promising results, but rather focused on partial and uncoordinated administrative change. The main evidence of this was exclusion of core components of new public management in the projects of reform, namely, the inclusion of market mechanisms within the public sector and the creation of government autonomous agencies (Cejudo, 2009). Hence, although the profile of the Mexican public administration has undoubtedly changed, one may still question the limits, scopes, and even contradictions of public administration in relationship with other State institutions and with society itself.

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¹The Professional Career Service Act was approved in 2003, and, in addition, the Secretaría de la Función Pública (Secretariat of Public Administration) was established and entrusted with the task of implementing the regulations and policies aimed at ensuring the success of this new program within the federal administration (Cejudo, 2007a, p. 16). The recent origins of this reform resulted from the bills that were previously submitted before the Congress by legislators from the three main political parties (PRI, PAN, PRD) and, once acknowledged by President Vicente Fox and his staff at the Oficina de Innovación Gubernamental (Government Innovation Office), were directly promoted by the Executive Power (Arellano Gault; Méndez, 2010a,b p. 184). As part of this strategy, the advice and support from public officials was sought, as well as from a group of specialized scholars which had created the Red Mexicana del Servicio Profesional (Mexican Network of Professional Service) at the beginning of 2003. In addition, international development agencies and Mexican organizations supported these efforts, whose experts participated in a series of forums, conferences, and seminars aimed at achieving a consensus broad enough to support the LSPC in and out of the public administration (Méndez, 2010a,b, p. 184). For a comprehensive review of the evolution of the debate and practice regarding the civil service in Mexico, see Pardo, 2005.

²At the beginning, the positions within the federal public administration subject to LSPC's regulations were systems analyst, head of department, manager, area director, deputy director general, and director general. Hence, support cabinets were not included, such as the advisory office or social communication directions, among others (Méndez, 2010a,b, p. 185).

³This section is based on the analysis and figures provided in Méndez, 2010a,b, pp. 189-90.

⁴To appreciate somehow these dynamics in the relationships between the Congress and the Executive, let us recall the appearances before the Congress of Juan Molinar Horcasitas, secretary of Communications and Transport, in August 2010; Alonso Lujambio, in March 2010, Francisco Blake Mora, secretary of Government, in January 2011; Javier Lozano Alarcón, secretary of the Labor, in March 2010; and Ernesto Cordero Arroyo, secretary of Finance and Public Credit, in April 2010.

⁵For a general view of legal changes on the fight against corruption and accountability matters in Mexico during the last decades, see Dussauge, 2010, table 6.2: “Federal Legislation on Corruption Control and Accountability.”

⁶For a view on the transformation of the former Secretariat of Auditing and Administrative Development (1994) into the Secretariat of Public Administration (or SFP), as well as its impact on the practice of accountability within the federal administration, see Dussauge, 2010.

⁷Regarding the *Reforma Constitucional en Materia de Gasto Público* (Constitutional Reform on Public Spending) submitted by the Chamber of Deputies, see Dussauge, 2010.

⁸For a review of the so-called “first round” of administrative reforms, see Cejudo, 2009.

Chapter 8

Paraguay: The Supremacy of Informality in Public Administration

Christian Schuster

Abstract

This chapter assesses public administration in Paraguay. It argues that the country's public administration and public personnel structures have been shaped by a predominance of informal decision-making norms, patron–client relations, exceptional legislative interference in what elsewhere tend to be executive prerogatives, and weak accountability mechanisms of a state largely captured by a small oligarchy. In this context, administrative reform has been mostly instigated by external actors—donors and international financial institutions—and only achieved incremental progress in, in particular, the modernization of public finance institutions during periods of economic crises or political change when external demand coincided with domestic pressure. Except for some “pockets of efficiency,” Paraguay thus remains a benchmark case of a neopatrimonial state in a formally democratic Presidential system, in which informal patron–client relations trump formal bureaucratic structures—albeit one in which the legislature has exceptional influence over administrative matters and public sector jobs are exceptionally dominant in clientelist exchanges of state resources.

1. Introduction

“Paraguay is a country of friends” is a popular saying in Paraguay; it reflects, in part, the primacy of societal assistance and ascendance through informal personal and political relations rather than formal institutions. As shall be argued in this chapter, this informal institutionality has permeated public administration and public personnel management. Informal norms prioritizing personal and political criteria trump formal norms in organizational structures and decision-making. As a result, the country fares poorly in control of corruption and government effectiveness, ranking in the corresponding World Bank Governance Indicators in the bottom quintile or below (World Bank, 2013). Paraguay's state is not only weak but also limited in size, with tax revenues not exceeding 13.2% of GDP. The welfare implications of government failure and absence are significant. About 28.9% of the 6.7 million inhabitants live under the national poverty line, with often inadequate access to essential public services such as health care, water, sanitation, or electricity (World Bank, 2017a, 2017b).

The weakness of the Paraguayan state has been closely associated with, among others, state capture by a small oligarchy, a demobilized society, and long-term one-party rule (Nickson & Lambert, 2002). Until then in power longer than any party worldwide, the Colorado Party ruled Paraguay for 61 years up until 2008. From 1954 to 1989, the Colorado Party was headed by President Stroessner in what was the longest dictatorship in twentieth century Latin America (USAID, 2009). During his rule, President Stroessner developed an almost complete identification between the Colorado Party and the state. Recruitment, for instance, was based on recommendations—principally from party bosses—despite a 1970 civil service statute suggesting otherwise, and Colorado Party membership was mandatory for all public employees. While remuneration was low, public employees received blank checks for petty corruption to supplement their incomes (Cespedes, 1997; Lambert, 1997).

President Stroessner himself referred to officially tolerated corruption as the “price of peace.” Institutions were divided as spoils into fiefdoms of military and party elites, with unclear formal responsibilities and limited formal command chains and coordination mechanisms (World Bank, 2005). The extent of grand corruption—often in collusion with business elites via,

for instance, public construction, land distribution, legal monopolies, or contraband—was such that some analysts spoke of a “privatized state” (Nickson & Lambert, 2002, p. 163).

Paraguay's elite-controlled 1989 democratic transition brought with it not an end to informal governance and the division of spoils, but its “democratization”: hierarchical Colorado Party control over spoils was replaced by fragmentation, with distinct Colorado Party factions, opposition parties, and other actors seeking access (Setrini, 2011). Moreover, in response to excessive Presidential powers during the Stroessner dictatorship, the 1992 Constitution and subsequent legislation provided the legislature with exceptional powers, in particular in the realm of public employment; these have incentivized adversarial executive–legislative relations since then.

Political competition led the Colorado Party to lose its grip on power in 2008 when a political outsider, former bishop Fernando Lugo, formed a “Patriotic Alliance for Change” with the Liberal Party, Paraguay's traditional opposition party, and several smaller left-of-center parties and societal organizations to capture the Presidency. Alternation was only of brief duration, however. The Colorado Party regained the Presidency in 2013, after Fernando Lugo was impeached in a procedure mocking due process with support from its erstwhile ally, the Liberal Party, which proceeded to assume the Presidency in 2012–2013. Since 2013, the Colorado Party has regained control of the Presidency, with the elections of Horacio Cartes (2013–2018) and Mario Abdo Benítez (since 2018). Lugo's previously mentioned ouster reflects a more general pattern of political instability, epitomized by unsuccessful military interventions in 1996 and 2000, and the assassination of a Vice President followed by a Presidential resignation in 1999 (Nickson, 2011a, 2011b).

Against the backdrop of this political context, this chapter details how Paraguay's public administration and public personnel structures have been shaped by the country's predominance of informal decision-making norms, exceptional legislative interference in what tend to be executive prerogatives, and weak internal and external accountability mechanisms of a state largely captured by a small oligarchy. Moreover, administrative reform attempts since the country's 1989 democratization until 2013 are traced; these reforms have been mostly instigated by external actors—donors and international financial institutions—and a tough act to follow. Progress has

been limited principally to incremental modernization of public finance institutions during periods of economic crises or political change when external demand coincided with domestic pressure. Except for some “pockets of efficiency” (see Leonard, 2010), Paraguay thus remained—at the point of writing of this Handbook chapter in 2013—a benchmark case of a neopatrimonial state in a formally democratic Presidential system; informal patron–client relations trump formal bureaucratic structures in decision-making, albeit with the particularities of exceptional legislative sway in administrative matters and exceptional sway of public employment in the portfolio of clientelist exchanges of state resources.

2. Basic Structural Features

2.1 Government Institutions

Like the remainder of Latin America, Paraguay features a Presidential form of government with separate executive, legislative, and judicial branches. Yet, the country's 1992 Constitution turned the legislative branch into one of the region's most powerful, with some analysts going as far as classifying the country as a “quasi-parliamentarian system” (UNDP, 2009, p. 39). To illustrate some of these powers, the legislature may, among others, appoint or approve Supreme Court Justices, the Attorney General, the Central Bank directorate, the Paraguayan Directors of the binational Itaipú and Yacyreta dams, and high-level army and police officials; expand the annual budget envelope at will; determine public sector salaries in the annual budget's personnel annex up to the detail of individual remunerations; override executives vetoes of bills through majority votes; and impeach the President with a two-thirds majority in both chambers for poor performance—a *de facto* no confidence vote as characteristic of parliamentary systems (Marsteintredet, Llanos et al., 2013). The President in turn may not dissolve Congress or otherwise circumvent the legislature via a state of emergency decree. Contrary to legislators, he or she may also not run for reelection (Nickson, 2009).

Beyond interference in what tend to be executive prerogatives, legislative powers have undermined the independence of the judiciary and

oversight institutions. A 1993 Governability Pact between the Colorado Party and (then majority) opposition parties introduced a quota system for high-level positions in the Supreme Court, Comptroller General (*Contraloría General de la República*), Public Ombudsman, Attorney General, and Superior Tribunal of Electoral Justice, among others. Since then, this quota system has been maintained, with parties insisting on a “correct” distribution of high-level positions depending on their electoral strength (Lachi, 2009a, 2009b). To illustrate the lack of judicial independence, media refers to judges by their party affiliation; and the country scores in the bottom 29th percentile in the World Bank's Rule of Law Governance Indicator (World Bank, 2013). The two largest parties—the Liberal Party and, in particular, the Colorado party whose 0.6 million and 1.54 million members, respectively, account together for 80% of registered voters (Abente Brun, 2007; Paredes, 2007)—are foremost in capturing judiciary and oversight institutions. In 2008, for instance, five of eight members of the Judicial Council *de facto* in charge of appointments throughout the judiciary and six of nine Supreme Court judges were affiliated with the Colorado Party (USAID, 2009). Separation of powers is thus more ideal than reality in the country, and independent checks and balances are undermined.

In this context, Presidents—in particular those with only minority support in the legislature (see Fig. 8.2)—have attempted to obtain congressional support for executive agendas principally by exchanging private goods, including public jobs and outright cash payments, for legislative votes (Nickson, 2009). Legislative preference for private rather than broader public goods stems from the concurrence of small electoral districts for deputies next to legally mandated primaries which tie legislators to local power structures, encourage personalized campaigns, and curtail party leader influence (Molinas, Pérez-Liñán et al., 2011). With primaries or elections occurring on average every 14 months, votes need to be continuously mobilized, putting a premium on independent campaign finance and factional machines to fend off internal and external challenges (Morínigo, 2008; World Bank, 2005). As a result, party discipline is low, legislative turnover between elections is high, and political time horizons are short. To illustrate, only 21% of deputies were reelected in 2003 (World Bank, 2005). Consequently, majorities are often unstable and incoherent,

with membership in Senate coalitions contradicting that in the Chamber (Setrini, 2011).

State structure	Unitary and weakly decentralized
Type of government	Single-party majority (1989-1993; 1999-2002); Single-party minority (1993-1998; 2002-08; 2012-today); Minority coalition government (2008-12)
Minister / Mandarin relations (*1)	Very politicized
Administrative Culture	Neopatrimonial
Sources of policy advice	International financial institutions, donors, consultants, NGOs, businesses and political appointees in bureaucracy

Fig. 8.2. Characteristics of the Paraguayan Public Administration. *Source:* Adapted from Pollitt and Bouckaert (2004). *References:* (*1) The category refers to two aspects. First, if the political and bureaucratic careers are separated or integrated. Second, if the public employees were appointed or promoted (at least in part) because of partisan ties.

Legislative instability has contributed to instability in the executive. Constant exchanges of ministerial and other portfolios in return for legislative support have contributed to a permanent rotation of ministers, directors of public companies, and heads of other state institutions. To illustrate, between 2003 and 2005, 8 out of 10 ministries and 4 out of 5 state-owned enterprises had at least one rotation of the respective head of the institution (Borda, 2006, p. 18).

Beyond empowering the legislature, the 1992 Constitution also modified the prior power centralization at the national level, turning Paraguay into a “unitary and decentralized” state (Congreso Nacional de la República del Paraguay, 1992). Decentralization implied direct elections for governors and departmental councils in 17 departments and for intendants and municipal councils in 254 municipalities.¹ Local and departmental governments are entitled to transfers of, among others, specified shares of royalties from the binational dams and of property tax receipts; these add up to roughly 10% of total public expenditures, with the municipal (8%) share dwarfing departmental receipts (2%) (Gaete, 2012). Decentralized governments are tasked with specific competencies; particularly in the case of departments, however, these heavily overlap with national jurisdictions. Municipal governments in turn suffer from broad mandates but limited capacity; in practice, most of them limit their activities to trash collection, street pavements, cemeteries, transit and transport, market places, parks, and local social assistance, among others. Moreover, institutionalized coordination or consultation mechanisms between different levels of government are largely absent.

In sum and as illustrated in Fig. 8.1, Paraguay's formal government structure resembles a unitary Presidential democracy, characterized by, on the one hand, a separation of power between formally independent executive, legislative, and judicial branches, as well as a set of oversight “quasi-powers” and, on the other hand, separately elected lower levels of government at the departmental and municipal levels. In practice, lower levels of government remain weak in terms of resource endowment and administrative capacity, and legislative sway over the judiciary, oversight institutions, and a subset of what tend to be executive prerogatives undermine the country's formal separation of powers.

National level	Executive: President elected for single term; Vice-President; 10 ministries; 13 ministerial-level Secretaries; Police and Armed Forces; 21 autonomies entities; 5 state-owned enterprises
	Legislative: Bicameral. 45 senators elected from single national constituency via closed party lists. 80 Deputies elected at the departmental level via closed party lists.
	Judiciary: Directed by the Supreme Court. Its nine members are selected by a Senate majority and the President for five-year terms on the basis of recommendations from the Judicial Council.
	"Quasi-powers": Tribunal of Electoral Justice, Public Ombudsman, Comptroller General, Attorney General, Judicial Council, Jury for the Prosecution of Magistrates, Central Bank. Appointments to most quasi-powers are allocated based on an informal quota system between parties in the legislature.
Provincial level	17 departments, with elected chief executive (<i>Gobernador</i>) and unicameral departmental council (<i>Junta Departamental</i>).
Local level	254 municipalities, with elected chief executive (<i>Intendente</i>) and unicameral municipal council (<i>Junta Municipal</i>).

Fig. 8.1. Paraguay: Basic Government Structures (2011). *Source:* Elaborated by the author based on Congreso Nacional de la República del Paraguay 1992, Nickson, 2011a, 2011b, Secretaria de la Función Pública 2011a, 2011b, USAID, 2009.

2.2 Public Administration

Using Pollitt and Bouckaert's (2004, p. 42) typology, the Paraguayan state structure can, as aforementioned, be classified as unitary and weakly decentralized. The majority of Presidents headed single-party minority governments; a formal coalition government was only in office from 2008 to 2012 (Fig. 8.2).² With political factionalism putting a premium on not only partisan but also personal loyalty, Ministers and Presidents tend to rely principally on a team of political appointees (*equipos de confianza*), rather than permanent civil servants, for the control and management of state institutions—despite long-term one-party rule and thus dominance of *Colorados* in state institutions. As a former Minister of Labor and Justice put it, “to manage well you need to bring in some of your own people [in key positions] because if you don't, things will not work, you will be sleeping with the enemy” (cited in Schuster, 2013, p. 42). At the same time, selection of managerial (and lower-level) staff beyond the *equipo de confianza* is in part ceded to other power holders with leverage, such as to legislators horse-trading positions for congressional support to ministerial budgets. Bureaucrats outside the *equipo de confianza* are then often characterized by the pursuit of formal compliance with procedures in office to avoid the authorities' spotlight, coupled with political activism outside the office to secure promotions as reward for political services—such as providing transportation on voting days and contributing financially—and the pursuit of illicit enrichment; 80% of users deem that bribes improve public service quality (Molinas & Pérez-Liñán, 2005).

As a consequence, permanent bureaucrats tend to be sidelined in the policy formulation process while loyalty rather than competence is the distinguishing feature of most, albeit not all political appointees. Unsurprisingly then, the sources of policy advice in Paraguay's administration are principally external. As a USAID (2009, p. 26) assessment puts it, “most of the important innovations in areas such as

customs, financial control systems, procurement processes, civil service, and national police among others are part of programs supported by [donors and international financial institutions].”

Organizationally, Paraguay's core executive consists of the Presidency, 14 ministries, and 24 ministerial-level Secretaries (*Secretarías*). Each of the ministries and Secretaries reports directly to the Presidency. To facilitate their coordination, the Constitution contemplates several institutional arrangements, including a Council of Ministers tasked with coordinating ministerial activities; a social cabinet with participation from ministers, *Secretarios*, and other high-level officials in the social policy realm; and a national economic team comprising heads of state institutions in the economic and finance realm.

In practice, however, both within and across state institutions, overall strategic thinking and policy coordination remain the exception and limited mostly to *ad hoc* initiatives by the Presidency. Instead, the Paraguayan state tends to resemble a confederation of ministries, with “each ministry jealously guarding its autonomy and operating as a separate fiefdom” (Nickson, 2009, p. 297). Lack of coordination, duplication of activities, and diluted institutional responsibilities stem in part from a public administration structure which—with the exception of the additional institutions detailed below—has remained largely unchanged in the democratic transition process: (informal) organizational charts, functions, and processes of state institutions have largely resisted institutional reform attempts over the last two decades (Secretaria de la Función Pública, 2011a, 2011b). While Stroessner's grip on power had lent the state the appearance of cohesion ahead of 1989 despite the division of spoils, the same structure has now produced an “institutional labyrinth” (Borda, 2006, p. 37). Legal coherence has been further impaired by a proliferation of public administration laws since 1989 with inconsistent terminology and content. To illustrate overlapping responsibilities and confusion about legal roles, six state institutions are in charge of housing construction programs, while at least four are involved in land for indigenous communities (Secretaria de la Función Pública, 2011a, 2011b). Moreover, within state institutions, the functions of departments are often not clearly defined, leading to parallel structures undertaking similar activities without coordination or information

exchange (Prats i Catala, 2003). Accountability and control of state institutions are thus heavily constrained.

The multiplication, rather than consolidation, of both *Secretarías* and autonomous state institutions since the democratic transition is likely to have added to this institutional labyrinth. Between 1989 and 2011, 14 *Secretarías* were created, 13 autonomous entities, and 3 state-owned enterprises (SOEs); with some of these institutions subsequently supplanted, the total number of autonomous entities and SOEs reached 28 and 5, respectively, by 2018.³ Jointly with decentralized institutions, autonomous bodies account for roughly one-half of the national budget (Congreso Nacional de la República del Paraguay, 2012). For most autonomous institutions and SOEs, the President retains either direct control through powers to appoint and remove institutional authorities or indirect control when institutional authorities report to a Minister rather than the President directly. In the case of the binational dams mentioned below, Presidential nominees for directors require Senate approval (Secretaria de la Función Pública, 2011a, 2011b).

The proliferation of state institutions was in part driven by new government mandates and functions after 1989. The creation of *Secretarías*, in particular, frequently responded to demands of societal groups which utilized government commitments in international conferences—such as on the environment, women, and children—to press for the creation of corresponding state entities. Beyond social demands and functions, new regulatory responsibilities in response to a privatization process in the 1990s, state modernization efforts—as with the 2000 Secretary of Civil Service—or the mere provision of spoils beyond procedural control mechanisms underlay institutional proliferation. The latter is epitomized by the terminological babel of institutional titles for autonomous institutions. They are named institutes, directorates, secretaries, services, commissions, funds, and regulatory entities; the differences in titles do not implicate different legal statutes. Moreover, they overlap with the nomenclature utilized for the remainder of state institution, including directorates in ministries and nonautonomous secretaries (Secretaria de la Función Pública 2011a, 2011b). SOEs in electricity (*ANDE*), oil (*PETROPAR*), cement (*INC*), aviation (*DINAC*), and harbors and ports (*ANNP*) do not fare better: they are—for the most part and despite legal monopolies—loss-making and indebted, characterized by overstaffing and poor service delivery quality (Borda, 2006,

p. 18). Paraguay's largest state institutions are, however, outside the realm of the core executive, SOEs, and orthodox autonomous bodies. Regulated by international treaties—and, as such, often claiming autonomy from domestic accountability efforts—the binational Itaipú and Yacyretá hydroelectric dams with Brazil and Argentina account for 11.2% of Paraguay's GDP (Citigroup, 2013).

In sum, Paraguay's public administration remains an institutional labyrinth marred by overlapping institutional mandates, poor formal policy coordination across and within state institutions, and, more recently, the proliferation of inconsistently denominated and mostly arms' length institutions in the context of a relatively small state. In conjunction, these attributes complicate not only effective policy formulation and implementation but also procedural control and accountability. While deficient from a rational-legal perspective, Paraguay's administrative structure is functional from a neopatrimonial viewpoint. Without effective formal control and accountability, the recurrent division of spoils in the context of frequently rotating ministerial power holders is facilitated.

3. Public Sector Personnel

Public employment in Paraguay is small in size relative to the country's population, yet nonetheless large in terms of the share of the country's budget. In 2016, Paraguay counted with roughly 281,345 public employees; these represent approximately 8.3% of the working population.⁴ Public employment is thus small relative to OECD countries (Fig. 8.3); at the same time, it is large in regional comparison, with only three countries in the region having a larger share of public employment as a percent of the labor force (IDB, 2014).

Paraguay (2016) (*1)	8.3%
OECD 32 (2008) (*2)	15%
Rank of Paraguay when added to OECD ranking (from highest to lowest)	31 out of 33

Fig. 8.3. Public Employees/Working Age Population. *Source:* Elaborated by the author. **References:** (*1) Calculation based on the number of public employees divided by the population between ages 15– and 64. (*2) Employment in government and public corporations as a percentage of the workforce in 2008, average for 32 OECD members drawn from OECD (2013).

At the same time, public employment expenditures are large relative to Paraguay's economy and, in particular, total public spending. Central government salary spending stands at 8.3% of GDP, at the high end in the region (Fig. 8.4). It accounts for over 58% of public spending and 60% of tax revenues—far beyond the 25% recommended to avoid crowing out of public investments and spending on essential goods and services (Lafuente, 2013; World Bank, 2006).

Country	% of GDP
Colombia (*1)	2.1
Chile	4.5
Uruguay (*1) (*2)	6.8
Costa Rica (*1)	7.2
Paraguay (*3)	8.3

Fig. 8.4. Compensation of Central Government Employees/GDP (2010–2012). *Source:* Elaborated by the author based on IMF Article IV Consultation Reports and Inter-American Development Technical Notes.
References: (*1) Preliminary estimations for 2010 by IMF staff. (*2) Includes central government and Social Security Bank (BPS) employees. (*3) 2012 estimate drawn from Iturburu (2013).

Prima facie, legal regulations of public employees prime Paraguay for a Weberian bureaucracy. A 2000 public service law, Law 1626, mandates, among others, transparent and competitive recruitment and promotion procedures; grants job stability after two years of service and positive performance evaluations; introduces an eight-hour work day; and creates a Secretary of Civil Service (the *Secretaría de la Función Pública*) tasked with supervising implementation of the law (*Secretaría de la Función Pública* 2012a, 2012b). The law's coverage extends to the executive, legislature, judiciary, and decentralized governments and, within these, to administrative

careers.⁵ Teachers, judges, and diplomats, among others, feature separate careers while temporary and service personnel is regulated by the Civil and Labor Code (Congreso Nacional de la República del Paraguay, 1992).

Yet, the 1626 law has seen an estimated 800 to 1,000—the precise number remains unknown—constitutional appeals within weeks of its promulgation (World Bank, 2005). Appealed articles include meritocratic selections, the two-year service prior to tenure, and an eight-hour work day (Nickson, 2009). In parallel, key institutions—including the Supreme Court, Attorney General, Superior Tribunal of Electoral Justice, Central Bank, Institute for Social Provision, and the National University of Asunción—appealed the law noting it violated their autonomy (Ramírez Osorio, 2008). The Supreme Court responded by provisionally suspending the law for institutions or individuals presenting the appeals and for those articles appealed—without, however, passing judgment on most appeals to-date. For appealed articles, appealing employees are regulated by the 1970 Civil Servant Statute (Sosa Arrua, 2011). As a complete appeals register does not exist, however, it often remains unclear which law applies to whom. Legal uncertainty is confounded by legal ambiguities. The reach of formal political appointments (*cargos de confianza*) is not clearly delimited. Moreover, legislators opposing reform introduced legal articles to complicate implementation (Lachi, 2009a, 2009b). To illustrate, the law mandates a competitive selection of the Minister of Civil Service, supervised by representatives from the executive, legislature, and judiciary. As the legislature and judiciary fail to participate, the Minister may not be selected according to the law, diminishing his authority. In addition, the law tasks the Secretary with supervising personnel selections, yet does not empower it to sanction noncomplying institutions. Lastly, implementation is impaired by diluted formal responsibilities, in particular for pay policy between the Secretary of Civil Service and the Ministry of Finance.

Legal ambiguities were accompanied by personnel management instruments which were, until the 2008 turnover in power, largely underdeveloped. To name a few, positions lacked clear descriptions; administrative careers were not defined; recruitment and promotion procedures lacked regulation; and consistent salary scales were not applied (Gonzalez de Asis, 2003; Iacoviello & Zuvanic, 2006, pp. 401–420; World Bank, 2009). Human resource directorates in line institutions were paper

processors, tasked with wage payments and attendance control (Secretaría de la Función Pública, 2010). Concomitantly, key data were unavailable. The national system for human resource administration (SINARH) contained data to enable bank payments of salaries for those institutions reporting to the Ministry of Finance, yet not data on, for instance, recruitment, work histories, or education (Secretaria de la Función Pública, 2008). Comprehensive human resource policy and systems development by the *Secretaría* of Civil Service from 2008 to 2012 sought to address these shortcomings through a public personnel control and information system, data gathering on personnel increases and decreases, and a battery of resolutions to regulate, for instance, recruitment, promotion, position organization and classification, and labor mobility. With the Secretary unable to sanction noncomplying institutions, however, their enforcement remains incipient, and the control and information system is yet to go online.

Instead, discretion continues to reign for most personnel decisions. To illustrate, the *Secretaría* of Civil Service supervised competitive selections for a total of seven vacancies until 2008 (Secretaría de la Función Pública, 2009). Between August 2008 and 2012, this number rose to over 24,000 positions or roughly 26% of all vacancies (Schuster, 2013), with 50 out of 113 state institutions participating until early 2012 (Secretaría de la Función Pública 2012a, 2012b).⁶ According to an expert survey undertaken by the author (Schuster, 2013), such competitive procedures—rather than formal or informal discretion—substantively determined the outcome of roughly 15% of personnel selections from 2008 to 2012; for the remainder of selections, affiliation with the party in power was the dominant selection criterion, followed by personal connections. With the exception of the finance sector—and, during the Lugo administration (2008—12), additionally the health sector—professional qualifications were of least relevance (Fig. 8.5).

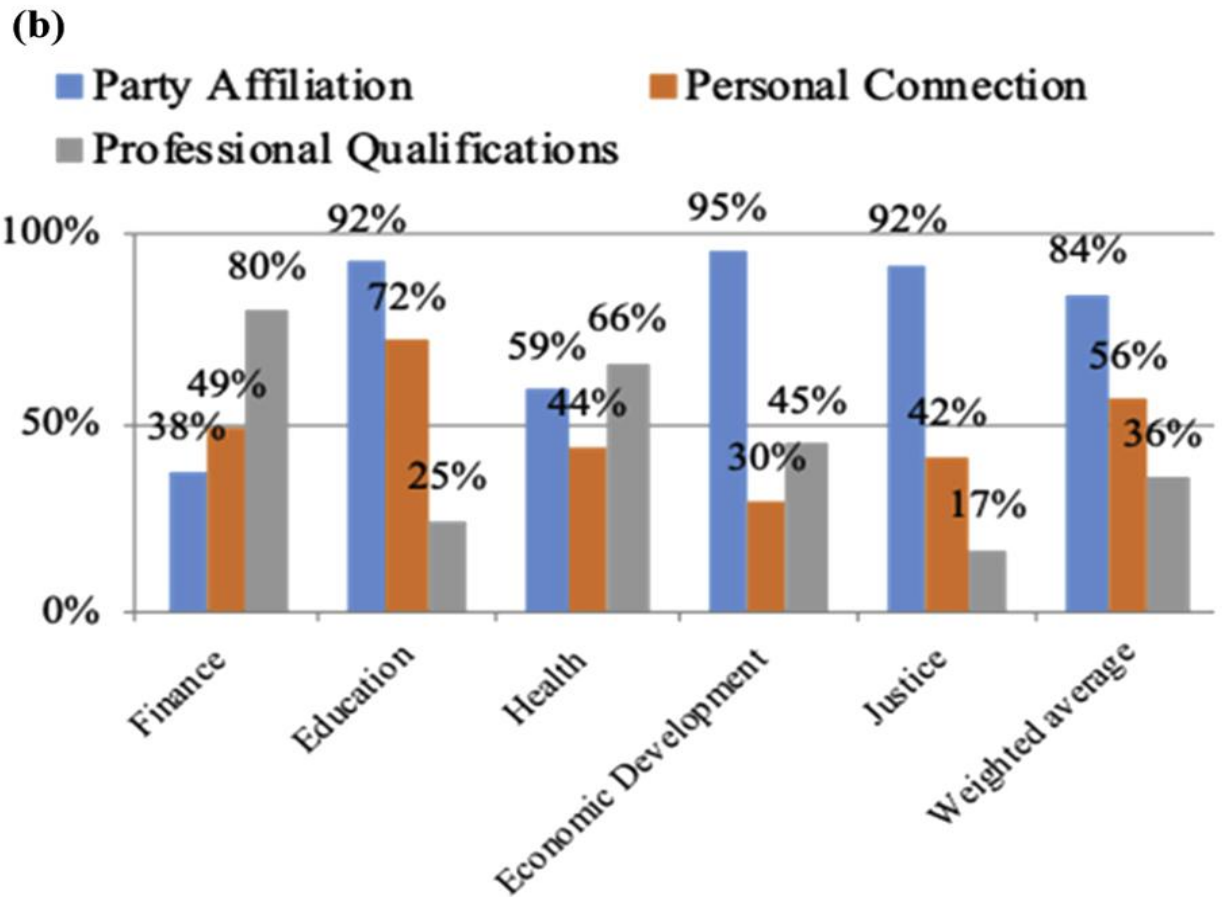
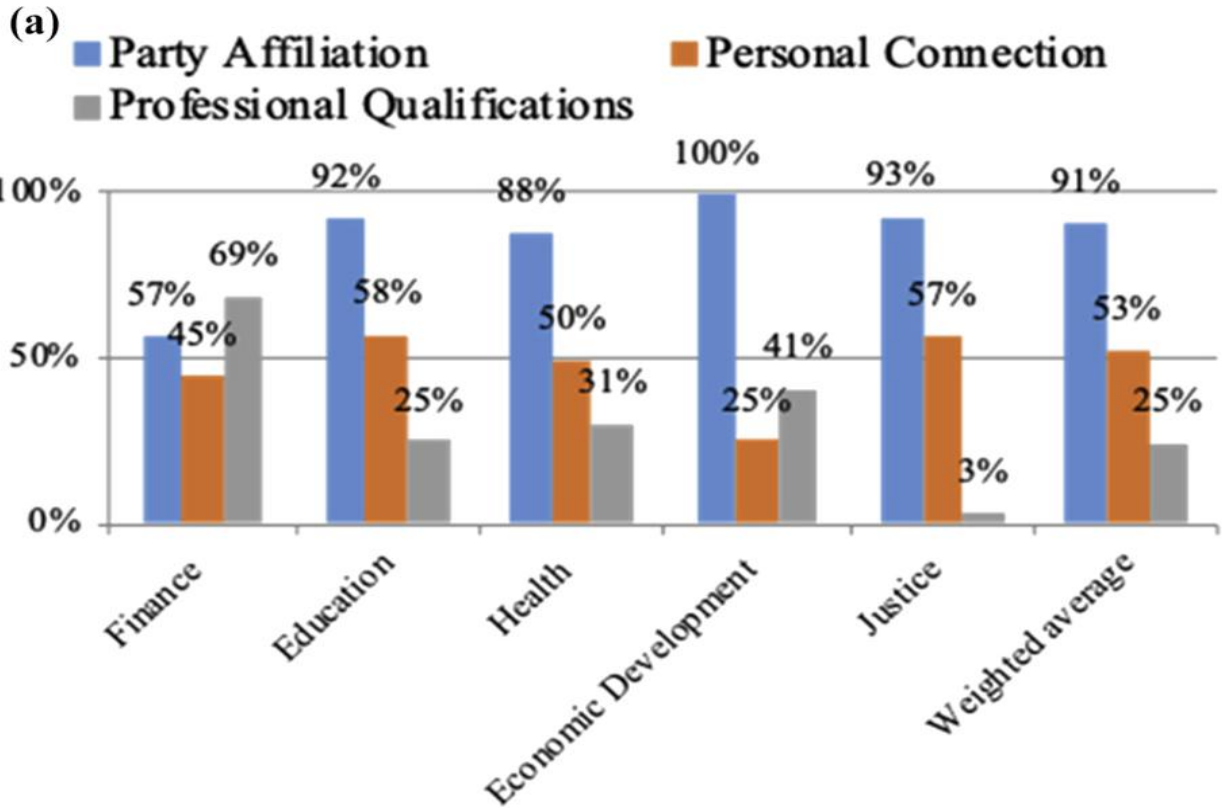


Fig. 8.5. Discretionary Personnel Selection Criteria by Policy Area, (a) Duarte Government (2004–2008), (b) Lugo Government (2008–2012).

Source: 2012 expert survey undertaken by the author ($n = 30$); institutions covered in the survey include the Ministry of Finance, the Central Bank, and Customs (Finance sector); the Ministry of Education and public universities (Education sector); the Ministry of Health and the Institute of Social Provision (Health sector); the Supreme Court, Public Ministry, and Electoral Justice (Justice sector); and the Ministries of Agriculture, Industry, and Public Works as well as the public electricity company and the hydroelectric dams (Economic Development sector); these institutions jointly account for 74% of total public employment.

Discretion also looms large in pay and promotions. As salaries are linked as fixed points to hierarchical categories, promotions equal recategorizations of public employees into higher salary categories. There are no explicit criteria for assigning posts to such categories. Roughly 30% of staff is formally appraised each year, yet without capturing outputs (World Bank, 2009). Salary increases are then instead—when not generalized—assigned discretionarily. To illustrate, from 2005 to 2007, Congress increased the number of subcategories in the budget's personnel annex from 285 to 435, with 82 subcategories created for individual bureaucrats (Manning & Lafuente, 2010). By 2010, the number of subcategories had reached 1,400. Salary increases also stem from adding a second or third contract in education, research, or—despite being unconstitutional—health and from discretionary allowance assignments; these average 14% of personnel expenditures (Arrobbio & Lafuente, 2008; Green & Lafuente, 2010). A vertically inequitable salary structure resulted, with low salary decompression (between 3 and 5) and thus limited career prospects (World Bank, 2009). Public sector wage premiums average 33%, yet tend to be positive only for lower bureaucratic echelons (Iturburu, 2013; Otter, 2005). Vertical inequities are accompanied by horizontal inequities. In 2007, for instance, some bottom-level assistants received higher base salaries than Director Generals at the top of the hierarchy (Manning & Lafuente, 2010).

While recruitment, pay, and promotion are discretionary, discretion over dismissals is constrained for most personnel. For permanent public servants

(78% of total), dismissals are largely precluded even in cases of nonperformance or corruption. While the 1626 Law permits dismissals in cases of, among others, negative performance evaluations and misconduct, these dispositions remain largely unenforced. Tenure then also protects those who “decide to retire in place” (World Bank, 2005, p. 73). Those engaged in misconduct in turn may face administrative indictments, subject to appeals in the Supreme Court. Institutions rarely make recourse to this process: it is long, costly, and often unsuccessful. Indictments are overseen by judges appointed randomly by the *Secretaría* of Civil Service from a pool of lawyers in the bureaucracy. Judges receive minimal compensation and are vulnerable to bribery; tend to have empathy with fellow bureaucrats; and lack requisite qualifications, committing errors facilitating appeals. The success of such appeals is fomented by court permeability to external influences, in particular influence peddling by patrons protecting bureaucrats. Bureaucrats without patron protection may turn to unions: strikes and other pressure instruments are frequent responses to threats of dismissing permanent employees (Franks, Mercer-Blackman et al., 2005). With dismissals largely precluded and the public sector offering wage premiums over the private sector in most bureaucratic echelons, permanent staff turnover is low. According to rough estimates, between 1% and 3.4% of permanent staff left government per year in 2008–2011 (Schuster, 2013); staff fluctuation due to resignations, retirement, and death tends to stand around 4% in other countries (Hintze, 2011).

In contrast, temporary personnel (*contratados*), contracted for up to a year, enjoy less job stability. Legally contemplated for epidemics, elections, or specialized professional services, *contratados* (22% of public employees) frequently undertake permanent tasks (Secretaría de la Función Pública 2011a, 2011b).⁷ Once renewals exceed two years, *contratados* obtain, according to some Supreme Court rulings, protection from arbitrary dismissals. Yet, such rulings tend to take years, and unions frequently do not oppose *contratados*' redundancies. Veto actors protecting *contratados* are thus weaker. To illustrate, the 2013–2018 Cartes Presidency sought redundancies of 15,000 *contratados* shortly after assuming office (Associated Press, 2013). In sum, permanent public servants enjoy job stability in Paraguay's public administration; the remainder of public sector staff is frequently vulnerable to discretionary dismissals.

Three conclusions about Paraguay's public sector personnel stand out. First, public employment accounts for an exceptionally large share of total public expenditure; this is, as detailed below, due to legislative incentives to skew spending toward public personnel. Second, patronage—understood as the discretionary power to recruit, promote, pay, and dismiss public personnel at will—is the defining feature of Paraguay's public personnel management. While meritocracy has made some temporary inroads during a 2008—2012 reform episode, discretion which prioritizes party affiliation and, to a lesser extent, personal connections remains the basis of the overwhelming share of recruitment and promotion decisions. As a result, personnel is frequently occupying positions without requisite qualifications and lacks incentives to perform, as promotions and pay rises tend to be a function of political proximity rather than performance in office. Predominance of discretion is reflected in regional civil service professionalization scores, with the country ranking fifth to the bottom in Latin America (IDB, 2014). Third, public employees enjoy, once obtaining permanent posts, largely irreversible tenure—including in case of nonperformance. In conjunction, Paraguay's bureaucracy is overstaffed relative to the size of the state in the economy, with patronage and tenure implicating that personnel frequently lacks both requisite capacity and incentives to perform; predictably then, the country is ranked 131 out of 136 countries globally in the wastefulness of its public spending.⁸

4. The Politics of Bureaucracy in Paraguay

4.1 Links with Political Parties

Legislative involvement in Paraguay's public administration is characterized by, on the one hand, frequent opposition to reforms to rationalize and strengthen the state and, on the other hand, frequent interference in individual public personnel decisions. The former is epitomized by recurrent congressional vetoes to progressive tax reforms and to reforms seeking coherence in Paraguay's state structure (Secretaria de la Función Pública 2011a, 2011b).

The latter effectively “turns every parliamentarian into an employment agency” (cited in Schuster, 2013, p. 12). Several factors account for disproportionate legislative involvement in public personnel matters and, concomitantly, disproportionate budget allocations to public employment. First, public employment is the expenditure most easily controlled by legislators. Executive promises to disburse nonrigid budget items—such as local investment projects—in exchange for legislative budget approval lack credibility: wages count with the smallest and infrastructure the largest gap between approvals and executions (World Bank, 2005). Legislators respond by relying on rigid budget items as tokens of exchange: public employment and pensions. In this context, public employment offers legislators the additional advantage of controlling its composition up to the detail of individual salaries in the budget's personnel annex. In a common pool dilemma, each legislator seeks to incorporate as many new positions or salary increases as possible—without endogenizing the corresponding fiscal costs (Molinas & Pérez-Liñán, 2005). As legislators may create subcategories, yet not enforce their assignation to specific beneficiaries, legislators concurrently negotiate with Ministers—despite laws prohibiting influence trafficking.⁹ Ministers respond by negotiating legislative support for their budgets as well as salary increases and recruits of their own. Institutions thus frequently bypass the Ministry of Finance to negotiate budgets directly with legislators. In the case of institutions whose heads are appointed by Congress—such as the Superior Tribunal of Electoral Justice (TSJE)—legislators at times also simply submit lists with names of personnel to be recruited; to illustrate, an April 2012 budget expansion was explicit about seeking to recruit 5,000 political operators in the TSJE; parties had previously carved up the number of operators among them (Nickson, 2012).

Second, public employment is not only the budget item most easily controlled by legislators but also particularly effective in mobilizing political support. The mere jobs-for-votes exchange secures a substantial electoral base: public officials and their families represent over 20% of the electorate (Casals & Associates, 2004). Moreover, public employment permits the recruitment of political operators (*punteros*). These have supplanted local party offices as the key actors in providing clientelist goods. While party offices delivered these as brokers for hierarchical patron-client networks

headed by party leaders during the Stroessner era, *punteros* now undertake the same task as brokers for individual power holders, such as legislators or Ministers—rather than the party at large (Morínigo, 2008). They provide door-to-door social assistance in neighborhoods, such as help with late bill payments, urgent medicines, or interactions with the state—expecting a *quid pro quo* vote in primaries or elections. On voting days, *punteros* shuttle voters to polls. To illustrate, in 2008, Colorado and Liberal Party machines are estimated to have transported between one-fourth and one-third of the electorate (USAID, 2009). Moreover, *punteros* facilitate direct vote buying: 27% of the electorate admits to vote selling (cited in Morínigo, 2008). In between elections, operators in the bureaucracy facilitate other exchanges for power holders, including via influence peddling in public contracting, tilting service delivery toward specific beneficiaries, or assisting constituents in their dealings with the state.

4.2 Links with Society

Societal involvement in Paraguay's public administration and public employment is characterized by, on the one hand, constrained collective demand for reform and accountability and, on the other hand, individual citizen demands for clientelist benefits, in particular public jobs, and elite demand for rent extraction opportunities and exemptions from tax obligations.

Most businesses are either indifferent or antagonistic to reform. Focusing on low-skill primary exports, economic elites have little need for a professional state. Instead, they principally engage in rent extraction. As Nickson (2009, p. 288) puts it, “the fortune of virtually every millionaire businessman in Paraguay was developed through illicit contracts with the state.” Public construction and procurement contracts, monopolies, selectively subsidized public services and selective law enforcement against contraband feature, among many, in the list of rents available for extraction.

A legacy of repression during the Stroessner dictatorship, societal demand for reform, and accountability is impaired by the weakness of collective societal actors in the country. To illustrate, private sector unionization—and thus collective workers' action for reform—is largely precluded: in 2016, only 8.5% of the workforce is employed in firms with

more than 50 employees.¹⁰ No remedy either, the roughly 40,000 organized peasants struggle principally for land rather than public administration reform (Paredes, 2007). While NGOs—such as think tanks and watchdog organizations—do concern themselves with state reform, their influence is—due to lack of broader social representation—limited to public opinion incidence (Lachi, 2009a, 2009b; USAID, 2009).

Due to weak collective societal action for reform and accountability accompanied by citizen and elite pressure for private goods access, constructing programmatic electoral linkages is complicated. Where societal actors gain strength, co-optation of leaders, repression, and factional divisions tend to demobilize them (Congreso Nacional de la República del Paraguay and UNDP, 2009). The one exception have been the “new democrats,” which emerged after the democratic transition in 1989: students and professionals demanding a professional state (Hetherington, 2011, p. 12). Excessive patronage practices then did meet previously unheard resistance. The aforementioned April 2012 budget expansion to fund political operators mobilized several thousand in the country's capital in a “Revolutionary After Office” in support of the President's veto of the expansion, for instance (Nickson, 2012). In response, Congress chose not to override the veto.

Such mobilizations for reform and accountability, however, have been sporadic and undertaken by a small minority of the populace. Instead, socioeconomic deprivation has led most of the populace to seek individual access to clientelist benefits. In Paraguay, a poor, low-skilled, and growing labor supply meets an agrarian economic structure with limited labor absorption capacity. In 2016, 21.7% of the workforce lives from agriculture while 58% of the urban labor force is employed in the informal sector; in 2017, the working population has 8.7 years of education on average; 28.9% of the population lived under the national poverty line in 2017 (World Bank, 2017a, 2017b); and the labor force grows by 2.4% per year (cited in Ramírez Osorio, 2008).¹¹ , ¹² By 2016, 12.3% of the working population is un- or underemployed.¹³ Citizen demand for discretionary access to public jobs at especially lower skill levels is thus fierce—and demand for reform muted. The resulting lack of broader societal involvement in state reforms and, on the flip side, prevalence of clientelism and elite capture turns Paraguay

according to some analysts into a “country without citizens” (Rodríguez, 2012, p. 5).

4.3 Politics of Bureaucracy

Paraguay's permanent bureaucracy is, at the same time, politically powerful yet disempowered in policy formulation and implementation. With permanent bureaucrats representing *de facto* tenured political appointees of prior incumbents, incoming authorities distrust the bureaucracy and instead rely on temporary parallel teams—*equipos de confianza*—as well as external sources—in particular international financial institutions and other aid organizations—for policy advice and, at times, implementation. This leads to a situation which is elsewhere referred to as “politicized incompetence” (Campbell, 1986). As authorities may not dismiss permanent public servants, including those in managerial ranks, they resort to “freezers.” “Freezers” are spaces—ranging from separate buildings to ministerial hallways—where unwanted bureaucrats may be sent to—be it as these were corrupt, nonperforming, or politically unwanted; the latter is evidenced by the recourse that incoming authorities tend to make lists of employees affiliated with their own and other parties (Schuster, 2013). In some departments, the share of “frozen” staff may reach up to 30% (Lafuente, Ramos & Roseth, 2012).

At the same time, permanent bureaucrats retain power through collective action and political linkages. After the democratic transition, union membership grew from 22,500 to 110,000 (1989–1993) (Villalba, 2008, pp. 637–652). Concurrently, unions successfully pressed for remuneration increases and against privatization (Nickson, 2009). Yet, starting in the mid-1990s, widespread corruption discredited unions. They now rank among the least trusted institutions (Congreso Nacional de la República del Paraguay and UNDP, 2009); and only roughly 30% of public employees are unionized by 2014.¹⁴ Union distrust is driven by idiosyncratic interests represented by unions, ranging from corporatist (member) to particularistic (leader) to political (mostly Colorado Party) interests. Up until the 1990s, collective bargaining consisted of negotiations between Colorado-affiliated union leaders and party leaders in party offices. Colorado factionalization in the 1990s translated into union factionalization, with union leaders supporting

distinct Colorado factions—or running in primaries themselves. With multipartisan access to public employment, fragmentation of unions, affiliated with distinct factions in distinct parties, exacerbated. Seven union federations exist, and unions rarely recognize the leadership of their federations (Villalba, 2009). The very political connections and ambitions of union leaders both discredit unions and, on occasion, incentivize membership. Over time, the politicians who had appointed bureaucrats are, due to high electoral turnover, decreasingly likely to retain positions of power. To gain access to particularistic benefits and political protection, bureaucrats thus need to seek out new patrons.

As a corollary, union strength—and thus wages and benefits—fluctuates across institutions. The roughly 45,000 unionized teachers and 10,000 unionized health employees are most able to bargain for votes-in-elections-for-benefits exchanges (Lachi, 2012). Unions in (hydro)electricity, the judiciary, and the Ministry of Finance command bargaining power through their ability to paralyze key services or incriminate politicians through privileged control of information. Courting votes and not endogenizing salary costs, parties yield to demands of public sector unions as one of the few organized groups in the country: tax revenues channeled to salaries rose from 42% in 1980–88 to 76% in 2000–2005 (Abente Brun, 2007).

In conclusion, the politics of bureaucracy in Paraguay is marked by strong legislative interference in public employment coupled with legislative opposition to reform; citizen and elite demand principally oriented toward clientelist benefits and rent extraction, respectively—rather than state modernization; permanent bureaucrats with capacity to press for material benefits, yet limited ability to effectively support policy formulation and implementation; and authorities which respond by sidelining bureaucrats in favor of parallel teams and external sources of policy advice in the control and management of state institutions and policies.

5. Accountability

With the 1992 Constitution, a range of control and accountability institutions were created which, in legal terms, follow a Weberian tradition. Formal control and accountability procedures and institutions are, however, with few

exceptions undermined in practice. Romzek's (1996) typology may be usefully employed to underscore the dichotomy between the varied types of accountability formally contemplated—hierarchical, legal, professional, and political—and the weakness of these accountability mechanisms in practice. The types of accountability differ in their degree of control (“low” in the case of less control and greater procedural discretion for public servants and “high” in the opposite case) and sources of control (“internal” in cases where control is exercised within the organization and “external” when exercised from outside) (Fig. 8.6).

Degree of Control	Source of Control	
	<i>Internal</i>	<i>External</i>
<i>High</i>	Hierarchical	Legal
<i>Low</i>	Professional	Political
Based on Romzek (1996)		

Fig. 8.6. Types of Accountability. *Source:* Based on Romzek (1996).

Internal control is principally the responsibility of the General Auditor of the Executive, tasked with determining the degree of compliance with the objectives of budget allocations and recommending procedural

improvements, albeit only within the core executive; the Ministry of Finance counts, furthermore, on a department for monitoring and follow-up with a similar mandate for public investment programs (CADEP, 2008). Insufficient resource endowments, limited technical capacity, overlapping jurisdictions, and lack of credibility have, however, thwarted effective internal procedural control (USAID, 2009). The Comptroller General—tasked with external audits of all of the state's economic and financial activities at the national, departmental, and municipal level—has made, with a more professional staff, somewhat more progress toward the development of effective audit processes and systems; with donor support, it has also developed venues for citizen participation, allowing victims of corruption to submit corresponding allegations (USAID, 2009). Nonetheless, the effectiveness of external controls remains limited as a result of both political interference—the Comptroller General is directly appointed by Congress for five-year terms—and capacity constraints. Audit coverage is highly partial and largely focused on financial rather than operational or performance aspects; moreover the Comptroller lacks information to control the quality of internal audits and is yet to receive and audit financial reports from all of the country's subnational entities (CADEP, 2008). Even when procedural audits detect inconsistencies, these tend not to entail consequences. Due to politicization and capacity deficits in the country's judiciary and public ministry, Paraguay witnesses the concurrence of constant press revelations of corruption yet a minimal number of successful prosecutions of corruption cases (USAID, 2009).

Political accountability exercised through parliament has not been a remedy. Technical scrutiny of budget bills by the legislature is highly limited; Comptroller General audit reports to Congress tend to be, with the exception of the annual financial report, delayed; both Congress chambers fail to comply with their constitutional mandate to rule on the annual financial report and the Comptroller General's opinion; and the few cases of follow-up on audit recommendations tend to be purely formalistic (EU, IDB and the World Bank, 2011).

With procedural control and accountability mechanisms failing in Paraguay's public administration, efforts to introduce results-based accountability have yet to make major headway. While Paraguay's budget

law foresees budgeting for programs based on results, its use is still incipient (CADEP, 2008).

6. Reform and Change

Since 1989, Paraguay's public administration has seen at least four reform waves: in the 1990s after the democratic transition; in 1999 after the assassination of the country's Vice President and subsequent resignation of the President; in 2003–05 in response to an economic and financial crisis; and in 2008–12 after the election of a political outsider President.

Reforms in the 1990s were marked by the concurrence of democratization and predominance of Washington Consensus policies. As noted, the 1992 Constitution, among others, modified the balance of power between the executive, judiciary, and legislature in favor of the latter; added or modified arrangements for several oversight institutions, including the Comptroller General; and spurred a democratization process at decentralized levels of the state, next to assigning municipalities and provincial departments new mandates and funding sources. Formal democratization coincided with economic liberalization. Often following policy transfers by international financial institutions, reforms between 1989 and 1993 included interest rate and exchange rate liberalization, elimination of price controls on essential goods, tax reforms, privatization, pension reforms, Central Bank reforms, and reforms of the Ministry of Finance (Borda, 2006, p. 18).

In the late 1990s, the reform focus shifted toward institutional strengthening, with, in particular, passage of a public financial administration law in 1999—which mandated, among others, the use of the country's integrated financial administration system—and of a civil service law in 2000. As in previous reforms, however, good practice legal reforms were not accompanied by good practice implementation in the context of notoriously weak enforcement. This is not least, as pressure from international financial institutions, donors, and local civil society organizations has been more effective at tilting incentives toward (symbolic) legal changes than at overcoming vested interests in implementation; net official development assistance, for instance, dropped from 0.77% of GNI in 2008 to 0.34% in 2017 (World Bank, 2017a, 2017b). As such, the legitimacy

donor interventions provide is frequently of more weight than their financial leverage.

This conclusion holds except for moments of fiscal crises. Such crises accompanied by support from parts of the elite spurred an International Monetary Fund standby agreement in 2003, which included tax reform, customs reform, procurement reform, and a general strengthening of the Ministry of Finance (Borda, 2006, p. 18). Thanks to these reforms, the country enhanced its tax intake by 30% between 2003 and 2004 alone (CADEP, 2008). The election of political outsider President Lugo brought with it a final reform wave from 2008 and 2012. Beyond further modernization of the Ministry of Finance, progress in hitherto elusive civil service professionalization and strengthening of several social sector institutions, in particular the Ministry of Health, were among the most notable reform achievements.

In sum, Paraguay's public administration has undergone Washington Consensus–inspired reforms in the 1990s, followed by attempts at institutional modernization in the new millennium in, in particular, the public finance realm. In parallel and as aforementioned, the country has seen a proliferation of institutions both inside and outside the core executive; despite several corresponding draft laws, however, a reform of the public administration structure was not forthcoming (Secretaria de la Función Pública 2011a, 2011b). Despite four reform waves since 1989 then, Paraguay's public administration retains archetypical characteristics of a neopatrimonial state, including poorly defined and overlapping institutional responsibilities, ineffective and politicized accountability and control mechanisms, and widespread discretion for authorities in contracting of public personnel, public works, and goods and services.

7. Conclusions

As elsewhere in much of the developing world, Paraguay's prime public administration challenge remains the construction of a Weberian state, characterized by the monopoly on violence, enforcement of a legal order, coherence in formal organizational structures, effective procedural control mechanisms, impartial bureaucratic conduct, and merit-based recruitment of

public servants. As experiences elsewhere underscore (see, among many, Schick, 1998), leapfrogging rule-based administrative modernization in favor of results-based accountability is likely to be precluded.

Reforms since the democratic transition in 1989 have equipped Paraguay with most of the formalities of a rational-legal democratic state, including a legal separation of power between the executive, legislature, and judiciary, formally independent oversight institutions, next to directly elected representatives at decentralized levels. Yet, as detailed in this chapter, these institutional formalities are in practice frequently undermined by informal patron–client relations. Illustrations of the resulting neopatrimonial character of Paraguay's state abound. To cite a few, corruption is widespread, yet prosecution minimal; recruitment, promotion, and pay are based on merit in law, yet (predominantly) party affiliation in practice; and policy coordination mechanisms are multiple in number, yet state institutions are often managed as autonomous fiefdoms in practice.

In this context, incremental institutional modernization since 1989—in particular in the public finance realm—has primarily resulted from either pressure by international financial institutions leveraged by economic crises and (partial) elite consent or moments of exceptional political change, such as the 2008 election of a political outsider President. Beyond legal changes, state modernization required in practice ministers who were intent on using the discretion available *de facto* in a neopatrimonial state with weak legal enforcement to modernize the institution under their command. The technocrats heading the Ministry of Finance since 2003 have been the prime example in this regard.

As a consequence, the institutionalization of reforms in Paraguay presents added challenges: ministerial leadership may do and undo reforms in a context where legal compliance is *de facto* optional to power holders, except in the few institutions—such as the Central Bank—harboring professionals with (some) capacity to safeguard modernization. Against this backdrop, future state modernization prospects remain grim. Ministers are likely to see frequent rotation out of office, in part as a corollary of the need to continuously rebuild majorities in a legislature characterized by strong party factionalism. And most legislators are likely to continue to seek political support by providing private rather than broader public goods: both an impoverished society and rent-seeking elites will continue to demand

principally access to clientelist benefits instead of state reform. Reforms may thus be expected to proceed incrementally in a subset of state institutions at best. In all likelihood then, neopatrimonialism is here to stay in Paraguay's public administration for the foreseeable future.

Acknowledgements

Professor in Public Management, School of Public Policy, University College London. This chapter was prepared by the author in 2013 for The Emerald Handbook of Public Administration in Latin America. The author would like to thank Jose Tomas Sanchez, former Minister of Civil Service in Paraguay, for comments and suggestions on the chapter and Mauro Casa for updating parts of the chapter in 2018.

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¹Retrieved August 13, 2018, from <https://www.municipios.gov.py/municipios/>.

²Moreover, in 1999, the two largest opposition parties were invited to take over several ministerial portfolios by newly assumed President Machi, despite a Colorado Party majority in the legislature. The assassination of the Vice President had triggered mass societal protest and resignation of the sitting President; while not a formal coalition, participation of opposition parties served to add legitimacy to the government.

³Retrieved August 13, 2018, from <https://www.contrataciones.gov.py/convocantes.html>.

⁴Retrieved August 13, 2018, from https://www.sfp.gov.py/sfp/archivos/documentos/tasa%20de%20ocupacion%20sector%20publico%208.17_37iy3vwo.pdf.

⁵Lacking its own career law, health staff is also subject to the 1626 law.

⁶Before 2008, formally competitive procedures for, among others, judges, teachers, donor-funded positions as well as positions with the binational hydroelectric dams (Itaipu and Yacyreta) and the national electricity company (ANDE) did take place. With the exception of the Central Bank, however, these lacked credibility as selections were, in practice, largely dictated by patronage (Schuster, 2013).

⁷Beyond *contratados* governed by the Civil Code, several contract types outside the career system exist. These include service personnel (*auxiliares*) governed by the Labor Code and interim teaching personnel. Moreover, dismissal procedures for non-administrative careers differ. Given the range of contract types and procedures, their complete discussion is beyond the scope of this chapter. Across contract types, however, tenure is generally strong for permanent personnel, yet weaker for temporary staff.

⁸World Economic Forum, Executive Opinion Survey, The Global Competitiveness Report 2016–2017. Retrieved August 13, 2018, from http://reports.weforum.org/pdf/gci-2016-2017-scorecard/WEF_GCI_2016_2017_Scorecard_EOSQ043.pdf.

⁹This gained publicity, in particular, during the Lugo Presidency when the Secretaría of Civil Service filed several accusations of influence trafficking with the Attorney General against legislators, including the President of the Chamber.

¹⁰Retrieved August 13, 2018, from http://www.dgeec.gov.py/Publicaciones/Biblioteca/EPH-2016/Boletin_Empleo_2016.pdf.

¹¹Retrieved August 13, 2018, from http://www.dgeec.gov.py/Publicaciones/Biblioteca/EPH-2016/Boletin_Empleo_2016.pdf.

¹²Retrieved August 13, 2018, from http://sinafocal.gov.py/application/files/2615/0515/7716/NEO_-_Consultoria_sobre_Sectores._Informe_Final._Hugo_Royg.pdf.

¹³Retrieved August 13, 2018, from http://www.dgeec.gov.py/Publicaciones/Biblioteca/EPH-2016/Boletin_Empleo_2016.pdf.

¹⁴Retrieved August 13, 2018, from http://sinafocal.gov.py/application/files/9314/9615/7605/Caracteristicas_del_Mercado_Laboral_en_Paraguay.pdf.

Chapter 9

Public Administration in Uruguay: Modernization in Slow Motion

Conrado Ramos, Alejandro Milanesi and Diego Gonnet Ibarra

Abstract

Modernization attempts have been undertaken in Uruguay during the last 20 years, inspired by both neo-managerial and neo-Weberian approaches. However, except for a few cases, most reforms have failed to achieve substantial gains in administrative capacity, effectiveness, or efficiency. We argue that some virtuous qualities of Uruguayan democracy can also show a dark side as they frequently turn into obstacles for State sector reform, no matter its orientation. Firstly, the electoral and party system obliges the Executive to build wide interparty consensus through intensive negotiations in order to advance significant transformations. Secondly, there are multiple nonpartisan actors which are powerful enough to block reform attempts. Moreover, the current pact between politicians and bureaucrats carries several negative consequences: high politicization of management decisions, serious management deficit, as well as low responsiveness of middle and lower staff levels. For all these reasons, the road to modernization of public management in Uruguay is sinuous and plagued with obstacles.

Keywords: Uruguay; public administration; reform; modernization; civil service; bureaucracy

1. Introduction

Uruguay is characterized by having a consolidated democracy since the first decades of the twentieth century, based on a stable party system and strong social legitimacy. This trait led to the early establishment of a State that produced similar welfare levels to those in European countries. Since the end of the economic crisis of 2002, Uruguay has experienced an unprecedented economic period. From 2003 to 2019, the Uruguayan economy chained 17 years of economic growth although with a significant slowdown since 2015 (BCU, 2019). While this has provided an opportunity to move to a higher level of economic and human development, the country must still overcome its characteristic vulnerability to the volatility of growth cycles. For this purpose, Uruguay must deepen efforts to change its production structure, overly dependent on raw materials and static competitive advantages (Bittencourt, Rodríguez, & Torres, 2009). At the same time, it faces the challenge of strengthening and enhancing its matrix of social protection within its welfare state, to make it an institution capable of dealing with the emerging risk (structural and functional) for the needs of productive development of a small open economy like Uruguay.

These challenges require a strong public sector that interacts effectively with social actors. But it is the public administration system where the Uruguayan State shows one of its most notorious weaknesses. Even though it has some institutional strength due to a long tradition of rule of law, the administration faces chronic management deficits which may render the country unable to confront the above-mentioned challenges. The current administration can be described as being only nominally Weberian in its structure but dominated in fact by both partisan political and corporate logics.

On this basis, modernization attempts have been undertaken in the last 20 years, inspired by both neo-managerial and neo-Weberian approaches. However, except for a few cases, most reforms have failed to achieve substantial gains in administrative capacity, effectiveness, or efficiency. We argue here that the current pact between politicians and bureaucrats carries several negative consequences: high politicization of management decisions, serious management deficit, as well as low responsiveness of the middle and lower staff levels. These

phenomena may have scarce negative impact on policy design, but they do have an impact on implementation, resulting in lack of efficacy and efficiency for most of the Central Administration as well as hindering new attempts for modernization.

Some of these phenomena are clearly apparent, while others are still absent from political and academic debate. Particularly, this chapter will focus on the severe management deficit of the public administration, the obstacles for consolidating a high-level bureaucracy with leading capacities, and the difficulty of implementing result-based management practices and to modernize the accountability mechanisms.

2. Basic Structural Features

2.1 Government Institutions

Uruguay has a presidential government. Three other “quasi-powers” exist apart from the traditional executive, legislative, and judicial branches. These are three constitutional courts. The Electoral Court, which regulates electoral matters, the Accounting Tribunal, which controls legality in the use of public funds, and the Administrative Tribunal, which controls legality of public sector organizations' decisions (Administrative Tribunal). The state structure is unitary. However, there is also a second, provincial level of government of 19 jurisdictions (“*Departamentos*”) with executive and legislative branches elected directly by citizens. Besides, since 2010, a third level of local government is being developed below the *departamentos*, the *municipios*.¹ (Table 9.1).

Table 9.1. Uruguay: Basic Government Structures.

National level	Executive: Presidency +13 ministerial departments.
Legislative: Bicameral. 30 senators elected from a unique, national jurisdiction + the Vice President, who chairs the Chamber. 99 Deputies elected from 19 jurisdictions (“ <i>Departamentos</i> ”) through proportional representation system.	
Judiciary: Directed by the Supreme Court. Its members are elected by the Legislative and require special majorities.	
“Quasi-powers”: Electoral Court, Accounting Tribunal, Administrative Tribunal. Its members are elected by the Legislative through special majorities on a nonpartisan base.	
Provincial level	19 Jurisdictions with Chief of Executive (Intendente) and unicameral Legislative.
Local level	Since 2010, 5-member local councils elected on a nonpartisan base, in every town or city of at least 2000 inhabitants (or less by Mayor of citizens' will).

Source: Elaborated by the authors based on the National Constitution and Chasquetti and Garcé (2011).

The most notable characteristic of Uruguay in the Latin American context is the age and stability of its democracy (Mainwaring & Pérez-Liñan, 2015). Uruguay became one of the first Latin American countries to establish a democratic regime (in 1915) and is the second (after Costa Rica) longest-lived democracy. During the last century, the country suffered only three constitutional breakdowns (1933, 1942, and 1973), and the period of civil–military dictatorship between 1973 and 1985 was the only one when governments were not elected. Similarly, in the last 20 years, Uruguay has always been, along with Costa Rica and Chile, at the top in quality of democracy indexes developed by Freedom House, Polity Project, and Latinobarómetro (Chasquetti & Garcé, 2011).

Such democratic stability can be explained, among other reasons, as the result of the virtuous interaction of three key sets of rules: those which govern the electoral system and political parties; those which regulate the relationship between branches of the state; finally, those which enable citizens to exercise direct democracy.

Legislation on elections and parties favors the existence of parties formed by highly institutionalized and autonomous fractions, which are sufficiently heterogeneous to enable good levels of representation. At the same time, such legislation provides incentives for intraparty cooperation, thus generally preventing internal blockages. Until 1971 (last election before the beginning of the civil–military dictatorship), Uruguay had a two-party system consisting of the *Nacional* and *Colorado* parties. Since 1985 (end of the civil–military dictatorship), a moderate multiparty system exists with four parties represented in both chambers in the parliament. Three of them have reached the presidency (*Colorado*, *Nacional*, and *Frente Amplio*).

The Uruguayan presidential system gives the Executive tools that enable it to control the agenda and results of the legislative process. Among other constitutional prerogatives, the Executive has sole legal initiative on several critical issues (such as budget and public employment, taxes, etc.), and it can veto all or parts of laws passed by Parliament.² Although only three out of six presidents elected between 1985 and 2015 were supported by a majority of the Parliament, blockages were unusual, and presidents were generally successful in carrying out their legislative agenda (Chasqueti & Garcé, 2011). Finally, the Uruguayan Constitution includes mechanisms of direct democracy, allowing referenda on laws passed by the legislature, as well as to propose constitutional amendments. These mechanisms have been frequently used since 1989, with varying success.

2.2 Public Administration

Using Pollitt & Bouckaert's concepts (2011), the Uruguayan State structure can be described as unitary and centralized. The political and bureaucratic careers are relatively integrated, since bureaucrats' opportunities of promotion often depend on their ability to gain the confidence of elected officials. Moreover, public servants have historically been the main source of advice for political decision makers (Table 9.2).

Table 9.2. Characteristics of the Uruguayan Public Administration.

State structure	Unitary and centralized
Type of government	Coalition (1985–2005), single-party majority (2005 to present)
Minister/Mandarin relations ^a	Not integrated, relatively politicized
Administrative culture	<i>Rechtsstaat</i> – the state acts as an integrating force in society
Sources of policy advice	Mainly public servants, though increasing importance of external sources (think tanks, consulting firms)

^a The category refers to two aspects. First, if the political and bureaucratic careers are separated or integrated. Second, if the public employees were appointed or promoted (at least in part) because of partisan ties.

Source: Adapted from Pollitt and Bouckaert (2011).

It can be argued that the Uruguayan state was conceived and developed following what Ziller (2003) calls a “continental European model,” which is based on the normative notions of the German *Rechtsstaat* and the French *principe de légalité*. According to this and other authors, such normative basis largely explains the role assigned to the state in society, the formal structure given to the public administration, the kind of culture which predominates among public servants, and even some features of public policy processes. In turn, all these traits may influence the possible pathways and rates of public administration reform (Pollitt & Bouckaert, 2011).

Under this model, the state is conceived as a tool to integrate society, primarily through law enforcement, so developing and implementing laws and procedures becomes a central concern of public bureaucracies. Therefore, it could be expected that states of this type have greater difficulties changing. First, because public sector organizations' functions and management can only be altered by modifying the laws that (often tightly) regulate them. Second, because public officials trained in this organizational culture are likely more reluctant to adopt results-oriented attitudes and practices than their counterparts in states with different organizational cultures (Pollitt & Bouckaert, 2011).

The core of the national Executive is constituted by the President and 13 ministries (see Table 9.3). Ministers can define both strategic and operational objectives, decide how these will be reached, and propose the annual budget. Public servants often have limited possibilities to exercise professional autonomy and their decisions are poorly protected from political intervention.³ The use of financial and human resources is highly regulated and subject to procedural controls exercised by external agencies (National Civil Service Office – ONSC; Accounting

Tribunal – TCR and Administrative Tribunal - TCA). The level of functional specialization of ministries is low: typically, each one comprises a wide range of areas of competence and is responsible for both policymaking and the provision of services (with the notable exceptions of education, health, and social security).⁴

Table 9.3. Uruguayan Public Sector Organization.

	Description	Governance I	Governance II	Staff	Funding	Exter Cont
Core executive	Presidency and ministries 13 ministerial departments + presidency. The latter includes a wide range of bureaus regarding oversight of Ministries; promotion of best management practices and e-government; national statistics; national civil service office; road safety; regulation of energy, water supply services and telecommunications; antidrugs and antimoney laundering; and international cooperation.	Hierarchically, directly controlled by the Minister.	Ministers define operational goals and annual budget, which must be approved by the Legislative.	For most employees, appointment, promotion, and removal is regulated by a general statute. Most of them are organized in career-based systems with high job security.	State is liable for financial condition – mainly funded by taxes assigned through consolidated government budget.	National Account Tribunal (TCR) controls legality of expenditures; National Administrative Tribunal (TCA) controls legality of administrative decisions.
Arm's-length (or further) public bodies	Agencies^a 11 non-for-profit organizations, including welfare service providers (primary and secondary education; health care; childcare; juvenile correctional services; pensions administration; housing); water and sanitation; two public universities; land redistribution; ports administration, Central Bank.	Governed by boards. Most members directly appointed by Ministers/President (with consent from Senate), except for University of the Republic. (Minority members usually elected by employees or other stakeholders).	Ministers cannot alter annual budget or main operational goals of the organization without Parliament's consent.	Each organization has its own statute. Most employees are organized in career-based systems with high job security.	State is liable for financial condition. Some are mainly funded by government budget, others by commercial revenues and/or user's contribution.	

	Description	Governance I	Governance II	Staff	Funding	Exter Cont
State-owned companies 9 companies, including banking; mortgages; insurances; oil; electricity; telecommunications; rail works; mail; airline. Some of these enjoy legally stated monopolies.	Government can only influence operational goals by instructing its appointees in the organizations' boards.	State is liable for financial condition. Mainly funded by its own commercial revenues.				
More autonomous public bodies 43 organizations (not all operative) covering a wide range of activities.	Governed by boards. The Executive not always appoints the majority of members.	Regulated by general labor legislation, as in private firms.	State is liable for financial condition of only some MAPBs. Funding varies widely from high dependence on government budget to reliance on user's contributions/fees.	Most are subject to controls by TCR, at least regarding government funding (i.e., subsidies and/or taxes). None is subject to TCA control.		

^a According to Talbot (in Pollitt & Talbot, 2004).

Source: Elaborated by the authors based on Pollitt & Talbot, 2004; Gill, 2002.

In a second level, there are 10 agencies and nine state-owned companies (SOEs) at an “arm's length” from the Central Executive.⁵ Most SOEs were created during the first half of the twentieth century, when Uruguay's development strategy was based on import substitution. Contrary to what happened in other Latin American countries, the state not only retained the property of these companies but also in many cases preserved its monopolistic status (see Lora, 2001). This monopoly status is still true in areas such as nonmobile telephony, water distribution and sanitation, electricity distribution and marketing, as well as oil import and refining. However, in the last three decades, other monopolies have been limited so public companies now compete in areas such as mobile telephony, Internet, and insurances.

The 10 agencies identified include the main public providers of welfare services: primary, secondary, and higher education, health, social security, vulnerable or orphan children care, juvenile corrections, and a provider of housing for low-income families. The group also includes the water distribution and sanitation agency, a land redistribution organization, the public ports' administration, and the Central Bank.

Most of these mentioned agencies correspond to what Pollitt, Talbot, Caulfield, and Smullen (2005) call “Traditional Boards” as opposed to “New Style Agencies,” whose design is strongly influenced by New Public Management doctrines. For example, as shown in Table 9.3, only in the case of health services has policymaking been separated from the provision of services. The former task is developed by the Ministry of Health, while services are provided by an agency (ASSE). Furthermore, in all these cases, the Executive's control over the agency is based primarily on two mechanisms: the presence of its representatives on the agency's board and the regulation of inputs for the agency (in particular, its budget). In other words, the Executive does not monitor or control the agencies' outputs or outcomes, nor sets performance-based contracts. Although agency directors are empowered to set operational goals and strategies to achieve them, they are not granted much freedom to manage

resources. Human resource management is as tightly regulated in agencies as it is in ministries.⁶ Finally, all agencies are subject to controls of legality of its administrative and financial procedures by the same constitutional tribunals which oversee the ministries.

These “traditional” organizational characteristics could be explained by their historical origin. Indeed, since the early development of the Welfare State, the provision of social services was decentralized not toward subnational Governments but toward sectoral entities with national jurisdiction and significant levels of autonomy from Presidency and ministries. Thus, the “agencification” was a central feature of the construction of the Uruguayan State during the twentieth century, prior to the mass dissemination of the ideas of the New Public Management.

In a second circle around the core Executive, we find a group of More Autonomous Public Bodies (MAPB) which Uruguayan legislation calls “Non-state Public Bodies” (NEPB). The group includes 43 organizations (the vast majority operational but not all) covering a wide range of activities. These cannot be considered agencies according to the definition chosen in this work because (1) their staff are not considered public servants; (2) they are not subject to the same regulations over financial management applicable to ministries and agencies; and (3) the State is not always liable for their financial condition. These bodies enjoy greater political autonomy from the Presidency and ministries than agencies because in many cases the Executive's representatives are a minority in their boards. In addition, their directors or managers have much greater freedom to manage human and material resources, given that, as just noted, they are not subject to most regulations applicable to agencies and ministries.

MAPBs also emerged as a premature form of decentralization, in the 1920s, long before the mass dissemination of doctrines that call into question the traditional public administration. Initially, these entities were created on the initiative of civil society, so that their representatives could carry out tasks of public interest, with State support but guaranteeing a high level of autonomy from partisan politics. At that stage its creation can be described as a centripetal movement, from society toward the State (Cagnoni, 1992).

In the last three decades, the rate of creation of MAPBs markedly accelerated, and the rationales for doing so changed significantly. 28 (65%) out of 43 currently existing MAPBs were created after 1990. On the one hand, it has been frequently argued that it was necessary to allow some public organizations to escape from the heavy regulations on human and financial management currently applicable to ministries and agencies (Ramos, 2009) (Fig. 9.1).

MAPB creation

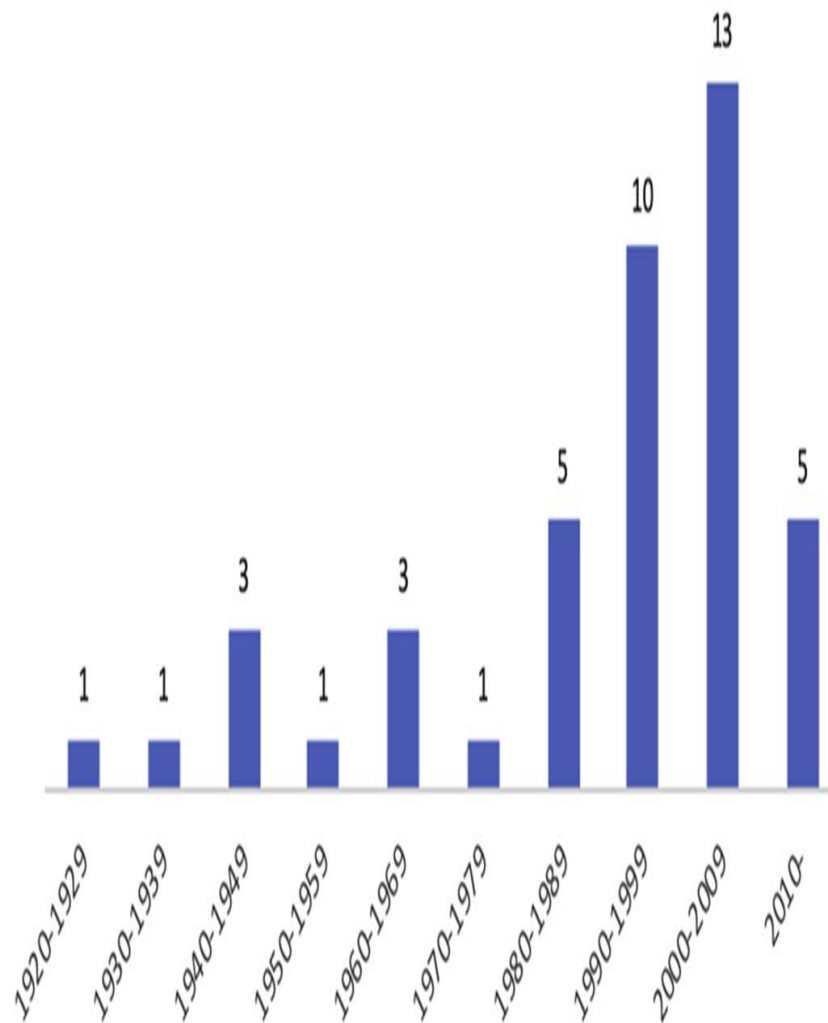


Fig. 9.1. Current More Autonomous Public Bodies by Date of Creation (until 2010). *Source:* <https://transparenciapresupuestaria.opp.gub.uy/>

Finally, it is worth mentioning that at least since 2005 several laws, promoting the use of contracts between state organizations have been enacted. These create principal-agent relationships by conditioning the delivery of budget funds to achieving certain performance targets. The types of contracts used are varied and include agreements between a ministry or Court of constitutional rank (“quasi power”) and a group of its employees; between a ministry and one of its subunit; or between the Executive and an agency or MAPB. However, the use of contracts is still incipient and their effect on the performance of groups of officials or organizations still hardly recognizable.

In short, numerous important functions and policies were removed early from the purview of the ministries and assigned to agencies or even more autonomous bodies. As demonstrated, in most cases, this functional decentralization preceded the dissemination of doctrines that criticized the traditional model of public administration. Uruguayan ministries and agencies generally maintain low functional specialization, without separation of the functions of policy design and implementation, and tight regulations over financial and human resource management. The Executive and the Legislative control agencies and SOEs by appointing party members

to their boards. Moreover, accountability systems are focused on controlling inputs and procedures rather than outputs and outcomes.

The creation of organizations which are more autonomous from the Executive and which are subject to more loose regulation over its resources (MAPBs) in order to carry out public functions has accelerated in the last two decades. However, the Executive's ability to strategically direct, coordinate, and obtain certain levels of performance from these organizations remains extremely limited.

3. Public Sector Personnel

According to the National Civil Service Bureau (ONSC, 2017), in December 2016, the Uruguayan public sector had 293,585 labor relations,⁷ although these numbers are not strictly equivalent to people employed (because an individual may hold more than one simultaneous position). This number represents a 12% increment since 1995. In terms of total employment, the government represents 17.4% of the total employment (see Table 9.4).

Table 9.4. Public Employees/Total Employment.

Uruguay (2016) ^a	17.4%
OECD (2015) ^b	18.0%
Uruguay in OCDE's ranking (from highest to lowest)	14 out of 30

^a ONSC (2017, p. 81)

^b OECD Government at a glance: <http://stats.oecd.org>. Employment in government and public corporations as a percentage of the workforce in 2008, average for 32 OECD members by OECD (2011, p. 103).

That means Uruguay is below the average of OECD's countries and would be in place 14 in a list which ordered these countries from highest to lowest regarding the portion of the total employment employed by the extended public sector.

Data on the amount of money paid as compensation for employees in all these organizations are not consolidated. The only internationally comparable indicator available refers to compensation paid to central government employees, which accounted for 6.8% of annual GDP in 2010 (IMF, 2011). Table 9.5 shows figures for Uruguay and five other countries for which the same indicator is available.

Table 9.5. Compensation of Central Government Employees/GDP (2010).

Country	% of GDP
Colombia ^a	2.1
Chile	4.5
Israel	5.6
Uruguay ^{a, b}	6.8
Costa Rica ^a	7.2
Paraguay	8.2

Note: Compensations paid in 2010 to central government employees expressed as % of GDP. Other countries were not considered because their indicators also included employees from local government and other more autonomous public bodies.

^a Preliminary estimations for 2010 by IMF staff.

^b Includes central government and Social Security Bank (BPS) employees.

Source: Elaborated by the authors based on IMF Article IV Consultation Reports, available at <http://www.imf.org/external/ns/cs.aspx?page=2&ID=51>.

Most Uruguayan state employees are subject to specific safeguards established by the Constitution and are governed by special rules other than those of general labor law. In fact, there are more than 40 different statutes, since each agency and public company can generate its own set of rules and its own pay scale. For analytical purposes, the working relationships with the state can be sorted into three categories, depending on the level of protection against dismissal granted to staff and whether they are arranged in career-based systems (see Table 9.6).

Table 9.6. Characteristics of Public Sector Employments (Selected Years).

Ruled by Statute	Cat.	Characteristics (in Practice)	1996	2010	2016
Yes	1	Very high job security + career-based system	208,959 79.2%	159,391 58.2%	180,530 58.9%
	2	High job security + position-based system (in practice)	33,386 12.7%	80,322 29.3%	49,732 16.2%
No	3	Job security similar to workers in the private sector + position-based system	21,475 8.1%	34,246 12.5%	76,007 24.8%
Total		263,820	100.0%	273,959 100.0%	306,269 100.0%

Note: References: Cat. 1: Classified by ONSC as “Presupuestados.” Cat. 2: Classified by ONSC as “Contratados permanentes.” Cat. 3: Classified by ONSC as “Zafrales y eventuales, otros funcionarios públicos + Contrato Temporal de Derecho Público + Becarios, Pasantes, Arrendamientos de Obra y de Servicio.”

Source: Elaborated by the authors based on ONSC, 2011, 2017 and Ramos, 2009.

Category 1 includes employees who enjoy very strong constitutional and legal guarantees, and it accounted for 58.9% of all labor relationships in 2016. Although this percentage remains stable since 2010, this category accounted for 79.2% in 1996. Officials in this category can be dismissed only if the Executive accuses them of incompetence, serious omission to their duties, or criminal offense. Moreover, the Senate must endorse the Executive's decision (Constitution, Article 168). These employees are organized in career-based systems (one for each statute) that formally (and only formally) can be categorized as classic Weberian bureaucratic type. They are classified according to ranks and grades associated with the formal education and functions of its members. Entry occurs only through the lowest grades of each rank, while promotions are determined by competition, considering merits and seniority.

In category 2, we place the staff recruited for an indefinite period, ideally, due to their training and/or technical capacity. This included 16.2% of the working relationships with the state in 2016 after being 29.3% in 2010.⁸ On the one hand, they are classified and paid according to the same ranks and grades as members of category 1. On the other hand, they are able to enter at any point in the hierarchical structure, by decision of the head of the organization. These public servants do not have the right to “make” a career so there are no promotion mechanisms. Such promotions occur only when their superiors offer them a contract for a role of greater responsibility and/or remuneration. In this sense, members of category 2 are much more exposed to their boss' discretion.

Nevertheless, they can only be fired for incompetence, omission, or criminal offense, through the same mechanism which applies to category 1. Their contract may not be renewed if the hierarch proves that its function is no longer necessary. Both procedures are administratively and politically costly, so in practice these officials enjoy almost as much job security as those in category 1. In sum, we can say that employees in category 2 constitute informal position-based systems (even with high job security) overlapping the formal career-based systems.

In contrast, category 3 (24.8% of the total in 2016) includes a wide variety of labor relationships controlled by special statutes, ranging from politically appointed staff who leave government when their political masters leave their posts to interns and seasonal workers. These relationships have in common a job security similar to those of private employers and are part of position-based systems, without the right to administrative careers.

Regarding remuneration, as already mentioned, there are as many pay scales as statutes, adding up to more than 40 in the whole public sector. In general, public servants in SOEs and agencies are better paid than their colleagues in Ministries.

In the Central Executive, most category 1 and 2 jobs are regulated by the Central Executive Statute (except for the military, policemen, prison operators, and diplomats). As these employees are formally organized in a career-based system, their payments are supposed to be related to the grade they occupy in the bureaucratic ladder. Notwithstanding, a recent study found that their compensation to grade accounts for only 20% to 40% of ministerial employee's salaries (ONSC, 2010, p. 161). In fact, the National Civil Service Bureau recognizes 16

criteria other than grade for assigning compensations to civilian employees at the Central Executive. These have been developed unsystematically and are applied differently even among different subunits of the same Ministry (ONSC, 2010, p. 162).

All in all, a number of conclusions can be drawn regarding Uruguayan public personnel. First, considering the extended public sector (i.e., ministries, agencies, and other powers and quasi-powers) most public employees (75.1% in 2016) are tenured or enjoy strong protections against dismissal.

Second, the large number of statutes and pay scales allows room for substantial differences in remuneration and working conditions among officials with similar levels of responsibility, even within a single organization (e.g., a ministry). Moreover, horizontal mobility for staff between or within organizations is seriously limited. As a result, Uruguay has never developed what Pollitt and Bouckaert (2011) define as a “unified national public service system.”

Third, human resources at the Central Executive are hired, remunerated, and promoted through a complex, patchy, and partially incoherent combination of career-based and position-based mechanisms. Individual capabilities and merit are rarely assessed, and mainly through rudimentary and opaque mechanisms. Therefore, these arrangements do not provide a clear set of incentives linking individuals' contribution to organizational goals to remuneration or opportunities for advancement.

Finally, it is worth highlighting that the current human resources management system in the Central Executive does not allow for creation of a differentiated technical–professional group in charge of occupying the highest hierarchical positions and to work as an interface between political authorities and lower rank officials.

4. Politics of Bureaucracy

4.1 Links with Political Parties

The Uruguayan public sector bureaucracy has been closely linked to political parties since its first establishment. In particular, the distribution of positions at the first and second level of management of the Central Executive, the agencies and public enterprises in an almost proportional sense to the votes obtained, was one of the main mechanisms used to ensure the peaceful coexistence of the two historical parties (*Colorado* and *Nacional*). More recently, the *Frente Amplio* has appealed to this mechanism to distribute power among its factions.

Such use of the state machinery positions as bargaining chips to establish balance of power between and within the parties meant, often, the prevalence of political interest over technical rationality in the design and implementation of policies, and the patronage use of public resources for party representatives embedded in it (Filgueira, Garcé, Ramos, & Yaffé, 2003; Narbondo & Ramos, 2002).

However, more recently, this patrimonial logic is not characterized either by the massive entry of officials in a political-patronage manner or by the bulkiness of the number of formal political appointments within the administrative apparatus. It is characterized instead by the use by political hierarchies of the executive branch of informal mechanisms for personnel appointment in positions that involve a higher status or remuneration, parallel to the formal career structure. The phenomenon of informality significantly affects the quality and professionalism of the entire administration, but mainly creates strong disincentives to good performance in the bureaucracy due to the absence of clear rules to order the relationship between politicians and senior public managers.

As previously anticipated, according to current definitions of Senior Civil Service (Halligan, 1995), in Uruguay, it is not possible to distinguish a group of public servants falling within this category, since there is no formal or informal recognition of their existence. Under the command of the Minister and Deputy Minister, the steering of units with responsibility for the management and provision of services (i.e., police stations, labor Inspection, social services units) as well as those of development and definition of substantive policy (i.e., industry or housing authority, etc.) is exercised by political positions of trust outside the career bureaucracy. For such positions, no explicit requirements or training is required, leaving the appointment to the President and/or competent Minister's discretion.

The second level of management is more complex and heterogeneous. The Central Executive in Uruguay has had the figure of the Division Director as the top of the administrative career, but these do not necessarily have technical expertise or a particular emphasis toward achieving organizational objectives. It is even common to find that the position of the official does not match the hierarchical level, or it is exercised by other legal figures. Such is the case of technicians, who carry out functions of priority and high specialization, being appointed at the

request of the political authority, or assistants who are also employed directly by the Ministers who did not obtain the statue of public officials.

The proliferation of different legal forms is a common feature of Uruguayan government. This alluvial accumulation is sometimes thought to insert political logics, in other cases managerial logics, but usually they end up overlapped without consolidating any logic of comprehensive change. In this context, it is not surprising to find deficiencies in the professional management of public policies, as some studies have showed in this area (Reid & Scott, 1994; Zuvanic & Iacoviello, 2010).

Paradoxically, the high politicization of senior and middle managers of public bureaucracy does not necessarily imply a high degree of responsiveness from the bureaucrat to the politician. Some authors (see Zuvanic & Iacoviello, 2010) have even developed the hypothesis that Uruguayan public administration faces a problem of lack of responsiveness of the bureaucratic machinery against the political strategies of Executive leaders.

In order to explain this phenomenon, it is first necessary to mention that the first bureaucratic level, as it is strongly permeated by political criteria for appointment, does not necessarily have the expertise to manage complex organizations. Moreover, a lack of recognition of career officials' technical knowledge at the time of nominating people in key positions of leadership and management corresponds to the strong politicization of the higher levels of public administration (Iacoviello, Llano, & Ramos, 2017; Ramos & Scrollini, 2013; Zuvanic & Iacoviello, 2010).

High and medium levels of bureaucracy often have no instruments to make the bureaucratic machinery respond. This has to do with an institutional system with high protection of the bureaucrat, perverse evaluation mechanisms, and difficulties in generating good strategic planning systems which order the structure of incentives to staff. Related to this it is also possible to mention a lack of political sensitivity about the need to implement performance management systems.

4.2 Links with Civil Society

Since the end of the twentieth century, Uruguayan public bureaucracy has always had a large social base of recruitment at all levels. This means that unlike what happened in other Latin American countries it cannot be said that there is, or has been, predominance of the upper classes or elites formed in privileged universities for admission to public service. This produces a relatively significant level of autonomy of the state apparatus regarding higher socioeconomic sectors (Evans, 1992). In other words, these groups cannot directly insert their demands into the state agenda, but must go through the bureaucracy and political parties, both with strong middle-class representation.

Similarly, and notwithstanding what is stated above, since the first decades of the twentieth century, the Uruguayan government machinery has enabled the formal presence of representatives of organized groups of civil society in areas such as education, social security, or agencies linked to industry and agriculture. As expected, the sectors with less power of organization or with less force to make their voices heard have had less stable links with the bureaucracy and are more dependent on the government's willingness to hear their proposals and claims. However, from the 1990s onward, with the inclusion of new issues on the public agenda, such as gender, human rights, or the environment, some of these groups come to have greater relevance as political actors. In this way, organized groups of civil society, potentially weaker, have managed to permeate the state structure to expand its focus beyond the issues of the old corporate logic.

Moreover, following the international trend, since the early 1990s, the Uruguayan-organized civil society has created new participatory spaces and forms of engagement with the state bureaucracy because of its provision of public services. These modalities have opened up possibilities for innovation in the design and implementation of policies while they also create new relationships of cooperation and competition between bureaucracy and civil society (Serrano, 2005). In the Uruguayan case, such participation is especially significant in social policies.

4.3 Politics of Bureaucracy

In Uruguay, it can be said that the bureaucracy exercises its political power in the Ministries primarily through what Peters calls "the availability of not unworkable means" (Peters, 2010, p. 200). That is the ability of the bureaucracy to condition the vision of policymakers about the feasibility and possible ways of implementing their ideas and projects. This capacity of the bureaucracy lies in its mastery of technical and administrative routines, setting a case in the problem of asymmetric information between principal and agent. It should be said, however, that in the case of Uruguay this capacity does not derive from the bureaucracy's prestige or respect for its

professional autonomy on the part of politicians as it can be expected for a body of officials such as the German or French. Through informality, the meritocratic civil service is disregarded, and therefore politicians do not rely on the administrative machinery to design and implement government policies.

Despite this, the established bureaucracy, with rules that protect its acquired rights and security of tenure, has developed knowledge and legal tools to block the will and management of Executive leaders to develop policies, what is known as “Bureaucratic politics” (Peters, 2010). An example of the ability of the civil service to promote their interests is the widespread creation of extra-budgetary funds obtained from fees and prices of procedures and services to citizens, shared between the own staff. An example for Uruguay was the successful resistance of officials to establish public (within and outside the state) competition to occupy “high-conduction” positions in the state.

In short, we face what is known in the literature on executive leadership as a situation of “politicized incompetence” (Campbell, 1986). This phenomenon occurs when policymakers not only distrust the bureaucracy and respond by politicizing it but also fail to institutionalize forms of management to break bureaucratic resistance. In these cases, Executive leaders tend to be perceived as hostages of the machinery and therefore trust their advising and policy management to parallel teams instead of the formal Ministries' structures. In the case of Uruguay, as mentioned, it works through the recruitment of reliable staff, advisers, and technicians outside the career system or coopting officials who are assigned with functions that do not correspond to their formal positions.

At the same time, we can distinguish differences in the ability of the bureaucracy to defend their corporate interests according to their location in the state apparatus. At the central level, groups with greater lobbying power are those who, for example, develop strategic functions such as tax collection, labor inspections, etc. But it is in the public companies and decentralized entities of social policies delivery, characterized by intensive use of skilled labor (doctors, nurses, teachers, administrators), where the public bureaucracy reaches sufficient power to determine the direction and intensity of policies and even reforms. In both cases (public companies and welfare policy agencies), that power is based on strong unions. In the areas of education and health, such power is enshrined in the formal representation of unions in the organization's management bodies and the strong autonomy (especially budgetary) for the Executive.

Unions of public enterprise officials have played a central role in the creation and support for broader antireform coalitions, successfully resisting attempts of de-monopolization and privatization. For this purpose, they were able to promote the use of instruments of direct democracy and have been key players in order to mobilize the public toward the abrogation of laws passed by the legislature.

5. Accountability

In Uruguay, the main processes of accountability in the public sector have been historically developed through internal and independent means of control, based on legal or administrative instruments, reflecting the aforementioned Continental European and Weberian state-building tradition. Uruguay has various external mechanisms of administrative and financial control that applies to ministries, agencies, and some Non-State Public Bodies. In particular, we refer to the procedural control mechanisms of financial resource use, and decisions adopted by the Accounting and the Administrative Tribunal, respectively. It also applies to the financial management control of the ministries and agencies, exercised by the Ministry of Economy.

There are also mechanisms of political accountability exercised through Parliament, either through informal means (political parties) or through formal procedures of control and penalties that rule the relationship between the Executive and the agencies, or between the Executive and the Legislature. Ministerial responsibility, typical of parliamentary systems, also characterizes the distinct Uruguayan “semi-presidentialism.” Parliament has power to form commissions of inquiry when it is deemed necessary. The Senate, through the request for its permission, has control over the selection of some key political appointees in the executive branch, the removal of public officials, and supervision of autonomous agencies and local governments (Ramos, 2009). So, at least in a “formal” manner, a system of checks and balances exists between the executive and Parliament, which maintains the internal accountability system.

However, parliamentary accountability faces inherent difficulties derived from the complexity of modern public administration structures. As stated earlier, the traditional format of public policy governed and regulated by a Ministry has given way to new ways of implementation and management external to the Executive that carry out

functions with low levels of accountability. Thus, the typical tools of parliamentary control become ineffective, undermining the capacity of evaluation and control of the Legislative. Moreover, Parliament and its committees lack the resources and technologies to develop effective control (Chasquetti & Garcé, 2011).

Hence, Uruguay has historically privileged hierarchical and legal mechanisms of control, typical of Weberian state models which are characterized by their emphasis on procedural control and adherence to established rules over the decision-making capacity of public servants. In this manner, a series of policies, institutions, and procedures were developed aimed at strict control of public functions. However, political instruments of control have also been present, mainly through parliamentary mechanisms. In the case of professional accountability, it can be mainly linked to sectors, such as those developed as a result of the expansion of welfare services (teachers, doctors, etc.) even though it also involves an important component of hierarchical control.

But beyond the still very present historical formats of accountability in Uruguay, one consequence of reform processes based on New Public Management is a change in the forms of accountability. NPM-type reforms tend to replace the “classical” forms of hierarchical and legal accountability. The advent of new management techniques – contracts, result-based management, and budgeting – create new challenges for public administrations since they involve a greater emphasis on outcomes accountability and a fundamentally “prospective” character over a “retrospective” one focused in control procedures.

Unlike traditional means, this type of accountability is not based on legal or regulatory provisions governing the public administration. The other side of personnel management flexibilization strategies, and decentralization of structures and the public organizations management that undermine the old hierarchical, legal, and political accountability forms, is the strengthening of managerial accountability. In Uruguay, with its gradualist style of reform, although some steps have been taken in terms of performance accountability (performance-based commitments, development of performance indicators, reports, etc.), these are still very incipient and under-used as accountability mechanisms. As an example, it can be noted that at least since 1999, work has been done in the publication of information about planning and performance of ministries and some agencies. The quality of this information has been improved slowly, and since 2010, those reports are attached as part of the annual national budget law. Similarly, over the past years, the establishment of contracts has been favored which determines the delivery of funds against the achievement of certain pre-agreed performance targets. Although this has been expanded both in the central administration and outside, in most cases it presents strong ritualistic approaches.

All in all, it can be said that even though the Uruguayan State has stable and reliable mechanisms for accountability, these have not been adapted to the more demanding needs of modern public management, focused on greater performance accountability. This problem is becoming evident as many organizations begin to operate with increasing autonomy.⁹

Central agencies bear a strong responsibility on the current lack of mechanisms for performance accountability. It is worth highlighting that the Presidency's Planning and Budgeting Office has been very slow in developing capabilities to monitor and evaluate Central Executive's performance. Although there had been some previous efforts, particularly for promoting output-based planning and monitoring, it was only during Vázquez administration (2005–2009) that a specific unit was created to assume these tasks (AGEV). Nowadays, AGEV systematically helps ministries to develop and communicate strategic plans, output-based budgeting, and monitoring schemes (mainly through process, output, and outcome indicators). However, the quality of these plans and indicators as well as its actual impact on ministries' management practices is still unsatisfactory.

Social methods of accountability – understood as access to public information by citizens or the media – also deserve analysis. Uruguay has not developed a national public consultation system or instances of mandatory accountability. Yet, mechanisms have been slowly generated to facilitate citizen's access to information (open data) through the use of information technologies (i.e., Public Expenditure Budgets, Environmental Reports, etc.). An important milestone in this area is marked by the passage of the Access to Public Information Law in 2008 that regulated the right of *habeas data* in relation to information held by government.¹⁰ However, this process is still cumbersome and there are no real sanctions for public organizations that do not provide the information requested in a timely manner. So, usually the access still depends largely on the “grace” of the bureaucrat (Scrollini, 2008).

Although with difficulties in adapting to new logics of performance accountability or developing effective mechanisms for social accountability, the establishment of solid and stable administrative processes in the public administration puts Uruguay as a country with high levels of transparency. However, there are still significant deficits toward the modernization of the processes of accountability in the country which are still slow, very bureaucratic, and not necessarily tied to a performance or public responsiveness logic. Therefore, neither the

positive new legal instruments nor the good press enjoyed by speeches in favor of transparency have managed to permeate yet the tradition of “secrecy” of the Uruguayan public sector.

6. Reform and Change

Early diagnoses and proposals for reforming the public administration in Uruguay were developed during 1950s and 1970s.¹¹ In general terms, these were an effort to identify and overcome many dysfunctions and deviations of the Uruguayan case in relation to the then prevailing paradigm of the traditional public administration. These analyses pointed to clientelism and some bureaucratic pathologies, such as ritualism, lack of focus on results, etc. However, the arrival of the dictatorial period (1973–1985) postponed any possibility of a thorough reform of the State until the reestablishment of democracy.

The first period of democratic government after the dictatorship was characterized by a major effort toward national pacification and restoration of the democratic institutions such as the Parliament and political parties. The most noteworthy events regarding public administration were the restitution of 11,000 public servants who had been dismissed for political reasons during the dictatorship, and the reinstatement of the National Civil Service Office.

Significant public sector reform happened during President Lacalle's (*Nacional* party) term, between 1990 and 1994. Reforms of this period were marked by the precepts of the so-called “Washington consensus” paradigm, focused on the reduction of public spending and the privatization of public enterprises (Filgueira, Heredia, Narbondo, & Ramos, 2002). A good part of the reform agenda was then aimed at ending public monopolies on key areas of the economy, forcing SOEs to compete with private operators. However, change was not as deep as its proponents wanted it to be. On the one hand, the balance of power between parties required seeking interparty agreements which proved hard to achieve, thus slowing the pace of the process. On the other hand, trade unions and other social organizations managed to block some of the most radical aspects of the reform, in particular those related to the privatization of key SOEs.¹² As a result, neoliberal postulates on state sector reform were more gradually and less radically implemented in Uruguay than in the vast majority of Latin American countries. Nevertheless, backed by the strong political calls for “de-bureaucratization,” some NPM-inspired ideas were implemented. This was the case for decentralization of activities and more flexible modalities of personnel recruitment which were intended to gradually reduce the number of tenured public servants (Filgueira et al., 2002).

The second generation of reforms was driven during President Sanguinetti's second term (1995–2000, *Colorado* Party). This attempt was certainly more comprehensive than the previous one since changes in public administration were linked to important changes in the structure of the Welfare State.¹³ The reformers sought to overcome some inconsistencies in the model of public administration accumulated in previous years as well as to modernize the State structure in order to meet perceived new demands from markets and society (Filgueira et al., 2002). In particular, the social security system was transformed in order to alleviate chronic financial deficits as well as to allow for the participation of private pension administrators. There were also significant changes on primary and secondary education (curricula, teachers' training, compulsory initial education), though public agencies remained the main providers of these services, still under a highly centralized system (Busquets, 2009; Lanzaro, 2004; Mancebo, 1997).

In the core Executive (ministries), reformers targeted bureaucratic rigidities, excessive centralization of decision-making and inefficiency as the main problems to deal with. In line with NPM assumptions, these reforms argued that the State should outsource the provision of public services to companies, social organizations, and local governments and concentrate itself on the core functions of policy formulation, monitoring, and market regulation. Accordingly, the number of public servants was further reduced (by approximately 10,000). Furthermore, to orient public organizations toward results, some high-level positions within ministries were assigned based on merit, on temporary, contractual basis (unlike tenured positions) (Filgueira et al., 2002). In the same vein, some managerial techniques were implemented, such as planning and monitoring schemes – including the definition and quantification of public “products.”

Much has been said about the results of this wave of reforms both from political and administrative perspectives. It is clear now that there was limited success in streamlining ministries' organizational structure and avoiding duplication of efforts by reducing the number of organizational units within them. Moreover, although the number of public servants was reduced, as its promoters sought, most cuts were not guided by analysis on what

capabilities should be preserved. Very valuable staff abandoned the administration, resulting in weakened ministries. Regarding the intention to introduce performance management, results were also meager. Personnel in contract-based positions were not allowed any freedom to manage. Planning and monitoring schemes were limited and did not benefit from enough political support, so they were adopted as new bureaucratic rituals and without really transforming the way ministries were managed. Finally, many activities which were previously undertaken by ministries were transferred to agencies and MAPBs, but this was not accompanied by strengthening ministries' ability to steer such policies (Filgueira et al., 2002). Therefore, it can be concluded that reforms in the core Executive initiated between 1995 and 1999 failed to solve the major weaknesses which had been targeted by its proponents while at the time created new ones.

With the arrival of Jorge Batlle (2000–2005, *Colorado Party*) to the Presidency under the effects of a deep economic crisis, State reform significantly slowed down. However, some transformations still occurred during this period. First, deregulation and partial privatization of public companies was deepened, and offices intended to regulate and ensure competitiveness in certain markets (telecommunications, energy, water supply, among others) were created. Second, as part of a process of reform of State's structures, a set of provisions was enacted generating various impacts on the capabilities of the core Executive. For example, some public services were outsourced and the Inland Revenue Office (DGI) was modernized. In the same line, the prohibition of entry to the public service, which had entered into force in 1995, was extended until 2005,¹⁴ while a new, position-based hiring mechanism was created. Despite these measures, efforts to address key historical problems of the public administration can be described as weak, at best (Ramos, 2009).

State sector reform gained momentum again in 2005, when the first leftist government in the history of the country took office. President Tabaré Vázquez (*Frente Amplio*) called it “the mother of all reforms,” to illustrate the importance of this issue for his administration. The initiative was marked by a strong interest in strengthening the Welfare State structure. In this line, the Ministry of Social Development was created, and a far-reaching reform of health services was implemented which positively impacted underprivileged sectors. In addition, the tax system was also reformed to make contribution more progressive and units in charge of developing macroeconomic policy were strengthened. Finally, collective wage bargaining, which had been suspended in 1991, was reinstalled both for the public and private sectors.

The Vázquez administration promoted a significant number of initiatives for reforming the core executive (Narbondo, Fuentes, & Rumeau, 2010; OPP, 2009) including organizational restructuring of ministries, transformation of the career-based system, political and administrative decentralization, development or improvement of information systems which could enhance decision-making and management, the beginning of Executive-wide monitoring and evaluation policies, deepening and accelerating the implementation of e-government through the creation of a specialized unit (AGESIC), as well as creating one-stop shops and streamlining front-office services.

Many of these initiatives were clearly influenced by modern public management concepts such as *performance-based management*, *evidence-based policy*, and *client-focused service*. Notwithstanding that, and different from what occurred with the reforms in the Welfare State structure, it cannot be said that Vázquez's administration followed a comprehensive or well-planned agenda for change. Transformations were mainly unsystematic, incomplete, and *ad hoc* (Narbondo et al., 2010). This was particularly true regarding key areas such as organizational restructuring of ministries and changes in the human resources regime.

For example, there was a strong attempt to modernize the personnel management regime of the core Executive introducing neo-Weberian arrangements. The existing career-based system and its associated wage scale were modified, and performance-based senior management positions were introduced at the top of the bureaucratic hierarchy (*Alta Conducción*). However, such attempts failed completely. The new administrative career was enacted but never implemented. In addition, only a handful of the new senior manager positions were staffed and mechanisms to evaluate their performance were never developed. Moreover, the following administration (elected in 2010, also from the *Frente Amplio*) made a U-turn by removing the vacant positions and increasing the number of politically appointed employees in senior management and senior policy adviser positions.

The second Frente Amplio government in the hands of José Mujica (2010–2015) also kept public sector reform as a priority. It developed a new online transparency mechanism for merit-based entry system to the civil service (*Uruguay Concurso*) and after 70 years a new Civil Service Statute was passed. This new legislation was negotiated with the union of civil servants and meant the advance in the reclassification of the contractual relations, job's positions, and the redefinition of the rights, obligations, and working conditions. However, the new

statute kept the logic of a corporate career system, without possibilities of promotion between different state agencies and without creating new cross careers (Ramos, 2013). It broke the management positions at the top of the civil service career created by the previous government while offering no clear alternative to solve steering problems at the top of the system, or regarding the generation of informal practices of salary compensation or for the distortions caused by the entry into the civil service under private law.

It can be said that to a large extent Mujica's reforms were based on a distrust of the bureaucracy that motivated the controls reinforcing and strengthening the administrative career. These controls are not enacted under a managerialist-type scheme linked to performance assessment, but merely as a procedure – classic Weberian kind – to reinforce hierarchical controls. Moreover, the increase of the political appointments, in the style of “political commissars” in top government positions, corresponds to the idea of favoring political responsiveness with respect to the bureaucratic one (Panizza, Peters, Ramos, & Scherlis, 2014).

State reform during the third government of the Frente Amplio lost centrality as a topic of government agenda and was no longer part of the strategies of discursive political leaders or presented large frameworks of action. This period is characterized by low intensity reforms in terms of performance management, although continuous processes in specific areas such as security or the application of a new criminal code backed by information systems can be highlighted.

In short, so far, Frente Amplio administrations have been unable to consolidate a systematic process of reform of the public administration in terms of enhancing its capacity to properly manage resources as well as improving accountability to the Parliament and citizens. Although different trends coexist in Uruguay, the neo-Weberian logic predominates which seeks to strengthen the career system, the meritocracy, and a combination of regulatory controls linked to the performance and policies. However, the situation appears more like an “imperfect neo-Weberianism” to the extent that these practices fail, or function imperfectly, to permeate the management structures which remain largely indifferent to any substantive changes. The limited institutional capacities in some public agencies derived from poor merit-based entry system plays a part. Firstly, some of the changes, particularly those in performance management, require a set of skills not always easy to find, especially in old-fashion agencies. Secondly, although a period of economic growth has helped to improve public salaries, reforming the human resource management implies a serious investment with no quick return. That partially explains why reforms tend to be fragmented and prioritizing only some agencies.

The relationship between politicians and high-level bureaucrats is still mainly dominated by patrimonialism and party patronage. A new pact between these two groups is required in order to professionalize the higher bureaucracy, allowing them some degree of professional autonomy while empowering politicians through effective performance-based control and steering mechanisms.

A similar statement can be made regarding the incorporation of modern public management tools such as information systems for financial and human resources management, performance-based contracts, and budgeting for outputs or outcomes. Although there has been some progress, there is not a sufficiently deep and broad political and institutional commitment to move toward performance-based, strategic management. Such lack of political and bureaucratic support causes attempts to incorporate these practices have made only timid progress. In fact, most of the times those tools and practices are assumed only as new empty-of-purpose bureaucratic rituals by organizations which are still strongly oriented to procedures rather than to results.

The path of agencification in Uruguay has gone back and forth. In recent governments, especially in the period of Mujica, there is evidence of an increase in the Center of Government Center (Milanesi & Gadea, 2017), partly incorporating areas for directing policy implementation (housing, social policies, productive development). This comes from the interest to keep strategic priorities close but not strengthens the Center of Government. These areas are in most cases relocated to ministries once governments change.

In order to analyze the development and impact of these reforms, we must also frame them in the social and political context within which they operate. To start with, the hegemonic imaginary among citizens is characterized by a strong reluctance to the idea of reducing the state apparatus, which prevailed in other countries of the region during the 1990s. Some more recent attempts of reform and modernization can still be linked in this imaginary to the neoliberal reform discourse which was rejected in the past. In addition, institutional variables must be also taken into account, such as the characteristics of Uruguayan presidentialism, which provides few opportunities for by-passing the Parliament (at least in major reforms); a large number of actors who can veto policies, such as party fractions with significant autonomy, strong corporatist interests (i.e., professional and trade associations), highly politically mobilized public sector unions; and the lack of technocratic groups with strong autonomy with respect

to political parties which could develop their own reform agenda, as it has happened in other jurisdictions (e.g., Chile or New Zealand) (Panizza, 2004).

7. Conclusions

In the preceding sections, an overview of Uruguay's public sector was provided. Uruguay maintains governance schemes, organizational structure, financial management, and accountability mechanisms typical of the first-half of the twentieth century. Unsurprisingly, this tends to generate process-oriented organizations with serious difficulties toward improving their performance and adapt to new requirements.

It is also clear that the government and most public agencies and companies have a model of human resource management that only appears Weberian bureaucratic. In fact, there is not a unified civil service, let alone a specialized senior civil service. Beyond the existence of a Weberian-type regulatory framework, meritocracy was never consolidated in practice due to the use of multiple legal mechanisms that enable broad political discretion in the recruitment, assignment of responsibilities, and rewards within public organizations.

Political authorities are wary of a civil service that they have kept weak and try to consolidate their control by generating political or personal loyalties. While officials rely on the high guarantees of their job security and the knowledge of the levers and pulleys of the state apparatus to maintain their income levels and working conditions, even at the cost of a suboptimal performance of their organizations.

In the past 25 years, some important reforms have been processed with diverse intensity and success. Modernization of public enterprises (including, but not limited to, restriction of certain monopolies), social security reform, changes in educational, health, and taxation systems, as well as financial system regulation occurred. Although timidly, social accountability and access to public information have also been improved.

However, in the core Executive and Agencies only some improvements in the capacity for containment and analysis of public expenditure, and transparency in the public service recruitment and quality of information have materialized. Essentially, the ways to manage human and financial resources have not shifted to a model of performance management and true professionalization of civil service. Neither central units in Presidency nor the Treasury have been adequately strengthened and clearly mandated to lead these reforms.

Theoretically, both managerial and neo-Weberian paradigms of administrative reform aim at strengthening state capabilities and modernizing public management while increasing accountability and transparency. Both are oriented toward improving decision-making processes and, consequently, enhancing the quality of policies while at the same time an organizational culture favorable to managing for results.

Along this chapter, it became clear that some virtuous traits of the Uruguayan democracy can also show a dark side, since them frequently turning into obstacles for State sector reform processes, no matter what its orientation is. We specifically referred to two set of factors. First, the electoral and party system obligates building wide interparty consensus through intensive negotiations in order to advance significant transformations. Second, there are multiple nonpartisan actors which are powerful enough to block or hinder reform attempts.

We also mention other facts which hinder change. In Section 2, we argued that existing rules make public personnel reluctant to change. And in Sections 2 and 5 we collected evidence to show that the hegemonic imaginary of Uruguayan political parties includes the idea that the machinery of government can only be controlled and steered by the appointing party (and fraction) loyalists to top administrative positions as well as coopting tenured personnel. Human resources management practices in the last 25 years have been consistent with this hypothesis.

For all these reasons, the road to modernization of public management in Uruguay is sinuous and plagued with obstacles. These must be considered along with another fact that is valid for public administration reform in any country: building state capabilities imply significant short-term costs concentrate on a handful of actors who, consequently, will probably strongly reject them. In turn, benefits are usually diffuse and can only be fully appreciated on the long run, so their advocates hardly ever can take the political credit for them. In consequence, incentives for party leaders to embark on such enterprises are often rare and weak. As a corollary, without this kind of leadership it is highly improbable that reforms can be deep enough.

Understanding what alterations in existing incentives and imaginary could be triggered would require a whole new piece of research. We will limit ourselves to mention some precursors of reform which are frequently mentioned by specialized literature. These include pressure from multilateral credit institutions; strong citizen's dissatisfaction with certain policies or services; lobby by private (usually corporate) interest groups whose

economic results are threatened by public sector's poor performance; political crises derived from catastrophic events, corruption scandals, etc.; and the generation of a new discourse which raises public support for the reform's objectives.

Even when many of these circumstances appear simultaneously, they are not a sufficient condition for ensuring long-term sustainability of the reform. As Hall (1993) points out, it is necessary to go beyond the mere sum of incremental adjustments to the existing model and to achieve a real change of paradigm on how citizens conceive and what they require from the state.

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¹Up to 2018, there are 112 *municipios*.

²However, Parliament can finally lift the veto if special majorities (three-fifths of each chamber) are formed.

³In many units (environmental regulation, customs, Prosecution, etc.), legal provisions prohibit Ministers to ignore or reverse decisions by professionals. However, the Minister usually appoints and can remove those professional units' authorities and control budget allocation. So in case of conflict between political and technical levels the former is usually able to prevail.

⁴For example, the office of the Presidency regulates human resource management, coordinates policies, advances management best practices, and electronic government across the rest of the public sector. It also promotes road safety, regulates energy, water, and telecommunications markets, creates national statistics, and designs antidrug and antimoney laundering policies, among other tasks.

⁵We understand *agencies* as organizations: 1. functionally unbundled from ministries, 2. which carry out public functions at a national level; 3. most of whose staff are public servants, 4. which are primarily funded with state resources, or where the state remains liable for its financial condition, even if they generate their own resources; 5. whose activities and procedures continue to be regulated by public law (Pollitt & Talbot, 2004).

⁶For example, the price and quantity of labor in each agency are set annually by the budget act (*Constitución de la República*, Art. 220 and 221).

⁷It Includes Ministries and agencies, the Legislative and the Judiciary, Local Governments, state-owned companies, and the Constitutional tribunals or “quasi-powers.” Following the Uruguayan budget terminology: “Inciso” 1 to 70 and 80 to.

⁸The rapid decrease of public officials under this category is in a large part explained by the regularization processes in human resources management which made them part of the civil service career.

⁹E.g., those listed as “more autonomous bodies” in Table 9.3.

¹⁰Law N° 18.381. Although it was passed in 2008, it was not regulated by the Executive Branch until 2010.

¹¹The most significant are the Hall report (published in 1954); the work of the Commission on Investment and Economic Development (CIDE, 1966); and the Oszlak report (Oszlak, 1989. Originally published in 1972).

¹²In 1992, five articles of Law N° 16.211, commonly known as the Public Companies Law, were submitted to a referendum. This law contained an ambitious plan of privatizations and suppression of public monopolies. The repeal of these five articles was approved by the 66.3% of the votes compared to the 25.2% in favor to keep them. Its repeal was strongly backed by the unions, the Frente Amplio, as well as some sectors of the Partido Colorado, including that of the, then, former President Sanguinetti.

¹³The reform formally began in 1996 through the adoption of the annual budget act that created the CEPRE (Executive Committee on the Reform of the State) as a new Presidency's office in charge of driving the changes.

¹⁴The legislation was meant to last until 2015 but it was revoked in 2005.

Cross Country Chapters

Chapter 10

The Management of Public Personnel in Latin America: Scope and Limits of a Modern Civil Service

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Abstract

Departing from a so-called “modern civil service” as an ideal type, this chapter evaluates the status of public personnel management in Latin America. Such an ideal model is considered a mix between the organizational principles of the traditional civil service and those of the new public management perspective. First, the chapter presents the different phases that public management practices have undergone in some developed countries. Secondly, following several studies and data provided by the IADB, the level of development of several civil service systems in Latin America is analyzed and several of their construction–destruction–reconstruction patterns are presented. Lastly, the cases that most approach a modern civil service are discussed and some recommendations offered to reformers in this region.

Keywords: Public personnel; public administration; civil service; Latin America

1. Introduction

This chapter has two objectives: (1) presenting an overview of the evolution and recent status of public personnel management (PPM) in Latin America; (2) evaluating that evolution based on an ideal model: a modern civil service (MCS) that balances the principles of the traditional civil service (TCS) (merit-based selection, job security, training and career system, for example) and those of the so-called new public management (NPM) (evaluation and compensation for performance, labor mobility, external competition, etc.).

Presenting a wide perspective on these topics involves a challenge, for several reasons. For example, state structures in Latin America are of course composed of many areas and levels with different characteristics. Furthermore, often practices diverge from established formal rules and different terminology is used in different countries for naming the same processes. Nonetheless, it is possible to point out several central ideas about PPM in the region: (1) Most countries are very far from the MCS ideal type, since their personnel systems are still quite disorganized and discretionary; (2) there are a number of nations that have come close to such MCS (especially regarding the management of the middle-ranked analysts and managers in the central sector of the national state – the ministries or secretariats), although in almost all cases they have done so in a partial and fragile manner; (3) some factors explaining the slow progress toward an MCS are structural and contingent (for example, clientelistic traditions or changes of government) but also design-related; (4) therefore, I recommend adopting more strategic and better “calibrated” approaches for the design and implementation of a PPM system in the region.

This chapter has been divided up in three parts: The first one briefly describes the historical framework of PPM worldwide; the second one portrays the evolution of PPM in Latin America; and the third part refers to the evolution and recent status of PPM in the countries that have come closest to the MCS ideal type.

2. General Historical Background

We can broadly identify three major stages in the development of PPM worldwide, mainly in the countries of the West: The spoils system, the TCS, and the MCS. The first stage goes from the origins of the state until the nineteenth century, when public personnel was recruited based on the so-called “spoils system.” As modern democracies developed, the perception of problems associated with the spoils system increased and, from the beginning of the nineteenth century until the beginning of the twentieth century, this system was gradually replaced by the TCS, based on hiring public personnel on the basis of merit testing as well as on job security and standardization of procedures. TCS has tended to be applied to a specific universe of public personnel, usually found at the intermediate managerial level, and to be governed by specific provisions, conditions, and values established in a particular law or set of rules. Thus, it has involved a quite different type of personnel management from that one of public servants occupying the highest or lowest levels of the hierarchy (as well as of temporary employees) (Robson, 1956; Van Riper, 1958).

At least during the period of the welfare state (1930–1980), the TCS implied a balance between the democratic and the meritocratic system – an important pillar for the sustainability of modern democratic republics and the welfare state itself. On the one hand, the highest state authorities were democratically elected and managed the bureaucracy. On the other hand, the TCS allowed these authorities to resist political and clientelistic pressures from their followers, promote equal opportunity in the access to public positions and foster state's legality, order, security, efficiency, and nondiscrimination.

TCSs may follow a “closed” (also called “career-based”) or an “open” (“position-based”) model. Both models bring advantages and disadvantages and may be more or less effective depending on the type and degree of development of public organizations. Closed civil services are organized by groups, usually defined by their function, as, for instance, engineers, accountants, lawyers, etc. Public officers enter to the lowest position of a group, and then may move up the career ladder through assessments (in which only other officers within the same group can participate). As they do not compete for a specific position, public servants may occupy a wide range of posts, both at different levels and in different organizations within the same group or function. On the other hand, unlike the closed or career-

based systems, in “position” or “open” civil service systems officers compete for a specific job, which can be in the lower, middle, or highest level of an organization. In this case, they can compete with other candidates, often from both the public and private sector, to get a higher position in the same or other ministry. Therefore, they will not necessarily develop their careers within a specific functional group or organization. In countries such as the United Kingdom and Sweden, the civil service is based on the position system, while in others, such as France and Japan, on a career-based model (Bossaert & Demmke, 2003; Dussauge & Méndez, 2011).

In general, it could be argued that a TCS is quite likely to favor the overall development of a nation (at least when compared to the spoils system). It is not only expected to increase the state's capacity to design and implement more efficient public policies, but also, by homogenizing officers' profiles and generating “long-term games,” it tends to promote collective action and greater consistency regarding public policies, especially in presidential or federal regimes. However, beyond what can be logically expected, there are several studies that have provided empirical evidence of the positive effects of a TCS, for example, on economic growth. There are two types of empirical evidence in this regard. First, the one from specific cases of high or low economic growth. For example, there are case studies that empirically link the existence of professionalized bureaucracies with good government performance and high growth in certain countries of Asia, such as Japan (Johnson, 1982), Korea (Amsden, 1989), and Taiwan (Wade, 1990). The World Bank itself has acknowledged the crucial role that this type of bureaucracy has played in the impressive industrialization rate that the “Asian Tigers” had in the second half of the twentieth century (World Bank, 1997, p. 32). In contrast, many African countries with chronic low growth in the past decades suffer from high levels of patronage and patrimonialism (Nhema, 2016).

In addition to case studies, several comparative empirical studies draw similar conclusions. Evans and Rauch (1999), for example, performed a quantitative analysis of 35 countries (30 semi-industrialized and 5 poor) and found a strong, statistically significant and positive relationship between some elements of the civil service – specifically recruitment on a meritocratic basis and a bureaucratic career – and economic growth. These

results coincide with the more general work of Evans (1995), regarding the importance of what he called the “embedded” state (which includes several traits of a TCS) for the development of an effective industrial sector. Also, Scartascini and Tommasi (2014) conducted a comparative study which, with a significant sample of countries, empirically supported the existence of a correlation between some features of the state, including the existence of a professional and independent bureaucracy, and adequate public policies.¹

Regardless of the benefits that TCSs could have brought during the period of the welfare state, a third stage of PPM began after the fiscal crisis of the 1970s and the rise of neo-conservative governments in countries like England or the United States. These governments promoted the emergence of the so-called NPM, which criticized the TCS for its (alleged) rigidity and corporatism and favored personnel and organizational schemes associated with the private sector (Pollitt & Bouckaert, 2000). Thus, it promoted introducing performance evaluation for public employees as well as increasing decentralization of the PPM, external competition for entry, self-sufficiency of the administration, and taking risks to innovate (Osborne & Gaebler, 1992).

It should be mentioned, however, that although in some countries such as the United States the application of the NPM tenets involved important changes in their PPM system, most nations have maintained many of the previous TCS principles. Since the 1990s, several governments realized that the two models of PPM are not necessarily exclusive and began to move toward some mix of the two. In that sense, Pollitt and Bouckaert (2000), for example, identified a “neo-Weberian state” beginning to develop in some continental European countries in the 1990s. In that decade, I referred to a PPM based on an equilibrium between both models as a “modern civil service” (MCS) (Méndez, 1995, 1999). Such MCS thus involves performance evaluations which can lead to dismissal, but also some features of the TCS, as for instance a merit-based entry system, permanent training as well as career promotion mechanisms.

Given that the fulfillment of a government's electoral mandate – as well as democratic governance in general – can be negatively affected by a “neutral” bureaucracy (due to its excessive independence) as well as by a

politicized one (due to its low capacity and professionalism), the concept of a “responsive bureaucracy” (Peters & Savoie, 1995) could be a useful parameter to think about the desirable features of a MCSs. This concept would involve that, on the one hand, there should be mechanisms to ensure that public servants implement the policies established by democratically elected politicians (for example, strategic planning accompanied by an incentive system based on performance evaluations and accountability, as well as a margin for political appointments), there should be also mechanisms to recognize the dignity of public servants, take advantage of their expertise and avoid patronage or clientelistic practices.

I believe that in the current context of governance this PPM model would be most likely to generate a virtuous circle of constructive collective action between politicians and professional bureaucrats, instead of the opposite: A vicious circle of mistrust and blockage between them. When the latter is present, a parallel bureaucracy directly appointed by politicians is likely to emerge, which may be more loyal but probably will not be able to perform in an efficient or professional fashion, which would not only involve a waste of resources but, even more important, a low efficiency of public policies.

It should be noted that although some countries have tended lately toward an MCS, for several reasons, we should rather consider it as an ideal type. First, it is not clear that there is convergence among PPM systems around the world toward any specific model (Dussauge, 2009; Dussauge & Méndez, 2011). Second, while in general the success of PPM reforms tends to be low (Brosamle, 2012), approaching an MCS in particular implies important difficulties related to competency-based training, strategic planning, performance evaluation, etc. Thus, it involves long-term processes in which complex dilemmas have to be faced (Méndez, 1995). Even then, taking into account that to some extent it allows to balance efficiency and professionalism with democratic governance, the MCS is the model most likely to promote the consolidation of democracy, which is why it is used here as an ideal parameter to evaluate the evolution of PPM in Latin America.

3. Latin America

Considering several previous studies, and the Civil Service Development Index (CSDI) presented by Cortázar, Lafuente and Sanginés (2014), by the year 2004 the level of development of civil services in most of Latin America showed important weaknesses.² In 2004, there were 11 countries where such development was lower according to the CSDI: Honduras (11), El Salvador (11), Paraguay (12), Panama (13), Peru (14), Ecuador (15), Nicaragua (22), Guatemala (24), Bolivia (26), and the Dominican Republic (27). In these cases, the civil service was highly politicized, had difficulties attracting and retaining competent personnel, and lacked mechanisms for motivating employees. In turn, a second group of countries presented an intermediate level of development, slightly above the average: Mexico (41), Colombia (46), Uruguay (47) and Costa Rica (47). Here bureaucracies were relatively well structured and involved some job security, but had weaknesses in terms of merit guarantees and thus rather combined professionalization with politicization. Finally, only two more solid systems were identified (Chile and Brazil), whose CSDI of 59 and 64 points, respectively, were almost twice the average of the region and in which civil services were both institutionalized and based on meritocratic practices.

This same index showed that the regional average of the CSDI increased between 2004 and 2013 from 30 to 38 points, with almost half of the countries studied standing above the average: Chile (67), Brazil (65), Costa Rica (54), Colombia (52), Uruguay (52), Mexico (41), and the Dominican Republic (39). Within this group there would be a first subgroup of civil service systems placed at a medium level of development and in which professional segments coexist with politicization (between 40 and 59 points): Mexico (41), Colombia (52), Uruguay (52), and Costa Rica (54). These countries are characterized by greater strategic coherence, reflected in more widespread implementation of merit criteria and the application of some performance incentives. As in 2004, there would be only two countries which could be placed at a high level (from 60 to 100 points): Brazil (65) and Chile (67). This subgroup is again characterized by a strong strategic coherence and a greater presence of a professional criteria regarding merit and flexibility, supported by governing entities with political, technical, and coordination capacity, and whose normative instruments are greatly institutionalized. The nine remaining Latin

American countries were below average in 2013: Nicaragua (35), El Salvador (34), Panama (29), Peru (29), Paraguay (26), Guatemala (24), Ecuador (21), Bolivia (21), and Honduras (12).³ This last subgroup features highly discretionary personnel management decisions, a marginal presence of merit principles, severe difficulties in attracting and retaining staff, and low overall strategic coherence.

In sum, between 2004 and 2013, general progress occurred, although especially among civil service systems at the lower levels (Cortázar, Lafuente, & Sanginés, 2014). Of course, a division into groups below and above average only offers a static and limited picture of the situation of PPM in the region, which does not reflect the complexity of personnel systems. In part, this is because, as Grindle (2012) has pointed out, in several Latin American nations the development of PPM has followed a pattern of “construction, destruction, and reconstruction.”

This general comparative review allows us to notice a persistence of the “spoils system” in Latin America and the slow progress of most of its countries toward either the TSC or the more advanced MCS. This is not surprising when the high interpersonal distrust that has historically existed in the region (as a result of economic, political, and social divisions) has continued until recently. This factor has blended with patterns of social interaction oriented toward the benefit of particular groups, as well as personal loyalty and vertical political structures, all of which hinder the expansion of collective action, instead of patterns based on abstract principles such as merit, professionalism, and democracy, which favor it (Méndez, 1997, 1999, 2020).

In part due to the progressive development of TCSs in most developed countries during the first decades of the twentieth century, somewhat later in the same century, several Latin American countries began to introduce a TCS in their public sectors. However, this did not mean that it was put into practice (as will be discussed below, with some exceptions). It was from the 1980s and early 1990s that – often motivated by special junctures related to crises or changes of government, and sometimes international pressure – a set of Latin American nations began to introduce TCS principles in reality, sometimes in combination with the principles of the NPM.

In this section, the group of Latin American cases of PPM that have most closely approached the MCS will be presented. In turn, according to what was stated above, within this group we can differentiate two subgroups. Chile and Brazil would be in the first one. Chile is the one most closely approaching the MCS, as has had a PPM combining the principles of the TCS with those of the NPM and which has been developing more continuously (even if not completely). In Brazil, in turn, the TCS works in an extended and institutionalized form, but, despite some attempts, it has not moved significantly toward NPM principles. In the second group would be Costa Rica, Uruguay, Mexico, and Argentina, in which some principles of the TCS (and sometimes of the NPM) have been applied, but where such application is still fragile and partial, thus being in an intermediate level of development.⁴

3.1 Chile

Although the Chilean PPM already applied several TCS principles since at least the 1960s (such as job security and, in part, promotion based on merit) (Grindle, 2012), a still somewhat clientelistic distribution of positions was in place by the early 1980s. A few years later there were, however, important advances toward professionalization. First, in 1986, Law No. 18,575 established the general principles of the Chilean TCS and later, in 1989, Law No. 18,834 further developed their regulations. These laws provided that appointments based on competitive selection processes and subject to career promotion applied to regular in-house personnel fulfilling those functions of executives, professionals, technicians, administrative officers, and assistants below the top managerial positions.

Civil service regulation applies to employees of ministries, municipalities, governors, and the state agencies, both centralized and decentralized. It establishes three types of employment: “*Planta*” (personnel permanently occupying a position assigned by law to an institution and hired through an open competitive selection process), “*contrata*” (nonpermanent personnel hired through a selection process by the corresponding authority, with contracts expiring every December 31, but which tend to be renewed), and “*contratado a honorario*” (nonpermanent personnel for specific programs or projects). Thus, in the 1990s, a good deal

of civil servants started to be selected on a competitive basis (although sometimes selection processes have been designed to hire favorites for certain positions within an entity), and be subject to annual evaluations involving an assessment of both results and competence standards (although, as usual, they have tended to show high grades) as well as to a system of incentives related to performance evaluation (Egaña, 2003).

As a result of the 2002 so-called “MOP-Gate” corruption scandal and political crisis (Egaña, 2003; Grindle, 2012), in 2003 the New Deal Law (*Ley de Nuevo Trato*) extended the career system to higher hierarchical levels and created the *Sistema de Alta Dirección Pública* (Public Senior Management System, SADP in Spanish), which reduced the number of freely appointed positions at that level. In this way, positions pertaining to levels I and II, as well as the position of Head of Department (level III), were included in the competitive selection system. Directors of agencies (such as the Director of the National Consumer Service) are in level I. Level II positions include those of Deputy Director of Public Service, Regional Director of Service, and positions directly associated with senior managers. The *Ley de Nuevo Trato* also changed the previous incentive system to one based on collective rather than individual performance. It also promoted more neutral and professional selection committees.

The governing body of the SADP is the *Consejo de la Alta Dirección Pública* (Council of Senior Public Management, CADP in Spanish). It is composed by the National Director of Civil Service and four counselors, whose appointment is proposed by the President but must be ratified by the Senate. This has allowed to integrate recognized leaders from different political parties and has promoted a significant autonomy of the council. The council conducts and regulates the selection process for senior managers and organizes the selection committees for second level administrative positions. It also reviews and approves the candidates' profiles and proposes a list of eligible recruits to the Chilean president or the corresponding authority. The other governing body of the PPM system is the National Directorate of the Civil Service, within the Ministry of Finance. The Budget Office within this same Ministry has also been an important stakeholder in the governance of PPM. Senior managers are appointed under a three-year performance agreement, subject to a two times renewal (for the same term). The performance evaluation system is

regularly applied and is linked to the training system. Chile was also able to develop a strategic planning system for personnel management. In this way, it can be said that the Chilean PPM system has adopted some of the principles of the NPM. Even though several officers were removed from their positions when a new political party took over the government in 2010, and there were attempts to reform the Chilean MCS, its already significant degree of consolidation made radical changes difficult. It is possible that this consolidation has occurred largely due to its gradual approach and because of the greater autonomy granted to its authorities (Grindle, 2012).

Although the most advanced in Latin America, the Chilean system, however, is not free from significant shortcomings. There has been an excessive use of temporary or provisional appointments, sometimes circumventing the civil service system (although a presidential instruction issued in 2010 limited the duration in office and some of the powers of such appointees). Too often performance indicators are designed in such a way that virtually guarantees their fulfillment, resulting in very few employees being placed on low grade lists. In 2013, for example, 97% of employees were placed on an “excellent” rating, although a bill sent to congress in 2013 stipulated processes to improve performance agreements and evaluation. Salaries tend to be relatively low at the managerial level compared to the private sector, although this varies according to the nature of the position (Alberts, Dávila & Valenzuela, 2021).

Political actors continue to resist accepting the candidates proposed by CADP and political appointments of senior managers have not disappeared after the New Deal Law. Although it does not necessarily involve low professionalism, also, at least until the first presidency of Michelle Bachelet, the “*cuoteo*” – distribution of positions among the political parties – still existed (Siabelis, 2012). CADP actually has limited capacity to supervise the application of merit principles because decisions regarding job profiles and hiring are made at the ministry level and there are complaints that hiring an officer may take up to six months (Grindle, 2012). In addition, between 2001 and 2010, the number of recruited personnel via contracts increased, a trend that continued until more recently. While permanent personnel were 86,069 persons in 2008 and 83,189 by 2017, contract personnel were 97,430 and 175,409 persons in the same years

(although the latter are not necessarily hired for political-partisan reasons) (Alberts, Dávila, & Valenzuela, 2021).

In this way, following the work of Iacoviello, Llanos and Ramos (2017), Chile reflects a cumulative trajectory, in which the alternation of government coalitions has been accompanied by practices that threatened the vitality of the system, such as widespread dismissals and recurrent provisional appointments. All in all, SADP has been perceived as a reliable mechanism to access the state civil service, slowly becoming a legitimizer of the selection processes. The improvement in the abovementioned IDB Index, from 60 to 67 points between 2004 and 2013, evidences the trend toward increasing professionalization of the civil service. Although by 2014 there were still some problems, such as high levels of employee turnover, the widespread practice of provisional appointments, and an insufficient development of the selection system, in 2016 a new law was passed to remedy some of these strains. Such law increased the number of public agencies and public servants under the SADP, established transparency as a key principle, improved the selection process of candidates, and extended the duration in office for personnel hired under the professionalized system, among other changes (Alberts, Dávila, & Valenzuela, 2021).

Despite its shortcomings, Chile has had a somewhat continuous and extensive professional development process since the late 1980s, and thus its PPM has not been subject to a strong pattern of construction, destruction, and reconstruction. If we add to this a performance evaluation system that has been applied regularly and in connection to the training, incentive, and strategic planning systems (similar to the NPM model), it is possible to conclude that the Chilean PPM is the one which in the region approaches closer an MCS and thus significantly differs from those of the other Latin American countries.

3.2 Brazil⁵

Geddes (1994) has argued that, thanks to the similar size of its political clienteles and the greater political-electoral competition between two political forces of similar importance during the first part of the twentieth century, Brazil developed one of the most professionalized PPM systems in Latin America. Thus, by the mid-twentieth century, a good part of its

federal bureaucracy was already functioning under the parameters of TCS (Grindle, 2012; Ramió & Serna, 2007). Subsequently, the 1988 Constitution, regulated by Law No. 8.112 of 1990, converted more than 500,000 public sector officers into “estatutarios” (statutory officers with job security and retirement rights) (Pacheco, 2003), which by 2016 reached 622,000 (Gaetani, Palotti & Pires, 2021). Therefore, since the 1980s Brazil has had a fairly widespread TCS because it applies to multiple state areas and levels and most public officers within them (although there is a good number of civil servants hired temporarily). In this way, since that decade certain professional principles have been firmly established, such as merit-based appointments through competitive examinations, job security and rights to which holders of public positions are entitled, and permanent training – since there is a well-established National School of Public Administration, which coordinates the System of Government Schools of the Union. The main governing body of the PPM system is the Ministry of Planning, Budget, and Management.

In the Brazilian TCS, most of the statutory officers have been working in one of the horizontal career groups (at the beginning of the 2000s they were approximately 40) (Pacheco, 2003), and this has involved advantages and disadvantages. Among the first, we can mention a greater labor mobility and a greater capacity for re-structuring work teams; therefore, a greater capacity to adjust to political changes and a lesser resistance of political authorities to merit appointments. Among the disadvantages are broader and more lax evaluations during recruitment processes leading to profiles not entirely prepared for each specific job (Pacheco, 2011), possible lack of adequate management of functional groups (Gaetani, 2013), as well as an excessive fragmentation and even corporativization (which makes PPM more difficult) (Méndez, 2018). However, while these disadvantages can be avoided through an appropriate design, it is also quite possible that a PPM based on groups has allowed Brazil, a country with a certain corporatist tradition and a subcontinental size, to consolidate a higher level of professionalism.

In any case, the combination in the mid-1990s of a relatively advanced TCS with the more “liberal” government of Fernando Henrique Cardoso led to the promotion of reforms approaching the NPM model. Hence, a review of the job security and retirement system was sought, performance

evaluations and compensation were promoted, and horizontal mobility and profile versatility were favored, along with outsourcing and an “agencialización” process (setting up new agencies with new PPM systems) in certain state areas (Bresser & Spink, 1999; Pacheco, 2003). Nevertheless, the reform was considerably diluted as of the beginning of the second term and later several aspects were overturned (Gaetani, 2002; Grindle, 2012; Pacheco, 2011). Between 1995 and 2001, there were 122,000 appointments in competitive selection processes, and between 1995 and 2002, more than 132,000 public officers were trained (more than four times the 27,000 officers trained between 1981 and 1994) (Pacheco, 2003). In turn, between 2004 and 2012, there were 319,228 new appointments, 188,543 (59%) through open competition and 130,685 (41%) through temporary contracts (Méndez, 2018).

The government of Lula da Silva was more open to union demands, for example, wage improvement, and favored merit-based appointments and job security associated with TCS, even for high executive positions (Gaetani, 2013; Pacheco, 2011). Consequently, personnel under the TCS frame were hired for positions that Cardoso had preferred to outsource, contributing to the professionalization of certain central functions of the Brazilian public administration, such as the economic-financial, legal and auditing functions (Gaetani, 2013). Because of its long-term effects, a significant achievement of the Lula government – materializing during the administration of Dilma Roussef that followed – was advancing in the unification of the social security regimes.

The federal government organized the senior service in the executive branch through a group of positions called DAS (Direction and Advisory Positions). The number of these positions expanded from 17,128 to 24,641 between 1999 and 2014, but was reduced from 24,641 to 22,845 between 2014 and 2018. Lula's government attempted to reduce discretionary political appointment in this group through the Presidential Decree 5497/2005, by which the percentage of statutory civil servants occupying high-level DAS posts should be 50% for the top-level positions and 75% for the intermediary managerial levels. This restraining of access to higher positions by professionals from outside of the public sector raised the possibilities of civil servants to ascend in the hierarchy. In 2016, the Executive turned more than 10,000 DAS positions exclusively to civil

servants. By 2018, almost 78% of political appointees were civil servants, although the higher the position's level, the higher the percentage of recruitment from outside civil service (Gaetani, Palotti & Pires, 2021).

However, Lula's government maintained or even raised the degree of politicization of traditionally politicized areas (for example, the Ministry of Labor). In general, the so-called Brazilian “coalition presidentialism” exerts a permanent pressure for political appointments (Pacheco, 2011). In this way, professionalization has developed significantly in some ministries with “core” functions, but less so in sector-specific ministries (Gaetani, 2013) (there are, however, exceptions such as that of the ministry responsible for social policy). In addition, although there are merit-based appointments, these are made on the grounds of professional titles and very general tests (Pacheco, 2011). Public personnel planning is short-term and has a limited impact (Gaetani, 2013). As mentioned, management of some civil service career groups has not been adequate. Finally, promotions are mainly made on the grounds of seniority and “performance-related management” has encountered strong resistance. In this way, although since the beginning of the 2000s the latter has tried to be implemented and some progress has been achieved, such implementation was diluted during subsequent years (Pacheco, 2011); for instance, during the 2010s, performance targets were lowered so that civil servants get good performance grades and thus get the corresponding incentives (Méndez, 2018). Consequently, an organizational culture largely associated with the TCS model still exists, favoring job security over performance and, according to Grindle (2012), somewhat interfering with a timely and adequate reaction to the guidelines of political authorities.

As described in Ramos, Casa, and Milanesi (2019), during the governments of the *Partido dos Trabalhadores* (Workers' Party) (2002–2016), Brazil did not undergo a major reform, but rather went through several incremental initiatives for personnel management, oriented toward expansion and enhancement of the federal bureaucracy and its career groups, and basically aimed at strengthening state capacity in areas considered strategic for development. As to the career groups, emphasis has been placed on some of them, such as those of infrastructure analyst, social policy analyst, and regulation specialist.

3.3 Costa Rica

As was true for Chile and Brazil, in Costa Rica the TCS principles began to be applied in the middle of the twentieth century. The legal frame of PPM in the Costa Rican central public sector was defined in article 191 of the Constitution of 1949, and in the Civil Service Regulation under Law No. 1,581, of 1953. Although the Constitution established that there should be a single regime, the civil service regime only covers the executive branch with its ministries and attached offices, the *Instituto Nacional de Aprendizaje* (National Apprenticeship Institute) and a part of the Legislative Branch. There are four titles under the civil service statute, those of the administrative career, teaching career, civil service court, and artist career. The Judicial Power, the *Tribunal Electoral Supremo* (Supreme Electoral Tribunal) and part of the Legislative Assembly, which includes the General Comptroller of the Republic and the Ombudsman's Office, are governed by their own specific regulations.

The principles of merit and job security in the Costa Rican PPM are in the Constitution, which states that public servants will be appointed based on suitability and that they can only be dismissed for the reasons established in employment legislation, forced reduction of services or reorganization. The regulation refers to the administrative, teaching, and artistic careers as well as the *Tribunal de Servicio Civil* (Civil Service Court). Also, the regulation sets forth the bases of competitive selection process for more than half of the public positions, a proportion close to that of Brazil. The selection process based on merit works efficiently and is usually well accepted by public servants and citizens (also similarly to Brazil). In this manner, it is possible to say that Costa Rica has had a functional, institutionalized and legitimate TCS since the middle of the last century. By 2018, there were 135,187 public servants under the civil service system (Dirección General del Servicio Civil, 2020).

The *Dirección General de Servicio Civil* (Civil Service General Directorate, DGSC in Spanish), under the Ministry of the Presidency, is the body responsible for PPM of those entities under the civil service regime. There is also a Civil Service Court, responsible for the dismissal and sanction processes of public servants. It should be noted that in the Costa Rican PPM model, the civil service is accessed according to a certain

profile and level, and after that, the person is appointed to a specific position. Therefore, the profiles for positions are ample and there has been a tendency to abandon specific knowledge examinations (Uvalle, 2000). This has made horizontal mobility easier and, as in Brazil, it has led to greater flexibility for the creation of work teams. Consequently, there has been greater capacity of PPM to accommodate the political requirements resulting from changes in government.

Despite its remarkable progress, the Costa Rican TCS has experienced several shortcomings. During the presidency of Calderón (1990–1994), a draft bill on public employment was proposed to associate productivity with remuneration, but it was not approved. In the mid-2000s, Iacoviello and Zuvanic (2006a) indicated that there was still some political influence in connection with entering the public service (for example, regarding teaching positions in primary and secondary education), that salary flexibility and mobility were insufficient and the performance management and planning systems were still weak, while the budget information system was inadequate.

In 2013, a report reiterated the existence of these and other problems, for example, that in some entities the public servant had more rights than duties, turning job security into immobility; furthermore, the legal framework of public employment in many aspects was perceived as anachronistic; multiple actors had created organizational islands, with the consequent fragmentation; procedures tended to be subject to various challenges, leading to inaction and other problems – for example, the Constitutional Court annulled the DGCS's proposal for appointments to the Ministry of Public Education in 2013, as a result of some 800 revision (*amparo*) petitions, affecting 3,400 educators (Arguedas, 2013). As Pallavicini (2021) argues, between 2013 and 2017, public employment increased by 31.5%, largely due to the creation of autonomous institutions, although President Solís (2014–2018) made efforts to reduce the size of the state apparatus and modernize public administration. Pallavicini also mentions that the control and coordination capacity of the center of government has remained weak, despite different interinstitutional coordination efforts. There is a performance evaluation system, but in 2018 more than 70% of all civil servants got the highest grade (excellent) in the evaluation results (Dirección General del Servicio Civil, 2020).

In sum, in Costa Rica a gradual progress toward TCS has occurred, and this PPM model is already quite well established. Despite problems such as those mentioned above, the TCS has become stronger in other aspects. For example, with Resolution DG-304–2009 of 2009, the General Guidelines for the Design or Modification of Institutional Performance Evaluation Models and Systems, applicable to the Ministries, Institutions or Attached Offices of the Civil Service Regime, were issued. Moreover, Decree No. 35865-MP-2010 created the Human Resources Management System of the Civil Service Regime. Finally, with Decree No. 8.978, of 2011, the DGSC was allowed a greater financial, budgetary, and coordinating capacity regarding PPM. However, the fiscal reform and some public scandals during the administration of Carlos Alvarado Quesada (2018–present) have led to important strikes by public employees and social protests, bringing some instability in the management of the Costa Rican PPM.

3.4 Uruguay

In Uruguay, PPM is governed by the 1967 Constitution (reformed several times) and the Estatuto del Funcionario (Public Servant Statute) of 1943. Public servants at the highest levels are appointed through different legal forms, but these tend to be based on personal or party loyalty. However, a high percentage of public officers at middle managerial or analyst levels enjoy security, even though PPM is regulated by more than 40 specific regulations, each state agency having its own set of rules and salary scale. This has entailed significant differences in the remuneration and working conditions regarding positions of similar responsibility. Nevertheless, the regulation of the PPM could be classified into three broad categories, depending on the extent to which they are organized under professional principles.

The first category includes employment regimes with strong constitutional and legal guarantees. In 2016, it covered 180,530 employees – approximately 60% of total public employees. These public servants enjoy strong job security, since they can only be removed in cases of patent incompetence, omission of duties or crime, and by a proceeding involving both the executive and legislative branches. They are organized into group career regimes that, at least formally, comply with the principles of the

TCS. They enter at the lowest point of each level and promotions are determined competitively considering merits and seniority. Since 2011, entry has been through the website Uruguay Concurso, created with the objective of establishing a unique meritocratic system for entry into the Central Administration. Moreover, for each competitive selection process, a control of legality is carried out both before and after the process. The second category consists of staff hired indefinitely, in principle depending on their preparation or technical capacity. It is a position system that overlaps with the career system of the previous category, employing about 49,732 employees – approximately 16% of public personnel. These public servants are classified according to the same ranking as the officials in the first category. They can enter at any level of the hierarchical structure by decision of the highest authorities of the corresponding organization, but they cannot make a career based on merit. They also enjoy strong job security, because although their contracts may not be renewed if their job is no longer deemed necessary, this can involve high political or organizational costs. Despite that, and the fact that they do not go through a competitive selections process, in recent years this system has not entailed major clientelism. The third category – which encompasses 76,007 employees, that is, around 25% of the total personnel – includes a variety of job relationships based on the position, which go from politically appointed staff (and who leave the administration when their bosses leave) to interns and temporary employees. In this case there is no job security or career (Ramos, Milanese & Gonnet, 2021).

The main governing authority of PPM is the National Office of Civil Service (ONSC in Spanish) created in 1967 by Law No. 13.640, and dependent on the Presidency of the Republic. This office was intervened and suspended during the period of the dictatorship (1973–1985), but in 1985 it was set up again through Law No. 15.757. In 2007, its responsibilities were broadened so that it could participate in collective bargaining with the organizations of officers belonging to the central administration. In 2010, with Law No. 18,719, its powers to implement and manage the Human Resources Recruitment and Selection System were extended again. In addition, the Comisión Nacional de Servicio Civil (National Commission of Civil Service) oversees the disciplinary aspects and the surveillance of the operation of Uruguayan PPM, while the Office

of Planning and Budget, under the Ministry of Economy and Finance, is responsible for approving the personnel structures and budget. Finally, the National School of Public Administration is in charge of training.

After the 2005 arrival of the leftist government of President Tabaré Vázquez (Frente Amplio), several government reforms were initiated. In terms of PPM, collective bargaining, which had been suspended in 1991, was restored for both the public and private sectors. Several restrictions on the appointment of personnel (in force since 1990) were eliminated. Likewise, the group-career regimes sought to be transformed and a “Fast Track” system based on performance was introduced for a few years. These changes, however, did not last long (Iacoviello & Potenza, 2013). During 2011 and 2012, various government and union actors negotiated a proposal for a new PPM regulation. This proposal attempted to design general and uniform instruments, with emphasis on merit and professionalism, as well as opening the system, allowing greater interaction, competitiveness, and mobility (for example, for promotion to take place all the way up within a ministry). The proposal conceived the Central Administration as a single organization and suggested a flexible system of positions and career ladders, with clear definitions of profiles and levels that enable the administration's adaptation to the strategic objectives set by political leaders (Oficina Nacional, 2012). In 2013, this regulation was approved, but important parts of it were not implemented. Although having been the product of long negotiations between different actors enhanced its possibilities for implementation, the latter was difficult because it coincided with the end of one mandate and the beginning of another.

According to Ramos, Milanesi and Gonnet (2021), horizontal mobility for staff between or within organizations is seriously limited and public human resources at the Central Executive are hired, remunerated, and promoted through a complex and partially incoherent combination of group career-based and position-based mechanisms. Individual capabilities and merit are rarely assessed; when they do, rudimentary and opaque mechanisms are used, which do not allow for a clear set of incentives linking individuals' contribution to organizational goals or civil servants advancement. In this way, the progressive governments of Uruguay implemented an important yet insufficient series of reforms toward an “imperfect neo-Weberianism,” which attempted to advance in the

performance-based evaluation and the flexibilization of administrative career structures, without effectively dealing with the challenges of strengthening the civil service, achieving the excellence of professional skills, or promoting a new administrative culture based on systematic evaluation (Ramos et al., 2019).

3.5 Mexico

In the period 1940–2000, in which all presidents were from the *Partido Revolucionario Institucional* (Institutional Revolutionary Party, PRI in Spanish), Mexico had a highly politicized and unstable public apparatus (Arellano, 2003) and its PPM was rather close to the spoils system. However, as the state further developed in the twentieth century, some areas were professionalized, either informally (as it occurred with the Secretariat of Finance or the Bank of Mexico) or formally (as with the Foreign Service, whose professionalization had begun as back as the nineteenth century). From the 1990s onwards, professional career regimes were established for analysts and middle- and higher-level personnel managers within various organizations or specific sectors (Martínez, 2005; Uvalle, 2000). But by the year 2000 there was still no TCS for the central sector of the Federal Executive (the state secretariats and the dozens of public entities under such secretariats).

In 2003, a particular confluence of factors (Grindle, 2012; Martínez, 2005; Méndez, 2010; Pardo, 2005) – including the arrival in 2000 of a President from the opposing National Action Party, Vicente Fox – led to the approval of the Professional Career Service Law, which followed an MCS model because it combined TCS and NPM principles. With this law, examinations for entry and a tenure based on performance and training assessments were introduced for analysts, middle managers, and upper-middle managers of the central sector of the executive branch. This MCS was entrusted to the Public Service Secretariat (SFP in Spanish), within which a Professional Service and Human Resources Office, together with a Consultative Council, were established. The regulation or statute for the Law was issued by President Fox the following year, and after that the law began to be implemented.

The 2003 law represented an historic advance in the Mexican PPM, at least with respect to the previous spoils system. Within that legal frame, between 2004 and 2012, more than 50,000 job examinations were held (Méndez, 2016), which increased the equality of opportunities and the application of the merit principle. During the first years of the system, thousands of civil servants were certified as career public servants. Finally, by 2020, all these officers are compelled to be permanently trained and are subject to annual performance evaluations. In 2018, the MCS at the central executive branch involved around 32,000 positions in 48 organizations, although only close to 25, 000 were actually fulfilled (Méndez, 2018).

However, once its regulatory decree was passed in 2004, this Law was implemented in an inadequate, incomplete, and partially illegal manner (Méndez, 2010, 2016). To begin with, although in accordance with its respective law such decree provided for a decentralized operation of MCS (Martínez, 2005), the executives responsible for its implementation from 2004 onwards issued various specific guidelines so that the SFP would be the one defining and directly handling the evaluation instruments regarding entry and performance (which, pursuant to the law, the Secretariats were in charge of defining and handling) (Méndez, 2010). Worse still, such instruments were inadequately selected, largely because they copied private management instruments in an indiscriminate manner (Pardo, 2009). Furthermore, they sought to develop all MCS systems simultaneously in the same digital format, which caused many problems and delays (OECD, 2011). In the words of an OECD report, “the implementation was overwhelming, especially due to the lack of technical expertise, capacity and adequate HR tools” (OECD, 2011, p. 236). According to Dussauge and Méndez (2011, p. 46), “several tactical errors were committed, which showed an ignorance of the most basic aspects of policy implementation.” In addition, the Consultative Council, where representatives of civil society are a small minority, was converted into a mere legitimizing body (Méndez, 2010; OECD, 2011). Given that the Mexican MCS was approved by congress under a position-based model, entry into the civil service happens in specific positions, not to career groups, which has hindered its implementation (Méndez, 2016, 2020).

In 2007, the President that followed Fox, Felipe Calderón, replaced the first regulatory statute, which balanced the operational decentralization

following some general normative guidance from the SFP, with provisions that transferred too many PPM central functions to the Secretariats. This, together with the SFP's refusal to comply with its monitoring and sanctioning role (Dussauge, 2011), led to the abandonment of several merit and professional principles (Méndez, 2010). Thus, in a 2011 report, the OECD (2011, p. 236) noted that “the current emphasis on decentralization gives the impression that people may contravene the system by means of article 34 of the Law” (which allows the direct temporary appointment of an officer to a position of the MCS).

In this way, between 2005 and 2012, those in charge of the MCS – who in general were scarcely committed to the principles of legality and neutrality of the public sector *ethos* (Pardo, 2009) – dodged several of its principles, leading to several weaknesses of the Mexican MCS. Several of such weaknesses are related to the entry procedures. On the one hand, competitive selection processes have been carried out in a nontransparent manner by the secretariats themselves, causing great suspicions about their impartiality; under the new regulation of 2007, there are no major obstacles for officers responsible for MCS management in the secretariats to “smooth” the entry of their favorites (for example, surreptitiously handing them the exams, having some persons present the exams in the place of others, etc.) (Grindle, 2012; Méndez, 2010; OECD, 2011). On the other hand, between 2004 and 2012, through the illegal application of article 34 of the law (included for exceptional situations such as hurricanes, earthquakes, etc.), more than 20,000 public servants occupied positions for several months by means of a direct designation, allowing them to subsequently win in the selection process and occupy the position permanently (Méndez, 2016; OECD, 2011). Other weaknesses have been the high number of competitive selection processes that were annulled (one in three in 2004–2006 and one in five in 2007–2010) (Méndez, 2010; OECD, 2011) as well as the granting of permanence in positions under lenient requirements to thousands of career officials (Dussauge, 2007; Méndez, 2016).

While during 2007–2012 the SFP implemented some strategies to improve the Mexican MCS (especially in terms of responsibilities, evaluation and standardization of PPM) (Arceo, 2012), the abovementioned weaknesses raised doubts about the professional legitimacy of the, by 2012,

nearly 30,000 career public servants. Given this background, the new government of the PRI that came to power in that year proposed the termination of the SFP, the transfer of many of its functions to the Secretariat of Finance and the rest to a new Anti-Corruption Commission. However, these changes were not made and the SFP remains in place, albeit with a civil service weakened by continuing practices of temporary hiring of officers without going through a competitive selection process.

Finally, it should be noted that, despite the above mentioned MCS being the most important because it involves the central sector of the federal executive branch, it is not the only one that exists in Mexico. As already mentioned, especially since the 1990s, a few more than 20 career services have been established in specific sectors or organizations of the federal state (Executive, Legislative, Judicial, and Autonomous Bodies). Hence, by 2012, 107,440 officers were regulated (at least formally) by one of these professional regimes, which covered about 80% of intermediate management personnel potentially subject to MCS (Auditoría, 2014). At the same time, although most of these professional systems formally use a merit-based selection and performance evaluations, only a few are consolidated – such as the *Servicio Profesional Electoral* (Professional Electoral Service), which is the closest to a MCS, or the Mexican Foreign Service and the regimes associated with the functions of imparting and procuring justice, which are closer to the TCS.

As stated in Iacoviello, Llano, and Ramos (2017), the return of the PRI to the federal government in 2012 marked the beginning of a series of decisions regarding the management of human resources derived from strong distrust toward the inherited bureaucracy, the use of temporary appointments, and the adulteration of competitive selection processes, as well as of the partisan expectations of retaking control in hierarchical positions. These decisions deepened the weakening of the body responsible for the MCS system, along a path of de-institutionalization of the merit system, which was reflected in the contraction of the Merit Index measured by the IDB from 47 to 40 points during the 2004–2013 period, as well as in the decrease in the legitimacy of the Mexican MCS system (Méndez, 2016, 2018).

3.6 Argentina

Since the 1980s Argentina began to establish some TSC principles as well as some professional groups. However, it will be until the early 1990s, as part of the process of a state reform responding to the economic crisis, that the legal basis for a more complete TCS was established in the federal central sector, through the Sistema Nacional de Profesión Administrativa (National System of Administrative Profession, SINAPA in Spanish). In Argentina, the constitutional right of public officers to job security exists, with a high level of unionization in the public sector.

However, although the SINAPA progressed significantly in its first years (between 1993 and 1999, nearly 8,000 civil servants were incorporated under its principles) and by the end of the decade of the 2000s that number exceeded 20,000 (Grindle, 2012), its progress became restricted due to the freezing of SINAPA positions and the circumvention of the system's formal principles. Even though SINAPA would leave several important legacies, such as collective bargaining and job security for a significant group of public servants, during that decade it was significantly reduced due to a centralizing and partisan tendency that expanded temporary contracts. This led to the development of a parallel bureaucracy and the coexistence of multiple PPM formats (Grindle, 2012). Between 2009 and 2014 there was a massive unfreezing process, and competitive hiring gradually restarted to cover up to 18,571 positions, but this was neutralized by a significant expansion of temporary contracts, from 40,213 in 2009 to 68,142 in 2014, which then remained the modality of most new recruitment (Iacoviello, Pando and Llano, 2021). It should be noted that, with some exceptions such as the Administradores Gubernamentales (Government Administrators) and the Servicio Exterior (Foreign Service), the professional regimes in this country are not based on career groups.

In Argentina, PPM is regulated by the Framework Law on Public Employment of 1999, and its regulatory decree of 2002. To this legal frame the Second General Collective Agreement of the Public Administration of 2006 was added, together with the Sistema Nacional de Empleo Público (National System of Public Employment, SINEP in Spanish) of 2008, which replaced SINAPA. The main governing body is the Subsecretaría de Gestión y Empleo Público (Undersecretariat of Management and Public Employment), which depends from the Cabinet Secretariat. There is a training agency, the Instituto Nacional de Administración Pública (National

Institute of Public Administration INAP in Spanish), which originally was an autonomous body, but was placed then within this under-secretariat.

PPM in Argentina is very complex, given the extreme multiplicity of existing regulations. At a first level it is possible to distinguish a relatively professionalized bureaucracy and a rather clientelistic one. However, within these two types there is a wide diversity of situations. For example, within the professionalized bureaucracy we find two main subtypes: The first one approaches the MCS, since security and promotion are linked to performance, while the second one is closer to the TCS, where promotion depends on seniority and training. Despite its relative development, the application of professional principles in the more professionalized group of personnel has not been free from a significant degree of politicization (Iacoviello & Zuvanic, 2006b), and, thus, there has been a considerable gap between rules and practice (Iacoviello & Potenza, 2013). For example, there is a perception that competitive selection processes can be manipulated. At the same time, there are exceptions to this general tendency, mainly in the areas of high technical content – such as the financial, regulatory, social security and scientific research ones – and in certain career groups, such as the already mentioned Government Administrators and the Foreign Service, and in general those at the abovementioned SINEP. However, by 2014 it represented only 5.7% of total public employment and 11.7% of the national civil public employment (Iacoviello, Pando & Llano, 2021).

The second overall type of bureaucracy is a predominantly clientelist one (although sometimes recruited for technical tasks), which has expanded in parallel over the past few years through temporary contracts. Political authorities have made increasing use of such personnel for the design and/or implementation of public policies, since they distrust the professional bureaucracy, seen as a risk for such implementation given its greater autonomy (Grindle, 2012). From 2004 to 2014, permanent personnel expanded only 27.5%, while contract staff grew by 260%, accounting for 57.3% of public employment even though it is supposed not to exceed 15% (Iacoviello, Pando, & Llano, 2021). However, Iacoviello, Pando and Llano (2021) identify a strip of top officials called “political-managers,” who seek to position themselves between the political actors and citizens and influence the public policy cycle. Such managers are

characterized by its greater exposure to the media, links with interest groups, and an eagerness to show efficiency.

As expressed by Oszlak (1983), the persistent instability of administrative reforms has turned the Argentine state bureaucracy into a sort of “cemetery of projects,” since it has involved successive abandoned or relegated reform attempts. Likewise, the constant violation of rules has impeded the institutionalization of the senior management system. The predominance of political trust over the technical component of public policy has limited the development of a professionalized PPM governing body. The temporary and discretionary nature of most public employment and volatility of appointments, which reflect a low average seniority in the exercise of executive functions, are indicators of the system's deterioration. Thus, Argentina shows us again that when the political costs of PPM professional standards are perceived as very high, these tend to be avoided, generating a cycle of construction, deconstruction, and reconstruction.

4. Conclusions

The cases included in this chapter show that in general Latin American countries have faced great difficulties in moving toward what I have called an MCS, the PPM model taken here as a point of reference and considered to be the best for promoting democratic governance. All in all, PPM in the region shows a wide diversity. In a first group of countries it is predominantly disorganized and discretionary, in a way rather close to the “spoils system.” A second group of nations has approached to some degree the MCS model, insofar as the principles of the TCS, sometimes complemented with those of NPM, have been introduced to some extent for the job management of analysts and middle managers positions in the central sector of the national state.

Within this second group – this chapter's focus – we can also perceive different levels of PPM development. First, Chile has been the Latin American country that most has progressed toward the MCS, since there has existed a merit-based entry system (a feature of the TCS) while progress has been made also toward a performance evaluation system linked to training and strategic planning (following the NPM model).

Secondly, in Brazil a TCS exists, since most appointments are based on merit and there is systematic training of civil servants, but significant progress toward the regular application of performance evaluation has not been achieved. Finally, in countries such as Costa Rica, Uruguay, México, and Argentina, some principles of the TCS (and sometimes of the NPM) have tried to be followed, but progress has been partial and fragile, subject to a cycle of advances and setbacks.

Providing a well-grounded explanation of these differences is beyond the scope of this chapter. However, in light of the cases analyzed, it is possible to discuss some characteristics that may have favored the advance of a TCS or an MCS in the countries with the highest scores in the abovementioned index. As pointed out before, Geddes (1994) argues in her study of Brazil that there is a positive relationship between the degree of professionalization of PPM and the degree of political-electoral competition. This may well be a first possible explanatory factor, since in that country as well as Chile, Costa Rica, and Uruguay, such competition has also been present. Yet, in other nations where this competition has also occurred there has not necessarily been a high level of professionalization. It would thus seem that there are other factors at play for reaching such level, either structural (for example, the comparatively lower strength of clientelistic traditions in Chile, Uruguay, and Costa Rica), contingent (crisis, government change or continuity, political leadership, etc.) or design related (for instance, an open/position-based or a closed/career-based PPM system).

Although of course all these factors can be important, I would like to highlight here the latter ones (which in addition are more under the control of governments and PPM managers). In this regard, at least two interesting design features can be highlighted regarding the cases of Brazil and Costa Rica. First, not all public “professional” positions are included in the TCS (although in the Brazilian case, the percentage of free appointments only applies to the higher DAS posts). Second, these two countries – plus Uruguay – do not have a “position” type of TCS (present in many of countries that lag behind in the implementation of a TCS). It is thus probable that the margin allowed for free appointments and the greater job mobility of the public servants present in the TCS of these nations have played an important role in reducing resistance toward professionalization,

especially in the Latin American context of a high level of interpersonal distrust that favors clientelism and hinders the integration of work teams based on abstract principles such as merit or efficiency (Méndez, 2018, 2020).

It should be noted, however, that in Chile the MCS model is position-based and the proportion of intermediate positions in the central sector that can be freely appointed is not too big (one-fifth). Thus, there are at least five either structural or contingent factors that in this case could have come into play as well. Among the former, two features stand out: First, the fact that, as I said above, Chile's has had a somewhat less clientelistic culture compared to other countries in the region (such as Mexico and Argentina, for instance). Second, the relatively smaller size of the Chilean public administration. In turn, among the more contingent factors I could mention at least three. First, the strong deterioration of public administration that had occurred during the Pinochet dictatorship, which according to Egaña (2003) reinforced in the 1980s the view that there was a need to strengthen it. A second contingent factor – that has not been present in many other countries of the region – is that the law *Ley de Nuevo Trato*, which gave the Chilean TCS an important boost in 2003, was the product of an agreement within the political class after an important political-administrative crisis (which remained in the national memory for several years). Finally, the fact that the 1986 and 1989 laws were followed by 20 years of *Concertación* governments could have also played an important role. In this way, the Chilean MCS would not face its first political test until 2010. While then it was still subject to significant political turbulence, its greatest consolidation made radical setbacks more difficult.

No doubt, all these structural or contingent factors played an important role for the progress and consolidation of an MCS in Chile. However, it is important to also emphasize at least two design factors that promoted such consolidation (especially when, as I said, in general structural or contingent factors are not directly in the hands of governments): First, the independent senior management system, which reduces political pressure on higher managerial positions; and, second, the considerable autonomy of some of the MCS governing bodies, which helps to resist such pressure on the rest of the positions.

In addition to the functional and consolidated TCSs in only two countries of the region, PPM systems in all Latin American countries, including Chile's – despite this country's progress in this regard – have faced important deficits in the implementation of NPM principles. Difficulties have often emerged in the development of strategic planning, competence-based training, performance evaluation, management by results, etc. At the same time, as already mentioned, such difficulties are not different from those experienced by more developed countries (Bouckaert & Halligan, 2008). It is therefore possible that they involve generalized challenges for all PPM systems in the world (Manning, 2010), which then seem harder to overcome in the short term everywhere.

Depending on the state of progress and prospects for the MCS in the region, in the light of the cases analyzed in this chapter, it is possible to present several recommendations for a more strategic approach toward PPM reforms. First, the need for a gradual development of the MCS (Lafuente, Schuster, & Rojas-Wettig, 2013; Polidano, 2001a, 2001b; Wescott, 1999). This would mean, for instance, focusing and giving priority in the early stages of professionalization to consolidating the principles of the TCS, rather than those of the NPM. Although no doubt the former involves considerable political difficulties, the latter involves additional technical challenges for which there still seems to be no clear design or implementation solutions.

This recommendation is nevertheless subject to at least two important nuances. One is that the TCS must be developed in a well-calibrated manner: It must be designed in such a way that it can better withstand the strong political pressures usually present within the region and be able to consolidate itself in the medium term. In other words, it must avoid designs that have only led to evade or simulate its implementation. Among the specific recommendations in this regard are allowing an important margin for free appointments, as well as choosing a career-based TSC model (as in Brazil, Costa Rica, or Uruguay) which, by allowing civil servants to enter a functional group within the civil service, facilitates mobility and flexibility in the formation of work teams, instead of excessively limiting the margin for free appointments and following a position-based TSC model (which “nails” officials to their posts, as it occurs in Mexico). Of course, such group-based TSCs have their own potential problems or risks

(fragmentation, corporativization, etc.). Even then, they – given the characteristics of the Latin American political-administrative context – would avoid that political leaders perceive the TCS as a threat to governance, thereby reducing their resistance to it. Besides, as I said, some of those disadvantages can be avoided at the design stage of a PPM system.

The second nuance comes from the fact that, in turn, an overly gradual development of an MCS also has its risks, such as the stagnation of PPM within the limits of the TCS (which, by overemphasizing job security, can eventually promote rigidity and inefficiency). Thus, prioritizing the development of the professional bureaucracy associated with the TCS does not mean that the principles of the NPM should be completely set aside. In order to develop these latter principles in an effective fashion, a program that provides its gradual implementation could be devised (starting, for instance, in the administrative or policy areas where the NPM's tenets are more feasible) (Manning, 2010).

Lastly, at least two recommendations can be drawn from the case of Chile. First, that it is important to reach an adequate balance between “democracy” and “meritocracy,” that is, that the usual form of applying the principles of the TCS should be avoided at the highest managerial level (generally, that one immediately below the level of Deputy or Vice-Minister), for which a separate system of senior management would be more appropriate (as there appointments and removals involve the evaluation of professional competence but also of the degree of commitment to the ruling administration's policy program) (Martínez, 2013). Secondly, that both for the initial implementation of the TCS principles as well as for the gradual progression toward a MCS, it is necessary to establish PPM governing bodies with an important degree of autonomy.

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¹Other studies in the same line can be found in Martínez, 2013.

²Among which are those of Arellano, Egaña, Oszlak, & Pacheco, 2003, Echebarría, 2006; Ramió and Serna, 2007; Villoria, 2007; Longo and Ramió, 2008; Iacoviello, Zuvanic, and with Rodriguez, 2010; Dussauge and

Méndez, 2011; Grindle, 2012; Lafuente, Schuster, and Rojas-Wettig, 2013, and Iacoviello & Potenza, 2013.

³Argentina and Venezuela are not mentioned here since they did not participate in the 2014 study. However, Iacoviello and Chudnovsky (2015) placed Argentina within the middle development range and thus I included this country in this section.

⁴The following national descriptions of the PPM are to some extent based on the first and last versions of the chapters provided for this handbook, written by Susan Alberts, Mireya Dávila, and Arturo Valenzuela for Chile; Francisco Gaetani, Pedro Palotti and Rodolfo Pires for Brazil; Violeta Pallavicini for Costa Rica; Mercedes Iacoviello, Diego Pando, and Mercedes Llano for Argentina; María del Carmen Pardo for Mexico; and Conrado Ramos, Alejandro Milanesi, and Diego Gonnet for Uruguay. In 2018, an information update was made, thanks to the support of Conrado Ramos.

⁵For a more detailed description of the Brazilian case, see Gaetani, Palotti and Pires, 2021; Méndez, 2019 and Ramos et al., 2018.

Chapter 11

Bureaucracy and Politics

Juan Javier Negri

Abstract

This chapter explores the question of the relationship between bureaucracy and politics in Latin America. The objective is exploring the role that politics plays in guaranteeing a professional and autonomous bureaucracy structure.

The chapter first examines an institutional explanation for bureaucratic performance. I will scrutinize the institutional arrangements that might preclude the existence of a professional bureaucracy. The chapter then “brings the state back in,” under the assumption that the explanation for performance of bureaucracy might have been related to long-lasting conditions of “Stateness.” The bureaucracy is analyzed in a more historical perspective and relates the former with specific societal and partisan coalitions at the time of state consolidation. These historical decisions seem to have determined a pattern of clientelistic utilization of the State apparatus in some countries but not in others. The partial evidence presented in this section suggests the importance of “state strength” to understand bureaucratic performance.

Keywords: Bureaucracy; latin America; politicization; institutions; historical institutionalism; bureaucratic performance

1. Introduction

The bureaucracy in Latin America does not enjoy the best of reputations. States in Latin America are widely considered to lack administrative capacity, professionalization, coordination, and coherence, while bureaucratic apparatuses are plagued by clientelism, human resources instability, patronage, and patrimonialism (Iacoviello & Zuvanic, 2010; Oszlak, 2001; Panizza, Ramos, & Scherlis, 2018). This

results in a body that lacks capacity to execute public policy adequately. States in the region seem usually to be structurally overbureaucratized but behaviorally underbureaucratized, certainly an unfortunate combination. Research has signaled the incapacity of States in Latin America to efficiently and effectively promote development of their economies (Weyland, 1998), despite the corporatist State-centered matrix (Cavarozzi, 1991) that characterized Latin American societies and the many areas in which the former intervenes.

The bureaucracy is a political actor and the root for many of these shortcomings is undoubtedly political. However, political science has more or less abandoned the study of public administration and Latin American politics has yet to scrutinize the bureaucracy as it did with other important political actors such as legislatures and the judiciary.

This exercise intends to move in this direction. This chapter explores the question of the relationship between bureaucracy and politics in Latin America, with the objective of understanding the relative malfunctioning of bureaucracies in the region. In other words, what does political science have to say about the bureaucracies in the region? I will review the research that explores the standing of the bureaucracy vis-à-vis political powers. The objective is exploring the role that politics plays in guaranteeing a professional and autonomous (Weberian) bureaucracy structure throughout the region.

I will first examine an institutional explanation for bureaucratic performance. In other words, I will scrutinize the institutional arrangements that might preclude the existence of a professional Weberian bureaucracy. Within the scarce literature on the topic, an institutional account (and especially the political economy/rational version of it) has been the most common explanation for the lack of capable bureaucratic structures in the region (Scartascini, Stein, & Tommasi, 2010; Spiller, Tommasi, & Bambaci, 2007). Indeed, presidentialism, the weaknesses of Latin American assemblies, and the lack of solid institutional arrangements that increase the transaction costs have been common when analyzing the question. There are indeed interesting insights provided by a pure institutional perspective. However, data collection has been problematic in this field and therefore results should be handled with care.

I will then “bring the state back in,” under the assumption that the explanation for the current performance of state institutions might be related to long-lasting conditions of Stateness in the region (Evans, 1992; Evans, Rueschemeyer, & Stephens, 1985). I will therefore review, first, a cultural explanation given for the underdevelopment of professional bureaucracies in the region. Next, I analyze the question of the bureaucracy in a more historical perspective and relate the former with specific societal and partisan coalitions at the time of state consolidation. I will use some of the finest historical institutionalist research carried out in the region (Collier

& Collier, 1991; Rueschemeyer, Stephens, & Stephens, 1992) to demonstrate the association between certain decisions taken at critical points in history and state strength. These historical decisions seem to have determined a pattern of clientelistic utilization of the State apparatus in some countries but not others. The partial evidence presented in this section shows the importance of state strength and the conditions that foster it as crucial to understand bureaucratic performance in the region.

Before proceeding, I must point out that despite the poor reputation of bureaucracies in Latin America, there is a consensus in highlighting Brazil and Chile as relative overperformers in this respect. The literature on civil services in the region highlights the long-term commitment to institutional building in both countries and their successes in administrative reform (Aninat, Londregan, Navia, & Vial, 2008). I believe that both the institutional and statist accounts of bureaucratic performance that I review here can help understand these two outlier cases.

In this chapter, I consider bureaucracies as a single actor, a broad organization that relates with an institutional framework, existing cultural patterns, and State–society relations. However, I am aware that the bureaucracy should be analyzed as a heterogeneous and contradictory actor, which takes diverse forms within a same country. Future research on bureaucratic performance should take a more agency-level perspective in order to grasp the micromechanisms of bureaucratic autonomy and capacity. However, I believe that something can be learned from the country-level perspective I adopt (which is also common in the bureaucratic diagnoses done before).

2. The Role of Institutions

When studying the relationship between the bureaucracy and politics in Latin America, one needs to acknowledge the political landscape that predominates in the region. In this respect, any analysis of bureaucratic politics needs to take into account the institutional framework. The institutional structure in Latin America has precluded an autonomous and professionalized bureaucracy throughout the region. This is an example of the inefficiencies that may rise when structures develop within a given institutional structure (see March & Olsen, 1989 for a review of this point).

In this section, I review many of the institutional approaches of bureaucracies in the region. The argument posed by the institutional accounts (Bambaci, Spiller, & Tommasi, 2007) is that presidentialism coupled with unprofessional legislatures and executives as heads of the public administration has created an agent (the bureaucracy) without a long-term principal. I go a step further and argue that the institutional structure creates a bureaucracy with a principal interested in discretionary use of the bureaucracy. This aggravates the “delegative” nature of many of the

region's democracies, where there is no horizontal accountability to the power of the President (O'Donnell, 1994). As will be clear below, this institutional structure present in Latin America is not conducive to cooperative results as it lacks effective enforcement mechanisms. It generates benefits from renegeing on agreements and therefore deviations from agreed-upon behavior are easily observed, especially when actor's interests do not align.

2.1 The Executive's Role

In this section, I discuss that powerful presidents have incentives to use the bureaucracy for electoral purposes rather than respecting a professional and autonomous bureaucracy in a discretionary way. This is the norm in Latin America, but not so much in the United States, also a presidential democracy. As I will review, executives have a transient nature in all democracies, but the institutional arrangements in presidential Latin American countries do not offer a solution to the problem of short-term politization of the public service, while in the United States it usually does.

As it has been widely described, many Latin American countries suffer a profound lack of institutionalization and of accountability (Mainwaring & Welna, 2003). This is part of the “delegative democracy” characterization of many Latin American democracies. In this characterization, extreme powerful presidents do not have any legal and/or constitutional constraints to executive their program, and in some extreme instances presidents push their agenda through constitutionally provocative ways. Presidents consider institutions as interferences to the nation's interests that the president embodies (O'Donnell, 1994). This “hyper-presidential” (NinoCarlos, 1993) setting precludes the strengthening of an autonomous and professional bureaucracy. I will develop this point below.

Presidents everywhere have an incentive to politicize the bureaucracy, displaying a desire of seeking control “over the structures and processes of government” (Moe, 1985, p. 239), to enhance its political control of patronage. Presidential discretion is associated with a consistent maximizing behavior on the part of the President. The problem is that this behavior has perverse consequences. The ability to limit discretion in a convincing manner (through a credible commitment), however, is not favored by the existing institutional framework throughout the region. Bureaucracies are headed by an Executive enjoying concentrated incentives to maximize resources for the next election to remain in power. Therefore, the possibility to intervene in the operations of a bureaucratic agency providing such resources is highly tempting. In addition, the President is popularly elected by a generation of voters who may not give weight to the provision of public goods by a well-functioning bureaucracy to future generations. Therefore, there is an electoral incentive and discretionary authority for the President to reinforce his power through bureaucratic interventions that will

constitute a liability to any future President and future generations (this argument is taken from Shepsle, 1991). Although these incentives are identical both in Latin America and the United States, in the former, institutions usually allow the Executive to have its own way because the President is the head of the public administration.

In other words, executives both in Latin America and the United States may commit to the following action plan over time $t = 0$,

$$X_t = (x_1, x_2, \dots, x_t, X_T)$$

While in the United States it can be anticipated that the President will do x_t in a time t , and thus x_t is credible due to its compatibility with the existing incentives, this does not happen elsewhere. As there are no institutional restrictions to shape the Executive's conduct, it may commit to carry out the action plan described in $t=0$, but x_t will not be a credible commitment, due to the Executive's discretionary authority. The *a priori* incentives are incompatible with such commitment being honored. Inevitably, this will be breached in $t > 0$. Paraphrasing Kydland and Prescott (1977), the discretionary exercise of authority is a consistently maximizing behavior.

The socially desirable result is that the Executive does not interfere with the bureaucracy for its personal benefit. But if at any one time the President is concerned with her own reelection and/or keeping power, there will be no restrictions to use the significant resources that an agency subject to her authority may provide. The president may have committed himself or herself not to interfere with bureaucratic agencies, but at any given time such interference is convenient, she will do that, because she is a rational agent. Even if the President would prefer, in the first place, the result “no electoral need to interfere; no bureaucratic interference”; in the second place “electoral need to interfere, interference”; and, finally, “electoral need to interfere, no interference,” the incentives will entice him to always select the second alternative. We assume that x_t is “noninterference with bureaucracy in moment t ” and that y_t is “bureaucratic interference when electorally convenient.” If the Administration would commit itself, in a credible manner, to carry out (x_1, x_2, \dots, x_t) , then it could reach the social optimal in every period. But it cannot subject itself to such a plan; thus, if in a moment t the electoral needs are great, in $t+1$, x_{t+1} would cease being consistent. A government with discretion would choose y_{t+1} .

The above-described situation can also be illustrated as a one-movement game ($t = 1$) enjoying a single and inefficient Nash balance. All players would be better off if they could deprive themselves of their discretion to play their respective optimal strategies, but they have no credible commitment to do otherwise.¹ In this sense, an undertaking not to interfere with bureaucracy (if any) may be inconsistent (incompatible with periodic maximization) and therefore unreal to an agent having discretionary authority.

One of the consequences of the incentives described above is what I labeled politization of the bureaucracy, a public service oriented only to the short-term needs of the executive. In some cases (the tax administration in Argentina in 2008, for example), politization meant literally an intervention from loyalists in a given agency, removing previous staff. In general, it just means the lack of autonomy from the executive of an unprofessional and demotivated staff. Some other times, it means the existence of a parallel bureaucracy of more or less competent individuals who respond to the political leader, with transitory appointments who are in charge of executing public policy (Iacoviello, Zuvanic, & Rodríguez Gustá, 2010). The existence of this parallel bureaucracy has deleterious effects over the institutionalization, professionalization, and motivation of a professional public service. As any informed opinion on human resources can attest, the marginalization of formal employees is strategically incoherent, is harmful to employee's morale, and does not help the agency improve its competence in the solution of problems.

Solving the Dilemma: The Search for External Coercion

This dilemma between commitment and discretion has been heavily discussed. It was analyzed by Elster (1989), who discusses the classical example of Ulysses tying himself up to his vessel's mast not to succumb to the sirens. A quarter of a century earlier, Schelling (1956) discussed the possibility of self-restraint to avoid any departure from the original commitment that an actor may make. Although Brennan and Buchanan (1985) discard the possibility that any actor may impose self-restraints, Elster and Schelling underscore the advantages of such an action: the healthy effect of a present commitment over future actions. But this course of action is a difficult one. As pointed out by Kydland and Prescott (1977), there are no mechanisms to induce future politicians to consider the effects of their policies, by way of expectations, over the present decisions of the agents.

Are there solutions to this dilemma? Schelling suggests that external coercion may be a substitute for commitment. In many Latin American countries, this external coercion rarely originates from coalition partners as it happens in Europe. Laver and Schofield (1990) discuss the chances for credible commitments reached among members of a governmental coalition at the time cabinet positions are negotiated. This often happens in Europe, where two or more party coalition governments are common. In many countries throughout the regions (but not in all, as we will see below), cabinets are single party (as in the United States), due to the fact that the government is not responsible to the legislature and therefore does not need a party majority supporting it (Lijphart, 1994; Linz, 1990). Therefore, the president is not required to negotiate with other parties to form a government and does not need to reach future credible commitments with other actors.

As explained below, this external coercion cannot originate in Congress either. This is a substantial difference with the United States.

2.2 The American vs. Latin American Congresses

The main issue behind the preceding discussion is that institutional arrangements allow several agents to make credible commitments.² A possible explanation to the vulnerability of the region's bureaucracies can be found in its institutional framework, meaning the rules restricting the agents' rational conduct. The institutional framework generates great returns out of the politicization of the bureaucratic system. Therefore, we must expect that the relevant political actors will adapt themselves to maximize those margins. As discussed earlier, executives both in the United States and Latin America have incentives to politicize bureaucracy. But the capacity of Latin American legislatures to create undertakings is limited but this is not the case of the US Congress. Here, Congressional ability to impose limits to the Executive in its attempts to control bureaucratic agencies is reduced due to the institutional incapacity to generate adequate incentives. In other words, my position is that the arm of the future (Shepsle, 1991) plays a significant role in the institutional arrangement of the American legislators but is non-existent in Latin America.

Game theory has explained the appearance of cooperational patterns among actors when games repeat themselves over time (Axelrod, 1984). In the United States, the protracted stability of legislators in their benches generates incentives similar to those described by Axelrod, but to maintain the power of the group to which they belong. I will elaborate this issue further.

Legislatures are popularly elected by voters from a generation who may or may not give importance to the preferences of future generations.³ However, in the United States (contrary to what happens in many Latin American countries), the legislature's high stability implies the existence of an interest by the actors in the body's relative power in the future. It is the opposite in the region: in general terms, the institutional framework reinforces the failure by Congress to play an active role in the formulation of public policy. In general, legislatures act more like a veto agent of the policies generated by the Executive (Jones, Saiegh, Spiller, & Tommasi, 2002).

The United States Congress is a highly professional and institutionalized body (Jones et al., 2002; Polsby, 1968). It enjoys an elaborated institutional structure facilitating exchanges between its present members and over time (Weingast & Marshall, 1988).

It allows for credible commitments among legislators. In addition (and this is a key element), the American legislators' foremost interest is to be reelected. The Congressional operation maximizes their chances. As pointed out by Mayhew (1974), the organization of Congress satisfies the electoral needs of its members. In other

words, if a group of planners were to design a couple of national assemblies for the United States, with the purpose of serving the electoral needs of their members every two years, it would be very difficult for them to improve what already exists. This explains the relatively high reelection rate of legislators in the United States, where approximately 90% of legislators are reelected. In effect, it is very common for US legislators to remain in office for a quarter of a century (with conspicuous cases of more than 50 years). This temporal continuity forces them to be concerned about the future power of the body to which they belong. In other words, American legislators, taking for granted that they will be part of Congress for many years to come, are concerned about its relative power. In addition, and to the extent their reelection is tied to the government's performance, they take very seriously the discomfort that an underperforming bureaucracy may generate. Thus, there is a significant concern by US legislators over matters that directly relate to their electoral districts. As a consequence, issues about bureaucratic performance are essential. Bureaucratic politization affecting performance, even in the future, is a reason for concern to the US lawmaker. On the contrary, Latin American legislators may not be concerned about placing future burdens upon bureaucratic capacity. She will not be penalized for this because she will not be in Congress at the time the effects are felt.⁴

In addition, the US Congress' decentralized system makes it very difficult for these commitments to be modified. Even if there were some consensus at a plenary session to grant control of the bureaucracy to the President or to intervene it to seek electoral benefits, it would be very difficult that such an initiative may survive the relevant committee's veto. The US Congress operates under very strong decentralization. Legislators choose and are assigned to legislative committees close to the interests of their own electoral districts and stay in those committees during their whole term (Weingast & Marshall, 1988). Typically, the Mining Committee is staffed by legislators from the industrial belt (Ohio, Pennsylvania, West Virginia), while the Agricultural Committee includes legislators from the Mid-West and the Great Plains (Oklahoma, Kansas, Nebraska). These committees operate as strong actors enjoying veto power against the legislative majority. In other words, even if a majority may prefer a different use of bureaucracy (something which, as explained, is difficult to occur), it would have to overcome the obstacle of the relevant committee's veto to reach the floor (Weingast & Marshall, 1988).⁵ Only major changes in the electorate humor or political commotions (uncommon in the United States, by the way) may affect the balanced *status quo* of the US Congress.

The committee system plays another probably more significant role. As lawmakers are members of committees which provide important goods and/or services to their constituencies, they are aware of any bureaucratic malfunction that might occur. As it has been sharply pointed out in McCubbins and Schwartz (1984), legislators are ready to answer any "fire alarm" promptly, overseeing bureaucratic

performance closely whenever necessary. The committee system, therefore, not only functions as safety net against the executive desire to politicize the bureaucracy but also generates strong incentives to lawmakers to involve in policymaking. The legislative involvement in the policymaking process does not exist as extensively in Latin America.

The combination of the legislators' permanence during several terms, the institutionalization of behaviors, the ease of exchanges between legislators, the possibility to enter into long-term commitments over time, and the desire of legislators to involve themselves in issues of bureaucratic malfunction result in a collegiate body concerned with matters of bureaucratic performance and also committed to maintain bureaucratic autonomy in the future.

In other words, American legislators are aware that their electoral future depends upon their capacity to show voters that they care about them and that, at the same time, they have the institutional tools to reach commitments among them to insure stability and autonomy of the bureaucratic agencies. In addition, legislators find it valuable that Congress acts as principal of the public apparatus.

The situation is quite different in Latin America.⁶ The main purpose of its legislators is to advance their political careers elsewhere, as there is no political future (or, at least, no successful political future) in Congress. Generally speaking, individuals land in Congresses because they were unable to negotiate a better position with their respective provincial leader, or because they have not yet reached an important position within the political structure of their provinces, or because they plan to use Congress as a launching pad toward better positions or due to a combination of all previous alternatives. Furthermore, in terms of available resources, Latin American legislatures are clearly inferior when compared with its United States equivalent. The legislatures in Latin America are not a significant actor in the policymaking process and have not effective oversight capabilities and budget authorities over the bureaucracy (despite formal rules, see Palanza, 2005). The combination of uninterested legislators and scarce resources gives Latin American Congresses very few incentives to be involved in bureaucratic performance matters: rewards for strengthening Congress' role as the bureaucracy's principal will arrive late, and that is useless for the lawmakers' immediate electoral interests. In other words, legislators will lack incentives to empower a body they want to abandon as soon as possible and when transactional costs to reach agreements for this purpose are very high. Therefore, even if Congress had increased powers over the budget (which it does not have in many countries in the region), it is not interested in conditioning funding to performance. If Ulysses bounded himself so his future could not be relinquished by tying himself to the mast (Elster, 1989; Shepsle, 1991), lawmakers are not prepared to make a similar sacrifice. They take advantage in the cancellation of any future opportunities to control over the bureaucracy and the Executive (as the

resulting benefits will take a long time to be reaped) by simply dismissing these matters. This way, legislators do not enter into credible intertemporal engagements in favor of greater autonomy for the bureaucracy which, if enforced, would increase general welfare.

In other words, in the United States, there are ways to widen the time frame and stretch out now the arm of the future avoiding temporary refusals and cooperating to strengthen the legislative body vis-à-vis the public sector. The game repeats itself because legislators remain in office for several periods or at least aim to do so. This repetition encourages cooperation (Axelrod, 1984) to maintain control over the bureaucracy, without yielding to presidential pressures while paying attention to the performance of the public sector. The US Congress is institutionalized in such a way that it secures a flow of future benefits to the whole body, independently of any particular composition on any given term. Legislators rationally take for granted the potential gains and losses of any specific project. The long-term effect of any agreement will be reinforced by the exchange of votes between legislators from different districts (Weingast & Marshall 1988). These transactional costs prevent discretion in the decision-making process, thus reinforcing the credibility of the existing commitments. On the contrary, institutional frameworks in some countries (such as many Latin American ones) favor policy fluctuations.

3. Brazil and Chile as Deviant Cases: The Importance of Political Stability

As described above, Latin American countries usually lack the institutional framework conducive to an autonomous, professional bureaucracy. The existence of a principal with short-term goals and the legislative weaknesses described above are important elements to consider. In addition to this, the political instability that plagued the region also contributed to lack of development of a professional civil service. A long-term civil service policy is difficult to maintain given the many changes in political regimes. Many Latin American countries alternated between constitutional and military regimes throughout the twentieth century. This instability resulted in a high rotation of the state bureaucracy every time a change took place.

This element, however, might help us distinguish between some Latin American cases. As I already mentioned, there is a consensus in highlighting Brazil and Chile as relative overperformers in this respect. The literature on civil services in the region highlights the consolidation and consistency in the bureaucracies of both cases, plus the gradualism that defined the process of administrative reform, as opposed to the erratic and spasmodic reform attempts in Argentina, for example (Aninat, Londregan, Navia & Vial, 2008; Spiller, Tommasi & Bambaci, 2007). While other countries' efforts were characterized by brusque and extensive overhauling attempts, Brazil and

Chile put forward consistent and accumulative reforms throughout several decades. Authors who have analyzed the successful civil service reform in Chile have emphasized the compromise among the actors as one of the key explanations for its success (Aninat, Londregan, Navia & Vial, 2008; Ferraro, 2008; Tommasi, 2010). Despite the fact that it shares the presidential form of government with the region, the institutional pattern seems to promote intertemporal commitments. Central to this process is the political continuity that the country has experienced under the center left *Concertación* coalition in power. In addition, political parties in Chile are moderate in number and very stable in time. The moderate number of parties (plus the unitary feature of the Chilean state) reduces the number of relevant actors. In sharp contrast with some of its neighbors, parties do not present high volatility. The same political actors, therefore, repeat their encounters over time, and therefore cooperation can surge (Axelrod, 1984).

In addition, the Chilean legislature is unusually competent and technically professional compared with its Latin American counterparts (Aninat, Londregan, Navia & Vial, 2008). This, plus the informal parliamentary dynamic in issues concerning the bureaucracy (Ferraro, 2008), results in Congress having strong powers to limit any initiative the president might have to politicize the bureaucracy.

The Chilean reform consisted of slow but incremental steps given throughout the late years of the military dictatorship and the first decade of the democratic regime and finally resulted in the New Deal Law (*Ley del Nuevo Trato*), which represents the aim of a results-oriented civil service. These consecutive steps were the result of arduous negotiations among all political sectors.

The case of Brazil is similar in many respects. It started earlier (in the 1960s), when the armed forces created an isolated body of technocrats within the bureaucracy that would allow the enormous economic expansion of that decade—the “Brazilian miracle.” The bureaucracy, stronger than in many countries, was able to lobby as a significant political actor in the 1988 constitutional writing process. Although the Brazilian bureaucratic building process has been more meandering than its Chilean counterpart and it is less obsessed with result-oriented management, it has been a steady construction of rules and institutions that all actors commit to honor.

The common point in both cases is continuity in institutional building due to longer time horizons. Both countries share a series of commitments with actors within and outside the state apparatus and a basic consensus over the human resources policy in the public sector, which translate into additive steps. This process alters the pernicious equilibrium I described in the above section.

Note that I am not claiming that only democracies can have a role in developing a professional bureaucracy. In fact, many argue that the Brazilian (1964–1985) and Chilean (1973–1990) military dictatorships have been particularly successful in building state institutions. The point is, however, that the replacement of regimes is

pernicious for bureaucratic stability. In fact, both dictatorships mentioned above were extremely resilient, lasting about 20 years.

The continuous replacement of administrative hierarchies attempts against the development of a set administrative style in a bureaucracy. An administrative style is a set of organizational routines and behaviors. These are heavily influenced by the institutional context, which at least partially helps to explain its behavior (Howlett, 2002). Therefore, the rules and structures of the civil service system in which it is located play a role (Bekke, Perry, & Toonen, 1993). The continuous changes in the institutional context in Latin America precluded the rooting of a particular administrative style in the region. On the contrary, bureaucracies developed as geological layers of military and civilian regimes.

4. The Effects on Bureaucratic Performance

The previous section discussed a theoretical principal agent explanation for the relative weakness of bureaucratic apparatuses throughout the region. I will now develop an empirical test of the relationship between some institutional variables and their effects on the bureaucracy. These types of exercises are complicated by the fact that we currently lack reliable data on bureaucratic performance in the region.

When analyzing the bureaucracy, authors have emphasized the need of a professionalized “Weberian” bureaucracy (Evans & Rauch, 1999). However, this has been seldom defined very specifically and evaluating if a bureaucracy is Weberian enough has proven more difficult than it appears at first sight. Research has emphasized meritocratic recruitment and compensation, predictable and well-rewarded career paths, and autonomy from elected officials (Evans, 1992; Zuvanic, Iacoviello, & Rodríguez Gustá, 2010).

A well-cited article by Evans and Rauch (1999) and the work done by the Inter-American Development Bank are usually the only sources of data on bureaucratic quality. Rauch and Evans collected survey data and constructed an indicator of bureaucratic competence and coherence in 35 countries. Although the effort is worthy, it is important to note the methodological problems associated with an expert survey (respondents answering on different criteria, for example). In addition, many works are somewhat biased toward considering “good” bureaucracies as those that have undergone New Public Management-type reforms but do not pay enough attention whatsoever to the question of “Weberian” bureaucracies (Pereira, Carlos, & Peter, 1999; Lora, 2007).

On the other hand, the Inter-American Development Bank data emphasize autonomy and technical capacity (Zuvanic, Iacoviello, & Rodríguez Gustá, 2010). The former is defined as the degree of isolation from political manipulation and from rent-seeking interests outside the state (Evans, 1992). Bureaucracies secluded from

political intrusion can act more efficiently without being captured by external particularistic interests. A bureaucratic body is autonomous if it is governed by its own regulations and rules.⁷ The latter concept is defined as the competence and skills of officials needed to efficiently do the tasks they have been assigned. Merit, then, becomes a key aspect (Rauch & Evans, 1999), as is considered to be the best recruiting tool in order to achieve this objective.

Bearing in mind these difficulties and therefore suggesting caution, I will employ data on Latin American bureaucracies' merit criteria and functional capacity developed by Iacoviello and Zuvanic (2005, 2008), which allowed them to build a civil service development index. These indexes are the result of assessment of Latin America's public services according to a reference model developed within the IADB. I will measure the association between these civil service development indexes and assessments of Latin American assemblies to test the ideas reviewed above: that the institutional arrangement in the region, where Congress does not seem to be able to adequately restrain the politization of the bureaucracy by the Executive. The data based on IADB exploration of regional bureaucracies consist on a number of indexes, based on critical points that reflect "best practices" in bureaucratic management.⁸ The first, the merit index, measures "to what extent there are objective, technical, and professional procedures for recruiting and selecting employees, promoting them, compensating them and dismissing them from an organization" (Zuvanic, Iacoviello, & Rodríguez Gustá, 2010, p. 152). High values represent established merit criteria and vice versa.

The functional capacity index evaluates "how and how much existing procedures and practices in the civil service can influence employee behavior and if they serve the purpose of strengthening the commitment of officials to the institution and to their jobs" (Zuvanic, Iacoviello, & Rodríguez Gustá, 2010, p. 7). High values reflect established merit criteria in personnel management practices and vice versa.

Following Zuvanic, Iacoviello, and Rodríguez Gustá (2010), I also present the civil service development index, which considers simultaneously both previous indexes. This index is the dependent variable in the simple correlations presented next.

As independent variables, I will utilize measures of legislative strength presented in Spiller and Tommasi (2011). These include average year experience of legislators, average number of committees served per legislator, strength of the committees, appropriateness of Congress as a place for developing a political career (based on reelection figures), and an index of technical capacity of Congress. In addition, the authors present an overall Congress capacity index, which include all the previous weighted measures.

If the ideas developed in the previous section are correct, we should observe that whenever any given Latin American Congress is strong, bureaucracies should have a

higher number in the development index. Table 11.1 shows the Pearson correlation coefficients between these independent variables and the civil service development index.

Table 11.1. Correlation Coefficients between the Capacities of Latin American Assemblies and Bureaucratic Development.

	Average Experience of Legislators (years)	Average Number of Committees Served per Legislator (years)	Strength of Committees	Congress as Arena for Career Development	Congress Technical Capacity	Congress Capacity Index
Civil Service Development Index (Standard deviations)	0.26 (0.294)	-0.248 (0.320)	0.606 ^a (0.008)	0.379 (0.123)	0.583 ^a (0.011)	0.569 ^a (0.014)

^a Significant at the 95% level.

As it can be seen, there is a strong and significant association between some of the variables analyzed and the development of the civil service. This lends support to the general idea that an important Congress that it is involved in the policymaking process can put a brake to the politization aims of the Executive. The *strength of the committee system* is strongly (0.606 coefficient estimate), positively, and significantly associated with the development of the bureaucracy, giving leverage to some of the ideas presented in the previous section: that the committees systems where legislators are blissfully aware of the needs in public policy tend of their constituencies result in lawmakers alert to “fire alarms.” It comes as no surprise that a stronger committee system results in a stronger bureaucracy.

Unsurprisingly, *the assembly's technical capacity* is also positively correlated (with a coefficient estimate of 0.583) with the development index of the bureaucracy. This is a very intuitive result and can be easily explained. It is related to the fact that Congress can only involve itself in the policymaking process if it enjoys a certain level of abilities. In general, legislators with adequate staff and resources plus a legal framework that incorporates the legislative branch in public policy will result in a more developed civil service.

Finally, an index that weights in the effectiveness of assemblies as lawmakers, the experience of legislators and their education, the strength of the committee system and the number of committees per legislator, the adequacy of Congress as an arena for

advancement of political careers, and the technical capacity of Congress results in an overall *Congress capacity index*. This index is also strongly correlated (showing a coefficient estimate of 0.569) with the public service development index, which measures merit and functional capacity in Latin America's public services. Figs 11.1, 11.2, and 11.3 illustrate this strong relationship visually.

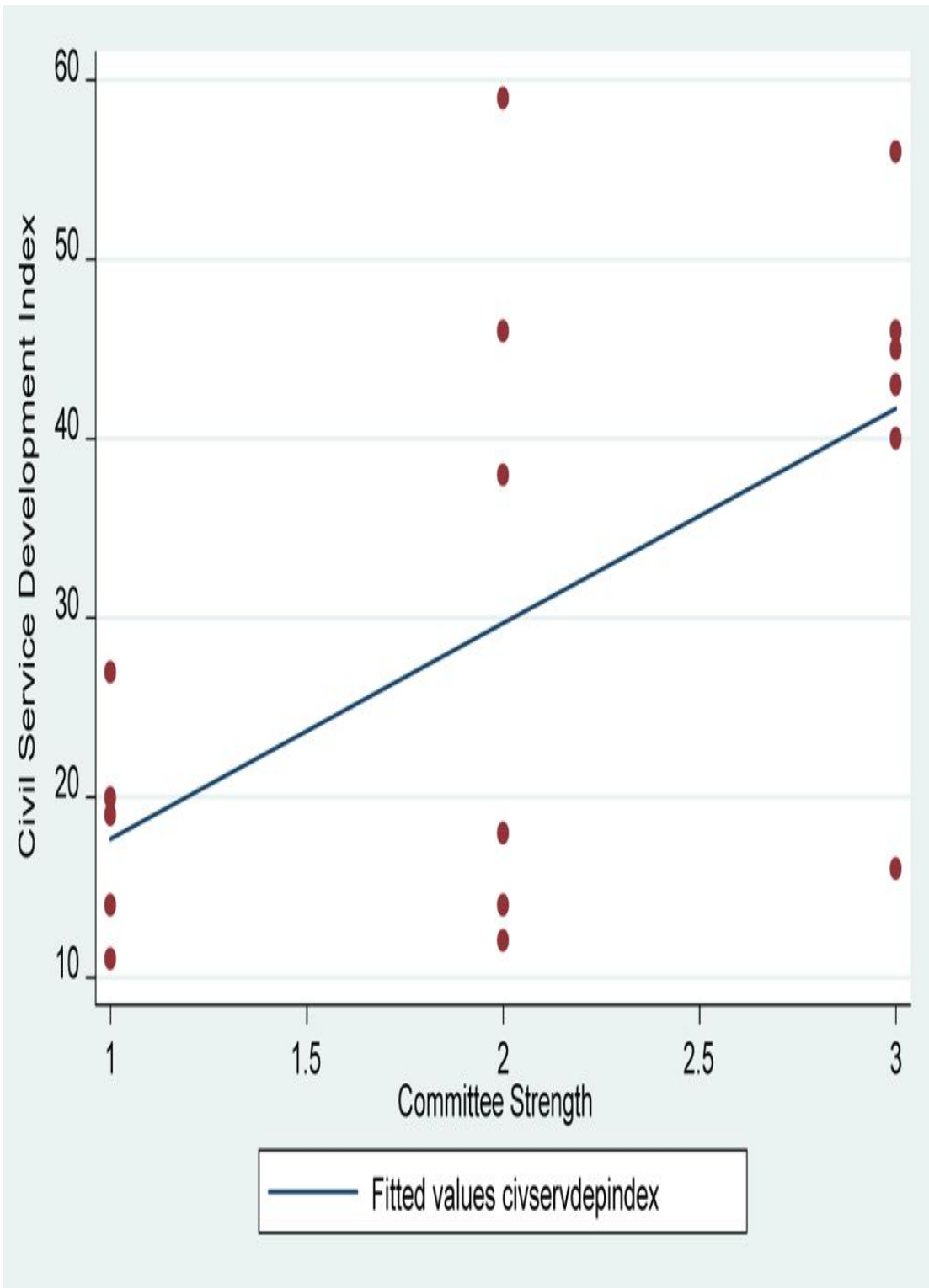


Fig. 11.1. Strength of the Committee System and Civil Service Development Index.
 Source: Author.

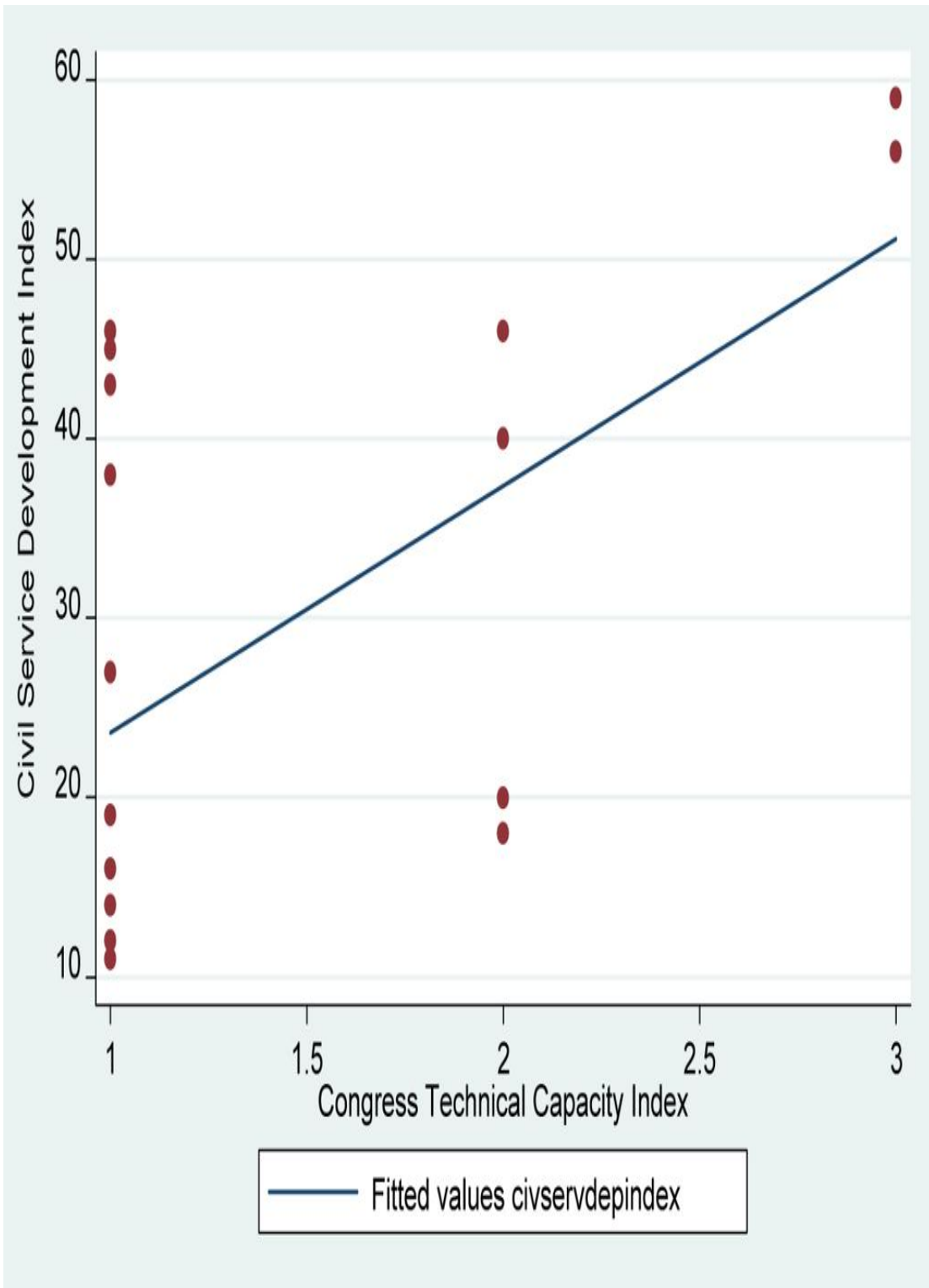


Fig. 11.2. Congress Technical Capacity Index and Civil Service Development.
 Source: Author.

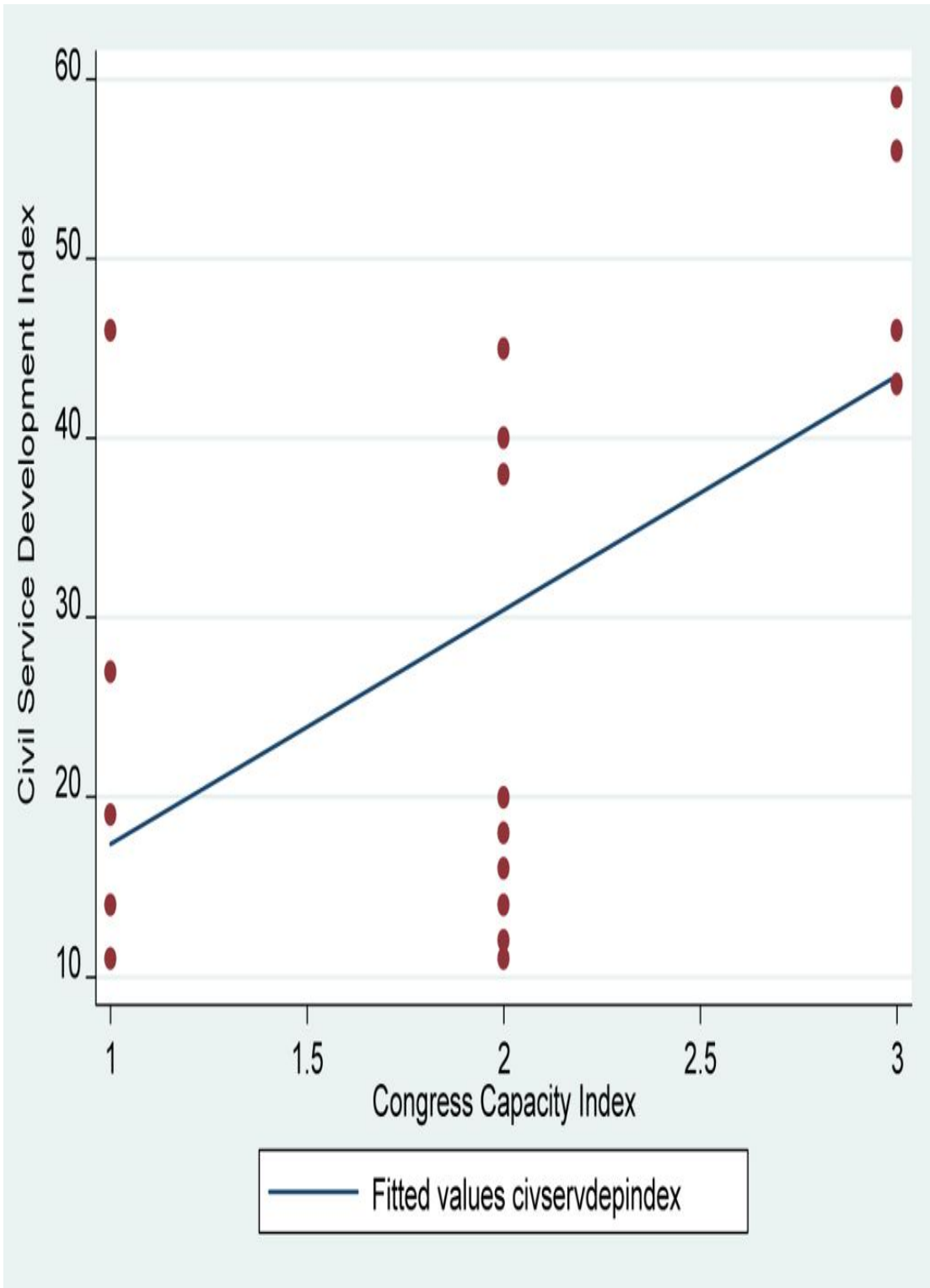


Fig. 11.3. Congress Capacity Index and Civil Service Development. *Source:* Author.

These graphs make a visually compelling image of the strong relationship between measures of congressional institutional strength and bureaucratic development. Although this should be considered as partial evidence only, at a minimum, the results presented here lend support to the insight suggested here that there is a causal connection between the role of the legislative assembly in its standing vis-à-vis the Executive branch and the involvement of the former in the public policymaking process and the overall development of the bureaucratic actor. Although more work should be done in this respect, this has significant policy consequences. For many countries, instead of focusing on administrative reform based on new public management platforms, a probable strategy worth pursuing by reformist administrations is reinforcing the legislative connection of the bureaucracy.

5. A Cultural Explanation

Although the principal agent explanation for the lack of bureaucratic autonomy provides an elegant way of understanding the traditional bureaucratic weakness in the region, the preliminary empiric evidence has not backed the hypotheses presented. As already mentioned, however, this might be the result of the lack of reliable data on bureaucratic performance and therefore the institutional explanation should not be disregarded in its entirety.

A very different perspective considers that Latin American states are characterized not only by incapacity to perform basic questions but also its lack of responsibility and nondemocratic nature (Castañeda, 1995), and the reasons for this are to be found in the “nature” of Latin American States. According to this perspective, this nature is related to the historical legacy of patrimonialism and historical patterns related to it, which created a tendency toward rent-seeking interests that parasite the state.

This point of view scrutinizes the legacies of history in search of reasons for this situation (Malloy, 1977; Véliz, 1980; Stepan, 1978; Wiarda, 1998; see Diamond and Linz (1989) for a more critical perspective). Explanations go back to the Spanish Viceroyalties and the “Habsburg model” of royal government (Wiarda, 1998). Spanish feudalism was more religiously intolerant and militaristic than its European counterparts given its experience with the *Reconquista*, the war against the Muslim occupation of the Iberian Peninsula, fought with the “sword and the cross.” In addition, Spain “exported” its feudal institutions to Latin America at its peak of centralism, corporatism, and authoritarianism; while the Spanish state maintained a symbiotic relationship with both the Church and the military, both vertical and authoritarian institutions on their own.

This centralist and corporatist tradition permeated the colonies. In the colonial era, no effective barriers were built between the administrative bureaucracy and private property, therefore blending public positions in the bureaucracy and private interests.

This blending continued after independence, permeating to modern Latin American States. The frontier between State and government is blurred, and institutional differentiation (including a proficient bureaucracy and an independent judicial system) developed very slowly or not at all. In addition, colonial Spain did not establish a legal order and a bureaucratic structure in which it could have delegated autonomous ruling power. On the contrary, administrative systems were authoritarian and centralized. Colonial Latin America was a gigantic net of individual and corporatist privileges that rested on the monarch's authority and legitimacy (Wiarda, 1998).

The structure and logic of the old patrimonial system continued after independence. According to this tradition, the traditional political culture and practice were way too strong to allow a break with the past. Consequently, States in the region lack strong institutions that can secure autonomy from society, the military, and even foreign interests. This lack of autonomy explains successive alliances from above that are used to advantage of specific coalitions (Om Donnell, 1973). In many cases, these alliances that occupy the State have had a “Weberian façade,” as they are staffed by technocrats who seemingly follow neutral policies based on objectives. However, these technocratic alliances so common in the region (that have spanned both authoritarian and democratic regimes) have a strong antibureaucracy stance, dismissing the formal administrative corps as inefficient and ill-suited for government. The existence of these technocratic alliances is evidence, in reality, of the weakness of administrative bodies in the region.⁹ In many specific cases, the technocrats were specifically secluded from the formal bureaucratic bodies (Silva, 1998) as they were isolated from “politics” and “ideology” and could concentrate in the “scientific” and “pragmatic” approach to public policy. This approach debilitates the building of a trained bureaucracy.

This continuity with the colonial era meant that some features of modern Latin American states are identical to their colonial counterpart: the “aristocratic culture,” characterized by social hierarchies, arbitrariness, and discretion in decision-making processes, the relevance of personalism and *caudillismo* in politics, the predominance of the patron–client relationship, and the extensive network of clientele relationships as a way of vertical integration of society—all features that make the building of effective bureaucracies extremely cumbersome.

The state apparatus did grow, in line with increased economic and societal requirements and the interests of interested classes (Smith, 1998). This growth was especially acute after the 1929 depression and, some decades after, when the “developmentalist state” was promoted during the late 1950s (Sikkink, 1991; Smith, 1998; Weyland, 1998). This growth, however, was contaminated by corporatist structures and vast pervasive clientelistic networks (Oszlak, 1981). In most Latin American countries, this period implied a new model of development that needed the

“incorporation” of the new urban lower classes and unions to the political arena (Collier & Collier, 1991). The patrimonialist heritage was also visible throughout this process of incorporation, which was characterized by the expansion of the networks of patronage as means for societal control (Kaufman, 1977; Malloy, 1977). Then, Latin American populism, ubiquitous during the 1940s and 1950s, consisted of clientelistic incorporation of masses to the political scenario. In order to maintain the populist coalitions together, leaders utilized state patronage (jobs, favors, subsidies) on essential clientelistic groups. Among these, unionized workers and middle urban sectors were key. The coexistence between a formal bureaucratic structure and “institutionalized favoritism” (Smith, 1998) meant a difficult contradiction and weakened the functional effectiveness of the State. As some authors have argued (Smith, 1998), this clientelistic orientation of Latin American populists is the reason behind the failure of the region to build successful “developmentalist” states (Evans, 1992; Weyland, 1998). The weakness of bureaucratic structures throughout the region is evident in the fact, for example, that Latin American States were incapable of levying taxes for their own survival, a problem that still plagues the region (Bergman, 2008).

However, although almost all Latin American countries shared this legacy, and although almost all of them faced a populist process of mass incorporation to political life (which began approximately in the 1930s), some differences can be found among them. In short, I argue that the contemporary difference in capacity and autonomy of national bureaucracies can be found in the different patterns of mass incorporation. While some countries initiated clientelistic party type incorporation, others initiated a state-centered incorporation process (Collier & Collier, 1991; Rueschemeyer et al., 1992). Argentina, Peru, Venezuela, and Mexico were part of the first group, the last two cases being more “radicalized” (Collier & Collier, 1991). On the other hand, Brazil and Chile can be found in the former. As I will argue below, the latter pattern allowed for a professionalization of state structures, including a professional bureaucracy; and this resulted in the meritocratic bureaucracy in place in both countries today. On the contrary, the former type strengthened a party over the State (Peronism in Argentina, Liberals in Colombia, APRA in Peru, PRI in Mexico, and in Venezuela), which resulted in patronage and clientelism emanating from a party, leaving the State structures blended with it.

6. A Comparative Historical Analysis: The Question of Consolidating (and Who Occupies) State Power

In this section, I present an alternative explanation: that the question of bureaucratic performance is strongly rooted in the different class alliances that occupied the state apparatuses of different countries. This, in turn, is the result of complex past

experiences. In other words, the high ranking of Brazil and Chile in the IADB work, for example, is the result of class structures and coalitions that emerged at a point in time and not of their current presidential powers and party systems (which differ considerably).

The methodology for this section is a “most similar design” (Przeworski & Teune, 1970). The Latin American countries are similar in very respects, and therefore extraneous variance questions are more or less dealt with. Under this design, if a relationship between an independent variable X and a dependent variable Y is discovered, then the factors that are held constant through the selection of cases cannot be said to be alternative sources of that relationship. I admit that the assumption of “other variables held constant” is controversial. Here I utilize a sociological historical perspective as the one pioneered by Moore (1966).

As anyone interested in these topics knows, the relationship between these variables is not simple. I am not claiming that X caused Y , but yet that some common characteristics of historical experiences seem to be necessary conditions to a successful process of state building and a professional autonomous bureaucracy. In this exercise I identify some key factors: the consolidation of state power and the incorporation in the world economy is a necessary condition. In addition, the existence of parties that protected elite interests and the establishment or not of clientelistic parties as the main vehicle of mass incorporation also played a role. I claim that the utilization of the state apparatus in the incorporation periods in Latin American history (the critical juncture when franchise was extended) had a long-term impact in the professionalization of the bureaucracy. Not surprisingly, the countries that extended political participation through clientelistic networks experienced much more trouble in building effective institutions. On the contrary, were this process was carried out through the state, the latter seems today much more efficient and effective. At its turn, many elements helped define the type of incorporation (clientelistic or state-based) that a given country experienced.

In short, I distinguish between three paths. A *first path* is composed by the countries that were unable to successfully insert themselves in the international economy. These countries did not enjoy any economic prosperity and remained among the poorest of the region and, partially because of this, were unable to build efficient state structures and rank very low in every measure of bureaucratic strength. These countries might have been able to end overt challenges to state authority in their given territories (although sometimes very lately) but were not able to consolidate a strong autonomous political organization able to involve in the political and social spheres. These countries also usually receive the poorest democratic scores of the region, as prosperity based on exports was a precondition for later democratization (Rueschemeyer et al., 1992). Countries that illustrate this path are Paraguay and the vast majority of Central American countries.

The *second* and *third paths* are composed by countries that enjoyed significant *export-based prosperity*, which appears as a necessary condition for satisfactory bureaucratic building as the lack of resources precludes any type of state strength. The expansion of agriculture exports produced a burgeoning and prosperous urban middle class and some industrial employment that at its turn resulted in pressures from below to open the oligarchic regimes. The difference between the second and third paths is given by the *agent in charge of political incorporation* of lower classes. As Rueschemeyer et al. (1992) argue, three agents shaped the political articulation of civil society in Latin America: the State, clientelistic parties, or radical mass ones. This difference proved crucial, differentiating the second and the third paths. Where *clientelistic parties* were the agents of the incorporation of political masses, a professionalized and strong state organization did not appear as strongly as in the cases where *radical mass parties* or the *State* did. In the latter cases, the State attempted to control the expansion of participation, weakening parties and unions but strengthening its apparatus through a professional bureaucracy. Where radical mass parties were the vehicles of political contestation, limited democracy took place, but a professionalized State had an opportunity to appear. Clientelistic parties, on the other hand, prevented the creation of a strong professional bureaucracy as their main objective was the electoral use of the state apparatus to bolster the relative strength of the coalition in power and not of the state. In addition, they were prone to fragmentation, as the quest for power was the only binding element. Fragmentation also increased patronage.

What determines the appearance of clientelistic parties? Two intervening factors can be identified. First, *the timing of industrialization*. Countries that industrialized early (before 1930) generated a large mass of workers that pressed for political opening. Where these masses existed, a large network of clientelism could be possible. On the other hand, countries which experienced a late industrialization had a reduced number of workers which pressed for political opening and which could be subject of political clientelism.

A second element is the *type of democratic regime* established after the first transition, which at its turn depends on the *degree of protection of elite interests*. The consolidation of a strong and competitive conservative party that effectively promotes the interests of significant sectors of the economic elites limited the openness of the early democratic experiences and prevented the appearance of strong popular based clientelistic parties. This was the case in both Brazil and Chile.

On the other hand, where elites were not able to protect their interests, either political conflict delayed export prosperity (as in Peru) or popular mass parties established a more open democracy, but one in which the state was used as an electoral tool (such as in Argentina). This latter case precluded the building of strong and autonomous state. The surge of clientelistic parties was also helped by the

availability of a large number of industrial employees that lacked effective participation (Germani, 1962). This was the case in countries with early industrialization (Argentina, Uruguay, and Mexico) or countries not very industrialized but with significant labor-intensive agriculture such as Colombia or Ecuador.

Therefore, the *second path* is composed of countries with significant *export expansion prosperity* and *nonclientelistic popular articulation*. These countries were able to strongly protect elite interests in the wake of democratization, usually through elite-based parties. If the interests of the dominant classes were more or less shielded (helped by the geographically concentrated political arena), contestation was facilitated. If this was the case, ruling coalitions were able to reduce the use of the state apparatus as a tool for strengthening their position. This precludes the surge of *clientelistic parties* and other actors shape the political articulation of subordinate classes (the state or more radical parties but not clientelistic ones). The incorporation process in these countries has been labeled, precisely, *State Incorporation* (Collier & Collier, 1991). As opposed to the cases depicted above, the State is the actor that articulates the political incorporation of lower classes, which at its turn strengthens the State vis-à-vis societal actors. In these countries the incorporation was channeled through the legal and bureaucratic apparatus of the state and has as an objective the depolitization of the labor movement and creates, instead, a legalized and institutionalized labor movement (Collier & Collier, 1991). The incorporation through the state strengthened the bureaucracy, which had to develop the administrative expertise to deal with these issues. In addition, the nonmobilized Chile and Brazil share a common pattern: First, both countries enjoyed relatively low warfare in their territories during the independence wars. This assured them more cohesively linked territories, avoidance of territorial military leaders who threaten political organization (*caudillismo*), stronger state institutions, and overall a somewhat shorter transition to oligarchic rule.

In addition, the geographical locus of politics took place in a reduced territory. In Brazil and Chile, the geographical concentration of the upper classes helped their political cohesion (Edwards, 1928). Chile is a relatively small mountainous country, centralized in the Santiago Valley. Limited by the Andes and the Pacific, it grew northwards and southwards, but always maintained the Central Valley's political preeminence. On the other hand, Brazil is undoubtedly a huge country. However, at the time of political expansion, elites were concentrated in its Southeast Coast. The cities of Rio de Janeiro and Sao Paulo, for example, are separated by “only” 400 kilometers, a small distance in a country of more than 8.5 million square kilometers.

But more importantly, the agent shaping the political articulation of subordinate classes in both countries was not a clientelistic party, but radical mass ones and the State, respectively. *Radical mass parties* were the norm in mineral export countries

such as Bolivia, Peru, and Chile. These parties are geographically concentrated, more programmatic, ideological, and cohesive. The case of Chile differs from the rest of the mineral export countries because, first, it also enjoyed previous landowning prosperity. In addition, given its rapid transition to oligarchic rule, it was able to consolidate a government in the Central Valley of Santiago and industrialize in the first decades of the twentieth century. Both Peru and Bolivia, on the other side, could not industrialize or experiment with the first democratization until the 1930s.

The case of Chile combines rapid State consolidation and avoidance of clientelistic parties. Bolivia and Peru also experienced radical mass parties but in the context of a weakened State and lack of territorial consolidation. Chile, then, emerges as particularly successful in building effective state institutions, as it avoided extensive warfare and channeled participation demands through nonclientelistic parties.

Brazil faced a relatively easy transition from colony to independence, compared to the long wait Latin American countries experienced before state consolidation, characterized by civil war and territorial disintegration (Halperín Donghi, 1993). The reason is the relocation of the Portuguese royal court in Rio de Janeiro in 1808, fleeing the Napoleonic troops who were about to seize Lisbon. Coffee and sugar commerce flourished, and by the time the monarchy fell in 1889, the landowning elites of southern Brazil were able to consolidate a liberal oligarchic regime with limited contestation. Given its smooth transitions from colony to independent entity and from monarchy to republic, a consolidated state apparatus was available to oligarchic elites.

Furthermore, there were no significant mass-based parties who used patronage from the State. Labor-intensive agriculture as the one that characterized Central Brazil (non-labor-intensive agriculture, such as ranching, was the norm in Southern Brazil) was not conducive to the surge of clientelistic parties. In addition, populist leader Getúlio Vargas dismissed parties and therefore did not create a populist clientelistic party such as the Argentine Justicialist Party (Peronist). On the contrary, Vargas pursued its popular incorporation strategy from the state bureaucracy rather than a particular party (Erickson, 1977; Rueschemeyer et al., 1992) which strengthened state institutions.

Overall, the relative autonomy of the State tended to be high in both countries. This allowed the building of a professionalized and autonomous public service. This is the case of Brazil and Chile, which rank high in bureaucracy performance assessments. Uruguay and Colombia are mixed cases, as the initial strong protection of elite interests' declines over time and clientelistic parties appear somewhat later (Rueschemeyer et al., 1992).

The strengthening of the State vis-à-vis societal actors, the important role that it achieved in incorporating popular sectors into political life, and the higher protection

of elite interests had its negative counterpart, however, in a relatively closed democratic regime when the latter was established. As Rueschemeyer et al. (1992) highlight, where the state was successful controlling the emerging working classes, a weaker labor movement and a weaker civil society ensued, which resulted in a less democratic regime. In addition, clientelistic parties posed less of a threat to elite interests than radical mass ones. Therefore, while they did occupy the state apparatus for particularistic interests, clientelistic parties guaranteed a more open first democratic transition. On the other side, the cases of Brazil and Chile that illustrate the third successful path experienced a much more restrictive initial democratic phase than many of the countries of the second phase, such as Argentina. The latter went through a much more radical phase of incorporation of lower classes into political life and experimented with full democracy as early as 1912, while Brazil and Chile were much more gradualist (Germani, 1962). Indeed, Chile did not establish a full-fledged democracy until 1970.

The *third path* consists of countries where *elites were not able to consolidate in an upper-class party*. An intervening variable in the strength of the oligarchy is its *territorial dispersion*. Some countries experienced a territorial conflict in which elites from different regions fought against each other. This is the case of Argentina, Bolivia, Mexico, and Peru. The countries that compose this third path did not experience the political cohesion of oligarchy and the latter had a much weaker position. The Independence Wars levied a heavy toll on these countries. It generated despotically strong but infrastructurally weak countries, creating subnational authorities with supranational armies (Centeno, 2002).

In addition, as they were geographically vast, they were unable to consolidate State dominance over the whole territory. A common consequence of these factors was the appearance of *caudillismo*, territorial military leaders that defied the legitimacy of the central state. This problem was especially acute in Argentina and Mexico, which were territorially challenged throughout most of the nineteenth century.

As already mentioned, these countries enjoyed agriculturally based economies, which paved the way for clientelistic parties (Rueschemeyer et al., 1992). As the continuity of oligarchy in political life was less strong, clientelistic parties were able to utilize the state apparatus in their advantage and conflict ensued as elites resisted the former's rising dominance. Political conflict ensued as elites fought back, usually with support of other nondemocratic forces, such as the army or the church (Gibson, 1996). This conflict, plus the unrivaled influence of popular parties already mentioned, prevented the development of a professionalized bureaucracy. The reason is that in these conflicts the state apparatus was used as political tool to strengthen the governing coalition position. As elites were marginalized from the political process and some authoritarian reactions appeared, non-elite forces used the state in a

clientelistic fashion to sustain their position. Therefore, the appearance of *clientelistic parties* (such as the Argentine Radicals and then the Peronists, both Liberal and Conservative parties in Colombia, the *Blanco* and *Colorado* parties in Uruguay, and *Acción Democrática* in Venezuela) ensued (Rueschemeyer et al., 1992). Clientelistic parties as catalyzers of lower classes incorporation pressures prevented the appearance of a professionalized civil service. Although clientelistic parties such as Argentine Peronism were crucial in opening the political system through mobilization of pressures from below and institutionalization of political contestation, they had a less positive role in state building as they tended to use the state electorally as a tool for political strength rather than institutionalization of the state (Rueschemeyer et al., 1992). In Germani's (1962) famous conceptualization, participation preceded institutionalization, which led to populism in these countries. Populism had a strong stance against building effective state institutions as it relied heavily on patronage rather than using institutions to follow a distinctive program. This incorporation dynamic has been labeled *Labor Populism* (Collier & Collier, 1991). Fig. 11.4 (adapted from Rueschemeyer et al., 1992, p. 170) depicts the three different paths.

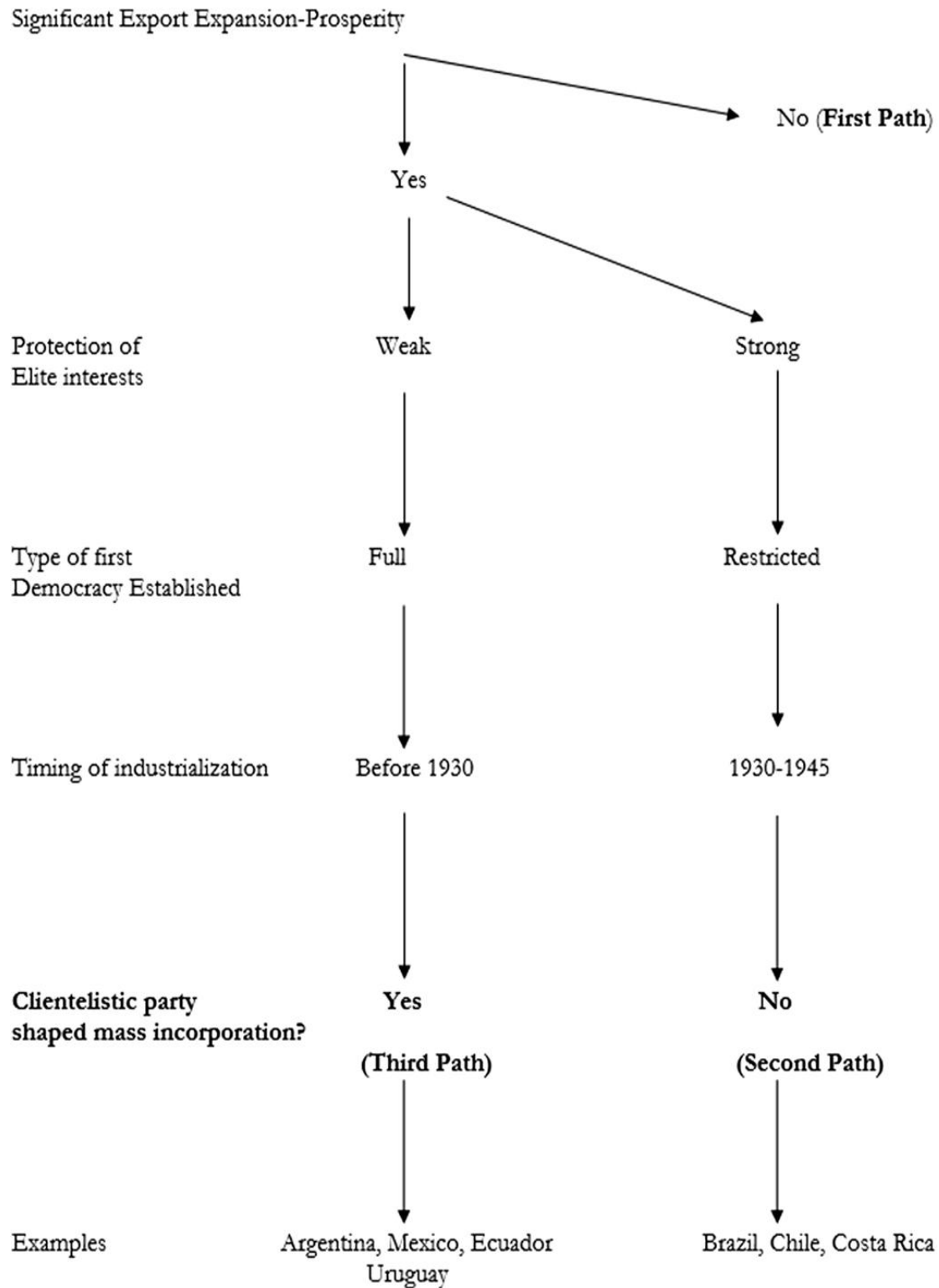


Fig. 11.4. Paths. *Source:* Author, based in Collier and Collier (1991) and Rueschmeyer, Stephens and Stephens (1992).

Admittedly, the three paths are idealized types that fit the cases of Argentina, Brazil, and Chile and less so other Latin American cases. However, I believe that the previous analysis sheds some light over a neglected aspect of bureaucratic strength, namely, the role of the State vis-à-vis parties during the populist experience in Latin America and the pervasion of bureaucratic clientelism in some countries and not in others.

7. Conclusions

Studies on the politics of the bureaucracy are still needed in the region. In general, we still know very little about the role of the bureaucracy in Latin American democracies, about the relationship between the bureaucracy and the elected officials, about the roots of bureaucratic performance and the divergence within countries in this respect, or about the effects of politicization of the bureaucracy and how this operates. This work is just one small step in this direction, reviewing some of the intellectual production on the relationship between politics and political science and presenting some insufficient evidence on the country difference in bureaucratic performance. I reviewed the institutional literature and presented some very preliminary results that lend support for some of its predictions. I also analyzed a more state-centered perspective with a historical approach in mind, reappraising the cultural explanation for the weakness of the bureaucracy in the region. Finally, I utilized a historical institutionalist lens to explore some of the decisions made during the period of popular incorporation to politics as a possible explanation for state strength in Latin America.

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¹Even if to a present executive the bureaucracy's future performance were irrelevant (due to its transitory nature) it could be argued that the Administration would be better off if the bureaucracy would perform better (which I assume happens when the President grants autonomy to it).

²This is a key question in European economic history, full of examples of how kings had to provide undertakings to the capital markets in order to obtain war loans. According to Tilly (1991), those kings who could commit themselves in the most credible way due to the existence of institutions are those who were finally capable of building successful national states. The Middle Ages' capital markets are described by North and Thomas (1973). The breach of its commitments by the Stuart dynasty and the subsequent English civil war in the seventeenth. century are set out in North and Weingast (1989) and Shepsle (1991).

³ Riker (1980) imagined that the institutional result of an inter-temporal constitutional convention in which all generations were represented ex ante would enter into a compromise to reduce public expenditure (Shepsle, 1991).

⁴During a personal meeting with the former head of Argentina's tax administration, he emphasized the delays in time in terms of bureaucratic performance after politization of bureaucracy. Results of this politization are observed years after the former takes place.

⁵This is the so called industrial organization of the US Congress, where long term agreements are kept due to the allocation of authority to different committees. This way, legislators from committee X waive their rights to decide on subject Y in exchange for members of committee Y waiving their right to become involved in subject X(Weingast & Marshall, 1988).

⁶Studies that compare the many and significant differences between the United States Congress and Latin American assemblies (for example, Power and Rae (2005) have

not however analyzed this very significant disparity. See Ferraro (2006) as an exception.

⁷Some authors have emphasized that extreme degrees of autonomy are also negative, as bureaucrats are out of the public control and therefore become non-accountable to public interest.

⁸I am aware that the indexes, the critical points and the "best practices" can be subject to serious objections to what is considered relevant and what it does not. In addition, bureaucracies should (and probably do sometimes) differ related to national contexts, and therefore the template should not be applicable to all countries identically. However, I believe that the IADB data is useful for the exercise.

⁹On technocratic alliances under authoritarian regimes, the basic reference is Om Donnell (1973). On technocratic governments under democratic regimes, see Centeno and Silva (1998), Silva (1998, 2008) and Torre (1991, 1998).

Chapter 12

The Center of Government in Latin America*

Martín Alessandro and Mariano Lafuente

Abstract

This chapter analyzes the concept of the Center of Government (CoG) and its relevance for the public administration agenda in Latin America. It identifies five key functions of the CoG: strategic management, policy coordination, performance monitoring and improvement, political management, and communications and accountability, and it assesses the region's performance for each of them, citing concrete experiences. The CoG is still an emerging topic for scholars and practitioners in Latin America. Despite the fact that CoGs in Latin America formally recognize most if not all of its five key functions, the region shows a relatively weak performance in practice. Nonetheless, recent innovative experiences show an increased interest in governments to strengthen the CoG and suggest paths that may lead to improved performance.

The CoG may be a relatively new topic in public administration research, but it is not a new phenomenon. It refers to functions that have been performed, and to structures that have existed, for several decades in many countries, including Latin American ones. However, a number of factors have led to an increased relevance of CoG institutions in recent years. The first section of this chapter will attempt to define the concept of “Center of Government”; to

enumerate the CoG's main political and technical functions; to describe the typical structures that perform these functions; and to indicate why these institutions play a critical role in current times. Then, Section 2 will discuss how CoG institutions in Latin American countries have been performing their core functions, identifying regional trends and country-level configurations. The political economy of CoG strengthening will also be covered. Section 3 concludes.

Keywords: Center of Government; presidency; Office of the President; coordination; strategic management; monitoring; accountability; political management

1. What Is the Center of Government?

The literature on the Center of Government (CoG), as the literature for similar concepts like “core executive” (Dunleavy & Rhodes, 1990) or “summit” (Peters, Rhodes, & Wright, 2000), comes from two fairly different traditions. One stream, dominant in *political science research* since Neustadt's (1960) seminal work on the American presidency, emphasizes how CoGs are structures established to support the chief executive, enabling him or her to centralize the policy making and supervise the ministries and agencies. The other stream, prevalent in *public administration research*, understands the CoG as a mechanism to improve the performance of government and to enhance the quality and impact of its policies. The (often implicit) tension between both scholarly traditions also influences how the concept of “Center of Government” is defined.

1.1 Defining the CoG: Functional and Structural Approaches

In general, the CoG is defined as the institution or group of institutions that provide direct support to a government's chief executive (James & Ben-Gera, 2004; World Bank, 2010a). In Latin American countries, all of which have a presidential form of government, these would be the institutions working directly with the president (or governor or mayor at the subnational level). Of course, these institutions vary from one country to the other, and

sometimes from one president to the next (or even within the same term), according to constitutional and legal requirements, administrative traditions, political factors, and even the style and personality of the chief executive. By this relatively narrower approach, the CoG would *only* include institutions and units located next to the president and serving her exclusively (for example, the Office of the President, or a General-Secretariat of the Presidency). Under this approach, the position within the *structure* of the Executive branch is the defining criterion.

An alternative definitional strategy follows a *functional* approach. By this criterion, the CoG is comprised of the institutions and units that perform certain key whole-of-government functions. These usually involve: (1) the strategic management of the government's priorities; (2) the coordination of ministries and agencies for the design and implementation of policies; (3) the monitoring of their actions and the assistance to improve performance; (4) the political management of the government's policies; (5) the communication of the government's actions and results (Alessandro, Lafuente & Santiso, 2013a, 2013b).¹ Thus, regardless of their position within the structure of the Executive, the CoG institutions and units are the ones performing these cross-cutting functions, critical for the performance of the entire government.

These alternative approaches lead to the inclusion or exclusion of certain units within the concept of CoG. Ministries of Finance or Treasury are examples of this. Many studies do not consider them as part of the CoG (Ben-Gera, 2004; Ben-Gera, 2009; CLAD, 2011). However, the planning and allocation of budgetary resources is a key component of certain CoG functions (like strategic management and performance monitoring), so these ministries could be encompassed in the CoG. Therefore, other studies do include them within this concept (Egaña & Chateau, 2011; Dumas, Lafuente, & Parrado, 2013; House of Lords, 2010; Jensen, 2011, among many others). Each definitional strategy presents its own advantages and drawbacks.²

To cover both approaches, Section 1.2 discusses the main political and technical functions that define the CoG, while Section 1.3 describes the units that typically perform those functions.

1.2 The CoG's Political and Technical Functions

The following are the main political and technical functions performed by CoG institutions (Alessandro et al., 2013a, 2013b; Dumas, Lafuente, & Parrado, 2013). They share the need for a whole-of-government perspective and approach than can usually only be performed from the center, and not from a line ministry or agency, with its own sectoral agenda and “turf.”

Strategic Management of Government: This involves translating the president's main priorities of the electoral platform into an actionable government plan; the alignment of sectoral plans to ensure their consistency with this overall orientation; a proactive prospective analysis for the adaptation of the plan to new circumstances; and the alignment of budgetary resources to meet the government's priority objectives.

Policy Coordination: The CoG is well placed to provide coordination for policy design and implementation, mainly through four tools (Ben-Gera, 2004): (1) providing the “big picture” perspective to detect when ministerial initiatives need to be adjusted to fit the government's overall orientation; (2) ensuring that policy proposals are submitted through the appropriate channels and go through the necessary consultations; (3) resolving conflicts through mechanisms such as inter-ministerial committees; (4) briefing the president when conflicts have not been resolved at the lower level and demand his or her intervention.

Monitoring and Enhancing Performance: The CoG oversees the work of ministries and agencies, tracking the progress made in the government's key priority goals. Data-driven meetings between the CoG and the sectors can help to identify and unblock obstacles to performance, using technology to collect real-time information for a continuous monitoring of the work of government.

Political Management: Presidents seek to implement a coherent set of priority policies while negotiating their approval and/or implementation with a diverse array of actors (government coalition partners, bureaucrats, Congress, civil society groups, etc.). They need support to conduct these negotiations and to prevent and manage conflicts which may affect their achievement; unlike sectoral ministries, CoG institutions can ensure that a whole-of-government perspective and interest is guiding them.

Communications and Accountability: The center can provide a coherent account of what the government has been doing and its results, aligning all senior officials behind this unified “narrative.” It can also establish a framework to ensure common accountability standards across the government.

1.3 CoG's Institutional Structure

Multiple institutional arrangements for performing those CoG functions exist. Nonetheless, it is possible to identify certain units that are present in several countries (Aninat & Rivera, 2009; Ben-Gera, 2004; Peters et al., 2000; Villoria, 2011):

Delivery Units or performance monitoring and improvement units: In recent years several countries across the world (Australia, Chile, Indonesia, Malaysia, United Kingdom, among many others) have established units devoted to monitoring the performance of ministries and agencies towards achieving the top government’s priorities. Some have adopted a more adversarial approach, while others have preferred a more collaborative methodology (Barber, 2015; Alessandro, Lafuente, & Santiso, 2014; Lafuente & Gonzalez, 2018; World Bank, 2010b; Lindquist, 2007; Richards & Smith, 2006; Wanna, 2006). In Latin America, in addition to Chile, Delivery Units have been established in recent years at the national (for example, in Colombia, Perú, Paraguay) and subnational levels (for example, in the City of Buenos Aires) (see also Alessandro, 2020; Lafuente & González, 2018).

Strategy units: These units work in the elaboration of the government's plan and collaborate with ministries and agencies to define challenging and pertinent goals for their key priority objectives. They are not usually involved in management activities, as they try to keep the government focused beyond day-to-day events.

Policy advice units: Presidents usually prefer to diversify their sources of information, to avoid relying only on ministerial advice. Policy experts in the CoG can have a critical role probing the alternatives presented by the ministries, making sharp questions, focusing the discussions, demanding

clarifications, and providing the president with their frank and unvarnished views (Arriagada Herrera, 2012; Pfiffner, 2009; Ponder, 2000).

Policy coordination units: These units may work in procedural coordination (managing and supporting inter-ministerial committees) or in substantial coordination, with influence over the content of policies. The coordinating bodies are usually organized along policy areas (economic policy, social policy, foreign policy, etc.).

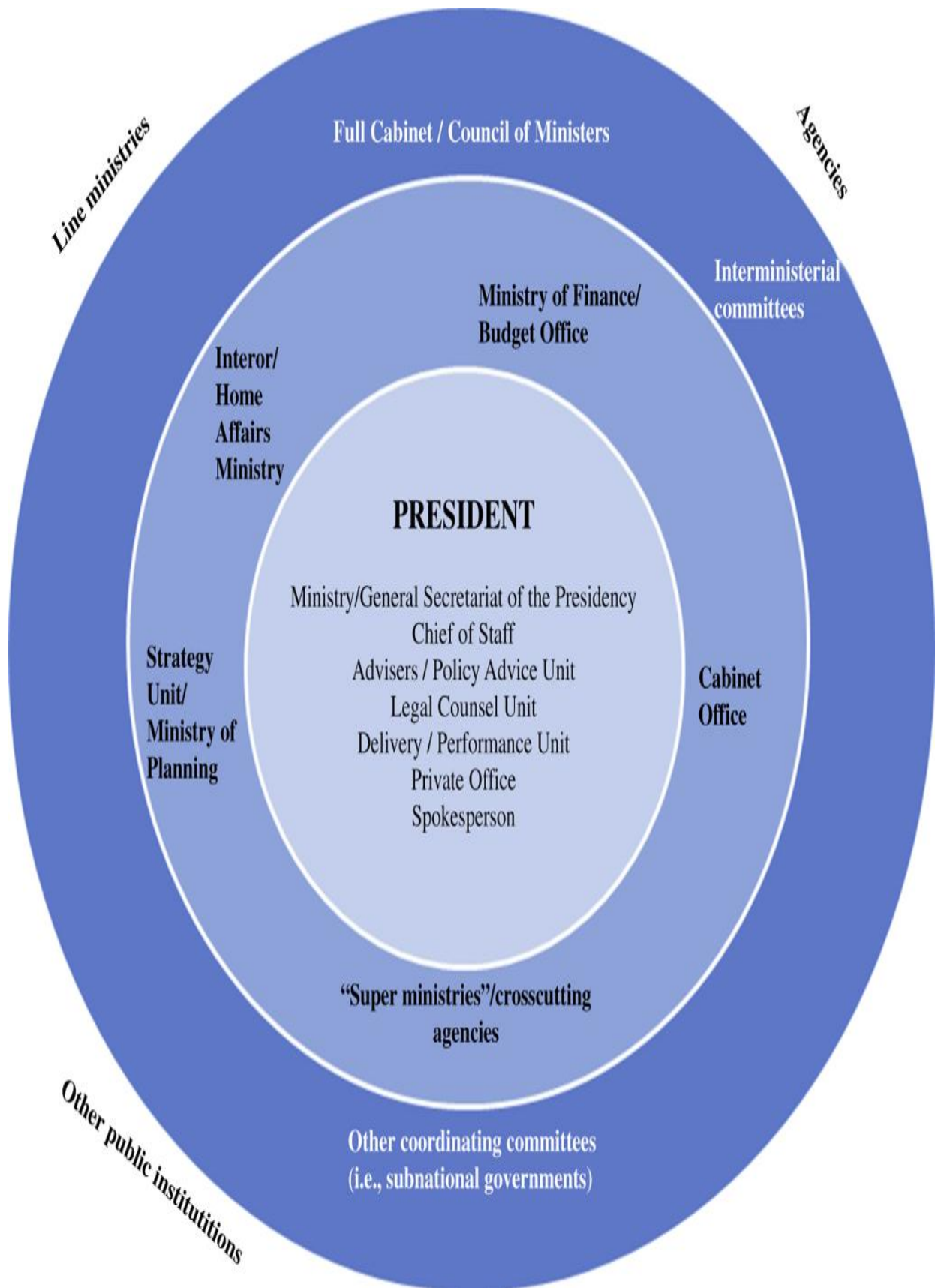
President's direct support units: These provide logistic (appointments, scheduling, handling correspondence, other types of personal assistance, etc.) and political support (brokering agreements with key stakeholders and managing conflicts). Sometimes a top political advisor, in the form of a chief of staff, leads this team.

Communication's units: These units are responsible for coordinating the government's communications and acting as liaison with the press and the public. The president's spokesperson is part of this team.

Legal counsel units: These offices review the legality of the proposals submitted by the ministries and advise the president on the best strategies to implement the government's agenda.

Budget units: Although they are only rarely based in the presidency (like in the United States and Uruguay), budget offices may be considered part of the CoG, as they perform key whole-of-government functions.

These and other CoG units may be organized within a “monocephalous” structure, with all units placed under a single head of office, or within a “pluricephalous” structure, with multiple appointees heading separate units (Goetz & Margetts, 1999). But to visualize the CoG, the traditional public administration organizational charts can be deceptive. The units responsible for the CoG functions may be placed in different institutions of the Executive branch, so simply presenting the Presidency's chart would not be accurate or complete. Thus, it is possible to conceive the CoG in terms of “concentric circles” (Alessandro, Lafuente, & Santiso, 2014), as in Fig. 12.1:



Full Cabinet / Council of Ministers

Line ministries

Agencies

Interministerial committees

Ministry of Finance/
Budget Office

Interior/
Home
Affairs
Ministry

PRESIDENT

Ministry/General Secretariat of the Presidency

Chief of Staff

Advisers / Policy Advice Unit

Legal Counsel Unit

Delivery / Performance Unit

Private Office

Spokesperson

Cabinet Office

Strategy
Unit/
Ministry of
Planning

“Super ministries”/crosscutting
agencies

Other coordinating committees
(i.e., subnational governments)

Other public institutions

Fig. 12.1. The CoG's Concentric Circles. *Source:* Adapted from Alessandro, Lafuente, & Santiso (2014).

In this visual representation, the inner circle is formed by the units that are directly serving the president, like the Ministry or General Secretariat of the Presidency, the president's policy and legal advisers, her private office and spokesperson, and a Delivery Unit if such exists. In the middle circle, there are institutions responsible for certain CoG functions, but which also perform non-CoG functions as well; for example, the Ministry of the Interior may be in charge of leading the political management for the whole of government but could also be responsible for a specific policy area (like internal security). Finally, the outer circle is formed by bodies that are usually led or managed from the CoG (like inter-ministerial committees) but are not a separate “structure.” Lines ministries, agencies, and other public institutions are placed outside of the circles.

The actual dynamics and processes of the CoG will vary according to the president's managerial style. This can be more hierarchical, competitive, or collegial (George & Stern, 1998; Walcott & Hult, 2005), or it may vary in different situations and issues (Bonvecchi & Scartascini, 2011).

1.4 Increased Relevance of the CoG

As stated at the beginning of this chapter, the CoG is not a new phenomenon. Some of its whole-of-government functions had to be performed even in relatively early stages of the modern states, and gradually new structures were established to lead them. For example, the predecessor to the Cabinet Office in the United Kingdom dates back to 1916, when it was charged with the responsibility of coordinating policy and offering strategic direction to the government due to the challenges posed by the war (House of Lords, 2010; House of Commons Library, 2005). In the United States, the Reorganization Act of 1939 established the Executive Office of the President, after the Brownlow Committee declared that “the President needs help” (Relyea, 2008).

Also, in Latin American countries, CoGs can be traced several decades back. A structure in the presidency was already established in Mexico in the nineteenth century, although limited to some logistic and communications

functions until the creation of the Secretariat of the Presidency in 1958 (Presidencia de la República de los Estados Unidos Mexicanos, 2006). The presidential office in Argentina has its roots in the 1940s, and in 1948 a Council of Inter-ministerial Coordination and a Council of Federal Coordination, chaired by the Technical Secretariat of the Presidency, were established to perform the function of coordination within the Executive and with the subnational governments (Bonifacio & Salas, 1985). The focus on development of the 1960s led in multiple countries to the creation of planning offices close to the president, some of which continue to be based in the Presidency (like the Office of Planning and Budget in Uruguay; Lanzaro, 2013) while others have evolved into separate ministries (like the Ministry of Planning and Economic Policy of Costa Rica) but maintaining CoG responsibilities, especially for the function of strategic management.

It appears, however, that the CoG functions (and, therefore, the institutions responsible for them) have an increasingly critical role. Several factors can be identified as producing a need for greater central steering and coordination:

The problems that governments face are increasingly crosscutting and “wicked” (Clarke & Stewart, 1997), as they cross functional boundaries and demand the involvement of multiple ministries and agencies. The intervention of the center is required to ensure coherence in these responses.

The focus on performance and results, and on a coordination that goes beyond simply ensuring a fiscal balance or an appropriate budget execution, places greater importance on the CoG vis-à-vis the Ministry of Finance, the traditional source of planning and coordination (World Bank, 2010a).

Previous waves of government reforms have decentralized decision-making and implementation authority to autonomous or quasi-autonomous agencies and to nongovernmental actors; thus, strengthening the capacities of the CoG can be a tool for political leaders to guarantee a unified command of these fragmented structures (Dahlström, Peters, & Pierre, 2011).

The expansion in the scope of government activities increases the complexity of managing the government, so presidents are in need of greater support (see Ragsdale & Theis, 1997, for the American presidency). Thus, the recently enhanced role of many Latin American governments in

economic, social, and other policy areas underscores the relevance of their CoGs.

The existence of a 24/7 news cycle, the personalization of electoral campaigns, and the participation in international summits lead to a more direct responsibility of the president in all areas of the government (Fleischer, 2011), leading to a greater role of the CoG to support her.

If CoGs are becoming increasingly critical for the success of presidents and governments on their efforts to improve the lives of citizens, it is important to assess how the CoGs in Latin America are performing their functions. That is the topic of Section 2.

2. The CoG in Latin America: Regional Trends and Country Experiences³

In terms of their legal and administrative arrangements, almost every country in the region presents *structures* with the mandate to perform the *functions* identified in Section 1.2. This indicates that governments acknowledge the importance of these functions, by establishing institutions with responsibility for them. This formal existence, however, does not imply that the functions are actually being performed, or that they are being performed effectively. A considerable heterogeneity exists across countries in the capabilities and performance of CoG institutions in Latin America. Certain CoGs have well-established mechanisms and processes to perform their key whole-of-government functions, while others have almost a complete absence of these capacities. For the majority of countries, however, the situation is less straightforward: actual practices (processes, methodologies, technologies) for the performance of their functions do exist, and many times they are duplicated by different actors, but they are carried out only partially, with relevant government decisions and actions that occur with no CoG leadership, support, or coordination.

Despite this fact, Latin American governments have played a major role between 2013 and 2018 in the global trend towards strengthening Center of Government institutions. The most widely used vehicle in the region to this end has been the adaptation of the Delivery Unit (DU) management model.

DUs are usually small teams that report to the head of the executive branch and focus on ensuring that the highest government priorities are met.

On their purest form, DUs support line ministries in charge of the priority areas by strengthening their capacities to: (i) define their vision, purpose and focus, (ii) have detailed implementation plans, (iii) generate reliable data for routinely measuring performance, and (iv) develop mechanisms and incentives to intervene when objectives are not met (adapted from Barber, 2008).

However, the model has been adapted to the specific context of each country. In Latin America, they have carried out strategic management functions (e.g., goal setting and strategy planning), as well as monitoring and performance improvement duties (e.g., ongoing data analysis and follow-up tasks to identify and intervene in situations of under performance). In some cases they lead important coordination functions between different entities working towards achieving a key objective. While they tend to provide timely information to communication and accountability teams, it is not that common for DUs to exercise a political management role.

DUs bring to the table a systematic way in which they strengthen the CoG functions in order to address the challenges they seek to tackle: by specializing in achieving results, the methodical allocation of time and roles, and the commitment to achieving priority goals for the Chief Executive's term. This model allows the Center of Government to move away from reactive and short-term activities related to governments' daily affairs, and use its ability to coordinate to carry out the complex but necessary tasks to transform the living conditions of citizens.

2.1 The Performance of the CoG Functions in Latin America

The regional trends for each of the five functions are described next. In each of the functions, relevant national cases are discussed as well.

Strategic Management

Approximately a third of the countries have a national development plan, and the large majority of countries have a government plan defining an orientation for the president's term. However, in very few cases do these instruments guide the actual formulation of policy, by aligning, for example, the budget behind the objectives of the plan. Planning exercises are mostly

pro forma and tend to cover the entire government instead of focusing on a few strategic priorities. There tends to be a disconnection between the sectoral plans and the overall government strategy (if such exists beyond a document containing broad statements). Overall, there is a moderately low performance of this function across the region, a finding that is consistent with studies that have specifically analyzed the strategic planning function (García López & García Moreno, 2010).

In several countries, the responsibility for the formulation of the government's plan lies in a unit outside of the Office of the President. By carrying this task, these institutions would nonetheless fall within a functional definition of the CoG. In fact, they may be a particularly relevant component of the CoG. In Colombia, for example, the National Planning Department (DNP) has traditionally been the key actor within the CoG by leading the strategic management of the government, including the responsibility for budgetary planning. In recent years, units or individuals located within the Presidency (like the High Presidential Counselors) have expanded their role and thus led to a partial overlap with DNP (OECD, 2013a, 2013b; Querubín and Dorado, 2013), but DNP still had the primary responsibility for this function. When introduced in 2015, Colombia's first DU relied on this preexisting institutional capacity and was able to establish relatively good coordination of roles and responsibilities, mitigating this issue (Acosta & Gonzalez, 2018). The following administration (2018–2022) also established a DU, but reporting directly to the President. This DU continues to work closely with DNP.

The institution responsible for strategic management in Costa Rica (the Ministry of National Planning and Economic Policy, MIDEPLAN) is not responsible for budgetary planning, which may lead to a weaker connection between the plan and the budget (see Contraloría General de la República, 2010). Nonetheless, MIDEPLAN has restored some of its capabilities in recent years, after a loss of relevance in the 1990s when the traditional notions of planning went into disfavor (Gallardo, 2013). Like MIDEPLAN, the Office of Planning and Budget (OPP) in Uruguay is also a “child” of the 1960s' emphasis on development. But unlike the previous examples, this unit is based within the Office of the President. However, the strong technical capabilities at the Ministry of Economics and Finance have relegated OPP's role in the strategic management of the government's priorities (Lanzaro,

2013); the strength of the Ministries of Finance in several countries across the region, a legacy in many cases of years of economic crises, may have led to a more fiscal approach to strategic management.

Along these lines, it should be noted that certain aspects of the strategic management function, such as prospective analyses to anticipate future challenges that would require an adaptation of the plan, are generally absent in the CoGs of the region. In most countries they are limited to macroeconomic analyses conducted by the Ministries of Finance or by the Central Banks.

Nevertheless, the CoG reforms and the introduction of Delivery Units in the region have contributed to strengthening the strategic management function through several mechanisms. On one hand, DUs seek to promote the definition of clear and concrete government priorities, that in turn guide the strategic planning and management of the CoG. On the other hand, DUs promote the creation of highly concrete strategies for achieving the key objectives, designed and politically endorsed by the responsible sector and the Center of Government. There is a clear and logical sequence of interventions, with specific responsible parties and expected timeframes (Lafuente & Gonzalez, 2018).

For instance, in Pernambuco (Brazil), by designing and implementing strategy maps, the Secretariat of Planning and Management was able to successfully articulate: (i) strategic objective; (ii) expected outcome; (iii) specific milestones, deadlines and responsible manager with expected performance trajectory; and (iv) budget program (Alessandro, Lafuente, & Shostak, 2014).

In Perú, the DU was crucial in targeting and focusing the activities within the strategies for all the priorities, by supporting the relevant sectors with methodological tools and by facilitating technical workshops to identify the best way to reduce existing gaps in delivery, and by offering opportunities for quick wins in order to achieve better political traction (Lafuente & Gonzalez, 2018).

A key factor in the successful performance of this function is the ability to specify the priority goals early in the president's term; if not, it will be harder to align the ministries' tendency to develop their own agendas (Alessandro, Lafuente & Santiso, 2014).

Policy Coordination

Most countries present units or bodies whose mission is to coordinate the whole of government or, at least, certain specific policy areas (mainly, social or economic policy). But in several countries, the decision-making processes are largely informal and ad hoc, often through bilateral meetings with the president, without ensuring the inclusion of all relevant perspectives and stakeholders, and thus limiting the effectiveness of these coordinating mechanisms. Coordination at the implementation stage appears to be even more limited. Therefore, and despite the growing number of policies that involve multiple ministries and agencies, coordinating mechanisms led by the CoG are generally not consolidated or institutionalized.

Certain countries present a proliferation of coordinating committees with no real decision-making authority. To mitigate this problem, during the first presidency of Sebastian Piñera (2010–2014) the Ministry of the Presidency of Chile (SEGPRES), through its Interministerial Coordination Division (DCI), consolidated the multiple sectoral committees in only three main ones: the Economic Development Committee; the Social Development Committee; and the Committee on Infrastructure, Cities and Territory (Dumas, Lafuente, & Parrado, 2013; Seebach, 2013). In addition, instead of leaving the leading role to one of the ministries that are part of the committee, DCI chaired them, to ensure their alignment with the overall government's orientation and with the president's priorities. The DU instituted in 2010 promoted bilateral follow-up meetings convened by the President on an ad hoc basis, albeit usually on a monthly basis, with the ministries leading priorities along with the DU, presidential advisers, and the budget office. The DU and the sector would analyze performance information prior to the meeting (when no independent, third-party information was available), and the DU would act as the meeting's technical secretariat and follow up on the agreements.

Other countries have also sought alternatives to strengthen the coordination function. As part of a broader reorganization of the Executive branch, Ecuador established in 2011 six coordinating ministries (Economic Policy; Social Development; Production, Jobs, and Competitiveness; Security; Knowledge and Talent; and Strategic Sectors) which reported directly to the president and were responsible for articulating the multiple institutions and units with responsibility over their policy area (Muñoz,

2012).⁴ This model was adapted in Honduras in 2014. Similarly, in 2011, Peru established the Ministry of Social Development and Inclusion (MIDIS), aimed at strengthening coordination within the social policy area. Although it has developed important capabilities to conduct its work, a few years later MIDIS was still not fully effective in articulating the work of institutions that share its same “rank” within the structure of the Executive, like the Ministries of Health or Education (Lafuente, Merino, Rojas, & Vásquez, unpublished). Peru also reestablished in 2013 the Coordinating Committee of Deputy Ministers (CCV), a body intended to produce inter-sectoral coordination, chaired by the Presidency of the Council of Ministers (PCM, the Office of the Chief of Cabinet).

Sectoral Cabinets are frequent features in many countries. In 2010, Costa Rica established four Presidential Committees (Citizen Security and Social Peace; Social Welfare and Family; Competitiveness and Innovation; and Environment), chaired by the president, to articulate these sectors (Pallavicini, 2013), although it has been noted that their agenda was not fully aligned to the objectives of the government's plan (Presidencia de Costa Rica and PNUD, 2011). A number of sectoral cabinets also existed in the Dominican Republic, but only few of them (like the Economic Cabinet or the Social Cabinet) appeared to have some effectiveness in actually producing coordination (Hernández Medina, 2013). The weakness of some of these coordinating committees is not exclusive to the region: bodies with no direct operational responsibilities often struggle to secure sufficient power within the government structure (Destler, 1996).

In addition, the preference of presidents to deal with the ministers in a bilateral manner may limit the effectiveness of the coordinating institutions. In Argentina, although Chiefs of Cabinet are always top political advisors to the president, they have rarely been able to fulfill their constitutional responsibility of coordinating the work of the ministries, as recent presidents had chosen to manage the government in a radial way (CIPPEC, 2011), placing themselves as the “hub of the wheel.” The absence of Cabinet meetings, a frequent instance of policy coordination in parliamentary countries, was a sign of this managerial style.⁵ In most Latin American countries Cabinet meetings do occur, although only in a few they are effective instances of coordination.

The role of the coordinating institutions will therefore depend on the president's style. Political dynamics are also relevant. In Brazil, *Casa Civil's* main responsibility is the coordination across government, but its actual role has varied in different administrations: it has been a final arbiter of conflicts between the ministries (Gaetani, 2011), a chief political negotiator, or the leader of the day-to-day management of government (Rennó, 2013). During periods of greater conflict within the governing coalitions, for example, presidents have relied more strongly on the coordinating capacities of the CoG (Inácio, 2006). Thus, the actual role of these institutions is highly dynamic.

Despite these mostly unsuccessful efforts to promote effective coordination, the establishment of DUs has contributed to strengthening this function through a greater alignment and articulation of strategies with relevant sectors (at the political and technical levels) and levels of government (vertical coordination).

Peru's DU, implemented since 2016, has fostered a reporting structure that supported three types of routines to improve policy coordination: (i) a monthly report sent to the line ministers who contributed to a specific priority (like increasing the percentage of formal jobs in the labor market or reducing anemia and malnutrition in children) and the Prime Minister; (ii) a quarterly stocktaking meeting between the prime minister and the responsible ministers; and (iii) a six-month report to the Council of Ministers.

In Paraguay, in the model implemented between 2013 and 2018 there were ad hoc meetings at the request of the President, the Minister of the Presidency, or the leading sector when there was a need to remove roadblocks, coordinated by the Delivery Unit. Senior DU advisers convened the institutions involved in achieving the priority to reach political agreements when original deadlines were not met. DU project managers then followed up on these political agreements at a technical level, provided technical assistance to implement the agreements, and clear roadblocks (Lafuente & Gonzalez, 2018).

In terms of vertical coordination, Colombia's efforts to reduce cell phone theft required joint efforts between the national and municipal governments, which were articulated by the DU at the Office of the President (Acosta & Gonzalez, 2018). Inter-governmental coordination also occurs starting at the

city level: the CoG of the City of Buenos Aires, in Argentina, strengthened coordination of the ministries involved in achieving priority goals (the Mayor's "public commitments") using joint objectives and inter-ministerial instances for coordination. These examples suggest that the existence of specific goals and targets (described in the strategic management function) is relevant for the effective work of inter-ministerial committees, to ensure shared priorities and clear deliverables for these committees.

Performance Monitoring and Improvement

Heterogeneity had been historically very high for this function. The recent trend in strengthening the CoG through the implementation of Delivery Units has provided monitoring and overseeing tools and mechanisms that have in turn reinforced this function (Lafuente & Gonzalez, 2018). DUs can enhance the government's analytical capacity and provide a framework where key targets can be successfully monitored, analyzed and where obstacles can be identified and mitigated. From a political perspective, these managerial tools enhance the president's capacity to align the sectoral ministries behind his or her priorities.

Thus, a group of countries has been implementing more robust and systematic mechanisms of performance monitoring, but some of the countries still conduct this oversight only through budgetary indicators. Even where monitoring is stronger, problems arise. The high number of units leading similar processes may lead to a "monitoring inflation" that burdens the line ministries and agencies with repeated instances of progress reporting. In addition, the feedback mechanisms are still incipient, so the collection of data may not necessarily lead to timely corrections to improve performance.

In 2010, Chile established a Presidential Delivery Unit (called *Unidad Presidencial de Gestión del Cumplimiento*) within the Ministry of the Presidency. In the model of the United Kingdom's Prime Minister's Delivery Unit (see Barber, 2008), this unit was created to systematically monitor the progress made by ministries and agencies in achieving the government's priority targets. The Delivery Unit served as a constant reminder for the sectors to focus on achieving results, tracking their performance in 40 strategic objectives. The large number of actions being monitored (over 600) limited the Delivery Unit's ability to actually assist the ministries and

agencies when performance was lagging behind, suggesting the need to focus its oversight only on those actions of significant impact for the government's priority objectives (Dumas, Lafuente, & Parrado, 2013).

As mentioned earlier, many presidents in the region prefer to make decisions in bilateral meetings with ministers. But the Chilean case shows that, even in these settings, the CoG can provide support to the president: after 2010, the *bilaterals* were also attended by staff from UPGC and the Budget Office (DIPRES), recording and later monitoring the commitments between the president and the minister. For a unit like UPGC, this may be critically important: in Indonesia, agreements between the president and the ministers in bilateral meetings, ignored by the Delivery Unit, affected its oversight job (Scharff, 2013).

In Colombia, DNP and one of the High Counselors to the president were responsible for tracking progress in the targets defined in the National Development Plan, through the National Results-Based Management and Evaluation System (SINERGIA). Sophisticated monitoring mechanisms have been developed within SINERGIA, allowing to track process, output, and outcome indicators. Although these results were reported to the president on a monthly basis, the valuable information collected through these systems was still not used systematically as a management tool by the ministries (Querubín & Dorado, 2013). With the introduction of the Delivery Unit in 2015, these existing mechanisms and processes were adapted to monitor and evaluate the performance of a specific portfolio of initiatives, segmented by levels, and with differentiated management according to the needs of each case: 21 government priorities (one per sector), 170 sectoral targets (8 per sector), and 6 Presidential initiatives. These goals were systematically tracked and evaluated (Acosta & Gonzalez, 2018). Building from that experience, the DU introduced in 2018 focuses on 12 transformational goals, most of them cross-sectoral, where the CoG can provide higher value added.

Mexico has tried different systems to monitor progress in the goals of the National Development Plan. These systems have faced challenges in generating real-time data (needed to produce timely adjustments) that is considered valid and reliable by the decision-makers. In addition, other parallel monitoring systems (like the ones developed by the Ministry of Finance or by the National Council for the Evaluation of Social

Development Policy) had not been articulated with those used in the Presidency, limiting their usefulness for decision-making by the president and the CoG (Velasco Sánchez & Coss Flores, 2013). The proliferation of reporting processes, existent in other countries as well, is a factor that affects the capacity of presidents to receive and use actionable performance information.

In the State of Pernambuco (Brazil), the DU set monthly targets for districts throughout the State in terms of citizen security, both for the outcome indicators (homicide rate) and for output indicators (arrests, seizures of weapons, etc.). Outcome information was updated daily and forwarded to the coordinating DU minister by text message. If the homicide rate increased beyond the target range, emergency meetings were called, and reinforcement measures were taken for specific districts, including the reallocation of human and financial resources (Alessandro, Lafuente, & Shostak, 2014). Also at the subnational level, the City of Buenos Aires has established systematic routines to monitor performance of the government's objectives, through periodic (usually monthly) “stocktakes” of the government's objectives, led by the Mayor and the CoG and attended by the ministries involved in delivering these objectives (Alessandro & Straface, 2019).

Political Management

All CoGs of the region work in performing this function. The provision of legal advice to the president exists across these CoGs, and in many cases this role is assumed by a very close advisor to the president (such as the Legal and Technical Secretary of the Presidency in Argentina; see Coutinho, 2013). Managing relations with Congress and with subnational governments is also the responsibility of most CoGs, while the interactions with political parties and with civil society are also present in some of them.

However, the available data do not indicate how effectively this function is being performed. It appears that most presidents prefer not to concentrate the political tasks on a single unit, but rather have different ones in charge of these negotiations. This approach can have the advantage of not concentrating too much authority in one unit or individual, but it can also affect the coherence of the political negotiations led by the CoG. In addition,

emerging conflicts are generally managed in an ad hoc way, with no established procedures to anticipate and address them.

As mentioned earlier, the Council of Ministers is generally not a strong body in these countries. In certain occasions, however, it can play a role in the political management of government. In Uruguay, the advent of a coalition government in 2000 led to a revitalization of the Cabinet as a collective decision-making body, because the president had to ensure the support of all sectors within the coalition for the government's agenda (Lanzaro, 2013).⁶ In Chile, a Political Committee chaired by the president and formed by the Ministers of the Presidency, of the Interior, of Communications (SEGEOB), and of Finance, has met under different administrations on a weekly basis to define the government's legislative agenda, solve conflicts, and deal with emerging political issues.⁷ Decisions made at this meeting are later discussed (and negotiated) in meetings with congressional or party leaders. Nevertheless, these fairly institutionalized processes for managing this function are not the norm in the region.

Communications and Accountability

CoGs in Latin America are in charge of reporting on the actions and results of the government, although in certain cases they cannot align all senior officials behind a common narrative. Additionally, there may be duplications within the CoG between the president's press advisors or spokesperson and a Secretariat of Communications or similar unit.

In terms of accountability mechanisms, or standards set by the CoG in this regard, they are generally weak or nonexistent. The experience of the UPGC in Chile has contributed to improving the type of information being reported to the public, by establishing different mechanisms (like annual reports and a website) to disseminate the performance data it collects. Even if external actors consider these reports to be too focused on providing “good news,” they represent an improvement in this regard (Dumas, Lafuente, & Parrado, 2013). At the same time, the publication of performance information, which sometimes may show lack of results, can be in tension with the CoG's role in “selling” the government's (and the president's) achievements.

Two interesting experiences aimed to improve how this function is carried out in the region. In Colombia, the President agreed one priority to be achieved by the end of his mandate for each of the 21 sectors, and publicly signed a “check” with the minister in charge. These checks were later put at the entrance of each ministry. However, there was no regular and centralized reporting on the progress to achieve the goals. In the City of Buenos Aires (Argentina), the government made public all its priority goals with the performance trajectory expected until the end of the term, and the Mayor reported to the citizens progress made every year, including when targets were not met (see www.buenosaires.gob.ar/compromisos). This practice of openly reporting lack of success in government priorities, unusual in the region, brought good results: (i) it signaled to ministers that performance matters, and (ii) it distributed the political cost of not achieving results between the mayor and the responsible minister, and partially over time, as opposed to a one-time, end of the mandate cost to be paid by the top political authority. In addition, there is experimental evidence from the city of Buenos Aires that opening performance information improves perceptions of transparency and trust in government (Scartascini et al., 2019; Jones, 2018).

Overall, the performance of the five CoG functions presents a high level of within-country correlation. CoGs tend to be stronger or weaker across the functions. This is particularly clear in terms of *strategic management* and *performance monitoring and improvement*: a high (low) level of performance in one of the functions is strongly tied to a high (low) level of performance in the other. This association makes sense, as a proper exercise of strategic planning is needed to develop the indicators that are required to measure performance and track progress. At the same time, without monitoring, it would not be possible to adjust plans to the actual evolution of initiatives. The existence of a few cases of stronger performance within the region can be a useful reference for those seeking improvements. The next section will discuss the political economy of such strengthening efforts.

2.2 The Political Economy of Strengthening the CoG

Many of these innovations for strengthening the CoG are in tension with a traditional political science prescription, defined by Neustadt (1960). This

view recommended that presidents organize the Executive in a radial way, with all areas reporting directly to her bilaterally, neglecting formal procedures or chains of command, and with fuzzy lines of responsibility and overlapping jurisdictions. According to Neustadt, this managerial style (akin to Porter's 1980 "adhocracy" and George and Stern's 1998 "competitive style") would allow the president to be in full control of the administration, with access to all relevant information without intermediaries. If this is true, then why would presidents establish and empower units to plan, negotiate, coordinate, monitor, and communicate all their policy priorities?

The main answer to this question is that the Executive branch has with time become so complex that more formalized and institutionalized management processes, with internal hierarchies, specialization, and orderly flows of information, are now needed (Walcott & Hult, 2005). It would be too demanding for a single individual to collect and process all the information coming from bilateral and ad hoc interactions with multiple stakeholders. In this context, strong CoG institutions can increase the president's control over the administration, acting as "*his eyes and ears and his source of nondepartmental comment... his own instrument*" (Bundy, 1961). Viewed from this perspective, there is actually no doubt that presidents would choose to empower the CoG institutions.

But strong CoG institutions may not be just the president's "own instrument." Planning, coordinating, and monitoring the actions of ministries and agencies demands a high level of technical expertise. Permanent civil servants, who bring institutional memory and informal connections throughout the bureaucracy, would be needed in many of these positions. Career bureaucrats provide this "neutral competence" that is required to perform the CoG functions, but they may lack the "political responsiveness" that presidents would prefer in their teams (see Dickinson & Rudalevige, 2005). Therefore, it appears that only if the benefits that strong CoGs produce to the president (in terms of improved design and implementation of policies and better service delivery) exceed the costs of establishing units that are not fully responsive politically, this will actually happen – presidents may seek to avoid this dilemma by pursuing "responsive competence," appointing trusted advisors with enough technical skills; in certain cases, this may be a feasible option.

Furthermore, establishing a Delivery Unit, setting priority goals, and publishing performance information may involve a political trade-off. On the one hand, it may present the risk of under-delivering. On the other hand, it can be a strong catalyst to improve government performance, and thus to generate political benefits for the incumbent. The ability to set ambitious yet realistic goals (Barber, 2015) may be a critical factor in this trade-off.

In addition, strengthening the CoG may be more crucial when the entities shaping policy are highly autonomous from the center, as in the United States (Peters, 2011).⁸ But if Latin American presidents are more able to place trusted advisors as heads of ministries and agencies, and shape the work of these institutions, they may have a lower incentive to build CoG structures to coordinate and monitor them (Méndez, 2007, for example, develops this argument for Mexico). Of course, in Latin America, Congress is also a strong actor in certain countries (see Molinas et al., 2008, for Paraguay) and the coalitional nature of many governments in the region may constrain the president's selection of ministers, so there is variation across countries in this regard. These different circumstances probably affect the incentives that presidents have to empower the institutions of the center. And so far the analysis has not included the interests of other actors, such as powerful ministries (like the Ministry of Finance) who may oppose the strengthening of the units closer to the president. Thus, any process of CoG reform will be influenced by country-specific political considerations and dynamics, including the relationship between the president and the ministers. For example, presidents in two countries (Guatemala and Uruguay) have recently sought to establish a Ministry of the Presidency to consolidate and strengthen their CoGs, but these attempts have not received enough support to be approved, either within their administrations or in Congress (see Zea, 2013, and Lanzaro, 2013, respectively).

3. Conclusions

The CoG is still an emerging topic for scholars and practitioners in Latin America. The literature for most countries is scarce, and with a descriptive rather than an explanatory or analytical focus. This chapter has attempted to contribute to this field by providing conceptual clarifications, describing

regional trends in CoG practice, and presenting brief descriptions of how the CoG functions are performed in different Latin American countries. This overview has shown a generally weak performance of these functions; despite their formal recognition, they are not actually being exercised in many countries. Nonetheless, recent innovative experiences show an increased interest in governments to strengthen the CoG and suggest paths that may lead to improved performance. More research is certainly needed to assess the impact of these innovations on the quality of policy making and implementation and on service delivery. The increased use of performance indicators can be a valuable source of data in this regard, as different studies of the effects of the Delivery Units can attest (Bevan & Wilson, 2013; Kelman & Friedman, 2009; Propper et al., 2008; Lafuente & Gonzalez, 2018). Advancing this research agenda would consolidate this emerging field and would also contribute to improving how Latin American governments plan, coordinate, monitor, and communicate their work, leading to better policies and improved outcomes for their citizens.

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* [Sections 1](#) and [2](#) of this chapter rely mainly on previous work by the authors (Alessandro, Lafuente, & Santiso, 2014), covering both conceptual issues and empirical findings. Empirical findings are consistent with a recent regional study (OECD-IDB, 2020).

¹Similarly, in a survey of senior CoG officials from OECD countries, policy coordination, monitoring, strategic planning, and communications were selected as the “main areas of responsibility of the CoG” (OECD, 2013a).

The other main area is coordinating the preparation of Cabinet meetings, a task more relevant in parliamentary than in presidential countries.

²For a cross-country comparison, a functional approach appears to be more useful, because units that in different countries are placed in different positions of the Executive structure could be performing similar roles; nonetheless, this approach also demands an in-depth knowledge of which institutions are really (and not just *formally*) in charge of these functions in each country.

³The regional trends presented in this section are based on: Alessandro, Lafuente and Santiso (2013b) – which included a survey responded by experts and senior officials of CoG institutions in 18 countries in the region; OECD-IDB (2017), which included a survey responded in 2015 by senior CoG officials in 15 countries; and Lafuente and Gonzalez (2018) which assessed the experience of 14 governments in the region which strengthened their CoG. The findings are consistent with a recent regional study (OECD-IDB, 2020).

⁴This reorganization included the creation, within the Presidency, of four Secretariats responsible for tasks very similar to the functions identified in Section 1.2: Secretariats of Political Management; of Planning and Development (responsible for strategic management and performance monitoring); of Communications; and of Public Administration (for cross-cutting public management issues).

⁵In Argentina, Cruz Barbosa (2010) documents four merely formal Cabinet meetings between 1996 and 2002, and none since them.

⁶The power of some individual ministers in Uruguay, due to their leading roles in the different groups of the governing coalition, can also explain the resistance encountered by attempts to strengthen the capacities available at the CoG (Ramos, 2013; see also Section 2.2 on the political economy of CoG strengthening).

⁷Because this Political Committee has no legal foundation, its composition and role have varied in different administrations (see Egaña and Chateau, 2011). During the Bachelet administration (2006–2010), for example, the Minister of Finance was not part of the Political Committee, while the Minister of Justice was included. By the inclusion of this Minister, the

president sought to incorporate one member of each of the four coalition partners within this political body.

⁸This autonomy stems from a number of factors, including the relationship that agencies tend to develop with non-Executive branch actors, like Congressional Committees and interest groups, and the veto power of Congress to the presidential appointments for Cabinet-level and many other lower-level positions.

Chapter 13

Digital Public Administration in Latin America: Digitalization, Public Innovation, and the Future of Technologies in the Public Sector

J. Ignacio Criado

Abstract

This chapter studies Digital (or Electronic) Government in Latin American (LatAm) countries from a comparative perspective. It analyzes a group of countries with a significant degree of economic diversity and public administration heterogeneity. This chapter presents data about the development of the Information Society in Latin America, regarding the diffusion of Information and Communication Technologies (ICTs) and the Internet in the countries of the region and taking into account the digital divide phenomenon. It also analyzes Digital Government from a regional perspective, pinpointing intergovernmental institutions and international organizations devoted to design and define, and, in some cases, implement, shared perspectives and a common agenda within this region. This overview is brought forward by a comparative approximation to the development of e-Government readiness in LatAm countries, using data from the United Nations reports. Additionally, this chapter analyzes sectional e-Government dimensions, including digital public administration national agendas, electronic public service delivery websites, interoperability initiatives, social media technologies, open data and open government strategies, and the future of technology in public sector of the region. Therefore, this chapter is important to understand the role of ICTs as one of the most recent sources of innovation and reform in public administrations Latin America.

Keywords: e-Government; digitalization; information and communication technology; interoperability; social media; open government; open data; smart governance

1. Introduction

The diffusion of Information and Communication Technologies (ICTs) in public administration is not a recent phenomenon in Latin American (LatAm) countries. Different governments of this region have fostered the adoption, use, and diffusion of ICTs and the Internet to enhance electronic public service delivery or citizens participation (front-office), and internal management functions (back-office). This new trend in public administration has been internationally portrayed as Electronic Government (e-Government) or Digital Government (DG) (both are used interchangeably in this chapter). The following pages draw a comparative analysis of DG in LatAm countries, regarding its most relevant dimensions, challenges, and opportunities for public sector organizations. The starting point is the assumption of outstanding investments done in the region to foster ICTs during the last two decades, particularly in the public sector. Nonetheless, some promises related to DG implementation have not been fulfilled as expected from the financial investments of national governments, as well as the international organizations playing a leading role in this process. In part, this is a result of problems in connecting reform agendas of DG with mainstream public administration (Gil-García, Dawes, & Pardo, 2018). To some extent, the dialogue among both communities is one objective of this chapter, including the potential for complementary and collaborative work that can contribute to both fields.

Implementation of ICTs in emerging countries has been determined by factors such as unequal income distribution, poor education, and/or lack of experience in technological literacy. Despite these disparities, the efforts of different governments of the LatAm region to implement ICTs and the Internet in different social sectors have achieved some successes cases (Welp, 2008). Nonetheless, the positive emphasis in the implementation of the ICTs in general, and DG in particular, in developing countries has also been criticized by different scholars (Alcaide-Muñoz & Rodríguez-Bolivar, 2018). Whatever the case is, the study of ICTs and Internet in LatAm countries and governments is important, on the one hand, due to their potential to connect societies with more information and knowledge and, on the other hand, to understand if developing contexts need to meet specific policy requirements to fulfill the promises, and tackle the challenges, of DG.

The analysis of ICTs in public administration has gained interest in the last two decades from scholarly research. Traditionally, the focus on DG has ranged from

extreme visions about the consequences or effects on those interactions, and determinist perspectives about the causal foundations to explain these processes in the public sector (Dunleavy, Margetts, Bastow, & Tinkler, 2006; Fountain, 2001; Gil-Garcia, 2012a,b; Yildiz, 2007). As different studies suggest, the author of this chapter assumes the intertwinement of human agency and decisions, as well as institutional settings in the analysis of the processes of adoption, management, and use of ICTs in public sector organizations (Criado, 2009a,b, 2016; Gil-Garcia, 2012a,b; Gil-García & Criado, 2013; Gil-García & Martínez-Moyano, 2007; Luna-Reyes, Hernández, & Gil-García, 2009). Despite the scope and extension of this chapter is not sufficient to completely fulfill this approach, the case of LatAm countries provides a good example to analyze DG on these grounds.

In addressing the case of e-Government in LatAm countries, this chapter develops an innovative view of a region usually not well represented in international comparative studies. In a book about e-Government around the World (Reddick, 2010), with more than 30 contributions from international scholars, only three LatAm countries were analyzed. Besides, it is difficult to find publications in international books or journal articles with data about the development or results about DG in the region (Criado, 2009a,b; Gascó-Hernandez, 2007; see Gil-García & Criado, 2013 for a review; Sandoval-Almazan & Gil-García, 2009). Consequently, the interest of this chapter derives from the systematic attention to DG in the region, the comparative analysis of available data, and an approach to dimensions about this phenomenon with growing importance for public administrations in LatAm countries.

The remainder of the chapter is as follows. The next section draws on the development of the Information Society in LatAm, regarding the diffusion of ICTs and the Internet in the countries of the region. The third section presents an overview of common efforts on DG from a regional perspective, derived from intergovernmental institutions and international organizations devoted to designing, and, in some cases, implementing, a shared perspective about this policy field. Next section overviews e-Government readiness. Then, this chapter analyses DG in LatAm with the study of the supply side and other important aspects for public sector management. In doing so, national e-Government strategies, public administration interfaces on the web, interoperability initiatives, social media and open data and open government policies, and the next generation of technologies in government are considered. Finally, the conclusion summarizes the findings of this chapter, its implications, and future avenues of research and practice in this field.

2. Latin American Countries and the Information Society

The study of ICTs and Internet diffusion facilitates understanding different dimensions of the Information Society in LatAm. This section reports the developments in access to the Internet, the use of personal computers and mobile phones, and dissemination of broadband connections. Using data and information from different sources, this section sheds light on the general situation of the Information Society in LatAm countries. At the same time, these pages identify areas needing governmental attention, as they are in close interconnection with e-Government success.

LatAm scores as one of the most vibrant in access to the Internet among the emerging regions of the World. Table 13.1 shows the level of access to the Internet in different regions, with LatAm (including the Caribbean countries) (67.0%) only behind North America (95.0%), Europe (85.2%), and Oceania and Australia (68.9%). This goes together with an impressive level of growth during the last two decades, more than 2.318% of new Internet users from 2000 to 2018. Therefore, the number of individuals connected to the Internet is over the World mean, counting for more that 10% of the Internet users of the World. This represents one of the fastest growing rates of social acceptance according with comparative data.

Table 13.1. Internet Use by Regions of the World (2018).

	Population (2018 Est.)	Internet Users (December 31, 2000)	Internet Users Latest Data (2017)	Penetration (% Population) (2017)	Growth 2000– 2018 (%)	% Internet users of the World
Africa	1,287,914,329	4,514,400	453,329,534	35.2	9.941	10.9
Asia	4,207,588,157	114,304,000	2,023,630,194	48.1	1.660	48.7
Europe	827,650,849	105,096,093	704,833,752	85.2	570	17.0
North America	363,844,662	108,096,800	345,660,847	95.0	219	8.3
Latin America and Caribbean	652,047,996	18,068,919	437,001,277	67.0	2.318	10.5
Middle East	254,438,981	3,284,800	164,037,259	64.5	4.893	3.9
Oceania	41,273,454	7,620,480	28,439,277	68.9	273	0.7
World Total/Mean	7,634,758,428	360,985,492	4,156,932,140	54.4	1.052	100.0

Notes: (1) Internet Usage and World Population Statistics are for December 31, 2017. (2) Demographic (population) numbers are based on data from the US Census Bureau. (3) The most recent usage comes mainly from data published by Nielsen-Online, International Telecommunications Union, by GFK, local regulators, and other reliable sources.

Source: Internet World Stats (2018). Available: <http://www.internetworldstats.com/stats.htm>. Access data: August 30th, 2018.

On the other hand, the picture of the Information Society in LatAm has noticeable differences if one focuses on a country-by-country basis. As shown in Table 13.2, there is a significant diversity among societies of the region in access to the Internet. First, a group of very advanced countries, Argentine (93.1%), Paraguay (89.6%), Uruguay (88.2%), Costa Rica (86.4%), including Ecuador (79.9%), and Chile (77.5%), lead the Internet access rates in the region with more than 75% of users each. Second, a group of countries that have not yet reached the barrier of 75% of the population connected to the Internet (with 60% at least). In this group, we find Brazil (70.7%), Panama (69.1%), Peru (67.6%), Bolivia (67.5%), Mexico (65.3%), and Colombia (63.2%). Mexico and Brazil are the most populated countries in the region, with Colombia in third place, and they encompass more than 50% of the region's Internet users. Therefore, they are the cases with most potential to experience higher developments within this indicator in the coming years. In any case, it is a real digital divide gap in the region that governments need to overcome in the coming years.

Table 13.2. Internet Users in Latin American Countries (2018).

	Population (Est. 2018)	Internet Users Latest Data (2017)	Penetration (% Population) (2017)
Argentine	44,769,726	41,586,960	93.1
Bolivia	11,215,674	7,570,580	67.5
Brazil	210,867,954	149,057,635	70.7
Chile	18,197,209	14,108,392	77.5
Colombia	49,464,683	31,275,567	63.2
Costa Rica	4,905,626	4,236,443	86.4
Cuba	11,014,425	3,696,765	33.6
Dominican Republic	10,606,865	6,054,013	57.1
Ecuador	18,863,425	13,476,687	79.9
El Salvador	6,167,147	3,100,000	50.3
Guatemala	17,005,497	5,868,597	34.5
Honduras	8,304,677	2,700,000	32.5

	Population (Est. 2018)	Internet Users Latest Data (2017)	Penetration (% Population) (2017)
Mexico	130,222,815	85,000,000	65.3
Nicaragua	6,217,796	1,900,000	30.6
Panama	4,051,284	2,799,892	69.1
Paraguay	6,896,908	6,177,748	89.6
Perú	32,551,815	22,000,000	67.6
Uruguay	3,469,551	3,059,727	88.2
Venezuela	32,381,221	17,178,743	53.1
Total/Mean region	627,174,298	420,847,749	67.1

Notes: (1) Latin American Internet Usage and Population Statistics were updated for December 31, 2017. (2) Population numbers are based on United Nations Population Division. (3) The most recent usage comes mainly from data published by Nielsen-Online, International Telecommunications Union, and trustworthy local sources.

Source: Internet World Stats (2011). Available: <http://www.internetworldstats.com/stats.htm>. Access data: August 30th, 2018.

Finally, a group of less experienced and emerging cases shows the lowest rates of Internet accessibility in the region. This group comprises the Dominican Republic (57.1%), Venezuela (53.1%), El Salvador (50.3%), Guatemala (34.5%), Cuba (33.6%), Honduras (32.5%), and Nicaragua (30.6%). Most of these countries are not among the most populated of the region and this results in a mean score of access to the Internet of 67.1% in the region. Dominican Republic, Venezuela, and El Salvador have accomplished the 50% limit of Internet users, whereas other cases present less than 50% of their societies as connected. This group still exhibits a significant lack in terms of basic accessibility to the Internet, reporting the most negative side of the digital divide in the region and jeopardizing the future of these communities.

Other data provide insight on different dimensions of the Information Society's development, giving a more comprehensive picture on the digital divide in the region. First, the use of personal computing is an indicator of the extension of traditional devices to measure technological literacy (demand side), and to access the Internet. Data about availability suggest high levels of variance among the studied countries (see Table 13.3), ranging from almost 70% in Uruguay to 15.1% and 13.1% in Cuba and Nicaragua, respectively. These data contrast with access to mobile telephones in the region, which is remarkably higher in all cases. Here, governments may see an opportunity to facilitate the access to the Internet and governmental services through mobile devices, regarding their growing level of

social acceptance and diffusion, including those cases with more limited Internet social penetration.

Table 13.3. Access to Personal Computers, Mobile Phones, and Broadband.

	% of Households with a Computer (2016)	Mobile Phone Subscriptions (per 100 Inhabitants) (2017)	Fixed-broadband Subscriptions (per 100 Inhabitants) (2017)^a
Argentina	67.1	139.81	17.78
Bolivia	33.9	99.20	3.25
Brazil	51.0	113.0	13.70
Chile	63.9	127.46	16.94
Colombia	45.2	126.81	12.88
Costa Rica	51.7	180.20	15.17
Cuba	15.1	40.17	0.29
Dominican Republic	32.0	81.44	7.30
Ecuador	42.3	83.50	10.13
El Salvador	20.8	156.51	6.94
Guatemala	23.4	118.17	3.05
Honduras	23.5	88.87	2.51
México	45.6	88.51	13.26
Nicaragua	13.1	131.56	3.38
Panamá	42.5	145.85	10.88
Paraguay	30.3	109.65	4.08
Perú	33.5	120.98	7.18
Uruguay	69.5	147.47	27.48
Venezuela	42.7	76.60	8.16

^a Guatemala data are for 2016.

Source: International Telecommunications Union and ECLAC. Access data: August 30th, 2018.

Finally, broadband diffusion is the last indicator of the Information Society's development in LatAm. Broadband subscriptions facilitate access to the most sophisticated services available in the Internet, including electronic commerce, video and music streaming, or transactional interactions with governmental agencies. Unlike previous indicators, Table 13.3 shows that diffusion is very limited in all countries of the region, with only four cases (Argentina, Chile, Costa Rica,

and Uruguay) with more than 15% of broadband subscribers. This is another sign of the challenges facing these countries in attaining the opportunities and prospects of the Information Society and DG. As it stands, the digital divide is one of the challenges to tackle within this group of countries for the future development of DG. At the same time, previous data suggest routes to guide future developments in this policy field.

3. Comparative Overview of Digital Government in Latin America

During the last decade, the promotion of the Information Society in LatAm countries has gone hand in hand with enhancement of e-Government. This section pinpoints common efforts to develop e-Government from a regional perspective, notably coming from intergovernmental institutions, and international organizations devoted to formulating, designing, and, in some cases, funding and implementing projects, initiatives, or even regulations in this field. Particularly, we look at the priorities, issues, and type of projects undertaken by these regional players and organizations during the last years. This regional overview needs to be brought forward with approximation to the development of e-Government readiness in LatAm. This analysis facilitates understanding e-Government development (both supply and demand sides) within a region with different administrative realities, whereas they have tended to share some common policy frames.

3.1 Agenda-Setting and Policy Design from a Regional Perspective

This chapter does not suggest a singular perspective in the LatAm region about how to develop DG. Different approaches across governments in the region exist. At the same time, the existence of formal (and informal) efforts to exchange common knowledge and problems, build up joint technical applications, or develop shared objectives in the field of e-Government should be underlined. In this endeavor, some institutions like the United Nations Economic Commission for Latin America (CEPAL), Latin American Center for Developing Administration (CLAD), Inter-American Development Bank (IDB), and Organization of American States (OAS), among others, have played a key role to fulfill a regional approach to e-Government within the region.

One of the first regional definitions of e-Government came up from the Ibero-American Charter for Electronic Government (*Carta Iberoamericana de Gobierno Electrónico*) (ICEG) (CLAD, 2007). This document adopted in Chile (2007) by the ministers of public administration of the region (including also Spain and Portugal) envisaged shared ideas about the following aspects (CLAD, 2007): the definition

and concept of e-Government in the region; recognition of citizens' rights to make electronic transactions with public agencies; the adoption of a common set of principles, policies, and management priorities to develop e-Government in LatAm countries with collective basis. Thus, it is a first landmark in the development of DG.

The definition of e-Government referred to the

...use of ICTs in public administration to enhance the information and services offered to the citizens, to support public management efficacy and efficiency, and to improve the transparency of public sector and the participation of the citizens. (CLAD, 2007, p. 7)

This approach to e-Government was based on a holistic perspective of the use of ICTs in democratic, governmental, and administrative processes. At the same time, one may see how the administrative dimension linked to improve public service provision and public management deserves more attention in this conceptualization. This is important since different country definitions and approaches to e-Government have been rooted in similar principles. Therefore, CLAD was an early leader in the policy diffusion process of ICTs in public administrations, guiding common standards and even adopting e-Government as a core theme within their annual conferences.

Other recent efforts have emerged from the CLAD countries with other documents about e-Government-related topics. Here, one may pinpoint the following contributions: Ibero-American Interoperability Framework (CLAD, 2010a,b), Ibero-American Model of Public Software for e-Government (CLAD, 2010a,b), Ibero-American Framework for Social Electronic Identification (CLAD, 2011), and more recently, Ibero-American Open Government Chart (CLAD, 2016). Undoubtedly, these official documents have been cited and used in national strategies and blueprints, and they still provide shared guidelines fostering e-Government, and related issues, in the region.

Particularly, the Ibero-American Interoperability Framework (CLAD, 2010a,b) became a source of common standards and guidelines to develop a shared vision of e-Government in the region. This document, endorsed by the heads of state of the region (2010), describes different dimensions of interoperability (technical, semantic, and organizational). At the same time, it provides ideas to foster the governance and evaluation process needed to ensure the quality of the collaboration among nations of the region (Criado, Gascó, & Jiménez, 2011; Jiménez, Criado, & Gascó, 2011). Thus, the Ibero-American Interoperability Framework was compared

with the European Interoperability Framework, or similar regional efforts, in which a group of nations, with shared beliefs and visions about what e-Government is, or should be, decide the definition of some key areas to further transnational collaboration (Criado, 2012a,b). This is based on the acknowledgment of the existence of common problems (migration, security, natural disasters, ecology, emergencies, etc.), requiring interoperable policy approaches.

Other sources of regional influence and vision for the development of e-Government in LatAm have derived from the eLAC strategies from CEPAL. eLAC is a regional strategy for development of IS from a harmonized perspective using ICTs as an instrument for economic development and social inclusion. Initially, it was endorsed in 2005 in Rio de Janeiro as a long-term vision (2005–2015) with short-term milestones (eLAC 2007 and eLAC 2010), in line with the Millennium Development goals and those of the World Summit on the IS, which adopted concrete qualitative and quantitative goals to be achieved (CEPAL, 2010a). In general, the e-Government section of this strategy fostered the diffusion of governmental agencies on the web and the sophistication of electronic services online.

More recently, eLAC has evolved through different rounds into different strategic priorities. The common strategy eLAC 2015, adopted in the Declaration of Lima of November 2010, assumed that the region is

...already well on the way to developing e-Government, which will make it possible to transform the public sector, meeting citizens' demands for more effective and efficient public administration, achieving greater equity and inclusion in access to public services, improving State transparency and deepening democracy. (CEPAL, 2010a,b, p. 6)

This analysis also included some aspects to be improved (CEPAL, 2010a,b). Particularly, the range of administrative formalities and public services available online is still small and efforts to improve the quality of existing services were still weak. Finally, it stressed that many municipalities lacked access to broadband.

In Mexico (2015) and Colombia (2018), a Digital Agenda for Latin America and the Caribbean has been endorsed (e LAC 2018 and e LAC 2020) (CEPAL, 2015; CEPAL, 2018a,b), including goals in the field of e-Government. Therefore, e LAC 2020 is clearly attached to the United Nations' Sustainable Development Goals 2030, and it includes five specific goals about DG to be achieved by 2020 (CEPAL, 2018a,b, p. 59):

Goal 10: Establish and promote digital services standards that facilitate and expedite government services and support multiaccess channels, favoring interoperability for digital services in the region, through the development of infrastructure, platforms, architectures, standards and integrated systems.

Goal 11: Promote the use of reusable components and open solutions in digital government for the design of public services.

Goal 12: Foster the adoption of a regional strategy of standards for digital identity management and interoperability, advanced electronic signature, e-apostille and electronic medical records that support innovations in the public and private sectors, preserving information privacy and strengthening security and trust in online transactions.

Goal 13: Promote open government initiatives through the use of digital platforms to facilitate data openness and reuse, collaboration, citizen participation, social innovation, public transparency and accountability.

Goal 14: Promote the use of digital systems for government procurement, contracting for services and public works to ensure transparency, citizen surveillance and effective accountability.

While these goals contain some traditional topics (interoperability, multiaccess channels, or e-procurement systems), they also include other dimensions of interest for the future of e-Government. In short, attention to open government ethics and dimensions, or reutilization of government components, data, and systems come to the front of this strategy. Other aspects such as (social) innovation, transparency, and accountability are also included. This reflects an emerging preoccupation to tackle the political dimension of e-Government, and the need to legitimate the activity of public authorities.

One traditional criticism made by deterministic authors speaking about technologies in government is that political officers don't seem to go beyond the brick and mortar strategy in e-Government, based on the New Public Management efficiency-based style reforms. For the first time, this strategy foresees the political implications of using technologies to open up, innovate, and co-produce with citizens in government, according with post-New Public Management trends and approaches (Criado, 2016). These new perspectives look at technologies in government from a nondeterministic point of view, assuming that technologies are enacted in public organizations by a complex interplay and are modified as a result of their interaction, their political environment, the people who work in them, and the institutional arrangements existing within a certain arena of government action.

Another instrument coming from the collaboration of different stakeholders in the region is the Network of e-Government Leaders of Latin America and the Caribbean (redGEalc). redGEalc has promoted collaboration among LatAm governments from a technical point of view on e-Government-related issues. This network of national governmental experts acts not only as a forum to boost e-Government but also as an institutional mechanism to enforce, even informally, the policy transfer process in the field (Criado, 2012a,b). redGEalc actions, meetings, and projects are funded by international organizations like the IDB or OAS and are intended to deepen technical collaboration among the units devoted to managing national e-Government policies and strategies amidst governments. Besides, redGEalc has expanded a network of key players, less political and more technical, putting together a pool of middle-level managers involved in fostering DG in the region.

Hence, eLAC guidelines, redGEalc network, as well as CEPAL, and other aforementioned international and intergovernmental institutions (CLAD, IDB, OAS, etc.), and the policy instruments behind them, frame this policy field, targeting the type of e-Government actions that need to be enhanced, adopted, funded, and implemented by national public administrations of the region, resembling soft Europeanization process (Criado, 2012a,b). This group of policy instruments operates as carriers, or policy transfer instruments. In some cases, they use coercive mechanisms, deciding what type of projects will be funded. In other cases, they frame ideas and values behind the strategies to foster e-Government nationally. Whatever the case, it is clear that this policy transfer process has been, and is, taking place in the LatAm region, providing evidence about the nature and priorities of the DG agenda in LatAm countries. Nonetheless, additional investigation is needed to identify how the regional diffusion of ideas is implemented in specific countries, and to what extent governments can innovate or be (un)detached from these general ideas and priorities coming from this group of regional players and stakeholders.

3.2 Comparative Data on Digital Government and Participation Performance

Data on the evolution of e-Government implementation are available from the United Nations e-Government Development index, calculated since 2004. This index measures different dimensions of the development of the Internet in governmental settings (online service delivery, telecommunication infrastructure index, human capital index, and supplementary e-participation index). This general index measures both sides of e-Government: demand and supply. First, it refers to potential users of e-Government services and applications. The case of the supply side denotes the digital contents provided by the government in the Internet, mostly

using websites and Internet portals, while other channels have been also developed within this group of emergent countries.

Overall, the most recent measurements provide an overview of the situation in the region. At first sight, four LatAm countries are among the top 50 group in 2018 (Uruguay (34), Chile (42), Argentine (43), and Brazil (44)), the same group that in 2008. The results from Table 13.4 imply poor scores in telecommunication infrastructure and human capital indexes. As the previous pages suggested, the potential demand of e-Government is still emergent in LatAm countries, and this is one of the most remarkable conclusions from this part of the analysis. Conversely, we also find a group of countries lagging behind the world average scores. Here, Cuba (134), Nicaragua (129), Honduras (123), Guatemala (113), Paraguay (108), Venezuela (106), Bolivia (103), and El Salvador (100) are the clearest examples of underdeveloped countries in the e-Government index.

Table 13.4. United Nations e-Government Development Index (EGDI). Latin America (2008–2018).

	Ranking Position 2008	Index 2008	Ranking Position 2018	Index 2018
Argentina	39	0.5844	43	0.7335
Bolivia	72	0.4867	103	0.5307
Brazil	45	0.5679	44	0.7327
Chile	40	0.5819	42	0.7350
Colombia	52	0.5317	61	0.6871
Costa Rica	59	0.5144	56	0.7004
Cuba	111	0.3990	134	0.4101
Dominican Republic	68	0.4943	95	0.5726
Ecuador	75	0.4840	84	0.6129
El Salvador	67	0.4974	100	0.5469
Guatemala	99	0.4283	113	0.4974
Honduras	110	0.4048	123	0.4474
México	37	0.5893	64	0.6818
Nicaragua	117	0.3668	129	0.4233
Panamá	83	0.4718	85	0.6092
Paraguay	88	0.4654	108	0.5255
Perú	55	0.5252	77	0.6461
Uruguay	48	0.5645	34	0.7858

	Ranking Position 2008	Index 2008	Ranking Position 2018	Index 2018
Venezuela	62	0.5095	106	0.5287
World average		0.4514		0.5491

Source: United Nations e-Government Development Index (EGDI). Available: <https://publicadministration.un.org/egovkb/en-us/>. Access data: August 30th, 2018.

Different contributions to this same topic compare e-Government readiness with per capita gross domestic product (GDP) (CEPAL, 2010a,b). This literature assumes that GDP is the factor explaining most of the e-Government readiness index. However, some cases challenge this hypothesis (i.e., South Korea and Estonia), with top rankings and a per capita GDP that is not higher than nations that score lower on the index. In the case of the LatAm region, some countries (mostly the Caribbean) with the highest per capita GDP do not perform so well in terms of e-Government readiness. At the same time, the remaining countries in the LatAm region seem to present some kind of interaction between the level of per capita GDP and e-Government readiness (CEPAL, 2010a,b). Nonetheless, the key question derives from the fact that some countries of the region have been successful in promoting e-Government applications, in spite of their unsuccessful macroeconomic indicators. Here, more solid statistical analysis is required in the future, including the use of complementary socioeconomic data.

A recent doctoral dissertation in the field (Lizardo, 2017) approached the phenomenon with a longitudinal analysis of the EGDI index. Taking the EGDI index as an independent variable, this work has studied its impact on the corruption perception in the region. From this starting point, the results of the research seem to support two important ideas: (1) the more developed the EGDI index in a country, the lower the perception of corruption among its society; (2) the moment a country reaches a transactional e-Government level of development (within the different stages identified by the EGDI), directly impacts the corruption perception of the society (Lizardo, 2017). These conclusions can also be used to understand DG development and to inform why some countries perform differently within similar contexts.

On the other hand, this section needs to focus on specific indicators of e-Participation in the UN e-Government index. E-Participation is defined in the UN report “*as the process of engaging citizens through ICTs in policy, decision-making, and service design and delivery so as to make it participatory, inclusive, and deliberative*” (United Nations Public Administration Network, 2018, p. 112). The e-Participation index is based on three benchmarks: (1) e-information (availability of online information); (2) e-consultation (online public consultations); and (3) e-

decision-making (directly involving citizens in decision processes), with a group of indicators each. This index assesses the availability of e-Participation mechanisms on national government websites addressing the above three stages/levels. In the case of 2018, the report suggests a general improvement in governments around the world in the process of allowing citizens to collaborate with ideas and feedback in public service and the policy-making process.

Here, data about LatAm countries exhibit five cases among the 50 more developed in 2018: Brazil (12), Mexico (17), Colombia (23), Uruguay (26), Perú (36), and Chile (46) (United Nations Public Administration Network, 2018). In broad terms, this may reflect a growing e-participatory approach in policymaking in LatAm countries, notwithstanding that other countries of the region have had significant setbacks in e-participation, with cases lagging behind the 100th world position (including Cuba, Honduras, Nicaragua, Paraguay, and Venezuela). At the same, Table 13.5 shows this index seems to be volatile across years.

Table 13.5. United Nations e-Participation Index in Latin America (2008–2018).

	Ranking Position 2008	Index 2008	Ranking Position 2018	Index 2018
Argentina	87	0.4545	87	0.6236
Bolivia	28	0.4091	99	0.5787
Brazil	23	0.4545	12	0.9719
Chile	71	0.1818	46	0.802
Colombia	25	0.4318	23	0.9213
Costa Rica	34	0.3636	57	0.7697
Cuba	98	0.0909	150	0.2809
Dominican Republic	38	0.3182	79	0.6798
Ecuador	87	0.1136	81	0.6742
El Salvador	32	0.3864	82	0.6517
Guatemala	135	0.0455	92	0.6180
Honduras	45	0.2727	107	0.5449
México	7	0.7500	17	0.9438
Nicaragua	170	0.0000	134	0.3876
Panamá	87	0.1136	66	0.7191
Paraguay	116	0.0682	101	0.5730
Perú	78	0.1364	36	0.8652
Uruguay	116	0.0682	26	0.9157

	Ranking Position 2008	Index 2008	Ranking Position 2018	Index 2018
Venezuela	36	0.3409	131	0.4045
World average		0.1909		0.5654

Source: United Nations e-Participation Index. Available: <https://publicadministration.un.org/egovkb/en-us/>.
Access data: August 30th, 2018.

The most important conclusion of this comparative analysis suggests that in LatAm countries the e-Participation index is more developed than the general e-Government development index. In other words, in the countries of the region, the participatory side of e-Government (e-information, e-consultation, and e-decision-making) has been more expanded than its demand side (equipment and digital education). Although these data do not offer more than a general picture of the situation of e-Government in the countries of the region, they raise some thoughts from a comparative point of view. Nonetheless, more research on national profiles needs to be done in order to understand this apparent paradox.

This descriptive analysis of the region leads to some concluding ideas. One is that the region is in serious danger of consolidating a digital divide, because of the marginal access to ICTs and the Internet by large citizen groups that remain excluded. Second, governments of this region have invested their resources in the supply side of e-Government, while less efforts have been devoted to improving citizens access and literacy (demand side). In order to understand why this policy frame has been so successful, one may suggest that this is a consequence of political decisions at the national level. Also, one may support the idea of a policy transfer process activated within this region, as this chapter also suggests above. The next section will deepen our understanding about e-Government, taking into account the implementation of some key dimensions of this phenomenon.

4. e-Government Implementation in Latin American Countries

This section analyzes e-Government in LatAm, studying specific dimensions of the institutionalization of digital public administration. The following pages scrutinize strategies to foster e-Government in LatAm countries, web portals oriented to implement online public services, interoperability projects, and social media/open government first steps. Hence, this section outlines the implementation of the most prominent e-Government actions in the region. Recently, some countries of the region have become international frontrunners in specific areas (i.e., Brazilian open source applications and interoperability, Chilean e-procurement system and

governance lab, Colombian public services online, or Mexico e-transparency and social media). Thus, each dimension will be discussed using specific cases, advancing knowledge on how public administrations innovate in LatAm countries with digital age reforms, and providing evidence of practical consequences.

4.1 Digital Public Administration National Agendas

LatAm countries have adopted strategies to develop DG quite intensively, while the priorities within the region are not completely similar. Overall, the countries have implemented strategies fostering almost exclusively the supply side of e-Government. Consequently, most of the digital public administration national strategies have been oriented to enhancing the relationship with citizens/businesses through electronic means (using websites for public services delivery, e-procurement, etc.), while the internal dimension of public administration and management (i.e., how public servants do their work, how administrative processes operate, or how decisions are adopted) or the political dimension of the relationship with the citizens (participatory, co-production, innovation, etc.) has been almost unaltered. Another important aspect to take into account is the lack of stability of national e-Government strategies, the governance process, and the organizational dimension. Here, the countries of the region have not endorsed long-term policy schemes; conversely, a sense of unconnectedness in the first years of implementation of DG projects has persisted. More recently, political changes in offices across the region have also transformed the focus of national priorities, while some key organizations have been maintained, including public agencies or general directorates devoted to foster DG issues (see below). At the same time, different developments have been successfully implemented in some of the countries of the region. Argentina, Brazil, Chile, Colombia, or Mexico exemplifies here these ideas in their national e-Government agendas.

In *Argentina*, the roots of the DG agenda are not very recent. Conversely, Decree 378/2005 approved some first lines of the *Plan Nacional de Gobierno Electrónico* (PNGE) (National Plan for Electronic Government) encouraging the use of ICTs in public administration to deliver better public services to the citizens, promoting more efficient public management, enhancing transparency of government information, reducing transaction costs, and releasing new participatory tools through digital means. More recently, sectorial projects within the national layer of government were developed. Among others, we find the general website for electronic information and services *Argentina.gob.ar* (<http://www.argentina.gob.ar>; see below), the e-procurement platform *ArgentinaCompra* (<https://www.argentinacompra.gov.ar>), or the recent adoption of a common digital platform for the national public sector (see Decree 87/2017),

including the citizens' digital profile (<https://id.argentina.gob.ar>), governmental apps, and public services via social media platforms. In this case, it is also worth noting that the national government has allocated important resources to foster the demand side of e-Government with a National Plan of Digital Inclusion (Plan Nacional de Inclusión Digital), currently under implementation by the Ministry of Modernization (<https://www.argentina.gob.ar/inclusiondigital>).

Brazil's national DG is one of the leading cases in the region. It is not only the result of the technological projects enacted but also a consequence of the e-Government strategy adopted more than one decade and a half ago (i.e., an e-Gov Award, Prêmio Excelência e-GOV, since 2002). The starting point of the Brazilian e-Government strategy derives from the Presidential Decree of April 3th, 2000, and the selection of the *Grupo de Trabalho em Tecnologia da Informação* (Working Group of Information Technology), the *Comitê Executivo de Governo Eletrônico* (Executive Committee of Electronic Government), and the *Comitês Técnicos* (Technical Committees) of selected e-Government areas (integration of systems; public websites and public management of electronic services; network infrastructures; government to government relationships; management of strategic information; and open source software utilization in public administration). First, this ambitious e-Government agenda was implemented under the umbrella of the abovementioned administrative units and the *Secretaria de Logística e Tecnologia da Informação* within the *Ministério do Planejamento e Gestão*. More recent developments have been the adoption of the *Padrões de Interoperabilidade em Governo Eletrônico* (e-PING) (e-Government Interoperability Schemes) (2004); the *Modelo de Acessibilidade de Governo Eletrônico* (e-MAG) (Model of e-Government Accessibility) (2005); or the *Metodologia de Indicadores e Métricas de Serviços de Governo Eletrônico* (Methodology of Indicators and Metrics of e-Government Services). Recently, Brazil has adopted the Digital Governance Policy (see Decree 8638, 2017) to foster access to digital public services, promote social participation, and deliver digital transformation. Hence, Brazil's e-Government strategy has combined a strong focus on technological innovation and a social dimension of public service. In this second instance, Brazil's federal government is one of the world's leading countries in the application of open source technologies in public sector organizations.

Chile is recognized as one of the e-Government frontrunners in LatAm. This case also exhibits maturity in its e-Government strategy, the concept accessed the agenda of public administration modernization in the beginning of the 2000s. In 2003, the government appointed a Chief Information Officer encouraging an emergent e-Government agenda from 2004, then renewed under the rule of different governments. Chilean DG developments have been hand in hand with other

important cases at the international level, with projects in the forefront, as *Chile Compra* (Chilean e-Procurement) (<http://www.chilecompra.cl/>) one of the most successful technological platforms oriented for public procurement by electronic means in LatAm. Hence, this country has a clear orientation to enhance the modernization of public administration using the possibilities of electronic services delivery as one of the key areas of its e-Government agenda. During the last years, the Digital Government Unit (Ministry of the Presidency Secretariat) has addressed four areas (Government of Chile, 2014): (a) generalization in the use of digital public services, (b) support of public policies using ICTs, (c) making more open and transparent State, and (4) promoting its innovation and dynamism, including an Innovation Lab and one of the most advanced open data portals in the region. To sum up, this country has been (probably) the most sensitive to economic returns derived from the process of public administration digitalization, also giving room for very innovative outputs leading the regional agenda with a social and political orientation, including a governance lab (Laboratorio de Gobierno), among the most developed in the world.

The e-Government agenda in *Colombia* is a case with very successful results in recent years. The Colombian DG strategy emerged with the *Agenda de Conectividad* (Connectivity Agenda) (Document CONPES 3072 Feb 9th, 2000). During these initial years, different steps consolidated an approach to e-Government oriented to implement flagship projects (i.e., government online; an integrated system of e-procurement; governmental intranet, etc.). More recently, Colombia initiated the strategy *Gobierno en Línea* (Government Online) (GEL) (Decree 1151, April 14th, 2008) with a more integrated approach. In 2011, the new government of Colombia adapted the DG strategy, using the GEL concept, and offering a renewed vision for the coming years (2011–2014). More recently (see Decree 1078, 2015), the Colombian government endorsed a new vision with the *Política de Gobierno Digital* (Digital Government Policy) expanding the focus from a public policy perspective to create public value with the technology. In a recent assessment of the OECD (2018), this vision led by the Ministry of Information and Communications Technology (with the Digital Government Directorate at the forefront) has been favorably evaluated, although it has also received comments on the need to foster a more collaborative citizen-centric DG, develop a strategic use of data in the public sector, and improve implementation in different contexts of the country.

Finally, *Mexico* is one of the countries of the LatAm region with an enduring e-Government agenda, in this case oriented to the modernization of the federal public administration within a highly decentralized State. During the 2006–2012 presidential mandate, this country developed a governmental connectivity agenda within the Unit of Electronic Government, under the *Secretaría de Función Pública*

(Ministry for the Civil Service). During the last term (2013–2018), the digital agenda of Mexico (*México Digital*) has increasingly boosted a specific e-Government strategy, including the following pillars: (1) open government; (2) one-stop shop for electronic services; (3) and digital communication strategy using social media. The Mexican's e-Government strategy has been supported by a presidential mandate to make all information on public authorities accessible using digital means (i.e., IFAI website: <http://portaltransparencia.gob.mx>), taking into account the traditional focus on transparency in Mexico. Besides, Mexico Digital has included a group of measures oriented to foster e-Government with a strong focus on openness, apps, also addressing a strong open data portal (<https://datos.gob.mx/>).

4.2 Electronic Public Service Delivery Portals

One of the most important dimensions in the implementation of e-Government is related to the existence of websites specialized on electronic public service delivery. This aspect encompasses e-Government supply side or the front-office of public administration in the Internet. This type of web portal does not provide information about the country, the government, or the other branches of power in the country apart from the executive, it is mainly oriented toward strengthening the digital capacity of public administrations for interacting with the citizens and businesses providing information and documents, or facilitating digital transactions. Table 13.6 shows that almost all countries have adopted a website to put all services at the national level of government at disposal of the citizens and businesses electronically. At this point, almost all countries in the region have adopted this approach oriented to facilitate accessibility of public services to the citizenry using digital means.

Table 13.6. Electronic Public Service Delivery Websites Portals.

	Name of the Portal	URL
Argentina	Argentina.gob.ar	http://www.argentina.gob.ar
Bolivia	Encuentra los tramites de Bolivia	https://www.gob.bo/
Brazil	Portal de Serviços	https://www.servicos.gov.br/
Chile	Chile Atiende	http://www.chileatiende.cl/
Colombia	No más filas	https://www.nomasfilas.gov.co/
Dominican Republic	Portal del Estado Dominicano	http://www.gob.do/
Ecuador	Ventanilla Única dir.ec	https://www.dir.ec/

	Name of the Portal	URL
El Salvador	Presidencia de la República	http://www.presidencia.gob.sv/
Guatemala	Presidencia de Guatemala	https://www.presidencia.gob.gt/
Honduras	Gobierno de Honduras	http://www.presidencia.gob.hn/
México	Portal ciudadano. Gob.mx	http://www.gob.mx/
Nicaragua	Trámites Nicaragua	http://www.tramitesnicaragua.gob.ni/
Panamá	Panamá Tramita	https://www.panamatramita.gob.pa/
Paraguay	Portal de Trámites e Informaciones al Ciudadano	https://www.paraguay.gov.py/
Perú	Portal de Servicios al Ciudadano y Empresas	https://www.gob.pe/
Uruguay	La información y los servicios del Estado en un solo lugar	https://www.gub.uy/

Source: Own elaboration. Access data: August 30th, 2018.

The results of the analysis of these websites suggest that not all are similar. Neither all countries provide the same level of sophistication in the interaction with the public, nor contents display the same usability, organization, and management. First, the attention on the sophistication in the interaction with the public denotes the capacity of the websites to offer information about services or to develop digital transactions. Most of the abovementioned websites supply information about public services, however, some only give basic information, exclusively about procedures, requirements, and units or agencies responsible for the services reported (i.e., *Trámites Nicaragua*). Other cases not only offer this general information but also facilitate downloading forms, solving doubts about the procedures, or even completing transactions online. The most advanced cases within this category are, among others, *Argentina.gob.ar* (Argentina), *Chile Atiende, No más filas* (Colombia), *Portal de Serviços* (Brazil), or *Portal de Servicios del Estado* (Uruguay).

Second, it is important to note the differences regarding content usability, organization, and management within these websites. This dimension addresses content presentation and the kind of tools used to facilitate content access. As in the previous dimension, here we find strong inequalities among countries. In brief, some cases deploy sophisticated applications and tools to enhance the usability, organization, and management of their services on the Internet. For example, the Argentinian *Argentina.gob.ar* facilitates accessibility to public services online using a vital events approach (to study, retire, travel, home access, etc.). In the case of the *Chile Atiende*, the website is organized using not only vital events but also thematic

issues, and direct search. This seems to be the traditional focus on an evolutionary approach in governmental websites.

In fact, most cases are working on the same alternative approach to their websites. Argentine and Chile, and also Brazil, Bolivia, Mexico, Paraguay, Uruguay, have developed a search engine approach to integrate the information and services of its website. In Mexico, this search engine responds to users' search criteria, allowing them to filter content to narrow down searches for specific information. This is even more sophisticated as the web portal has the ability of filtering information by categories (transaction, government, participation, apps, open data), in the way Google does (news, photos, videos, etc.). In sum, this approach to the public administration websites is oriented to foster a perspective of the government on the web as a platform for data, information, and knowledge sharing, instead of looking at e-Government as a group of documents online, without real impact inside the machinery of government.

4.3 Interoperability Initiatives

One of the most important areas of e-Government is interoperability. This term refers to the collaboration among different units, agencies, layers of government, or even states, in order to develop an integrated approach to ICTs in public administration. In other words, e-Government interoperability can be defined as the ability of two or more systems (public administrations) of interacting and exchanging data in agreement with a defined method, in order to obtain the results expected. LatAm countries have accomplished results within this specific field of e-Government oriented to facilitate cooperation among different public administrations using ICTs (Gil-García & Criado, 2013). At the same time, one may say that this is an e-Government area with challenges across the region.

Individually, most LatAm countries have displayed measures to promote e-Government interoperability, at least in some extent, while only a few of them present comprehensive strategies. A study by Criado et al. (2011) points out the relatively high level of priority (6.88 out of 10) given by countries to e-Government interoperability in their governmental agendas for public sector modernization. Besides, the authors have also reported that 75% of the countries embraced a strategy fostering ICTs collaboration among their public sector organizations, at least, as one line within a more comprehensive e-Government strategy. Nonetheless, the abovementioned data do not mean that all of them have performed adequately or even have taken steps in an appropriate direction. Conversely, only a few can be addressed as success cases of e-Government interoperability.

Brazil has encouraged e-Government interoperability for more than a decade through the e-PING program. This project delivered by the federal government has

deployed interoperability standards for e-Government across public sector organizations (dos Santos, 2008). Moreover, e-PING is a framework covering the exchange of information between the executive branch of government and the legislative and judicial administrations, municipalities, even governments of other countries. This framework for e-Government cooperation includes five segments (Government of Brazil, 2017): interconnectivity, security, access means, organization, and exchange of information and areas and issues for e-Government integration. e-PING standards are mandatory in public agencies of the federal government for all new information systems, and systems involved in the provision of e-Government services. However, some difficulties remain in implementing interoperability projects within this case, even if it is one of the most developed in the region.

Other countries of LatAm are slowly developing interoperability projects. Colombia (Government of Colombia, 2017), Peru (Decreto Supremo n° 083–2011-PCM. <http://www.gobiernodigital.gob.pe/interoperabilidad/>), and Uruguay (<https://www.agesic.gub.uy/innovaportal/v/3922/9/agesic/plataforma-de-interoperabilidad.html>), whose governments also depict difficulties to set up conditions for exchanging information and ICT applications among units and agencies within the same national level of government.

This is even more difficult regarding collaboration across national–regional–local public sectors. However, these efforts are fundamental to strengthen intergovernmental relations within the same country and abroad. Therefore, this is a key issue on e-Government, to foster technical interconnection with other countries by different means and goals (i.e., borders control, migrations, international crime, environmental protection, crises management, etc.). This is one area of improvement for the public administrations of this region in the nearest future, and one of the most interesting from the perspective of political science and public administration scholars.

4.4 Social Media

Digital social media showcase efforts by public administrations to transform the relationship with citizens using Web 2.0 technologies and applications. Concretely, their potential in the public sector is focused on the possibility to disseminate information to the wider public, making public information available to stakeholders and individual citizens and allowing massive participation of users, often called “crowdsourcing” (Chun, Shulman, Sandoval, & Hovy, 2010). As Chun et al. (2010, p. 5) has pointed out,

...the government, modeled as an information and services provision entity, and as a policies enforcement and decision-making body, has been transformed into a participatory government, which involves citizens and other organizations as collaborators and partners in information creation, service enhancement and policy making.

In other words, this new perspective may transform governments and public administrations in more transparent, more accountable, and more trustworthy, since the citizens, government officials, public employees and other stakeholders co-participate in data collection, knowledge sharing and structuring, and collaborative decision-making.

First, LatAm is one of the leading regions in the World in use *digital social media* in society. Governments and public administrations have supported these tools in order to meet the expectations of the society, while the existence of digital social media strategies of implementation remains unclear (Criado, Gil-Garcia & Sandoval-Almazan, 2013; Sandoval-Almazán & Valle-Cruz, 2015). Mexico (about 1.610.000 Twitter followers, and 317.300 Facebook likes) and Chile (1.090.000 Twitter followers, and 270.000 Facebook likes) are leading the implementation process (data at August 30th, 2018). *Twitter* is the most disseminated in government among these digital social media applications, while *Facebook* is lagging behind not only in terms of number of users but also use intensity by the governmental authorities. First, it is leading the conversation with stakeholders and news influencers; second, it is a means to connect with the grassroots citizenry as it is the most spread social media platform.

Nonetheless, social media dissemination in government is still under discussion. In almost all the cases, the approach to digital social media utilization is oriented to strengthen the communication with the public, announcing government measures, or developing the engagement with specific groups of stakeholders, with less attention to sharing contents about public services or co-produce public policies. At this time, it is difficult to identify an internal management strategy, at least to promote transparency via social media or some type of citizen engagement in policy-making processes. Public administrations are implementing social media from communication departments (very closely linked with the presidency of the country), rather than other units devoted to improving public sector innovation, public policy social participation, or collaborative decision-making. The coming years will confirm whether or not social media paves the way for public organizations to communicate with the citizenry and to what extent this may modify the DNA of bureaucracies using new patterns to co-produce public services.

4.5 Open Government and Open Data

In the same vein, *open data* and *open government* imply a step forward in how openness and accountability in public sector organizations operate using digital means. Traditional approaches to e-transparency and accountability in the information age have limited the use of ICTs in public administration to provide static information in public websites, or to facilitate communication with specialized public agencies using e-mail or electronic forms (Coroan & Criado, 2012; Criado & Ruvalcaba, 2018; Meijer, Curtin, & Hillebrandt, 2012). Since the Obama Presidency in 2008, the focus on e-Government openness has been altered in some extent. The Obama's *Memorandum for Transparency and Open Government* (January 21st, 2009) (The White House, 2009) encouraged this topic to be included in the governmental agenda internationally, addressing the need to put together the digital dimension of government with transparency, participation, and collaboration (Lathrop & Ruma, 2010). According with the abovementioned concepts, in the region most countries are launching innovative initiatives related to open data and government.

Open government initiatives are now in the making, while they suggest promising ideas about the future directions of governments and public administrations. In brief, open government refers to the idea of more transparent, participative, collaborative, and accountable governments. This is inextricably connected with the openness of data and information of public bureaucracies, reutilization of data and information with the appropriate open technologies, and open provision of such data and information to citizens and businesses (Abu-Shanab, 2015; Criado & Ruvalcaba, 2018; Hrdinová et al., 2010; Wijnhoven, Ehrenhard, & Kuhn, 2015). Almost all countries in the region (excluding Bolivia, Cuba, Nicaragua, and Venezuela) have engaged in one way or another to the *Open Government Partnership*, a global effort to make governments better in this area (Mexico and Brazil endorsed the original declaration of September 20th, 2011). The *Open Government Declaration* states the following, regarding increased access to new technologies for openness and accountability¹.

New technologies offer opportunities for information sharing, public participation, and collaboration. We intend to harness these technologies to make more information public in ways that enable people to both understand what their governments do and to influence decisions. We commit to developing accessible and secure online spaces as platforms for delivering services, engaging the public, and sharing information and ideas. We recognize that equitable and affordable access to

technology is a challenge, and commit to seeking increased online and mobile connectivity, while also identifying and promoting the use of alternative mechanisms for civic engagement. We commit to engaging civil society and the business community to identify effective practices and innovative approaches for leveraging new technologies to empower people and promote transparency in government. We also recognize that increasing access to technology entails supporting the ability of governments and citizens to use it. We commit to supporting and developing the use of technological innovations by government employees and citizens alike. We also understand that technology is a complement, not a substitute, for clear, useable, and useful information.

The countries adhering to the *Open Government Partnership* are obliged to be accountable for their progress and they should adopt an action plan for open government. The initial action plans included compromises that were very declarative or attached to areas of modernization in operation in the moment they were endorsed to the action plan. They have not involved deep changes in public agencies. In some cases, current national action plans are evolving with more transformative compromises, oriented to open up bureaucracies, boosting accountability in government, and involving citizens in public decisions, including using technology to deliver innovation in public sector organizations (Open Government Partnership, 2015). Nonetheless, following the OGP data about the implementation of action plans, future efforts need to be undertaken to advance the open government agenda in the region.

More concretely, the open government movement is now taking stock of the importance of national open data portals. Almost all countries in the region have implemented an open data portal (excluding Cuba, Nicaragua, and Venezuela) (see Table 13.7), which implies not only the existence of open data websites but also a community of citizens, data scientists, journalists, and private companies (infomediaries), using data for different purposes: transparency, participation, co-production of public services or even co-creation of new services, and business development in areas of public interest. Whether or not these technological innovations are able to reshape the administrative landscape in LatAm countries, without any doubt open government and open data are an essential dimension of the modernization agenda of public administrations in the nearest future.

Table 13.7. Open Data Portals.

Country	Organizational Responsibility of the Open Data Portal	URL	Available Datasets
Argentine	Presidencia de la Nación. Ministerio de Modernización.	http://datos.gob.ar/	676
Bolivia	Ministerio de la Presidencia. AGETIC	https://datos.gob.bo/	26
Brazil	Ministerio de Planejamento, Desenvolvimento e Gestao. Secretaria de Tecnología de Informaçao	http://dados.gov.br/	5.801
Chile	Modernización y Gobierno Digital. Ministerio Secretaría General de la Presidencia	http://datos.gob.cl/	3.572
Colombia	Ministerio de Información y de las Comunicaciones	https://www.datos.gov.co/	9.356
Costa Rica	Presidencia	http://datosabiertos.presidencia.go.cr/home	n/a
Dominican Republic	Dirección General de Ética e Integridad Gubernamental. Ministerio de la Presidencia	http://datos.gob.do/	51
Ecuador	Secretaría Nacional de Administración Pública	http://www.datosabiertos.gob.ec/	123

Country	Organizational Responsibility of the Open Data Portal	URL	Available Datasets
El Salvador	Secretaría Técnica y de Planificación. Presidencia	https://datos.gob.sv/	29
Guatemala	Secretaría Nacional de Ciencia y Tecnología. Ministerio de Gobernación	http://ckan.concyt.gob.gt/	45
Honduras ^a		http://www.gobiernoabierto honduras.org/	n/a
México	Coordinación de la Estrategia Nacional Digital. Presidencia	https://datos.gob.mx/	6.987
Panamá	Autoridad Nacional para la Innovación Gubernamental. Autoridad Nacional de Transparencia y Acceso a la Información	https://www.datosabiertos.gob.pa/	285
Paraguay	Secretaría Nacional de Tecnologías de la Información y la Comunicación	https://www.datos.gov.py/	221
Perú	Secretaría de Gobierno Digital. Presidencia del Consejo de Ministros	http://www.datosabiertos.gob.pe/	1057

Country	Organizational Responsibility of the Open Data Portal	URL	Available Datasets
Uruguay	AGESIC. Presidencia	http://datos.gub.uy/	220

^a Honduras' portal is a general open government portal.

Source: Own elaboration. Access data: August 30th, 2018.

4.6 Apps, Innovation Labs, Smart Cities, and the Future

Other developments based on the implementation of technologies in government (e-Government) are just arriving to the region. In some cases, *apps* are being used to explore new ways to ease access to public services and allow visualization of governmental activities by digital means (i.e., Mexican [gob.mx/apps](https://www.gob.mx/apps): <https://www.gob.mx/apps>). In other cases (i.e., Chilean Laboratorio de Gobierno: <https://www.lab.gob.cl>), government innovation labs (or living labs) facilitate exploration of new methodologies oriented to improve problem-solving and the interplay of different actors (citizens, public employees, experts, nongovernmental organizations, businesses, etc.) to collaboratively define societal problems, and imagine new means to co-produce public services. Besides, the notion of smart city is putting local government on the map of technological innovation. Here, some cases (Mexico City, Sao Paulo, Bogota, among others) are leaders in the region in the implementation of smart governance solutions, including the utilization of emergent technologies from social big data analysis, Internet of Things, artificial intelligence, machine learning, algorithms, and beyond (CEPAL, 2018a,b). Therefore, the approach is oriented to cope with social challenges located in cities, including transportation, poverty, or security, education, health, affordable accommodation, and sustainability. In doing so, all these issues support the idea that e-Government is not only about the transformation of the machinery of public administrations but also the involvement of citizens in public management decisions and collaboration in the solution of traditional (and new) public policy threats and dilemmas.

5. Conclusions: Plus ça Change...?

This chapter has shed light on the study of DG from a comparative perspective focusing on a group of countries with significant degree of economic diversity and public administration heterogeneity. This chapter assumed studying this complex

reality with an integrated approach. First, I have presented data about the development of the Information Society in LatAm, regarding the diffusion of ICTs and the Internet in the countries of the region. Then, I have outlined the DG efforts from a regional perspective, notably coming from intergovernmental institutions and international organizations devoted to design and, in some cases, implement, a common vision within this public policy field. This overview was brought forward by an approximation to the development of e-Government readiness, using data from United Nations reports. Additionally, this chapter has analyzed sectional e-Government dimensions, including digital public administration national agendas, electronic public service delivery websites, interoperability initiatives, social media platforms, open data and government efforts, and future trends including apps, innovation labs, smart cities, and future technologies.

One conclusion of this chapter is that the diffusion of ICTs in LatAm public administrations is a phenomenon with growing importance for scholars, public officials, and managers and society as a whole. Outstanding investments have been made in the region during the last years, particularly in the public sector. Hence, the region has been widely involved in programs to foster the access to the Information Society in different realms. Just to mention a few, this emergent region is connected to the Internet with rates of penetration over the World mean, experiencing one of the fastest growing percentages during the last decade, with societies very familiar with social media, and individuals increasingly using mobile phones as digital access gate to the Internet. On the negative side of the picture, broadband connections show low rates of penetration and, above all, the variance within the region is very high in all aspects of Internet literacy. To put it simply, countries with Internet penetration percentages over 70% coexist with others within the 30–40% borderline. Thus, social and economic inequalities seem to be permeating the digital development (digital divide) of this group of countries and societies.

Another conclusion of this chapter suggests that there is a group of intergovernmental institutions and international organizations supporting common e-Government priorities, ideas, or projects in the region. Here, the analysis of this chapter has focused on the activities deployed by organizations such as CEPAL, CLAD, IDB, or OAS. These key international players, as well as other stakeholders, are shaping, at least to some extent, the ideas, priorities, and initiatives implemented by LatAm governments. Consequently, one may support the idea that e-Government in LatAm may exemplify a policy transfer process from a regional perspective with isomorphic pressures. It is worth noting the most important areas of e-Government enhanced e-services portals (e-procurement, tax, and social security agencies online), and more recently electronic mechanisms for identification, interoperability schemes, or social media tools for public sector

organizations. All of them are inextricably linked with common beliefs, mostly a consequence of a technocentric, e-commerce-oriented, and new public management style of e-Government development. Only more recent approaches have adopted a citizen-oriented and post-New Public Management (nondeterministic) approaches to the implementation management of technologies in government.

The previous conclusion is confirmed by analysis of comparative data on digital public administration in LatAm. Overall, this chapter has shown that governmental online service delivery applications (supply side) are more developed than the equipment and digital literacy (demand side) required to use the former. In other words, LatAm governments have oriented their available resources in the supply side of e-Government, allocating less efforts and funding to improve the citizen Internet access and literacy to use electronic services. Either this is a national policy decision or this policy frame derives from international and transnational organizations involved in the policy-making process, the lack of awareness on this core dimension in some of the countries of region is remarkable.

This comparative analysis of regional macrotrends has been combined with the detailed study of e-Government implementation within the countries of the region. Concretely, one conclusion is the existence of digital public administration national agendas without a long-term focus, although some of them commenced almost two decades ago. At the same time, growing policy convergence has been drawn in the most advanced countries implementing e-Government. This also corroborates the previous assumption about the policy transfer process, probably more developed within the e-Government field than other policy areas. This may be explained as a result of the facilities provided by the ICTs to exchange data and information, and to enable the transferability of knowledge across the region.

This chapter has also offered a preliminary analysis of specific e-Government areas with potential to transform government and public administration innovation. On the one hand, interoperability is oriented to facilitating collaboration among different units, agencies, layers of government, or even countries, in order to develop an integrated approach to ICTs in public administration. These efforts can be connected to strengthening intergovernmental relations within the same country and abroad. Consequently, the improvement of e-Government interoperability may facilitate the implementation of different public policies (education, health, transportation, emergencies, etc.) and, at the same time, foster the governance of public networks.

Last, but not least, future innovations in public administration of LatAm countries will be connected to digital social media or open data implementation, apps, innovation labs, and emerging technologies. Here, governments are experimenting with different applications and instruments, using different tools of

the so-called Web 2.0 technologies and new waves of technological innovation, including social media platforms (i.e., Facebook, Twitter, etc.) and open data portals. These are either oriented to improve the efficiency and efficacy of the internal management or focus on the transformation of the relationships with the citizenry and democratic institutions. Collaborative management, co-production of public services, crowdsourcing decision-making, etc., are ideas with potential to innovate the way public sector organizations operate and transform the interaction process with the citizens.

Further research on these areas will be required to deepen our understanding of e-Government in LatAm. At the same time, this chapter has offered a route to the next generation of scholars interested on the impact of technology in government to work with nondeterministic approaches to technological innovation in the public sector. Besides, the author aspired to encourage the exploration of dimensions in need of future study, including the impact of social big data analysis, Internet of Things, or artificial intelligence, in traditional areas of public sector as strategic management and policy design, recruitment and public employees management, or street-level bureaucracy and citizens–public bureaucracies relations, just to mention a few.

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¹See <https://www.opengovpartnership.org/process/joining-ogp/open-government-declaration/>

Chapter 14

The Dilemmas of Governance in Latin America

Cristina Zurbriggen

Abstract

Governance is becoming an increasingly important concept in European theoretical debates and in political practice as a new way to manage public policies, since the public sector reforms in the 1980s. However, the debate in Latin America has different characteristics than in Europe, so it is necessary to provide a critical review of the proposed agenda for the transformation of the state in the region, and of the transfer of the concept of governance by multilateral agencies. To understand these changes, this chapter examines three key areas of reforms in Latin America and the privatization of public services, new social policy proposals, and the decentralization process. This will help us understand the tension between normative models and specific patterns of governance that prevail in Latin America.

Keywords: Governance; metagovernance; interactive governance; state reform; market governance; water governance; anti-poverty programs

1. Introduction

Governance as a concept and as a new paradigm that tries to explain the transformations of the State (state) is gaining increasing importance both in international academic debates and political practice. In contemporary society, national decision-making processes are becoming increasingly permeable to the influence of international, regional, and local actors, and Latin America is not immune to this process. In fact, the ongoing process of State reform (government reform) that started in the 1980s that included privatization, decentralization, and delegation of public policy responsibilities to private, local, and regional spaces has deeply changed the political stage. In this new complex, changing and multiactored environment, the State,

guardian of the public good, is unable to solve the problems of contemporary society by itself.

Taking all this into account, governance addresses the complexity of 21st-century decision-making processes, debating on what way of generating new forms of conducting and steering the society and the economy is the best to achieve collective goals. Contemporary public management institutions have undergone a general decentralization and have delegated the authority to govern, motivated both by New Public Management (NPM) ideas and ideas on the enhancement of participation of actors and networks in the public sector. These transformations have promoted debates and problem solving on how to strengthen governments' strategic capacities to confront their loss of political control, capacity to coordinate and coherence, as well as the ever-important matter of democratic governance.

However, the debate on governance in Latin America has had different characteristics than the European one, which makes it necessary to put forward a critical revision of the agenda of international institutions, who make development aid conditional on the notion of good governance. The emphasis upon this particular concept of “good governance” was a part of the new development model, centered on the neoliberal model and NPM approach. In the World Bank's view, “good governance” also suggests the compatibility of the institutional framework with market-friendly principles: every measure must be taken in order to provide a quality environment for neoliberal market operation (Banco Mundial, 1997).

In this context, this chapter aims to provide a critical revision of the agenda proposed for the transformation of States in Latin America, specifically the dogmatic way to transfer governance recommendations from international agencies and to analyze the reforms undertaken and main unresolved challenges.

Aiming to analyze these changes, we will start by laying out a general view of the main European debates on governance. Then, we will analyze how instruments of governance were disseminated in Latin America by multilateral institutions by evaluating the introduction of governance formats in State reform in the region, such as privatization of public services, decentralization processes, and poverty-reduction policies. This will allow us to understand tensions generated inside States by the particular patterns of governance developed in the region. Finally, this chapter ends with a brief reflection on the subjects that will gain importance in the near future for academic research, considering the transformations of the State in the postneoliberal agenda.

2. The European Debates on Governance

The European debate on governance developed vigorously starting in the 1990s and quickly became the new dominant paradigm pretending to explain the transformations

of the State in the last three decades. The first generation of theoreticians from the “School of Governance” came mainly out of Germany, its standard-bearers being the Max-Panck Institute (Mayntz, 1993; Marin & Mayntz, 1991; Scharpf, 1997), ZiF Bielefeld (Héritier, 1993), and the Dutch Group (Kickert, Klijn, & Koppenjan, 1997). These authors give an account of a new way of managing public affairs in which governments become increasingly dependent on cooperation and on resources from private and social actors outside their hierarchic control to solve public issues (Kenis & Schneider, 1991).

From this perspective, networks are presented as the solution to coordination and steering of modern societies. In a dynamic and increasingly complex environment, as Börzel (1997) says, where hierarchic coordination has become difficult (if not impossible), and markets show their limitations, governance becomes more feasible through networks, which provide an efficient structure for horizontal coordination of interests and actions of public and private actors. This view is not homogeneous. According to Sørensen and Torfing (2006), there are four definitions of governance that have dominated European literature.

First, Jessop (1998) defines governance as the interdependence and negotiated coordination between organizations and systems. Second, Scharpf (1993), Mayntz (1993, 1994), Kooiman (1993, 2003), and Kickert, Klijn, and Koppenjan (1997) adopt a more limited definition, only considering forms of political interaction organized horizontally. In the words of Renate Mayntz (1994, p. 5), policies, “instead of originating from a central executive or legislative authority, are constructed in a process that integrates a variety of public and private organizations”: Policy networks are the emergent form of governance, because neither hierarchy nor the market are appropriate formats in a world characterized by growing interdependence between the State, private actors, and organizations of Civil Society.

Third, Rhodes (2007) adopts a broad definition of governance when he describes it as the best form of government, characterized by a network of institutions and individuals who collaborate united by mutual confidence, forming semiautonomous and sometimes self-governing networks. “Governance without government,” coined by Rhodes (1996), accurately describes his outlook. Governing, in this perspective, is an interactive process, because no agent, be it public or private, has the knowledge, the capacity, or the resources to unilaterally resolve problems (Stoker, 1998).

Finally, Pierre and Peters (2000) define governance as the totality of interactions between public institutions, the private sector, and Civil Society designed to solve problems or create opportunities in society. In the next table, we explain the main ideal types of governance that can vary according to the politicoinstitutional context and historical processes. This broad definition of governance offers an analytic framework that can explain the different possible combinations of coordination that vary according to norms, values, shared beliefs, and interpersonal relating patterns from each society (Meuleman, 2009; Peters, 1998) (Tables 14.1 – 14.3).

Table 14.1. Ideal Type of Governance.

Vision and Strategy

Governance styles	Hierarchical government Top-down, legitimacy, reliability Laws and regulations, centralization	Market government New Public Management Efficiency, autonomy Performance contracts Price, competition, decentralized	Network government New Public Governance Interactive, together Trust empathy, consent
Roles of government	Rules society	Is efficient service provider	Is partner in network society
Strategy types	Design school Planning school	Entrepreneurial school Positioning school Power school	Learning school Chaos school
Theoretical background	Rationalism Positivism	Rational choice theory Public choice Principal-agent theory	Socio-constructivism Interdependence theory Governability theory Integration theory

Environment orientation

Orientation	Top-down	Independent client orienteer	Interdependent, partner
Perception of actors	Subject, subordinates	Customers, clients	Partners
Rationality	Formal procedures	Substantive-oriented objectives	Reflexive

Structure and process

Structure	Centralized control systems	Decentralized, semiautonomous units/agencies	Networks Community, moderator
Main control mechanism	Authority	Price	Trust
Main coordination mechanism	Imperative	Competition	Diplomacy
Roles of communication	Giving information (communication about policy)	Influencing through p.r. campaigns (communication as policy)	Organizing dialogue (communication for policy)
Domion instruments	<i>Formal-authoritative tools</i> laws and regulation, incentives, and sanctions organizational guidelines, definition of specific topics (e.g., tariffs, types of services, service provision), definition of roles and responsibilities, coordination mechanisms, incentives, and performance evaluation	Formal and semiformal Complete contracts, regular meetings, information dissemination	Formal, semiformal and informal (trustworthiness, reciprocity, reputation)
Roles of knowledge	Expertise (authoritative)	Knowledge serves Competitive advantage	Expertise (authoritative)
Character of relations	Dependent	Independent	Interdependent
Staff			
Staff	Legal, financial Line and projects	Decentralized, semiautonomous units/agencies	Network abilities Process management
Styles of leadership	Directing	Enabling, empowering	Coaching Supporting
Aim of management development	Control over subordinates	Helping to make more efficient decisions	Helping to muddle through
Results			
Typical results	Laws, regulations	Services,	Covenants,

	Procedures, accountability	products Contracts Voluntary agreements	consent, ownership Consent Agreement Covenant
Typical failures	Ineffectiveness Red tape	Economic inefficiency Market failures	Never-ending talks No decisions
Problem types	Security, coercion, regulation	Efficiency Market incentive	Social cohesion Force of community
Governance styles and national cultures	<i>Rechtsstaat Model Germany, France</i>	<i>Public Service Model United Kingdom, Ireland, United States, Australia, New Zealand</i>	<i>Polder Model Netherlands Scandinavia</i>

Source: Created by author based on Meuleman (2009) and other authors.

Table 14.2. Principal Conflicts.

Area	Company	Start Date	End Date	Regulating Organism	Indep.
Provincia Tucumán, Argentina	Aguas del Aconquija S.A. (CGE)	July 1995	October 1998	ERSACT(1995)	No
Provincia de Mendoza, Argentina	OSM (Azurix Mendoza S.A.)	June 1998	January 2004	EPAS (1993)	No
Provincia de Santa Fé, Argentina	Aguas Prov. de Santa Fé S.A. (Suez/AGBAR)	December 1995	February 2006	ENRESS (1995)	No
Provincia de Bs.As., Argentina	OSBA Azuriz Buenos Aires S.A.	June 1999	March 2002	ETOSS (1992)	No
Capital Federal y 17 partidos de Bs.As. Argentina	Aguas Argentinas S.A. (Suez/ABGAR)	March 1993	March 2006	ETOSS (1992)	No

Area	Company	Start Date	End Date	Regulating Organism	Indep.
Ciudad de Córdoba, Argentina	Aguas Cordobesas S.A. (SUEZ/ABGAR)	May 1997	December 2006	ERSEP (2001)	No
Estado Mongas, Venezuela	Aguas de Monagas S.A. (FCC)	March 1997	March 2001	SNSA (2001)	No
Estado de Lara, Venezuela	HIDRO LARA (Aguas de Valencia)	April 1999	December 2002	SNSA (2001)	No
Zona del Este Maldonado, Uruguay	Urargua S.A. (Aguas de Bilbao)	July 2000	October 2005	URSEA (2002)	No
Zona Oeste de Maldonado, Uruguay	Aguas de la Costa S.A. (ABGAR)	September 1993	March 2006	URSEA (2002)	No
La Paz y el Alto, Bolivia	Aguas del Illimani S.A. (SUEZ)	August 1997	December 2007	SISAB (1999)	No
Cochabamba, Bolivia	Aguas del Tunari S.A. (Bechtel)	November 1999	April 2000	SISAB (1999)	No
VI, VII y VIII Regiones, Chile	Essbio S.A. y Aguas Nuevo Sur Maule S.A. Thalmes Water	March 2000	February 2006	SISS (1990)	Si
V Región, Chile	ESVAL (Anglan Water)	April 1999	November 2003	SISS (1990)	Si

Source: Author's elaboration based on BID (2007) and OCDE (2008).

Table 14.3. Model of Welfare State.

Welfare Regimes	Countries	Social Development	Political Development	Institutional Development	Economic Development
Potential welfare regimes	Argentina, Brazil, Chile, Costa Rica, Uruguay	Relatively higher urbanization levels. Segmented social security dynamics.	Strong, left-winded or autonomous labor union movement. Comparatively greater democratic continuity.	Pioneer in the expansion of social security (since 1920). Relatively greater institutional soundness.	Industrial development (based on Import-Substituting Industrialization, except in Costa Rica).

Welfare Regimes	Countries	Social Development	Political Development	Institutional Development	Economic Development
Conservative regimes	Ecuador, Venezuela, Mexico	Segmented, providing of social benefits.	Labor union power protected by the state: Mexico and Venezuela.	Heterogeneous political–institutional history.	Oil as the main source of income. High volatility of fiscal incomes.
Dual welfare regimes	Bolivia, Colombia, Panamá	Societies with important levels of division and relative conflict (Colombia and Bolivia).	Reformist vocation of the state.	The state has problems to control the territory. The state and the market seem unable to establish their dynamics in the context of a sunken economy.	Informal sectors play a major role in the economy.
Informal stateless countries	El Salvador, Guatemala, Honduras, Nicaragua, Peru, Paraguay	The poorest countries in the region. Rurality. High levels of insecurity and violence.	Armed conflicts (except Paraguay). Confrontation between powerful oligarchies.	High institutional weakness.	Land propriety is a major factor of conflict.

Source: Marcel and Rivera (2008).

In short, the notion of governance gives us a new perspective to analyze the complexity of the decision-making process in the public sector. What is new about this is the complexity of the process and the diversity of State, market, and Civil Society actors that take part and bring their divergent interests to the decision-making process. In this context, the concern for understanding these interrelations has led to a debate between those who claim that we are witnessing a decline in the function and authority of the State, and those who claim that the State still controls the main administrative and financial resources, as well as the authority and democratic legitimacy to govern effectively. We can therefore distinguish between State-centered governance and society-centered governance. However, as Pierre and Peters (2005) claim these two

positions are best seen as extremes of a continuum. The more recent version of this debate has centered in the concept of meta-governance, expressed in who plays the part of steering.

3. Current Conceptualizations on Interactive Governance and Meta-governance

With the second generation of governance, theoreticians and current debates attention has focused on how politicians and public servants can improve the performance of governance networks by giving them greater coherence, steering, and coordination, as well as by democratizing decision-making processes (Benz & Papadopoulos, 2006; Klijn & Skelcher, 2007; Sørensen & Torfing, 2006; Skelcher et al., 2011; Torfing, Peters, Pierre, & Sørensen, 2012). At the same time, the concept of meta-governance has gained increasing relevance.

One important contribution from the most recent literature has been that of differentiating the concept of governance as a form of steering. In this sense, governance can be defined as “the process of steering and regulation of society and the economy through collective action and according to common objectives” (Torfing et al., 2012, p. 15). Therefore, governance may adopt different forms, and is not tied to one particular institutional arrangement. The traditional and dominant form of control was centered in the State and government procedures. This legal and formal form of control remains hegemonic in some policy areas, such as Defense and Foreign Policy. However, an increasing amount of elaboration and implementation of public policy occurs in complex networks of public, private, and social actors (Torfing et al., 2012). Because of that, the concept of “interactive governance,” as a mode of governance, is reserved to characterize “a complex process through which a variety of actors with divergent interests interact with the goal of formulating, promoting and reaching common objectives through mobilizing, exchanging and development of ideas, rules and resources” (Torfing et al., 2012, pp. 2–3).

The complexity of decision-making makes it necessary to generate new forms of conducting them, such as meta-governance, “governance of governance” (Jessop, 2008) or “strategic governance” (Peters, 2007). Because of that, discussions and current academic contributions are centered in meta-governance – how to strengthen the strategic capacities of society to reach collective objectives, through mobilizing resources and influence on government and nongovernment partners. The purpose of meta-governance is to recover political control over organizations both inside and outside the public sector after NPM and network governance have been implemented.

From a State-centered perspective, the key to meta-governance is encouraging coherence and coordination within the public sector, as well as democratization of decision-making processes (Peters, 2010). This implies a new form of governing

contemporary societies and development and combination of both old (legal-formal authority) and new (soft and indirect) control instruments. New instruments are based on negotiation and agreements to reach policy objectives that do not require compliance with legal restrictions. Instead, they establish goals and informal standards. New governance considers strategic management, using indirect and soft control. It aligns actors involved in the elaboration of public policy to government objectives (soft steering); maintaining control of the most relevant processes while leaving some autonomy (golden thread); and strengthening mechanisms of accountability (Peters, 2011; Torfing et al., 2012).

4. Governance in Latin America

In Latin America, the academic debate on governance has been lacking, ideas being spread mostly by international donors. The World Bank (WB), the United Nations Development Program (UNDP), and the Inter-American Development Bank (IADB) have played a key role in the development and transfer of the notion of good governance (Grindle, 2007; Weiss, 2000). The WB defines *governance* as the set of processes and institutions that determine how to exercise authority in a country in order to develop its economic and social resources. In this context, good governance refers to the transparency and efficacy of three main areas: 1) the methods of election, control, and replacement of the authorities (institutional stability); 2) the capacity of the government to manage its resources and implement policies (regulatory framework); and 3) the citizens' respect for the rule of law (transparency, participation, and respect of the rule of law) (World Bank, 2005).

The UNDP (1997, p. 12), for its part, defines *governance* as “the exercise of political, economic and administrative authority in the management of a country's affairs at all levels. It comprises the mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and resolve their differences.” From this point of view, an adequate *governance* is “participatory, transparent (...) with public control (...) effective and equitable (...) promoting the rule of law and ensures that political, social and economic priorities are based on a wide consensus in the society” (UNDP, 1997, p. 12). In this approach, good governance implies certain governance characteristics, where the State must guarantee the compliance with the legislation (in a transparent, noncorruptive way), foster civil society participation, and guarantee the rule of law.

However, the most relevant point is that these recommendations, dominant during the 1990s, imply a new model of the State in transition to a new development model, destined to unleash the forces of the market. With this end in mind, the State must determine what functions it will assume and which ones it will transfer to the market. At the same time, it must increase the participation of the private sector and Civil

Society in areas that were until recently reserved to the public sector. The way is to expose State institutions to increasing competition, substituting the bureaucratic–hierarchical model of public management for NPM (Banco Mundial, 1997).

The shrinking of the role of the State translates into processes of administrative deconcentration, decentralization, privatization of State-owned corporations, and service outsourcing, invoking simultaneously a greater presence of “public non-state” actors, “market agents,” and civil organizations. Even though these reforms insisted in a strong and proactive Civil Society, they are compatible with limited State intervention under a flexible, transparent, and accountable institutional framework. In this scenario, the main questions that arise are which governance schemes were actually introduced in the region?, how much has the State transformed?, and were more efficient and democratic policies put in place?

In order to answer these questions, we will analyze the journey of governance in Latin America paying special attention to the three key arenas of this process: (a) Privatization of public services (focusing in the case of water services), (b) Local decentralization, and (c) Targeted poverty-reduction policies. We will propose a series of analytic reflections on the dilemmas of governance in Latin America based on the study of these dimensions.

4.1 Water Governance

From the late 1980s onward, Latin America suffered a noticeable transformation of the role of the State through privatization. One among many privatizations involved water and sanitation services. The prioritization of water access and sewerage by the international community was very important in this process, the main recommendations being those put forward in stages like the World Water Forums. For its part, the most important initiative in this area was the United Nations' Millennium Development Goals (MDGs) which are related to the water sector through poverty reduction, environmental sustainability, and development through the promotion of concerted global strategies (Phumpiu & Gustafson, 2009).

Governance therefore is suggested as an alternative for reaching substantive improvement in water management. There is a consensus that it is not possible to achieve effective management with government institutions as sole actors, especially when they lack an effective organization and are so deeply penetrated by partisanship. Because of this, public–private partnerships, including the private sector, as well as consumer organizations, international cooperation agencies, and trade unions, appear as the most effective, efficient, and democratic way of managing public water–related services (Hall et al., 2005; Holland, 2005; Phumpiu & Gustafsson, 2009; Salman & Bradlow, 2006).

These ideas were put forward to tackle real problems, such as the poor distribution of hydric resources, the lack of investment, the insufficient control of water quality,

and the difficulties for access by the least favored populations. From this perspective, it was believed that a market-based managing model, market governance, would achieve more efficient and better-quality services, as well as a greater reinvesting in infrastructure and a broader coverage of citizens while avoiding the “capture of the State” by private interests (Parker & Kirkpatrick, 2005).

The main recommendations on water provision policies and sewerage services were translated into concrete institutional and organizational reforms, that led to privatization and a series of policies designed to attract foreign investment (Castro, 2007; Jimenez & Perez Foguet, 2009). This required most countries to modify either legislation or the Constitution to allow participation of the private sector. This permitted creation of a water market which defined water as an economic good and not a public good or property of the nation. In Latin America, the dominant institutional form was privatization of services and contracting to operate, maintain, and/or build infrastructure. Donors and creditors also recommended subnational decentralization of services and creation for regulating and supervising the public–private partnerships (OECD, 2008).

Dilemmas and Tensions around Market Governance

With time, the implementation of these policies led to establishing major international operators in many countries. However, water-related services provided under a model of market governance did not have the expected results in terms of quantity, quality, and democratic access (Calderón & Servén, 2004; OECD, 2008). More recently, most international operators have left the region, several services have been nationalized, and regulating institutions have stopped exercising their functions (IADB, 2005). In order to understand this problem, it is necessary to analyze some of the most important cases. They exemplify the conflicts and tensions that emerged around the privatization of these services and deeper political and institutional weaknesses (Guasch, 2004). The next table summarizes these conflicts.

The most emblematic conflicts took place in Bolivia and Argentina. In Bolivia, private sector participation in water and sewerage services faced strong protests from consumers, who demanded a revision of the procurement procedures. The most extreme cases took place in Cochabamba and El Alto/La Paz, with the international corporation “Aguas del Tunari” whose 35% price increase triggered a broad popular uprising. The “*Coordinadora Departamental por la Defensa del Agua y la Vida*” organized a massive protest, culminating in a general strike which led to injured civilians and police officers in 2004 and 2005. Finally, in 2007, the corporation transferred its stock to the State, which led to creating a new State-owned corporation (IADB, 2005).

In the Argentinean case, a serious conflict arose in the province of Tucumán in 1995, when the contractor increased fees by a 106%, sparking protests from consumers, who refused to pay. At the same time, the new provincial authorities

encouraged “nonpayment” of bills, which led to the withdrawal of the company. In the Santa Fe, Córdoba, and Buenos Aires provinces, the exit of the international operator was due to economic and financial imbalances. The economic crisis and the freezing of fees imposed by the Public Emergency Law (2002) increased costs and led to a broad process of renegotiations and contract infringements. The new authorities that came into power in 2002 hardened the government's position and instructed the regulating institutions to fine contractors, who responded by resorting to the international arbitration of the International Centre for Settlement of Investment Disputes (ICSID). In 2006, the contracts were rescinded, and the services transferred to State-owned companies, except in Córdoba, where the company was sold to a local investment group (IADB, 2005).

These conflicts show how weak States and public bureaucracies were when regulating, be it through established competent institutions or by regulating institutions created for this purpose. The main problems were high rates (Tucumán, Cochabamba, the Buenos Aires Province, and Aguas de la Costa SA in Uruguay); lack of access by low-income families (Buenos Aires, the Santa Fe Province, La Paz, El Alto, and Aguas de la Costa SA in Uruguay); bad quality services (Bahia Blanca); a disregard for rules that forced a constant contract renegotiations between the contractors and the government (Buenos Aires and its outskirts and the Santa Fe Province).

The above-mentioned conflicts expressed deeper political–institutional weaknesses. The transfer of new management forms occurred without considering the political–institutional context of the region's countries. Those weaknesses include absence of an institutional framework; legal inefficiencies, scarce resources; absence of a regulatory system limiting arbitrary decisions; weak capacity of regulation and control of procurement; limited information; and weak evaluation capacity (CEO, 2005; Hall et al., 2005; OCDE, 2008). Sanctions were slow and insufficient, and contract renegotiations inefficient, either because of information asymmetry or because of the capture of regulators. In general, there was an absence of a regulatory system that could limit arbitrary decisions (IADB, 2005; CEO, 2005), and perhaps more importantly, defend the public good.

Community Management of Water: An Alternative Model?

Even though there has not been a process of renationalization, neither private companies nor State-owned ones manage to completely meet citizen demands for water-related services. Therefore, most of poor communities have built their own water services, supplied by wells managed by independent co-ops, informal committees, or locally elected councils. Avina (2011) has identified three participatory management models: in Latin America, Community Organizations for Water and Sewerage Services (OCSAS), the “Un millón de cisternas rurales (P1MC)” program in the Brazilian Semi-Arid Region, and the lawsuit in the Matanza-Riachuelo basin in Buenos Aires, Argentina.

OCSAS, also called Water Co-ops, Community Aqueducts, or Water Committees are social structures created by local groups in periurban or rural zones generally not reached by State-owned, private or mixed companies. They are by no means a new phenomenon, and date back 35 years in Central America and 30 years in South America. According to World Bank data, 80,000 exist in Latin America, providing water to over 40 million people. In Central American, Andean, and other countries of the region, between 30 and 40% of the population is served by communal organizations.

A second model was found in the Brazilian North-East, one of the continent's most arid areas. There, communities formed an organization (in 1999) called Articulation in the Semi-arid (ASA) that manages the “Un millón de cisternas rurales” program, which involves installing fiber-cement tanks designed to capture rainfall in rooftops. The third model is found in the Matanza-Riachuelo basin, in Buenos Aires, Argentina, where civil society organizations sued before the Supreme Court of Justice to establish drinking water and sewerage. The Court ruled in their favor and through a series of constitutional mechanisms 1.2 million people already enjoy the same service quality as the rest of the Buenos Aires population.

These community-led and participative water management systems have supporters in both the liberal camp and those who oppose neoliberalization. International financial institutions promoted the “participation of the poor” in service supply (Ruckert, 2006). The WB recommends that political leaders and regulating institutions recognize contributions that alternative providers make to the sector (Tremolet & Hunt, 2006). On the other hand, those that promote community management see it as an alternative model, capable of facing local specificities in areas that were in many cases forgotten by the State.

However, community management has its limitations. A key concern is that it leaves the least favored with inferior quality services (Bakker, 2008). Other researchers express their concern with the idealization of the “community” (McGraham & Mulenga, 2009), while they warn that participatory processes can be complex and require time (Sabatier, Vedlitz, Foch, Lubell, & Matlock, 2005), may lack a sense of justice, or be blocked by the lack of capital or political funds (Cooke & Kothari, 2001). Participatory outlooks can help broaden services, but given the difficulties in raising capital, they can also lead to instability.

4.2 Governance in Antipoverty Programs

The high levels of social exclusion in the continent have determined that, starting in the early 1990s, Latin American governments and international institutions vigorously supported the implementation of antipoverty policies with the objective of reducing poverty and extreme poverty, called Conditioned Transfer Programs (PTCs). These

programs were justified as ways to improve efficiency, transparency, management quality, and enhance social capital (Molyneux, 2008).

Poverty then became a priority of development policies put forward by international institutions. A Poverty-Reduction Strategy (PRSP) was included in WB and IMF documents, as well as in the Millennium Declaration and the Millennium Development Goals, where a compromise for reducing extreme poverty by 2015 was reached (ECLAC, 1997, 2000). As a consequence, in order to enhance the efficiency of social aid, public resources should concentrate in targeted development programs, focused in families lying below the poverty line. This should be achieved through the involvement of actors from outside the central government (municipalities, NGOs, and the private sector). Governance was promoted as the best way to reach the public good (Barrientos et al., 2008).

New social policy thus implied changes in the place and character of State activities, in the emergence of a whole new scope of parallel institutions to help in delivering social aid and in the promotion of Civil Society collaboration in the development of poverty relief programs (Holtzmann & Jorgensn, 2000). As a consequence, their guiding principles were participation, empowerment, and co-responsibility (Molyneux, 2008; World Bank, 2001a, 2001b).

Macro programs for poverty reduction were implemented throughout the region, reaching over 25 million people. Some examples were *Jefes y Jefas de hogar Desocupados y Familias por la Inclusión Social* in Argentina, *Programa Puente-Chile Solidario* in Chile, *Bolsa Familia* in Brazil, *PANES* in Uruguay, *Red de Protección Social* in Nicaragua, *Red Solidaria* in El Salvador, *Familias en Acción* in Colombia, *Programa de Asignación Familiar* in Honduras, and *Bono Solidario* in Ecuador (Barrientos & Holmes, 2006).

The dominant management model in these programs was the implementation of a variety of subprograms oriented to food and childcare services through NGOs and Civil Society Organizations, inspired by new trends toward decentralization, good governance, and participation (Molyneux, 2008). The exponential growth and spread of PTCs is illustrated in the following graphs (Fig. 14.1)

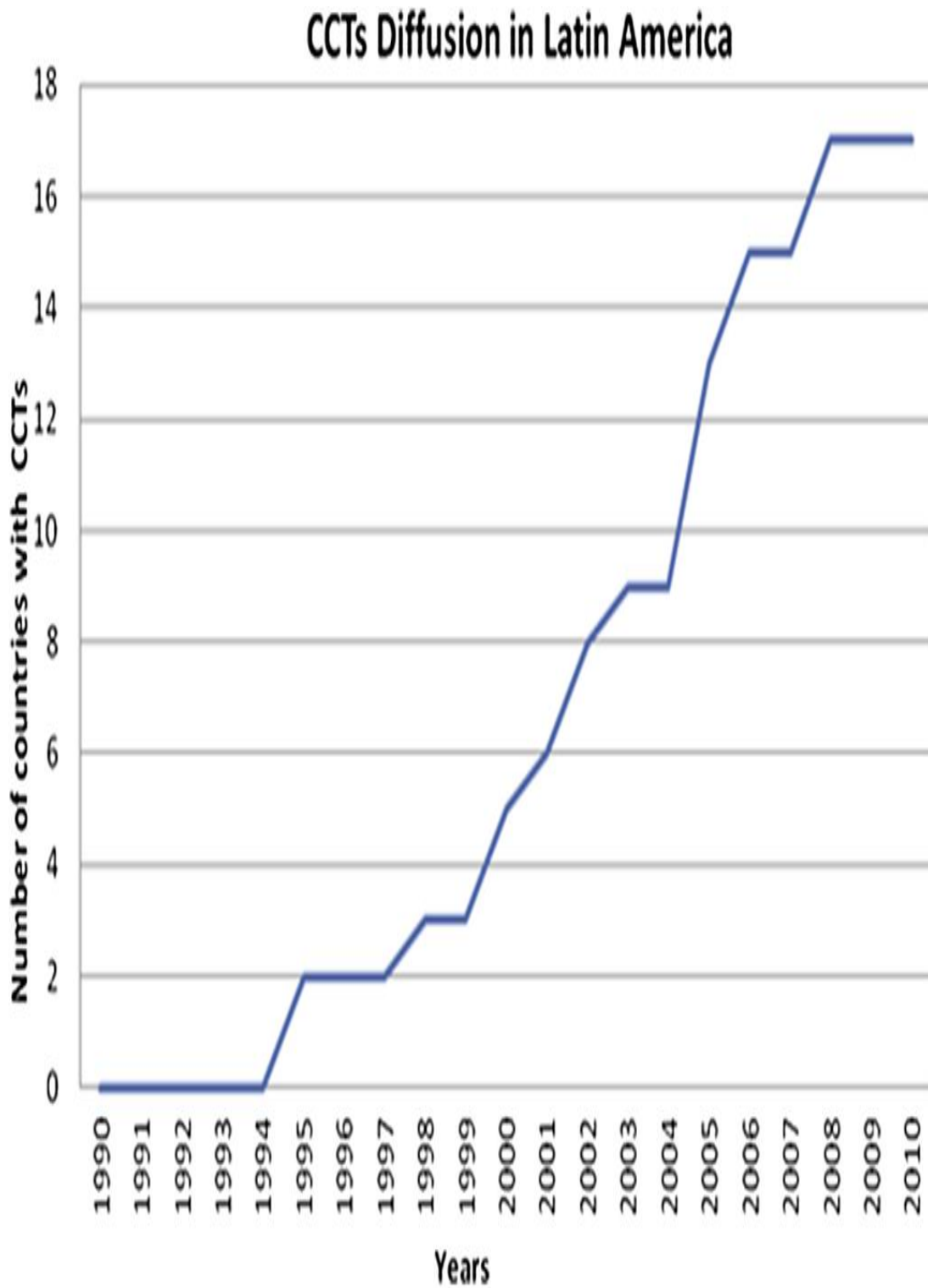


Fig. 14.1. CCTs Diffusion in Latin America. *Source:* Osorio Gonnet Cecilia (2012).

There were also visible efforts by countries in the region to destine fiscal resources and enhance the reach of PTCs. These programs represented 0.19% of GDP in the year 2000, increasing to 0.40% by the year 2009 (Cecchini & Madariaga, 2011; cited by Osorio Gonnet, 2012). In the year 2000, these programs reached 5.7 million people, while by the year 2010 they reached 19.3 million (Fig. 14.2).

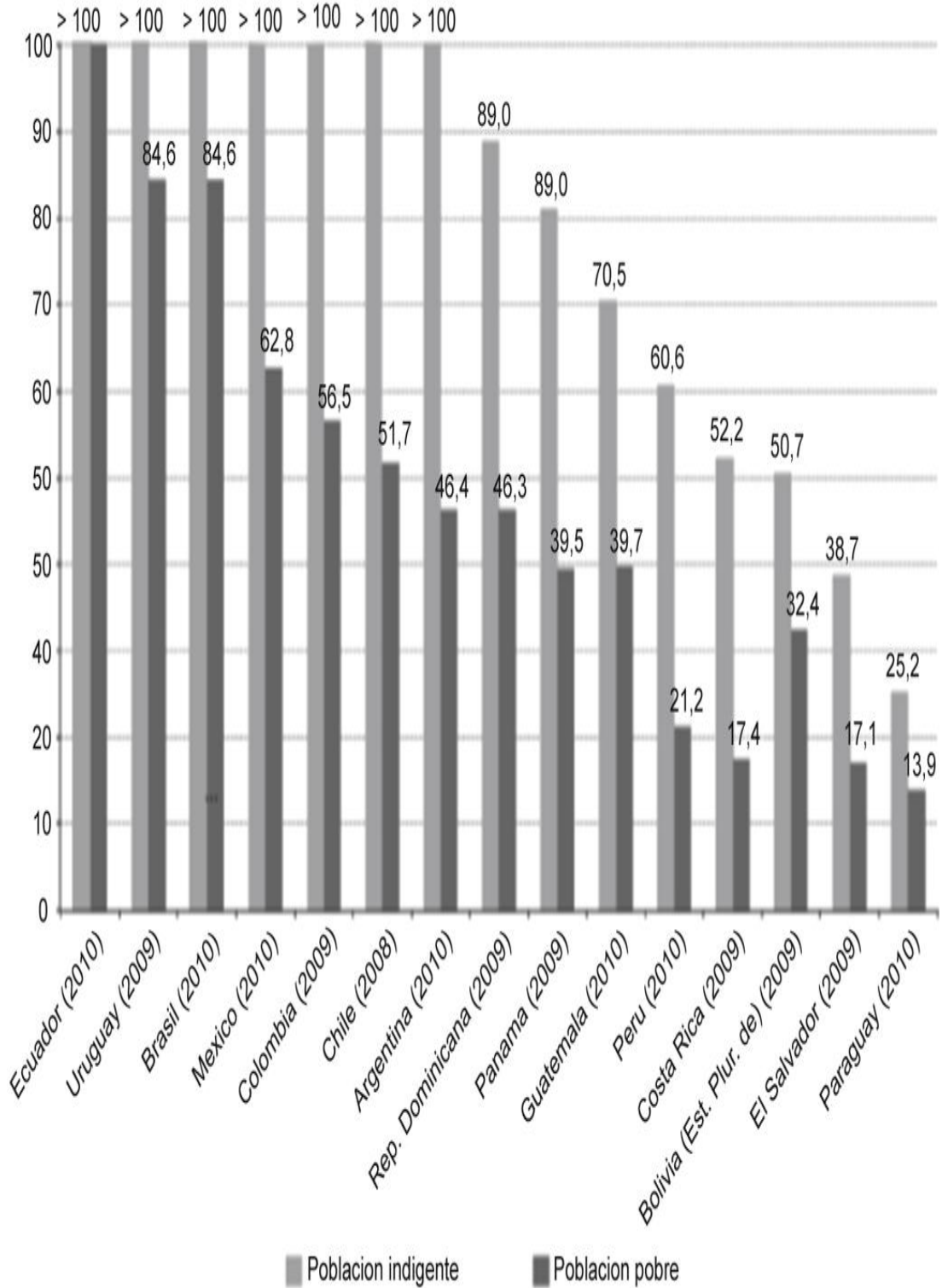


Fig. 14.2. Reach of the PTCs in Latin America (15 Countries) 2009–2010% of Poor and Indigent Population. *Source:* Cecchini and Madariaga (2011):110 in Osorio Gonnet (2012)

However, there is considerable diversity in the design of poverty-reduction programs in Latin America. A typology of antipoverty programs in developing countries identifies three ideal types: a) *Pure transfers programs* provide cash to households living in poverty. b) *Income and services transfers* combine income supplements with provision of basic services. Conditioned transfers with a human development outlook, for example, offer participating households direct income transfers conditioned on the use of certain services, particularly health care, education, and nutrition. c) *Integrated poverty–reduction programs* offer tailored transfers and preferential access to services in order to cover a series of deficits. All these programs are financed through taxes, led by State institutions, oriented to fighting poverty and vulnerability and framed as social aid (Barrientos & Claudio, 2009).

After almost two decades of dominance of this kind of policies, an important debate has sprung in Latin America around the “assistentialist” role of social policy in the region and its successes in the reduction of poverty but not inequality (Barrientos, 2012). However, there is comparatively little research on the management processes and quality of these programs and on the growing role of NGOs and Civil Society Organizations in the delivering of public services through outsourced targeted policies. The differential impacts that the critical transfer of the same type of programs from one country to another without taking into account different institutional capacities of each government have also not been researched enough.

Tensions and Dilemmas in Poverty Governance

International agencies encouraged the inclusion of Civil Society in poverty-reduction programs, arguing that it was “closer to the needs of the people.” Thus, on the one hand, diverse spaces for merely advisory citizen participation were created locally. On the other hand, in the implementation process, it was considered that the various CSOs (the language of the time preferred the term “third sector”) and NGOs could address social issues, because of their proximity to the poor, their transparency, flexibility, and their ability to represent their interests, which made them able to empower and build social capital (De Piero, 2005). In this scenario, a variety of experiences took place in the regions, which make it necessary to delve into some of the cases, to analyze tensions dilemmas that have arisen in the growing incorporation of CSOs into the provision of public services.

In the case of Argentina, the management model attached great importance to the inclusion of nongovernmental actors, especially in the stage of implementation. It responded to a vertical and centralized design logic, with a fragmented and heterogeneous implementation of interventions. Thus, a heterogeneous network of social actors was responsible for providing services to poor communities, developing a wide range of activities (Ferrer, Monk & Urzua, 2005), and reserving participation mainly in the implementation phase, with a very low participation when it came to

designing, monitoring, and evaluating programs (De Piero, 2012; Rofman, 2007, 2009).

With regard to the quality of management provided by these organizations, an empirical research by Pautassi and Zibecchi (2010) in the Federal District and Greater Buenos Aires, on support networks for childcare in contexts of poverty and extreme poverty, concludes that CSOs “are overwhelmed.” For their part, CSOs cannot cope because of the absence of a care system, which highlights the fragile relations (coordination) these programs share with health policy and education. In this context, greater reproductive workloads have to be taken into account in order to evaluate the success of these programs.

In this scenario, CSO activities are limited to food, shelter, and containment, “care by poor care for the poor” or “nurseries for poor kids.” Care is circumscribed to the specific offer and does not conduct to comprehensive care or a holistic strategy to overcome poverty. This is made worse by constraints that drive these CSOs to establish “limited vacancies” to their care, which reveals just how critical the context where they work in is, while they face major professionalization issues and other challenges. The study concludes that there is a need and urgency to plan complex care services that address needs of children (intellectual, psychological, emotional, recreational, educational) to help meet the high demand that overwhelms CSOs (Pautassi & Zibecchi, 2010).

In the case of Uruguay, despite significant progress in institutionalizing programs and it being considered a country with a consolidated welfare model, we see a strong sectoral fragmentation in the implementation of poverty-reduction policies. INFAMILIA has operated on a sectoral and functional intervention logic in the territory, in an uncoordinated and overlapping way, with a large disparity and heterogeneity in human resources both in government and in NGOs. Thus, one of the main bottlenecks identified in the evaluation of the program is the heterogeneity of the NGOs involved in the territory, with different capabilities and incorporate and implement the model (CIESU, 2006; Benchaya & Fernandez, 2007; Fernández, 2002).

One of the main threats to this model is the heterogeneity of NGOs, which count with few qualified human resources and suffer increasing politicization, while there is a lack of tools for the systematization of quantitative information gathered from experiences, and no standardized procedures for the transfer of qualitative data from the field to the central program (Benchaya & Fernandez, 2007). Generally, government controls these organizations *ex-post*, and the controls mainly focus on allocation of economic resources and compliance with contracts, but not on service quality. This concern is shared by the actors involved, who consider that public administration has a superficial look on their interventions (Rossell, 2010).

Moreover, these institutions tend to generate a dependence on public resources (Kramer, 1981,1994; Anheier, Toepler, & Sokolowski, 1997; Nowland-Foreman, 1998; Froelich, 1999 in Rossell, 2010). In the medium and long terms, the concern Wolch,

1990 with the possibility of losing autonomy and independence from the public sector becomes recurrent (Simon, 1989; Wolch, 1990; Lloyd, 1990; Biggs & Neame, 1995; Frumkin, 2001 in Rossell, 2010). This translates into a limited ability to dedicate resources to the promotion of participation, because these are not the roles evaluated by the management when allocating funds received by the institution, and in a weakening of their ability to question and control the administration, due to the possibility that a more militant posture might cause the administration to withdraw funds.

This creates a permanently restructuring NGO market, which forces organizations to act as if they were business that must maximize benefits and minimize costs. These impacts, including work related to implementation and upkeep of a permanent staff, which distorts claims of autonomy of the public social sphere, since CSOs end up increasingly relying on the financial resources of the State (Ferrer, Monje, & Urzúa, 2005). These issues are similar to those which have risen from deregulation and quasi-markets created in recent decades by NPM-inspired reforms. Management maintains overall responsibility for the services but there is little margin to take responsibility for the daily activities of contractors (Smith & Lipsky, 1989; Gates & Hill, 1995; Mulgan, 1997 in Rossell, 2010). An extremely fragmented civil society partnered with a weak management cannot create a stable framework for cooperation with shared authorship of services. There is a deep gap between what is expected of co-management and reality (Rossell, 2010).

According to Molyneux (2008), managing poverty-reduction policies shows a strong neoliberal imprint, favoring private management while simultaneously making political arguments favoring community empowerment. Thus, the network of relationships generated is far from ideal but drives associative bodies to assume public responsibilities. While this involvement constitutes a significant component of institutional designs, experiences show that intervention does not always have ideal participation. In fact, there was neither a process of consultation with citizen groups nor a space for policymakers to bring about real change (Marshall & Walters, 2011; Singh, 2011). Most of the studies conclude that there was an increased participation of a heterogeneous group of CSOs in the implementation stage, with little to no impact on the design of policies poverty-reduction policies (Ferrer et al., 2005; Pautassi & Zibecchi, 2010; Rofman, 2007, 2009).

5. Impacts, Differences, and Institutional Legacies

The transfer of the same program formats to countries like Argentina, Uruguay and Chile – welfare systems with significant capacity and autonomy from the State – and to nations like El Salvador – a weak state with a casual welfare regime – is illustrative of the critical nature of this transfer. As noted by Martínez Franzoni and Voorend

(2011), there is no doubt about the success of this community in implementing relatively homogenous programs in 18 countries with highly contrasting welfare regimes. These uncritical transfers have had differential impacts, depending on the political and institutional capacities of States, with limited success in low-income countries with weak implementation and funding capacity, and severe infrastructure deficits (Moore, 2008; Veras Soares & Britto, 2007). At the same time, in middle-income countries, social aid is delivered independently of social security by Ministries of Social Development. However, the result seems to be dualistic institutions, creating a segmented social protection system, in which social security provides heavily subsidized protection for workers with formal employment, while social aid provides limited protection to the lower-income population, often dependent on informal employment.

Martínez Franzoni and Voorend (2011) and Marcel and Rivera (2008) further complicate the process, showing the relevance of social networks in providing welfare in countries with informal welfare regimes. In lower-income countries, the State is not the exclusive (or even the principal) agent of social protection. A similar situation is found in water services, where communities end up self-organizing, given the impossibility to obtain the service from either the State or the market.

In order to understand the differential impacts of PTCs, future research should consider historical and institutional factors, such as the diversity of social protection systems in Latin America (Marcel & Rivera, 2008). In potential welfare states (Argentina, Brazil, Chile, Costa Rica, and Uruguay), the State has important functions and a solid institution. These countries have a better socioeconomic status than the rest of the region, because of active State participation in the economy and its great weight in managing social policies. In countries with informal regimes (El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, and Perú), State institutions are weak, and welfare provision is handled by the market, communities, and families. Resultant social relations are generally hierarchic and asymmetrical. Inclusion processes are problematic, because the worse-off obtain short-term security while deepening their long-term vulnerability and dependence. They constitute a vicious circle of insecurity, vulnerability, and suffering for the great majority to the benefit of small elite of clients.

Beyond these two categories, countries with conservative welfare regimes (Ecuador, México, and Venezuela) and countries with dual welfare (Bolivia, Colombia, and Panama) are in an intermediate position. There, provision of social benefits is segmented between a group with access to good quality services and another with access to lower quality ones. In these countries, even though there is also a segmented provision of social benefits, levels of conflict and fragmentation are higher. The next table explains the more salient features of this model.

In this regard, it is necessary to abandon a normative conception of governance and incorporate a broad view that, taking into account the European contributions, would

allow for a differential analysis of the role of the state, society, and markets in the pursuit of public objectives, and ultimately ensuring the welfare of society.

6. Some Reflections on State Reform

The public policies analyzed thus far have demonstrated the tensions and dilemmas that presented to governments in the region when new forms of governance were transferred, under a neoliberal development paradigm, where the market became the only one with the capacity to reflect and channel the various interests of society and to ensure economic growth and social mobility. Recommendations for State and public administration reform were largely inspired by market principles, with the hopes of improving the efficiency and quality of the public sector through a combination of private market competition and the introduction of private sector managing techniques to public administration. While the focus was a more efficient production of public services through the production of more value (output) with fewer resources (input), it also involved new ways of approaching democracy. Now, citizens are not addressed in terms of the popular will and civil and political rights, but according to individual preferences and rights of users.

Under this paradigm, the State ceases to be a direct supplier but becomes an articulator, a mediator among actors of a complex matrix of public services provision. In this context, the regulatory capacity of the state should be mainly directed to promoting market activity. Finally, public institutions must develop policy design, evaluation, and monitoring capabilities. Governments should focus on basic public duties: the establishment legal order, maintaining an effective environment of macroeconomic and financial institutions, investment in social services and infrastructure, providing a safety net for vulnerable members of society.

However, the debate on the state problematics and institutional building of governance formats was reduced to a technical and administrative issue. For international organizations, governance refers to the creation of institutional designs that self-regulate the public sphere, in which the State interacts with economic and social actors to offer efficient and quality services. Institutional development is mainly associated with improvement of management and efficient use of resources. Institutional quality is conceived as strengthening organizations, based on principles of efficiency and economy, that must be proved based on uniform services, measurable in audits which judge previously established goals and strategies within a system of competition for resources. On the ground, these reforms led to dramatic changes in the relative importance of the State, whose scope was diminished as a result of deregulation, massive privatizations, and the withdrawal of government investment and spending to make more room for the action of private agents. However, reforms aimed at improving effectiveness and efficiency did not yield the expected results:

dispersion, lack of coordination, lack of control, and lack of public management evaluation impacted negatively on the quality of public policy.

Although several factors played out in the process, the main hypothesis is that recommendations for reform did not emphasize on the political dimension, which limited the process of transformation and impeded the generation of consistent, coherent, and articulated reforms in the long run. The prevailing conceptions of market governance started from a restricted view of the state, limited to “state apparatus” and public administration. This restricted vision focuses on proposals for reforming intervention, focusing in technical and administrative matters. Consequently, the emphasis was on the instrumental dimension, reducing political and State issues to instrumental problems. While instruments are relevant for improving management, we should not confuse between instruments or management paradigms on the one hand and objectives and strategies of political construction and conduction on the other. The most important issue is how the State acquires and exercises its authority to provide and manage public goods and services.

Recommendations by international institutions reduced State and institution building to a purely technical matter, with important consequences. First, reforms focused on efficiency rather than on effectiveness. Second, State reform was reduced to administrative configurations, processes, and procedures, without analyzing change agents, the actors and their interests, and what power struggles were at stake. Third, although the vision of good government raised the importance of institutions in development and stressed the central role of formal and informal rules, it did not clearly state how institutions would impact reform. This means political viability was not adequately considered.

To carry out any reform, it is necessary to consider how existing institutions influence and shape the way power is exercised and how State functions are carried out in Latin America, as well as what are the variances inside the region. This leads us to the study of demand handling, conflict solving, and resource utilization in the political system. All in all, the known, practiced, and accepted political rules of the game. First, it is necessary to ask: what are the rules of the political game?, do democratic rules predominate?, and if not, which ones do?

State reform processes should start from a basic but often forgotten premise: the existence of a democratic political–institutional framework (O'Donnell, 1997). Historically, the State in Latin America contained political parties and factions that behaved as complex networks of particularistic relations and corporate interests. In this type of political systems, ways of processing claims, resolving conflicts, and distributing public resources and power came to consolidate with time, but they were oriented to meet particular interests of individuals or groups, and not the public good. Particularism does not imply a logic of the State acting as an apparatus, but to the logic of interests and forms of legitimation of political parties before society. If the mechanisms for building party loyalties are not universalistic and programmatic, but

based on benefits and perks, State reform will hardly be framed in a managerial or Weberian sense.

This was the political–institutional matrix in which new governance formats were introduced from the early 1990s onward. The paradox is that, while leaders displayed a liberal rhetoric, partisan *caudillista* structures and the logics through which these same leaders accumulate power clearly differed from this discourse, and this prevented governance from being consistent with their stated principles. As a result, governments in the region made progress in building a more open economy (alternative to the import substitution model), and in the transformation of the State, both in reducing its overall weight in the economy and in the form of public management, based on the “NPM” model. However, contradictions between the rhetoric and the concrete reforms produced advances and retreats. The impossibility for a profound transformation led successive governments to undertake reforms in the civil service. The result was a formally Weberian managerial public discourse along with fragmented action, which was hard for the government to carry.

Thus, governance formats were uncritically transferred to the region, in a depoliticized and nonideological way, without considering the political–institutional dimensions, the historical processes, or the power relations underpinning collective decision-making processes in a community. In this context, there is a need to involve the political dimension when trying to understand the way in which governance formats developed and transformed the State, impacting differentially throughout the region (Leftwich, 2005). This is why we need a broader view, one of the administrative systems that is embedded in a broader political system which is constantly interacting with the external environment.

7. Opening the Black Box

In the current millennium, the region is going through a “return of the State,” associated with neo-structuralism (or post-neoliberalism) and the rise of the New Left (Riggirozzi & Grugel, 2012). We are facing a different conception of the State than the one that was dominant in the neoliberal era. With a discourse that shows clear innovations, such as the focus of national growth aspirations on welfare and citizenship and in building State capacity for national development. Consequently, the State appears more visible and active in public policy (Almeida & Johnston, 2006). Because of this, we should wonder what place the various dynamics of social participation will have in the reorienting of the political process, and what new connections they might have with the State.

The challenge to achieve a more efficient and more democratic State remains, and it requires a deeper understanding of political processes and of the way through which some political configuration influences decision-making and the quality of reforms.

This calls for research with new analytical and theoretical frameworks that will allow us to investigate to what extent State traditions, constitutional arrangements, bureaucratic structures, and the political culture of Latin America, with its specificities, formats of patronage and corporatism, affect public policy management, after the incorporation of emergent governance formats, while understanding State transformations, and its relationship with the market and Civil Society. Ultimately, how they impact on State capacity to manage policies oriented to the public well-being.

Therefore, it is important to move away from the normative approach defended by international institutions and resume the European debates on public policy networks, interactive governance, and meta-governance. The broad definition of governance offered by Pierre and Peters (2000) and the more recent contributions on meta-governance offer a sufficient analytical framework to explain the transformations of the State in a broader context, while the theory of public policy networks enables meso analysis, which consider the actors involved in decision-making and their implicit power relations. Articulating both approaches allows us to put forward a more polished analysis of State transformations, management formats, power relations, and achieved results

A macro approach, based on governance and meta-governance, must consider the features of each political system to explain the dilemmas faced in governing the economy and society toward collective goals, characterized by a process of transformation expressed in the delegation of activities previously performed by the State to private actors and NGOs, and particularly to networks. These transformations suggest the need to rethink form of government and the role of the State and public management in achieving greater coordination and coherence of public policy and services, as well as solving the problems facing democratic governance. For despite the changes in contemporary society, the State as meta-governor remains a key player, due to it maintaining the generic function of guaranteeing social cohesion, solving social conflicts, developing redistribution policies, assuring democratic legitimacy, and possessing some system of accountability.

Also, the State is essential to the legitimacy of the decision-making process because it is the actor best suited to decide who to include or exclude from governance arrangements. Nonstate actors will hardly govern on behalf of collective goods. This may be particularly important given that the current climate encourages nonstate actors, both private and social, to perform functions previously performed by the State. This is why meta-governance is not just a question of providing, managing, and orienting government networks and other collaborative scenarios, it also involves making pragmatic and context dependent decisions, on how to solve public problems (Meuleman, 2009).

Also, policy network theory allows us to analyze complex patterns of relationships established by the multiplicity of actors involved in the decision-making process. In this sense, it becomes essential to analyze the sectoral areas where public policies are

planned and implemented, where individuals or groups exert their influence on the policy in question in a fragmented way. Therefore, it is necessary to inquire on how the dynamics of institutional and public space building have changed, and how this has affected macro political and management arrangements, without forgetting about analyzing how it has changed State tasks and power relations.

This approach allows us to analyze how the political process is produced (input legitimacy), which actors are included in the process of policy formulation and policy configurations that end up affecting their results (output legitimacy). As noted by Scharpf (1999), the overall legitimacy of any government is based on an effective combination of problem solving and inclusive, fair, accountable, and transparent procedures. The success or failure of meta-governance will depend on an equilibrium between input legitimacy and output legitimacy.

This analytical perspective allows us to avoid normative biases, disaggregate the State, and go into the black box, where we can understand that organizations are inhabited by actors with interests and power, who are constrained by institutional and cultural frameworks when searching solutions to collective problems. Also, it would help to improve public policy the design, explain why certain programs fail when implemented, and make proposals for their improvement from existing power logics.

It is important that future research on sectoral policy networks is sensitive to theoretical hypotheses about the nature of the State and the transformation of contemporary political and administrative processes. Hence, the importance of researching the sectoral dimensions of interest aggregation in connection with the nature of the State of the meta-governance that is being built. This implies huge theoretical and above all methodological challenges, to analyze networks and the State, incorporating criteria for measuring impacts on the mechanisms of production of a more legitimate, democratic, and integrated order (Zurbriggen, 2007).

Acknowledgements

The author thanks Mauro Casa González for the support in the elaboration of this chapter.

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Chapter 15

Good Governance and Corruption in Latin America*

Manuel Villoria

Abstract

This article will attempt to answer the following question: what has been done to prevent corruption and promote a “good government” in Latin America, what are the results and what explains the current situation? After analyzing very different experiences, the following could be stated: (1) there is at least a formal concern for promoting integrity in several countries, but there are problems of diagnosis and formulation; (2) the examples of implementation failures are far too many in Latin America. In any case, the most important factor explaining failures of design and implementation is the presence of a social trap and a political trap. The social trap is expressed by the incoherence of society itself, which demands honesty from Government, but in practice incentivizes corruption by paying bribes, breaching rules, and demanding privileges within the framework of clientelist networks. The political trap emerges from the strong path dependency effect resulting from the consolidation of patronage or clientelist networks.

Keywords: Good governance; good government; institutions; corruption; rule of law; transparency; accountability; social trap

1. Introduction

According to CLAD documents (2010), the negative legacies of government that impact good governance in Latin America and the Caribbean (LAC), from an operational perspective, are deficiencies in its regulatory framework, organizational structure, personnel system, and technical competence; shortcomings in operational efficiency, responsiveness to citizen's needs, stable coverage, and quality of services. In 2017, a new diagnosis by CLAD found that, despite some advances, significant weaknesses in formulating policies, planning, financing, and implementing administrative reforms remain (CLAD, 2017). If these problems are analyzed, we see that, although not generalizable to all Latin American countries, these weaknesses are consequence of institutional limitations. And these institutional limitations are rooted in the abuse of power, entrenched impunity, and corruption of political and economic elites.¹ As a consequence, fighting corruption and strengthening the institutional framework, especially fostering impartiality, integrity, accountability, and transparency, is the best way to have a more responsive, professional, and efficient public administration and good government.

This article will attempt to answer the following questions: What has been done to prevent corruption and promote “good governance” in LAC? What are the results? What explains the current situation? We will focus on the last ten years. Therefore, after outlining the theoretical framework, we will continue with a diagnosis -at the macro and micro level- of advances in the integrity, transparency, and accountability policies in the region and their impact. We will conclude by explaining the causes of the current situation and identifying proposals based on lessons learned.

This research will not evaluate the overall institutional frameworks of the countries in LAC or present proposals for State reform. That would require an analysis of the legislative and judicial branches, as well as the framework of constitutional control bodies. It will not analyze the fight against corruption, as that includes the judiciary. It will instead focus on government and public administration because of its importance for attaining good governance and proper functioning of the State (OECD, 2005). Within it, we will study the progress toward preventing corruption and building good government. This meta-evaluation required a review and validation of findings and data from existing evaluations. This led to a comprehensive desk review of previous articles and

reports. We also conducted five focus groups with around 40 political appointees from eight Latin American countries and five in-depth interviews with key public administration leaders of five countries (Dominican Republic, Ecuador, Colombia, Mexico, and Chile). Sometimes we did in-country project consultations with civil servants on the ground, thanks to different academic courses and invitations from universities and Institutes of Public Administration, and finally included triangulation of the available data and information.

2. From Good Institutions to Good Governance and from Good Governance to Good Government: Theoretical Framework

According to different studies, the crisis of the 1980s and part of the 1990s in Latin America was due to the overdevelopment of the State and the infinite and fragmented expectations of society. This theory led to the implementation of reforms based on the Washington Consensus: deficit control, public debt reduction, privatization, reduction of public spending, etc. But the limits that this strategy imposed for sustainable development, the quality of the democracy, and the rule of law led to a reassessment of state institutions in the mid-nineties. The solution to ensuring economic development is not to eliminate the State, but to generate good institutions² that guarantee property rights, legal certainty, and check excessive government power (Williamson, 2000; World Bank, 1997). It is not, therefore, about separating government from its institutions, but reducing government power through the state's own institutions, which, if adequately designed, will incentivize effective and honest behavior in leaders and public servants and will deter corrupt and extractive behavior (Acemoglu & Robinson, 2012; North, 2005).

A great deal has been written about the concept of corruption (among others, Heidenheimer & Johnston, 2002; Heidenheimer, Johnston, & LeVine, 1989; Rotberg, 2017; Warren, 2006; Williams, 2000). Here we will focus on corruption in the public sector using a broad concept. We understand this as a direct or indirect abuse of entrusted power for private gain. Overall, the variables that have a causal effect on corruption are so numerous that it is necessary to organize them by levels or areas of relationship to systematize them. We do not have space for that here, but there is extensive literature on that issue (see Alonso & Mulas-Granados, 2011; Jain, 2001; Lambsdorff, 1999; Pellegrini & Gerlagh, 2007; Rotberg, 2017; Treisman, 2007).

From a structural perspective, corruption has devastating effects on economic development, especially on sustainable economic development (i.e., Ades & Di Tella, 1997; Hodgson & Jiang, 2007; Mauro, 1995; Rose-Ackerman, 1978, 1999; Tanzi & Davoodi, 2001; Wei, 1997). It also negatively influences institutions that incentivize efficiency and equity (Della Porta, 2000; Jain, 2001). Overall, corruption negatively affects democracy and the rule of law by damaging political equality, trust, and the common good (Inglehart & Wenzel, 2005; Rothstein & Uslaner, 2005; Villoria, Van Ryzin, & Lavena, 2013; Warren, 2006). Finally, also from a structural perspective, corruption helps build bad social capital (Levi, 1996), put differently, it often creates opaque clientelistic networks (Caciagli, 2009), which abuse public funds, acquire undue privileges, and generate rules of the game that ensure criminal activity (Manzetti & Wilson, 2007). Corruption reduction has become embedded in the governance strategy of different international financial organizations, meaning that corruption hinders development by preventing effective and efficient governing, and is therefore one of the greatest obstacles of social and economic progress.

Governance theory helps us understand the exchanges between state and society in the definition and implementation of collective objectives and goals (Pierre & Peters, 2020). One strand of governance research has focused on “good governance.” The World Bank Institute (Kauffmann, Kraay, & Mastruzzi, 2006) defines good governance as the sum of “...institutions and traditions for which the power to govern is executed for the common good of people” (Kauffmann, Kraay, & Mastruzzi, 2003, p. 2). In other words, it would be those formal and informal institutions that incentivize the government and society to act cooperatively and efficiently and discourage extractive behaviors from leaders. It is measured by indexes of good governance. They include voice and accountability, stability and absence of violence, governmental effectiveness and regulatory capacity, rule of law, and control of corruption. The acceptance of appropriate institutions as engines of growth and welfare has become commonplace.

From the concept of good governance, we can now derive the concept of good government *strictu sensu*. This is not the place to elaborate a normative reflection on the goals of good government,³ but it is important to highlight that with this concept we focus on the functioning of government and how governance is exercised. We

also believe that it precludes confounding good government with a “good” State (because this concept also includes judicial or legislative branches), good political regimes (a broader concept), or good administration (a more specific concept). Our concept of good government includes good administration. In short, a good government is one that generates a set of formal and informal rules that, being legitimate, equitable, efficient, stable, and flexible (Alonso & Garcimartin, 2011), constrain inefficient, inequitable, arbitrary, corrupt, and illegal behaviors among its leaders and employees and that incentivize efficiency, impartiality, equity, and integrity. This set of rules needs coherent processes for application. Furthermore, they need organizations that are not only rational actors but also moral actors that assume the values and goals—logic of appropriateness—that justify them and ensure the respect and impartial application of the assigned rules and processes (March & Olsen, 1984, 1989; Selznick, 1992).

To conclude, the analysis of good government in Latin America should include a study on the levels of integrity, accountability, efficiency, impartiality, transparency, and participation with which the governments and administrations act. In this paper we will focus only on the analysis of the existing situation and the verifiable advances in integrity and corruption prevention, which includes references to transparency and accountability. There is a vast literature on accountability whose historic origin starts in Greece and consolidates after the democratic revolutions of the eighteenth century. Nevertheless, the concept has expanded and includes three dimensions: institutional control, electoral control, and social control (O'Donnell, 2004a,b; Smulovitz & Peruzzotti, 2000). In an excellent review article, Wences tells us

...accountability could be defined as a process through which leaders, representatives, and public servants report, respond, and justify their actions, decisions, and plans of actions to those governed and are subject to concomitant penalties and rewards. (2010, p. 69)

Transparency is linked directly to accountability. Transparency is defined as the flow of timely and reliable economic, social, and political information, accessible to all relevant actors (Kauffmann & Kraay, 2002), information that, in the public sphere, should allow evaluation of institutions by participants in the political process. Transparency studies and their positive effects in the economic world are numerous (Akerlof, 1970; Stiglitz, 2000). Data provided by the States on the functioning of the economy help markets perform better; thus, investors, producers, and consumers can make decisions that are more efficient. Transparency is important not only for the economy but also for politics; without an informed electorate, elections lose value (Sen, 1999). Nuria Cunill (2006) argued that transparency in public administration helps improve the quality of democracy and efficiency. Specifically, she assumes that public participation can assess the quality of public services. She further argues that transparency is, in some case, the only means of influence by weakest members of society and minimizes the corporatization of the public apparatus and weakens the influence of private interests. In the same vein, other scholars contend that transparency can reduce corruption, positively correlate with human development, and improve the performance of public services because they work better where consumers can complain (Bellver, 2007). From a more governmental focus, it enhances public scrutiny, promotes accountability, boosts legitimacy and commitment, restores confidence, increases participation, permits better coordination, and favors policy design (Hood & Heald, 2006).

3. What Has Been Done and What Are the Results?

In order to diagnose the situation, the article follows this order: first, it will analyze transparency policies, next accountability and integrity policies developed during the last years in the LAC region, it will conclude by examining the impact of these efforts.

3.1 Transparency

According to Bauhr and Grimes' approach (2014), there are three components that are considered essential elements to transparency policies: (1) open government data and the right of citizens to it; (2) protection for corruption and fraud whistleblowers; and (3) publicity/freedom of press. The first component is expressed through laws that require the government to publish its data and which recognize citizens' right to access it. However, the existence of these laws, in and of itself, does not guarantee transparency. It could bring us closer to a nominal sort of transparency, but not one that is effective; this requires far more (Heald, 2006). Many publicity laws are not

properly implemented, or they are only partially implemented in a biased manner. Similarly, the right to access information can create resistance at the government level when citizen questions are politically sensitive. In general, the lesson, applicable to the region, is that laws should be accompanied by a complete set of decisions, procedures, and entities FOIA in Latin America hat enable them to function efficiently. The best examples of strong and effective agencies in Latin America are the INAI in México and the Council of Transparency in Chile. In January 2017, at least 110 countries in the world had established the right to freedom of information. In Latin America, there were 17. Although progress in the generation of standards and transparency bodies has been very high (see Table 15.1),⁴ the implementation and institutionalization of transparency and access to public information policies has been uneven in Latin America. In the first category, we find Mexico, El Salvador, Uruguay, and Chile, countries that have had the best—although not optimal—results considering that they have systems that work fairly well, that they have strong regulatory bodies, that they have had, sometimes, controversial situations, and that the system has managed to overcome them. The opposite case is represented by Cuba, Haiti, Bolivia, and Venezuela, which are the only four countries that do not yet have access to information law, although in Venezuela a bill was discussed in the National Assembly in 2017.

Table 15.1. FOIA in Latin America.

Country	Law	Year	Source
Panama	Ley de Acceso a la Información Pública	2002	http://www.antai.gob.pa/legislacion/
Mexico	Ley Federal de Transparencia y acceso a la información pública	2002 ^a	http://inicio.inai.org.mx/SitePages/marcoNormativo.aspx
Jamaica	Access to Information Act	2002	http://portlandpc.gov.jm/sites/default/files/resources/atiact_1.pdf
Peru	Ley de Acceso a la Información Pública	2002 ^b	https://www.mef.gob.pe/es/normas-legales/298-portal-de-transparencia-economica/nd-27806
Ecuador	Ley orgánica de transparencia y acceso a la información pública	2004	http://www.seguridad.gob.ec/wp-content/uploads/downloads/2015/04/ley_organica_de_transparencia_y_acceso_a_la
Dominican Republic	Ley de Acceso a la Información Pública	2005	http://www.digeig.gob.do/transparencia/index.php/base-legal
Honduras	Ley de Acceso a la Información Pública	2006	http://www.tsc.gob.hn/biblioteca/index.php/leyes/17-ley-de-transparencia-y-acceso-
Nicaragua	Ley de Acceso a la Información Pública	2007	http://legislacion.asamblea.gob.ni/Normaweb.nsf/(\$All)/675A94FF2EBFEE910625

Country	Law	Year	Source
Chile	Sobre acceso a la información Pública	2008 ^c	http://www.consejotransparencia.cl/conozca-el-significado-de-la-ley/consejo/2012-1
Guatemala	Ley de Acceso a la Información Pública	2008	http://www.pdh.org.gt/secai-pdh-ente-regulador.html
Uruguay	Ley de Acceso a la Información Pública	2008	https://legislativo.parlamento.gub.uy/temporales/leytemp9456795.htm
Bolivia	Política Nacional de Transparencia	2009 ^d	http://www.comibol.gob.bo/images/politicatransparencia.pdf
El Salvador	Ley de Acceso a la Información Pública	2011	http://www.iaip.gob.sv/?q=ley-y-reglamento/ley-de-acceso-la-informaci%C3%B3n-decreto-no-534
Brasil	Ley de Acceso a la Información Pública	2011	http://anterior.cdc.gob.cl/wp-content/uploads/documentos/Medicion-y-efectos-de-ac(Brasil)-AFarias-JSchuenck.pdf
Colombia	Ley de Acceso a la Información Pública	2014 ^e	http://www.secretariatransparencia.gov.co/secretaria/Paginas/marco-normativo.aspx
Paraguay	Ley de Acceso a la Información Pública	2014	http://www.stp.gov.py/v1/transparencia-ley-5-189/
Argentina	Ley de derecho de Acceso a la Información Pública	2016	https://www.boletinoficial.gob.ar/#!DetalleNorma/151503/20160929
Costa Rica	Transparencia y Acceso a la Información Pública	2017	http://gobiernoabierto.go.cr/eje-de-transparencia-y-acceso-a-la-informacion/
Venezuela	-	-	
Cuba	-	-	
Haití	-	-	

^a Repealed and replaced by the new Ley General de Transparencia y Acceso a la Información (LGTAIP) on 4th May, 2015.

^b Modified in 2003 by the law No. 27.927.

^c Modified in 2016 by the Law 20.880 on integrity and prevention of conflicts of interest.

^d The legal status of this norm is lower than the others mentioned in this table.

^e Modified in 2015 through Law 1494.

Source: Own elaboration based on Global Right to Information Center.

We will later review systems for whistleblowing protection, but we can anticipate that most of the countries in the region do not have a formal system in place to protect whistleblowers, and where it is formally established, the implementation is weak and poorly financed. Considering publicity, the best instrument to measure it is the freedom of press. According to Freedom House, journalists in the Americas have faced an increase in violence, lawsuits, and police interference in recent years. Brazil, Colombia, Honduras, and Mexico remain among the world's most dangerous places for journalists. The percentage of those enjoying a free media in 2016 remained at its lowest level since 1996, when Freedom House began incorporating population data into the findings of the report (see Table 15.2).

Table 15.2. Press Freedom in Latin America and the Caribbean.

Country	Press Freedom Status	Press Freedom Score (0–100 Points): 0 is the Most Free and 100 is the Least Free
Argentina	Partly free	46
Bolivia	Partly free	53
Brazil	Partly free	47
Chile	Free	29
Colombia	Partly free	57
Costa Rica	Free	16
Cuba	Not free	91
Dominican Republic	Partly free	42
Ecuador	Not free	66
El Salvador	Partly free	41
Guatemala	Partly free	58
Haiti	Partly free	52
Honduras	Not free	66
Mexico	Not free	64
Nicaragua	Partly free	55
Panama	Partly free	41
Paraguay	Partly free	59
Peru	Partly free	45
Uruguay	Free	24
Venezuela	Not free	81

Source: Prepared by the author, based on Freedom House, 2017.

Taking into account all these data, probably only Chile, Costa Rica (although its FOIA is very recent), and Uruguay enjoy an acceptable level of transparency. In the last Index (2019) from Reporters Without Borders, the authors stated that in Latin America “the environment for journalists is more and more hostile and coverage of sensitive subjects increasingly triggers violence, intimidation and harassment of every kind”⁵.

3.2 Accountability

There are two distinguishing dimensions of accountability: (1) the obligation of public officials to announce their decisions and publicly justify them; (2) the ability to impose sanctions on public officials who have violated their duties or breached their obligations. This dimension of sanction is considered crucial for the very idea of accountability; there cannot be accountability if the principal that demands action does not have the institutional capacity to apply sanctions to those agents engaged in illegal or unethical behavior.

In the international arena, several initiatives have been developed to approach accountability measurement, a set of them associated with mechanisms of fiscal transparency. Among them, we find the “Voice and Accountability” Index of the World Bank (see Table 15.3), the Public Expenditure and Financial Accountability (PEFA) initiative, the Open Budget Initiative, the Latin American Transparency Index Budget (ILTP), the Fiscal Transparency Code of the IMF, or the Global Initiative for Fiscal Transparency (GIFT).

Table 15.3. Voice and Accountability in Latin America^a.

Country Name	Series Name	2011 [YR2011]	2016 [YR2016]	Change	Ranking
		From -2.5 to +2.5	From -2.5 to +2.5	11-16	2016
Argentina	Voice and Accountability Estimate	0.34	0.54	+	4
Uruguay	Voice and Accountability Estimate	1.12	1.18	+	1
México	Voice and Accountability: Estimate	0.11	-0.08	-	13
Bolivia	Voice and Accountability: Estimate	-0.06	0.01	-	11
Brazil	Voice and Accountability: Estimate	0.51	0.46	-	6
Chile	Voice and Accountability: Estimate	1.07	0.99	-	3
Colombia	Voice and Accountability: Estimate	-0.05	0.09	+	10
Costa Rica	Voice and Accountability: Estimate	1.05	1.13	+	2
Cuba	Voice and Accountability: Estimate	-1.61	-1.62	-	20
Dominican Republic	Voice and Accountability: Estimate	0.09	0.18	+	9
Ecuador	Voice and Accountability: Estimate	-0.29	-0.24	+	14
El Salvador	Voice and Accountability: Estimate	0.04	0.27	+	8
Guatemala	Voice and Accountability: Estimate	-0.31	-0.30	+	15
Honduras	Voice and Accountability: Estimate	-0.46	-0.42	+	16
Nicaragua	Voice and Accountability: Estimate	-0.57	-0.62	-	17
Panama	Voice and Accountability: Estimate	0.53	0.52	-	5
Paraguay	Voice and Accountability: Estimate	-0.08	-0.03	+	12
Peru	Voice and Accountability: Estimate	0.13	0.27	+	7
Venezuela, RB	Voice and Accountability: Estimate	-0.93	-1.13	-	19
Haiti	Voice and Accountability: Estimate	-0.74	-0.72	+	18

^a Voice and accountability capture perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media. The standard normal units of the governance indicator range from around -2.5 to 2.5.

Source: Prepared by the author based on the Worldwide Governance Indicators-series, World Bank.

The “Open Budget Index” is an index of budget transparency that

...measures public access to government budget information; for this purpose it collects a set of comparative data on the public availability of budget information and other practices of accountability on the budget. (CEPAL, 2018, pp. 98–99)

The data provided by this index, in 2016, show that the best countries in the region, Brasil and Peru, exhibit values of 77 and 75 out of 100 points, respectively, which indicates that even here there is not complete public information about their budgets; furthermore, in most of the countries, this information refers only to the central government.

Speaking of control and sanctions, we should highlight the role played by the Supreme Audit Institutions (SAIs) in rendering accounts. Of the 22 countries of the region that have this type of organization, 27% of them are collegiate bodies and 73% are a sole authority; 22% are Courts of Accounts, 14% are Audit Institutions, and 64% are Comptroller General Agencies. Regarding the type of accounts reviewed, 94% of them cover federal or national resources, 44% are concentrated too in departmental, regional, or provincial resources, 59% supervise municipal resources in addition to the national, and 47% supervise other resources. Also, 53% share control responsibilities with other bodies, while the rest do not. Furthermore, 41% apply disciplinary sanctions and 59% apply economic sanctions, while 18% participate in the formulation of the public budget, 24% in its approval, 35% in execution, and all of them carry out evaluation and budgetary control (Insausti & Velásquez, 2014). According to their own laws, they fulfill the independence and professionalism established in the principles of the Lima and Mexico Declarations of the International Organization of Supreme Audit Institutions (INTOSAI), but in practice these bodies are very bureaucratic and lack enough budget and competences to do a very effective job (OECD, 2018).

Today, transparency, accountability, and participation can go hand in hand thanks to new technologies, this approach is called “open government.” Open government includes instruments, processes, and bodies that contribute to transparency, accountability, collaboration, and citizen participation, thanks to the intelligent use of new technologies. In the region, almost 75% of the countries have developed a digital strategy, although only 60% reported using performance indicators to monitor progress in implementing e-government. About 61% of the countries have developed online portals. Moreover, the XVII Ibero-American Conference of Ministers of Public Administration and State Reform approved in July 2016, the Ibero-American Open Government Charter. According to a recent survey by the OECD (2017a), 62% of the Latin American countries have adopted a wide-ranging strategy in OG that in many cases refers to the action plans presented in the framework of the Open Government Partnership (i.e., Paraguay, Mexico, Chile, Costa Rica).

3.3 Integrity

We will now move on to a broad study of the measures adopted by Latin American governments to strengthen integrity. In the words of the OECD, “public integrity refers to the constant alignment and adherence to shared ethical values, principles and norms, for upholding and prioritizing the public interest over private interests in the public sector” (OECD, 2017b, p. 2). In global terms, the most relevant document defining integrity for the Latin American region is the Ibero-American Code of Good Government (*Código Iberoamericano de Buen Gobierno*), which hopes that “governmental action consists of promoting the general interest, and departs from the reprehensible abuse of public resources for private or partisan interests.”⁶ The code is aimed at senior politicians and political appointees. It includes a detailed set of principles, values, and norms that promote impartiality, effectiveness, legitimacy, and integrity of government. Unfortunately, it does not have instruments for ensuring compliance. Its implementation provides dismal reading, albeit it has driven a discussion and generated other codes.

Although unethical actions go beyond corrupt and fraudulent ones, it is necessary to prevent and fight corruption to build integrity in the public sector. There have been significant advances in Latin-American cooperation in preventing and fighting corruption, for example, (a) *Convención Interamericana contra la corrupción* (Inter-American Convention Against Corruption, by the Organization of American States) (Caracas, 1996); (b) *Foro Iberoamericano de combate a la corrupción* (Ibero-American Forum for Combating Corruption, CLAD) (Santa Cruz de la Sierra, Bolivia, June 1998)⁷; (c) *Convención anticorrupción de la ONU* (United Nations Anti-Corruption Convention) (October 2003). Also, the conventions have mechanisms of periodic evaluation of implementation through demanding peer reviews. Now the priority is to guarantee the implementation of the conventions and effective development in all areas of intervention.

To analyze integrity policies in the region, we will use the organizational integrity framework developed by the OECD (Maesschalck & Bertok, 2009). This framework highlights the importance of considering not only legal instruments but also the processes and agencies in charge of their implementation. The most important instruments are codes of conduct, ethics training, prevention and management of conflict of interest, whistleblower protection, and ethical committees. In 2019, the approval of the Ibero-American Charter of Public Integrity, undertaken under the auspices of CLAD, constituted an important step forward.⁸ This charter follows the OECD framework.

In 2015, the Colombian Government, led by the Secretary of Public Function, and following OECD recommendations, made the decision to review and restructure the Institutional Integrity Policy of public entities as a strategy to address the challenges presented by the institutional and political situation (Función Pública Colombia, 2018). Peru has approved an integrity plan that in the implementation chapter reproduces the OECD model too. Chile also has adapted its regulations regarding integrity through robust legislation that protects the impartiality, transparency, and values of the public sector. The distrust in public institutions, despite low levels of corruption in the country, was considered a relevant problem that should be overcome and, therefore, based on the proposals submitted by the Presidential Advisory Council against Conflicts of Interest, Traffic of Influences and Corruption, the Former President of the Republic, Michelle Bachelet, presented an Agenda on Probity and Transparency in Business and Politics. This Agenda incorporated 18 legislative and 14 administrative measures, and among them it was established the public services obligation to draft a Code of Ethics.⁹

The code drafting process is different in each country, but in general it tends to be participative; the lessons learned (see Colombia, Mexico, and Chile) indicate that it involves participation of the members of the organization and the stakeholders. Another essential component in the integrity framework is defining the Ethics

Committee, with its composition and functions. After analyzing best practices, we can see that the Committees are composed of public servants that will perform such work full-time. The Ethics Committees, in Mexico or Dominican Republic, aim to encourage proper conduct of public servants of the institution to which they belong, promote implementation and proper functioning of Codes, advise on decision-making, receive complaints, and, where appropriate, propose sanctions or admonish public servants who act contrary to the Code. The members of the Committees may not be dismissed during their term of office, except for actions contrary to public ethics, and always through due process. After the end of their mandate, they cannot be retaliated against for their actions under any circumstances. The Panamanian action in this area is also very interesting. Committees were organized in an inter-institutional network where they share experiences and generate mutually enriching ideas. Each institution issues a resolution in which the committee is created; each committee must elaborate its Plan of Activities (the network provides advice for this task). The committees assess ethical training needs, develop training seminars, generate ethical codes in a participative way, and create essay contests on the matter. In certain countries, like Chile or recently Peru, there is the Integrity Coordinator: in charge of creating management strategies to implement actions and tools to strengthen an organizational culture with high ethical standards.

Ethics training, on the other hand, is an essential component of any anticorruption strategy. Ethical training may be arranged with a compliance and legalistic approach, or with an approach on ethics and conflicts of values (more value oriented), encompassing so-called gray areas not covered by rules, such as possible conflicts of interest between customs and rules, unregulated benefits, and integrity risks affecting public servants in specific areas. Generally, the dominant model in Latin America combines the two approaches. In some countries, however, the focus has been mainly legal; finally, in some of them, it is under transition from legal to a mixed approach (for example, Dominican Republic).

A system of complaints of unethical behavior requires the presence of five elements of analysis: the complaints and their causes, false complaints, the protection of unfairly accused officials, the protection for the whistleblower, and the protection of investigators. The causes of complaints vary, in some cases significantly, leading to unequal treatment based on where the complaint is made. There is no country with a totally centralized system because of the obstacles it could create during the investigation. With respect to false complaints, in almost all countries, there are mechanisms for penalizing false complaints; there exist, for example, strict sanctions in Bolivia, Colombia, or Chile. But on the other hand, the protection of whistleblowers is very important for the proper functioning of the detection system. Protection may consist of maintaining anonymity, guaranteeing the provision of witness protection, or ensuring, through special procedures and agencies, the possibility to request help throughout the professional life of the denouncer in case of reprisals. For example—according to reports by the Inter-American Convention against Corruption and the Follow-Up Mechanism for its Implementation, MESICIC—there are formal systems, among others, in (1) Colombia, which created the Protection Program for Witnesses, Victims, Interveners in the Process under the leadership of the Office of the Attorney General (and recently is under parliamentary analysis a new Draft Law 008/2019); (2) Ecuador, which stipulates the creation of a similar program to the one from Colombia, under the leadership and coordination of the Attorney General; (3) Peru, which created effective protection in the area of organized crime as well as established detailed protocols of protection when the complaint is taken before the Comptroller; (4) Chile has advanced regulations, as it includes protections for officials who denounce corruption cases; Bolivia, however, has not presented any information to MESICIC.

Finally, it is important to ensure protection to officials investigating corruption. In Colombia, comptrollers have insurance paid by the State for cases in which there is a threat of reprisals. The Chilean Comptroller General of the Republic can only be removed from office after assessment of the causes and a political trial in the Chamber of Deputies. Likewise, in Paraguay, the comptroller is named by agreement in the Chamber of Deputies and is irremovable except after the assessment of the causes and a trial. In Mexico, the General Auditor of the Republic can only be removed by a vote of 2/3 of the members of the Chamber of Deputies. In Brazil, the protection of the Comptroller is also very strong in formal and informal standards. On the contrary, in El Salvador, formality is surpassed by informality and protection is deficient so far.

In order to complete the picture, the regulation of conflicts of interest in most of the Latin American countries is diverse and unsystematic and the implementation poor. Uruguay presents a peculiar case. The freedom to work stated in the constitution impedes establishing different incompatibility rules in the public and private sectors. Incompatibilities can only arise with a conflict of interests. In Mexico, the law of administrative responsibility of officials regulates abstention, gifts, and post-employment quarantine (1 year). The penalties for accepting gifts are very strict, and the fines can reach up to 10 times the minimum wage, as well as returning the gift. There is also a rigorous system for declaring assets (with the option of releasing the information to the public). The rigorous

prohibition of nepotism is a typical feature of the Mexican model. Sanctions range from dismissal and disqualification to economic sanctions (compatible with the previous ones). Chile has a specific Law of Conflicts of Interest and Incompatibilities from 2016. The General Comptroller of the Republic is responsible for its implementation. The criminal code also specifies behaviors related to a conflict of interest. Bolivia regulates incompatibilities in its Constitution; specifically, it prohibits the performance of two public positions, entering in conflicts of interest, holding public contracts with the unit in which one is employed, and being manager for private enterprises that have a relationship with the State. Also, there are other rules regulating declaring assets and the prohibition of gifts, like the law of Marcelo Quiroga that establishes the penalty of jail of 1–3 years for accepting gifts. Nonetheless, implementation is weak. Colombia has numerous rules on this issue. Rules prohibit incompatibilities, post-employment in companies with which a relationship as public manager was held, declarations of assets and interests for officials as well as public sector contractors. Noncompliance penalties are very strict. A false declaration may result in criminal charges. In Salvador and Guatemala, there are rules in this area, especially for declarations, but implementation is ineffective.

3.4 Impacts

Tackling corruption is one of the objectives of the United Nations' Sustainable Development Goals (SDGs). The UN calls on governments to “substantially reduce corruption and bribery in all their forms” (Goal 16.5). Latin American countries are very concerned with this problem. But to confront corruption it is important to know its dimensions. Measuring corruption has become an increasingly important research topic (Andersson & Heywood, 2009; Sampford, 2006). It can be done in three ways (Solimano, 2008). First, it may be done objectively, starting from knowing corruption complaints and investigations by public prosecutors and judges and gathering information on sentences and convictions. For example, the Odebrecht case resulted in sanctions for businessmen and very important political figures at the highest levels (Presidents, former presidents, and Vice presidents) in Brazil, Ecuador, and Peru because of their involvement with bribery and illegal funding for public contracts. There are also investigations in Guatemala and Panama that dwell on former presidents Jimmy Morales and Ricardo Martinelli. This method demands shared high-quality legal systems in order to undertake accurate comparative studies. If not, comparisons are useless because some countries without criminal cases can be the most corrupt. Secondly, it may be done through corruption perception surveys on national and foreign investors, experts, or the citizens. Thirdly, it can be done using victimization surveys in which citizens are asked about their experiences in paying bribes to State officials. All instruments have serious methodological or content flaws (see, among others, Johnston, 2009; Sandholtz & Koetzle, 2000; Weber Abramo, 2007). Therefore, in order to measure the level of corruption in Latin America, as elsewhere we must use imperfect instruments, indexes that capture part of its reality.

According to Transparency International,¹⁰ “in the last few years, Latin America and the Caribbean made great strides in the fight against corruption. Laws and mechanisms exist to curb corruption, while legal investigations are advancing, and citizen anti-corruption movements are growing in many countries across the region. However, according to the [Corruption Perceptions Index \(CPI\) 2017](#), the region continues to score poorly for corruption. While progress has been made combating corruption in several countries, there are still no overarching policies to address the historic and structural causes of corruption throughout the region.” In most of the countries, the scores have worsened in the last years and where there are improvements they are still slight (see Table 15.4).

Table 15.4. Corruption Perception Index Americas^a.

Rank 2019	Country Americas	2019 Score	2016 Score	2014 Score	2012 Score
12	Canada	77	82	81	84
23	United States	69	74	74	73
21	Uruguay	71	71	73	72
29	Bahamas	64	66	71	71
26	Chile	67	66	73	72
30	Barbados	62	61	74	76
48	Saint Lucia	55	60	71	71

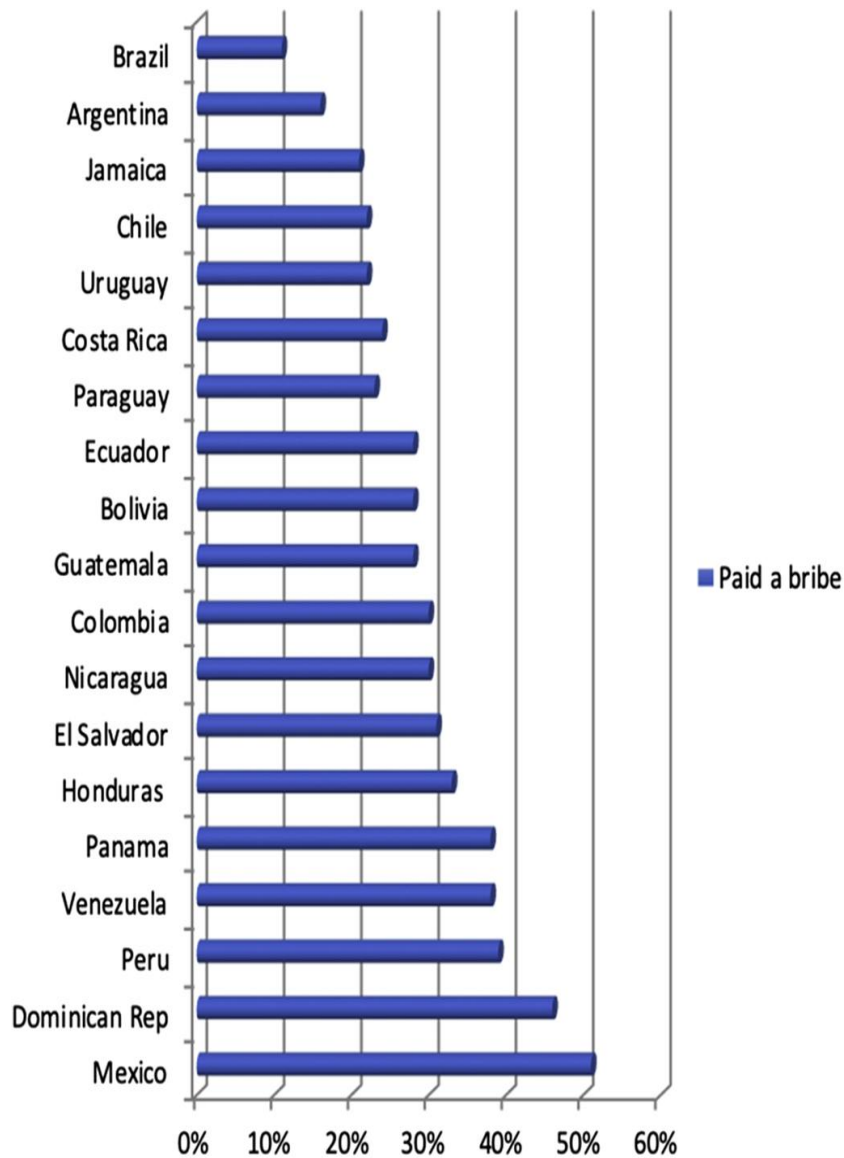
Rank 2019	Country Americas	2019 Score	2016 Score	2014 Score	2012 Score
39	Saint Vincent and the Grenadines	59	60	62	62
48	Dominica	55	59	58	58
44	Costa Rica	56	58	54	54
51	Grenada	53	56	N/A	N/A
60	Cuba	48	47	46	48
70	Suriname	44	45	36	37
106	Brazil	35	40	43	43
74	Jamaica	43	39	38	38
101	Panama	36	38	37	38
96	Colombia	37	37	37	36
66	Argentina	45	36	34	35
113	El Salvador	34	36	39	38
101	Peru	36	35	38	38
85	Trinidad and Tobago	40	35	38	39
85	Guyana	40	34	30	28
123	Bolivia	21	33	35	34
137	Dominican Republic	28	31	32	32
93	Ecuador	38	31	33	32
146	Honduras	26	30	29	28
130	Mexico	29	30	35	34
137	Paraguay	28	30	24	25
146	Guatemala	26	28	32	33
161	Nicaragua	22	26	28	29
168	Haiti	18	20	19	19
173	Venezuela	16	17	19	19

^a Data sources are standardized to a scale of 0–100 where a 0 equals the highest level of perceived corruption and 100 equals the lowest level of perceived corruption. <https://www.transparency.org/cpi2019>

Source: Prepared by the author based on Transparency International CPI Series.

The results of the victimization indexes are no better. According to the Global Corruption Barometers 2017 and 2019, from Transparency International, those who had had contact with six key public services in the last 12 months were asked whether they had paid a bribe, given a gift, or done a favor to the public official in order to get services. TI found that 76% of overall respondents had contact with at least one public service in the previous 12 months. Of these, more than one in five people (21%) paid a bribe for basic services, such as health care or education. Across the 18 countries surveyed, this equates to approximately 56 million people who paid a bribe in the preceding year (TI, 2019, p. 17). Seven years before, in 2010, 23% reported paying a bribe in the last 12 months in Latin America. Essentially, the situation remains unchanged (see Table 15.5). The results show that the police have the highest bribery rate (24%) and the public services are most likely to demand and receive bribes. Right now, only the Middle East and North Africa region has worse scores than Latin America (30%). In most of the European Union countries, less than 4% of the people declare having to pay a bribe.

Table 15.5. People Having to Pay a Bribe.



Source: Global Corruption Barometer 2017, Transparency International.

These results, linked to the multiple scandals that came to light in the last years, have created a pessimistic view of governments' corruption fighting. The Global Corruption Barometer surveys of 2017 (TI, 2017) and 2019 asked people whether they thought the level of corruption in their country had increased, decreased, or stayed the same in the 12 months prior to the survey. Almost 6 in 10 people living in LAC think that the level of corruption had increased (62% in 2017 and 57% in 2019). Moreover, Transparency International asked people to tell them how well or badly they thought their government was doing in fighting public corruption. They found that just over a half of citizens in the region said

...that their government was doing badly (57% in 2019) while just over one-third said that their government was doing well (39%). The highest levels of disapproval were found in Venezuela, Panama, and Dominican Republic where over two-thirds of citizens in these countries gave their government a poor rating. (TI, 2019, p. 12)

The quality of the rule of law can be another proxy to measure good government. There is ample data to demonstrate that a meritocratic bureaucracy with a "strong ethos" reduces corruption (Dahlström, Lapuente, &

Teorell, 2011; Rauch & Evans, 2000). There are numerous studies indicating that an appropriately accountable bureaucracy guided by professional ethics correlates with the existence of strong rule of law (Rothstein & Teorell, 2008; Thomas, 2006). Furthermore, where there is a strong rule of law there is less corruption and more accountable governments. For example, according to our analysis, in the indexes of Good Governance of the World Bank, the correlation between the index for “Rule of Law” and “Control of Corruption” is of $r = 0.95$ ($N = 188$) for the years 2002–2016 (see Kauffmann et al., 2006). This encourages us to employ the World Bank’s Rule of Law Index as a proxy of good government in Latin America. In this index the standard normal units of indicators range from around -2.5 to 2.5 . The average for Latin America is -0.47 (the EU average is 1.10). All these data show that there is much room for improvement in the development of the rule of law in Latin America (see Table 15.6).

Table 15.6. Rule of Law in Latin America^a.

Country Name	Series Name	2011 [YR2011]	2016 [YR2016]	Change 11–16	Ranking
Argentina	Rule of Law: Estimate	-0.56	-0.34	+	8
Bolivia	Rule of Law: Estimate	-0.97	-1.20	-	19
Brazil	Rule of Law: Estimate	0.03	-0.08	-	5
Chile	Rule of Law: Estimate	1.36	1.12	-	1
Colombia	Rule of Law: Estimate	-0.25	-0.31	-	7
Costa Rica	Rule of Law: Estimate	0.45	0.46	+	3
Cuba	Rule of Law: Estimate	-0.69	-0.41	+	9
Dominican Republic	Rule of Law: Estimate	-0.77	-0.28	+	6
Ecuador	Rule of Law: Estimate	-1.20	-0.69	+	14
El Salvador	Rule of Law: Estimate	-0.72	-0.70	+	15
Guatemala	Rule of Law: Estimate	-1.03	-1.04	-	17
Haiti	Rule of Law: Estimate	-1.40	-0.99	+	16
Honduras	Rule of Law: Estimate	-0.90	-1.11	-	18
Mexico	Rule of Law: Estimate	-0.54	-0.50	+	11
Nicaragua	Rule of Law: Estimate	-0.72	-0.60	+	12
Panamá	Rule of Law: Estimate	0.01	0.02	+	4
Peru	Rule of Law: Estimate	-0.57	-0.49	+	10
Uruguay	Rule of Law: Estimate	0.69	0.63	+	2
Venezuela, RB	Rule of Law: Estimate	-1.67	-2.17	-	20
Paraguay	Rule of Law: Estimate	-0.83	-0.66	+	13

^a Rule of law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

Source: Produced by the author based on the Worldwide Governance Indicators series, World bank.

The persistence of the aforementioned institutional problems seems to correlate with the confidence in the institutions and with the support for democracy expressed by the respondents in Latinobarómetro (2016 and 2017).¹¹ Confidence in the institutions, particularly in the political and governmental institutions, decreased since the measurement of 2015. The fall in citizen confidence on the electoral institutional framework, in two years, went from 44% to 29% (people saying they have a lot or some confidence); confidence in the government dropped from 33% to 25%; the confidence in the judicial power decreased from 30% to 25%; the public trust in Parliament dropped from 27% to 22%; and confidence in political parties—the institution that generates less confidence among citizens—went from 20% to 15%. Summarizing all these data we can conclude that, although the efforts on improving the formal systems of transparency, integrity, and accountability continue in most of the LAC countries, their impact is still weak or very weak (with the exceptions of Chile, Uruguay, and Costa Rica).

4. Why Is This Happening?

The first explanation that appeared in the focus groups developed in 2017 was that, although new standards were being adopted in many countries, these standards did not produce the desired results because of poor implementation and also because, when success stories appeared, they were connected to setbacks in other areas. There continues to be a significant lack of credibility and confidence in politics, often linked to persistent corruption, coupled with highly clientelistic political parties. Governments tend to consider only the short term (election by election), but integrity policies need long-term commitment. There is a great distance between large cities and rural communities; local governments are not being sufficiently considered. One challenge is to “translate” public data into “understandable information”; convert the technical language into “citizen” language; and deepen focused transparency. On the other hand, the continuous creation of control bodies and the generation of multiple laws do not help coordination—there is often lack of commitment and cooperation among the key actors in the integrity system.

Overall, the formulation of policies to promote good government and combat corruption demands a holistic and inter-institutional design (Pope, 2000). A national integrity framework includes, besides the executive, the legislative and judicial branches and includes a program of civic culture development. In a broad sense, good government implies a good State and good society. Essential actions constitute changing civic culture, generating the adequate preferences among citizens, promoting trust, and creating social capital. It is also important to consider the private sector, promoting the development of corporate social responsibilities policies and compliance mechanisms, establishing criminal responsibility of corporations, strictly punishing the corruptor and not just the corrupt. Political parties and movements are a crucial part in the formulation of a global integrity policy (from which Administrative Integrity is but a part). Communication media should also maintain an objective anticorruption stance based on reliable information.

From this holistic perspective, it is necessary to acknowledge that, in the region, there is a dearth of examples of a national project that fits this model. Often, political parties and the media are not included in the formulation of anticorruption strategies, or the strategy is focused on the executive and neglects the legislative and judicial branches. The development of projects is often technocratic and closed to civil society, the market, and public employees. Frequently, the strategy is clearly repressive but works poorly in the preventive phase; in other cases, several ethical codes and preventive measures are projected into environments of systemic corruption where they fail to create any impact. Last, the sequencing is occasionally erroneous, for example, when agencies without competencies or rules without control and enforcement agencies are created. In any event, there are countries experiencing a successful anticorruption strategy and establishment of integrity in the public service, as seen in the cases of Chile or Uruguay, about which it is useful to look closer to analyze their national integrity frameworks and try to incorporate, as fit to the context, the best they offer.

If there are problems in formulation, implementation cannot be successful. The examples of implementation failures are far too numerous in Latin America. First, enforcement needs greater coordination between creation of standards and the establishment of processes and structures in a way that the three elements are explicitly linked to a global strategy for promotion of ethics among public officials. This coordination is largely absent in most countries. Similarly, training, education, and awareness on public ethics programs are not related to any global strategy, which diminishes the impact they can have on public servants.

In any case, the most important factor explaining failures of design and implementation is the presence of a social trap and a political trap. The social trap is expressed by the incoherence of society itself, which demands honesty from government, but in practice incentivizes corruption by paying bribes, breaching rules, and demanding privileges within the framework of clientelist networks. According to collective action theory, corruption is self-reinforcing in nature, as explained by Persson, Rothstein and Teorell (2012), when corruption is clearly perceived, it creates a larger problem than when it is not perceived because the high perception of corruption may create “a second order collective action dilemma” (Ostrom, 1998, p. 7), wherein rational actors are highly dependent on shared expectations about how other individuals will act. Thus, as long as a large enough number of actors are expected to engage in corruption, everyone has something to gain personally from engaging in corruption and there is little possibility of being caught and punished (Bardhan, 1997; Morris & Klesner, 2010). Failures to contain corruption and overperception of its existence may, thus, have wider societal consequences, affecting institutional and social trust and acceptance of rule breaking in those societies (Villoria et al., 2013). Those societies will face a “social trap” that will preclude them from building the necessary social consensus to adopt public policies that would nurture a generalized social solidarity and trust (beyond private groups).

The political trap, on the other hand, emerges from strong path dependency resulting from the consolidation of patronage or clientelist networks, as demonstrated by historical institutionalisms (Peters, 2005). Even if it is clear

that the disappearance of patronage networks depends on creating solid and effective constraints to the executive power, this is a difficult step to take. As expressed by Wolfgang Müller (2007), a political party that hopes to overcome the highly particularized distribution of public services in favor of a fair allocation would face two difficult challenges. First, it would face opposition from its own clientele when crushing the expectation that this may have created hoping to enjoy the spoils of power. Second, this party would have a major credibility problem to convince voters of its determination and defeat their skepticism at the twilight of a long tradition of clientelism. Both obstacles are hard to circumvent and make the disruption of clientelistic networks and thus the reduction of corruption extremely difficult (Rothstein, 2011).

In some cases, there is a lack of willingness to combat corruption and promote integrity, but for our purposes, it is important to be conscious of the difficulties of escaping from these “traps” once consolidated. This takes us to the explanation that, although new standards are being adopted in many countries, these standards do not produce the desired results because of its poor implementation and, when success stories appear, they are connected to setbacks in other areas.

5. Conclusions

To conclude, we can say that, after analyzing very different experiences the following can be demonstrated: (1) There is at least a formal concern for promoting integrity and facing the challenges of corruption in several countries. (2) There are problems of diagnosis, which causes us to defend the need to study in novel ways the causes and ways of combatting corruption in environments characterized by systemic corruption. (3) An intention exists to establish and maintain the cooperation of States in this regard. (4) Some countries provide a clear view of battling corruption in the political as well as private and social spheres. (5) Including the participation of citizens in the fight against corruption and the generation of good government has produced some positive results, at least at the micro level. (6) The existence of some form of coercive isomorphism can be demonstrated as an explanation for anticorruption measures and public bodies in some countries; in other words, some measures have been approved to abide by the terms of conditionality imposed by international aid or loans. (7) As a consequence of the character imposed by these measures, once funds have been secured, the implementation is relegated to a second level. (8) This does not prevent that in some countries the measures respond to a certain degree of endogeneity and strategic vision of leadership, which can lead to positive results in the medium and long run.

History shows that countries successfully responding to integration and competency problems are those that have built the rule of law, accountability systems, and a strong State, with solid bureaucracies and capacity to control the territory (Fukuyama, 2011). However, the rule of law would not be possible without honest administration, capable of impartially when implementing the law, objectively managing programs without discrimination. Likewise, accountability is only possible with transparent administrations that manage with quality and results, with well-organized files and well-defined public commitments, close to the citizens. The major factor that differentiates some countries from others is not based on the quantity of rules and regulations that say the government should work with integrity, accountability, or transparency, but the real capacity to unite the rules, the routinized processes of implementation, and the organizational structures and to provide enough operational capacity and political independence to the people in charge of managing them. Where authorities have had the strategic vision of ceding power and privileges to an honest, professional, and accountable administration in exchange for legal certainty, impartiality, and efficiency, the economic, social, and political results have been positive. The examples of Chile and Uruguay, with all their difficulties and deficiencies, demonstrate this.

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*Part of this research has been funded by the Spanish Ministry of Economy: project DER2015-71755-REDT. A large amount of the data included in this text comes from projects financed by CLAD and European Union: Simposio iberoamericano de alto nivel sobre buen gobierno and Strategies for Public Sector Reform.

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https://www.transparency.org/news/pressrelease/corruption_and_impunity_in_the_americas_require_urgent_actions_not_just_rhe

²Institutions, according to Elinor Ostrom, are “prescriptions that human beings use to organize all kinds of repetitive and structured interactions” (2005, p. 3). According to North, they would be “the rules of the game in a society; formed by formal (laws, constitutions) and informal (behavioral norms, conventions) restrictions, and the characteristics of their implementation and enforcement. Taken as a whole, they constitute the incentive structure of societies” (1990, p. 3).

³For that, we refer to Villoria (2011).

⁴ <http://www.rti-rating.org/country-data/>

⁵ <https://rsf.org/en/2019-rsf-index-authoritarianism-and-disinformation-worsen-situation-latin-america>

⁶“Introduction,” Código Iberoamericano de Buen Gobierno, Montevideo, 2006, p. 1.

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Chapter 16

Enhancing Accountability Through Results-oriented Monitoring and Evaluation Systems

Sonia M. Ospina, Nuria Cunill-Grau and Claudia Maldonado

Abstract

This chapter describes an institutional choice that most Latin American countries have taken in the past 25 years: the creation of national Public Performance Monitoring and Evaluation (PPME) systems. We summarize research assessing their institutionalization, identify their shortcomings, and discuss trends demonstrating a potential – not yet realized – to fulfill their vocation as instruments of political and democratic accountability. Despite remarkable progress in their institutionalization, the evidence suggests that the systems fall short in producing strong results-oriented democratic accountability. Key factors hindering this aspiration include the systems' low credibility, problems associated to their diversification, low institutional coherence, and lack of effective coordination mechanisms to improve information legibility, its quality, its usefulness, and thus its use by both public managers and citizens. We suggest that PPME systems depend on environmental conditions beyond government structures and processes and argue that citizen-oriented mechanisms and entry points for social participation around the systems are required to fulfill their accountability function.

Accountability and legitimacy are interrelated and essential features of democratic governance. In Latin America, the third wave of democratization was followed by a revision of the role of the State in the development process and the adoption of results-oriented management as a new public administration philosophy. As a result, institutional changes emerged in response to heightened demand for improved government performance. This chapter links the results-oriented national Public Performance Monitoring and Evaluation (PPME) systems slowly emerging in most Latin American countries during the past 25 years to public accountability and governmental performance.

Public accountability refers to “the obligation of those entrusted with particular responsibilities to present an account of, and answer for, their execution” (OECD, 2005, p. 1). As Bovens (2005, p. 182) indicates

Public accountability is the hallmark of modern democratic governance. Democracy remains a paper procedure if those in power cannot be held accountable in public for their acts and omissions, for their decisions, their policies, and their expenditures.¹

“Public” in this context, he argues, has two meanings: first it relates to openness, and thus to the fact that the account giving is either done in public or at least it is accessible to citizens; second it refers to the public sector and its performance (p. 183). Latin American national PPME systems offer insights into one important side of the public accountability equation.

Efforts to enhance public sector accountability come both from the State and from Civil Society. Thus, public accountability relationships must be viewed from at least two different perspectives. A first perspective considers *civil society's initiatives to make the State more accountable*. Recent work on social accountability has documented a considerable growth of citizen-driven efforts in countries like India, Colombia, Uruguay, and Brazil to make governments more accountable to the citizenry (Peruzzotti & y Smulovitz, 2002; see also Zurbriggen in this Handbook). These sometimes have yielded access and concessions from government, other times they have kept government responsive to demands for information assessing progress of its action. In contrast, a second perspective considers *the State's own initiatives*

to become more accountable. A growing public sector reform movement has emphasized the need for governments to improve transparency and develop mechanisms to account for effective action and efficient use of public funds (Mainwaring & Welna, 2003; Talbot, 2008). Several initiatives have emerged under this State-driven approach: some aim to institutionalize citizen participation and social control to engage civil society (Cunill-Grau, 2000, 2009; Fung & Olin Wright, 2003; Peruzzotti, 2007). Others aim to institutionalize public administration assessment mechanisms to give accounts to internal and external stakeholders (Mainwaring & Welna, 2003; Moynihan, 2009; Moynihan et al., 2011). This is part of a new ethos to become more results-based and transparent about the relationship between inputs, process, and outcomes of governmental activities (Mokate, 2006; Ospina, 2001, 2006).

In this chapter, we describe State-driven efforts of the latter type, aimed to make the public sector more accountable. More specifically, we focus on initiatives to develop and institutionalize governmental systems of monitoring and evaluation (M&E) at the national level, an institutional choice to assess public sector performance taken by most Latin American countries in the past 25 years. *Monitoring* refers to the recurrent assessment of the progress of an intervention, using performance indicators selected a priori and then followed over time. Indicators may be qualitative or quantitative and may focus on process and/or results. While not explaining the causes of the documented results, monitoring offers relevant information about achievement of proposed goals, thus motivating corrections as needed. *Evaluation*, in contrast, assesses an entire intervention (program or agency), using procedures and analytical tools to yield comparable data about the process, the results, and/or the impacts. The aim is not only to document patterns but also to capture the causal mechanisms that help document and understand the impact of an intervention. Evaluation findings help decision-makers assess whether the program achieved its purpose and illuminates the potential weaknesses and strengths of the various components of the program's theory of change and its implementation (De Lancer Julnes, 2009; Irrarázabal, 2006; Monkate, 2006; Ospina, 2006; Wollman, 2003; Zall & Rist, 2004).

Developing M&E tools in a broader national system aimed to enhance governmental accountability also responds to a global trend.² Their general

purpose is to assess public management's effectiveness to implement public policy. M&E systems thus represent a deliberate attempt to link performance and accountability in the public sector. As such, they are directly associated with the various types of accountabilities administrators face in a public context: organizational or hierarchical, administrative, legal, political, and professional accountability (Romzek, 1996), and the accountability relationships associated with them, to superiors (organizational); to elected representatives (political); to the courts (legal); to auditors, inspectors, and controllers (administrative); to professional peers (professional), with their own sets of norms and expectations (Bovens, 2005).³

Virtually all countries in the region presently have in place or are in the process of developing PPME systems as a public accountability mechanism that considers these accountability relationships. Systems across Latin America include diverse types characterized by particular mixes of actors, functions, tools, and accountability relationships. Indeed, regional variations as to what constitutes a national PPME system – and even the lack of differentiation of concepts like “performance measurement,” “monitoring,” and “evaluation” (Zall Kusek & Rist, 2004) – have made comparative research difficult until recently.⁴ In this chapter, we offer some conceptual clarity and try to advance understanding of the relationship between these M&E efforts and the goal of enhancing public accountability in the context of the region's efforts to create PPME systems.

We argue that, despite remarkable advancement toward the consolidation of results-oriented management through the creation of PPME, the systems still fall short of contributing to the goal of enhancing public accountability. We identify three shortcomings that require further attention to attain this goal: the lack of credibility and increasing dispersion of the information produced; the systems' reduced coherence based on various types of fragmentation; and the relative absence of two key stakeholders in the conversation: citizens and Parliaments. In response to these weaknesses of PPME systems as instruments for accountability, international initiatives – like the Open Government Partnership (OGP), the Global Parliamentarian Forum for Evaluation and National Evaluation Capacities – offer a window of opportunity to move forward.⁵ However, national appropriation of these initiatives and their specific contribution to results-oriented accountability

remain to be seen. Bolder action is needed to ensure that the PPME systems can in fact transform from technical exercises responding to narrow accountability conceptions or to broad rhetorical calls for good governance, into strong public accountability mechanisms that in fact support and deepen democracy.

This chapter is structured as follows. First the PPME systems are briefly described and located within broader efforts in developing countries to address issues of accountability and performance. This is followed by a deeper categorization and description of the Latin American systems, based on prior empirical studies, with a particular focus on their development and institutionalization over time. Finally, we wrap this chapter with a discussion of recent key trends and future challenges, as well as implications for enhancing accountability in a problematic political context in the region: decreasing credibility of political institutions (government and political parties) and an all-time low in citizens' support for democracy (Latinobarometer, 2017).

1. Results-oriented Public Performance Monitoring and Evaluation Systems: Increasing Importance for a Development Agenda

When considering performance regimes (Talbot, 2008) in the context of Latin America, a direct reference must be made to the institutional design choice most countries in the region have made to assess public sector performance by way of national Public Performance Measurement and Evaluation (PPME) systems. Performance regimes can be thought of as a particular combination of the institutional context (actors with formal rights and other instruments) and interventions (actions those actors take) that a given society uses to steer the performance of its government's public organizations and programs (Talbot, 2008; Talbot, Johnson, & Wiggan, 2005). In the case of the Latin American national PPME systems, normally one or several governmental units coordinate the interventions. With a few exceptions, they tend to privilege actors and agencies associated with the Executive power, despite efforts to also be of service to the legislature. Yet they explicitly claim to

address political, financial, and performance goals, thus aiming to foster democratic governance.

Systems of democratic governance have at least three interconnected accountability dimensions (Brinkerhoff, 2001): first, democratic/political accountability is at the core of democracy itself, as representative leaders owe accounts to those who elected them; second, financial or economic accountability point to the control and monitoring of public resources; third, performance accountability links resources to results. National level M&E systems in Latin America represent the region's response to the global mandate to link political, financial, and performance accountability.

The national PPME systems target public expenditures and/or strategic goals at the central or federal level. Most systems have been designed, in theory, with the explicit purpose of offering information about the consequences of governmental actions. The aspiration is that documenting them will offer helpful feedback for policy makers, public managers, and citizens (Cunill & Ospina, 2008; Zalt Zuzek & Rist, 2004). They can thus be viewed as policy tools to develop a results-oriented culture and practice in the region's public sector (García & García, 2010).

Serra (2007) locates PPME systems as one of several useful factors to promote the organizational integration required to ensure effective management for results (MfR) in the public sector. He defines MfR as

...a conceptual framework through which a public organization facilitates the effective and integrated direction of its process of public value creation, in order to optimize it, thus ensuring maximum efficacy, efficiency and effectiveness of their performance, attainment of governmental goals and continuous institutional improvement. (p. 18, translated from Spanish).

The key goal of MfR in a public context, Serra asserts, is to manage the process of public value creation to develop needed organizational capacity to achieve government goals. In this sense, results-oriented management is a strategy for integration and alignment, not one more tool to be added or substituted by others.

Those practicing MfR take different approaches with distinct instruments in different contexts. In Europe, France, Germany, or Ireland, they have focused attention on the reform of budgetary processes, while in Denmark, the Netherlands, Norway, and Sweden, the emphasis falls on monitoring activities and products. Australia, the United States, and the United Kingdom combine M&E of results. In Latin America, we argue, the original focus and general tendency has been to introduce MfR by creating national systems of PPME, which vary in their emphasis – on budgetary or planning strategies, on monitoring or evaluation – according to country-level factors, including institutional design, history, and political context. More recent efforts have implemented similar systems at the local level, developing a broader approach of MfR that incorporates but moves beyond PPME systems.⁶

The manifestations of this broader global trend respond to the demand for public sector accountability, the need for systems to improve program quality, and the increasing availability of M&E technologies and tools (López, Rivera, Lima, & Hwand, 2010; López-Acevedo, Krause & MacKay, 2012). Multilateral intergovernmental organizations are increasingly interested in exploring the potential of M&E systems from an evidence-based perspective, analyzing their strengths and challenges, and sharing lessons learned from both developed and developing countries. Hence, how-to publications and practitioner-oriented seminars proliferate, and national networks and communities of practice are promoted.⁷

The global interest in PPME systems is also present at the regional level. As part of the broader Latin American public administration reform and modernization efforts since the 1990s, multilateral and bilateral organizations such as the World Bank, the Inter-American Development Bank, and UNDP have promoted these systems. Influential documents like “The practice of policy making in the OECD: ideas for Latin America” (World Bank, 2010); “Management for Results in Development: progress and challenges in Latin American and the Caribbean” (García López & García Moreno, 2010, translation from Spanish); and “Building effective governments: achievements and challenges of results-oriented management in Latin America and the Caribbean” (García Moreno, Kaufmann & Sanginés, 2015; translation from Spanish) evidence the interest and exchange of experiences associated with MfR in the region, where PPME systems play a fundamental role. The WB and IDB together (under the auspices of IDB's Program to

Implement the External Pillar of the Medium-Term Action Plan for Development Effectiveness – PRODEV) support the Latin American and the Caribbean Monitoring and Evaluation Network, where stakeholders share knowledge and experiences along with a gamut of actors including high-level government officials, researchers, donors, and consultants who meet in annual regional conferences.

However, the relative autonomy and degree of experimentation of the various countries' PPME systems suggest that they are not merely imposed by external actors. They also reflect endogenous exchanges and negotiations among parties with particular interests and motivations, including those of internal champions (see Kushner & Rotondo, 2012). They also respond to strategic attempts from public officials to leverage international resources to address performance and accountability demands in their countries (Cunill & Ospina, 2003, 2008, 2012). Country-level institutional variation, varying degrees in scope of implementation, and discontinuous trends toward system consolidation suggest a greater role of domestic factors driving the logic and scale of PPME and the scope of utilization of the produced information for citizen accountability and policy dialogue (Pérez & Maldonado, 2015). And some convergence in recent reforms might signal more proactive peer learning processes.

1.1 The Nature and Logic of the National Performance Monitoring and Evaluation Systems in Latin America

There is excellent literature on evaluation and monitoring mechanisms in public service in developed countries.⁸ Literature from multilateral and bilateral international organizations also summarizes supporting efforts and knowledge drawn from the field in developing countries.⁹ Of particular interest for this chapter, these institutions have also commissioned rigorous academic research, offering frameworks and country cases in Latin America (e.g., Serra, 2007; Zaltsman, 2006), and some larger comparative research projects on their origin and evolution (Cunill & Ospina, 2003, 2008; Pérez & Maldonado, 2015).

In this section, we draw primarily from research projects conducted in 2001–02 for four pioneering countries (Cunill & Ospina, 2003) and in 2006–07 for 12 countries (Cunill & Ospina, 2008), and a regional outlook of recent

developments of PPME in 10 countries (Pérez & Maldonado, 2015).¹⁰ , ¹¹ These were qualitative comparative case studies unified through a common protocol.¹² Despite some methodological differences and variation in the countries covered, the studies share a comparative lens and analytic intention. They explore the nature and logic of the systems; identify their core institutional features and involved actors and stakeholders; track their development over time; and identify prospects for their institutionalization and their effective contribution to democratic governance. Furthermore, complementary over time, they arrive to similar conclusions on key challenges and shortcomings of PPME systems in the region. Some insights are summarized below.

1.2 Diverse Functions, Tools, and Stakeholders

Operated at the national level, PPME National systems run independent of other PPME systems developed at the ministry and agency levels, and also work separately from traditional audit agencies with control functions within the traditional public administration paradigm. They also run independent of civil society efforts to address governmental performance such as social observatories or citizen audits. Nevertheless, as a key component of the country's performance regimes, national PPME systems influence the rules of the game in national programs' and agencies' performance, as well as the accountability relationships among various actors in government. The Ministries of Finance and of Planning where they exist (or their equivalents where they do not) tend to play protagonist roles in the life of the Latin American systems.

What rationale has been used to develop and legitimate the national systems as they have emerged throughout the region? Zaltsman (2006) identifies five broad purposes or functions officially declared by the four pioneer systems in the region (Colombia, Costa Rica, Chile, and Uruguay): to enhance (1) the management of public organizations; (2) programs and policies; (3) strategic planning and global policy making; (4) to rationalize public expenditures (budgetary appropriations); and (5) to respond to accountability demands.

The degree of attention each function receives can be associated with the country reform initiatives within which they emerge. Some systems have

emerged from public administration modernization efforts, while others from democratization agendas. These founding moments leave a profound imprint in their development over time, defining the direction the national systems have taken in each country (Cunill & Ospina, 2008; Ospina, 2006; Pérez & Maldonado, 2015). Furthermore, in countries with more than one declared function, one tends to gain prominence over the others, and often changes through the life cycle of the system over time. In practice, the goal of accountability is present in all countries, yet each emphasizes one or two of the five declared functions. A brief overview of the systems' emergence in two pioneer countries illustrates these variations and complexity in the region.

The National Evaluation System of Public Management Results (Sistema Nacional de Evaluación de Resultados de la Gestión Pública), SINERGIA (by its name in Spanish), emerged from a Constitutional mandate in 1991. A specially created unit at the Directorship level coordinates the system within the National Department of Planning (a ministry-level agency accountable directly to the President). Rather than an agency performance evaluation technical tool or to modernize public management, SINERGIA's creators imagined a mechanism to ensure accountability over the use of public resources within the political platform promised by the democratically elected government. SINERGIA was officially launched in 1994 and was piloted in a few agencies expecting eventually full coverage in the entire public administration. SINERGIA monitored indicators to ensure goal achievement of the National Development Plan (NDP) and evaluated strategically selected broader public programs over time. Eventually, attention shifted to ensuring that the produced information would inform budgetary allocations and promote result-oriented public management.

Despite the system's purpose to evaluate policy at the macro level, it was originally designed so it would also assess policy implementation at the organizational level. Thus, each sector (i.e., health, education, transportation, and so on) and each agency within the sector would produce “cascading” goals and plans (with respective indicators of success). Ministers and high-level agency managers made commitments and identified indicators in a strategic plan that linked organizational missions with the goals of the NDP. Later, the system focused primarily on the policy level, leaving the downward organizational replication of M&E actions as a voluntary Ministry

choice. More recently, further efforts were made to connect the planning exercises emanating from the National Department of Planning to the budget exercises for which the Ministry of Finance (Hacienda) were responsible. In 2014, Decree 1290 sought to clarify and strengthen the system's logic by explicitly defining the objectives, scope, principles, and actors involved in processes associated with its components: monitoring of government goals and evaluation of public policy and *Sinergia territorial*.¹³

This evolution contrasts with the origins and nature of the PPME systems in Chile. Since 1994, evaluation initiatives became a priority in this country, given a strong governmental public management modernization effort. Chile did not start with a decision to create a unified, national-level system geared toward public policy. Rather than mandated by law, the efforts that ultimately produced its two formal systems started as part of an executive strategy to develop very specific M&E mechanisms to assess performance at the agency level within the modernization framework. Several tools and initiatives to support government program coordination and to inform budgetary allocation decisions emerged through experimentation. Specific efforts eventually gave way to pilot plans geared to generate learning in strategic planning and to create management control systems with their own performance measures and indicators.

These initiatives slowly diversified and spread horizontally across Chile's public administration, incorporating more technical activities such as verification of evaluation results. There were multiple initiatives of monitoring or evaluation across the government, some which offered information to feed budgetary processes requiring Parliament approval. Around 2000 DIPRES led efforts to refine and integrate these mechanisms, resulting in two complementary formal systems. Instruments the Finance Ministry developed through its Budget Office (DIPRES by its name in Spanish) became the Management Control System (SCG by its name in Spanish). M&E aimed to support budget allocation, thus involving actors as diverse as the executive and legislative branches. Separate instruments monitoring agency-level goals linked to executive goals became the Monitoring System of Governmental Programming (SSPG by its name in Spanish), under the Ministry General Secretary of the Presidency (SEGPRES by its name in Spanish).¹⁴ SCG, under DIPRES, is the most well-known and

developed of the two systems, and the only of the two that uses both M&E tools.¹⁵

The differences among Colombia's system and the two in Chile illustrate the variations associated with the PPME systems in the region. There are differences in origin and development, motivation, and choice of primary functions and tools, level and scale of assessment, responsible bodies (those giving accounts), and consuming entities (those receiving accounts), and so on. These examples also show how the original stated functions (as presented in official documents) determined key system stakeholders, those interested in the quality and substance of the information produced – either as producers of credible information (account givers) or as consumers (account receivers). Considering all cases studied, in theory, these stakeholders would potentially include mid- and high-level officials in the executive and legislative branches, including the President and Cabinet as well as Parliaments (politicians and staffers), analysts in agencies, and Ministries, researchers, and consultants located in public and nonprofit bodies, citizens, and, sometimes, international donors.

Understanding the complexity reflected in these variations requires locating the systems within some analytical framework that permits comparisons. This, in turn, requires iterative rounds of analysis that consider both internal dynamics in each system and patterns and idiosyncrasies across them. A brief description of the outcome of this analysis offers a regional overview of the systems.

2. Classifying Distinct Approaches

Fig. 16.1 depicts the degree of maturity over time of 12 national PPME systems in 10 countries. Appendix 2 offers their full name.

Fig. 16.1. Evolution of the Systems. *Source:* Translated from Cunill and Ospina, 2008.

Two dimensions associated with the systems' evolution help identify important variations: the time of experimentation before its official creation and the year it emerged as an integrated system. Even systems created at similar times vary in the degree of experimentation before the official launch, and there is no pattern of association between less or more experimentation and the maturity (age) of the systems. Since these systems are characterized by high volatility and they continue to change over time, a chronological account helps explore key dimensions associated with the role they play in enhancing regional public sector accountability.

3. Insights from Pioneer Countries: Budget-oriented vs Planning-oriented Systems

Exploring four pioneer countries in PPME systems in the region – Chile, Colombia, Costa Rica, and Uruguay – shed some light into this complexity. A first comparative study (2001–2002) (Cunill & Ospina, 2003) revealed that all countries initiated the M&E systems with similar aims of improving management practices and enhancing accountability. Yet, distinct models with their own orientations and practices emerged. Chile and Uruguay created systems that followed traditional managerial accountability principles, reflective of what we called a “budgeting-oriented model” because of the direct linkages between the preparation of the national budget and planning. Colombia and Costa Rica created systems consistent with what we called a “planning-oriented model,” whose logic included and promoted, beyond managerial accountability, political accountability principles. In this model, medium-term activities and expenditures stemmed from a plan with multiyear development components defined by national priorities (thus fulfilling the “promises” of the elected government) (Cunill & Ospina, 2003, 2012; Ospina, Cunill, & Zaltsman, 2004). Table 16.1 contrasts the two original “models” identified with examples from the pioneer systems.

Table 16.1. Two Models According to Variations in Orientation.

Planning Model**Budgeting Model**

Emphasis on political/democratic accountability

→ Political orientation

Linked to national development plans

Examples:

Colombia – Sinergia: National Department of Planning

Costa Rica – Sine: Ministry of Planning

Emphasis on managerial/fiscal accountability

→ Economic/financial orientation

Linked to the national budgeting cycle

Examples:

Uruguay – Peg/Sev: Planning and Budgeting Office

Chile – SCG: Dipres at the Ministry of Finance

Source: Adapted from Ospina et al., 2004.

The original systems in Chile and Uruguay (SCG and SEGPR, respectively) essentially supported the budgeting cycle. They provided information to improve the budget design and allocation within a framework of managerial accountability. These “budgeting-oriented models” had a predominantly economic function. In both cases, Finance Ministries played a key role in their emergence. In the Chilean case, the SCG was hosted in the Ministry of Finance's agency in charge of preparing the National budget; in the Uruguayan case, the PPME system was embedded in a modernization commission directly linked to the Ministry of Economy and Finance. Given the emphasis on managerial accountability principles such as efficiency and quality, the natural information users would have been Parliament, the central budgeting agencies, and citizens. In practice, the central budgeting agencies became the primary information users, thus emphasizing organizational and administrative types of accountability.

Colombia's SINERGIA and Costa Rica's SINE, in contrast, supported strategic planning and decision-making at both public policy and agency levels. The provided information was meant to improve the implementation of the country's NDP, that is, the formal articulation of the long-term roadmap the President and his administration used as their electoral platform and for which citizens elected them. The broader political accountability goal implied that these PPME systems would help align ministry specific policies

(i.e., health, education, transportation, energy, and so on) to national policies proposed in the NDP, steering performance toward its collective fulfillment. These “planning-oriented” models had a predominantly political function. Surpassing efficiency and efficacy concerns, they emphasized responsibility for electoral promises to the citizenry, from the President down line to agency officials, managers, and employees. They thus emphasized, at least in theory, organizational and political types of accountability.¹⁶

Colombia and Costa Rica located the PPME systems in the central government planning agencies that support ministries in decision-making and policy making processes, the National Planning Department, and the Ministry of Planning, respectively. The systems were expected to inform the President and his top officials, the ministries, auditing and controlling agencies (such as the Republic General Comptroller, the Ministry of Finance and parliament), and finally, the citizenry. In practice, the president and the planning offices became the main users of information.

Therefore, in the early 2000s, the systems in countries driven by a NDP exhibited the more political “planning-oriented model” (Colombia and Costa Rica) and countries driven by a National Budget process exhibited the more economic budget-oriented model (Cunill & Ospina, 2003). There was a direct relationship between the functional orientation of the PPME system and the countrywide institutional context around resource allocation, at least in the four countries studied.

Considering the systems' functions, most formally declared performing many different functions as reviewed above, but in practice they emphasized one or two at a time, particularly consistent with the plan or budget models (Cunill & Ospina, 2003). As expected (Ospina, 2001), the nature of a PPME system was greatly determined by the functions it was meant to perform when created, which in turn also determined the types of instruments and tools developed over time, what we called functional diversification. The study of the pioneer countries found that at the time all four systems engaged in monitoring activities, but only one of Chile's systems was committed to performing evaluations.

Three insights stand from exploring the reasons that hindered information use in these systems and their impact on decision-making. First, only Chile's SCG exhibited a slight direct relationship between M&E results and resource allocation decisions. Policy makers and public managers in the other

countries seemed to lack formal incentives to use the information. Second, the PPME systems were poorly integrated to other activities and agencies involved in the public policy cycle (what we called horizontal integration), and there was little attention to coherence between goals at the macro, meso, and micro levels of the public administration (vertical integration). Third, contrary to the *New Public Management* principles and expectations, the systems failed to provide more flexibility and autonomy to public managers. In general, the information was presented in ways that were not helpful to them. Of course the literature suggests that the incorporation of PPME information in decision-making processes is a slow process and may increase over time (De Lancer Julnes, 2009; De Lancer Julnes & Holzer, 2001; López et al., 2010; Moynihan & Pandey, 2010). It was thus concluded at the time of these studies that changes in the organizational culture and removal of institutional barriers would most likely occur progressively, as the systems became more mature and consolidated.

4. From Five to Twelve Systems: Broadening the Scope of Knowledge

A subsequent study analyzed PPME systems of 12 Latin American countries between 2006 and 2007: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Honduras, Mexico, Nicaragua, Paraguay, Peru, and Uruguay (Cunill & Ospina, 2008).¹⁷ Identifying new trends and features led to a more comprehensive, region-wide categorization, as presented in Table 16.2.

Table 16.2. Analytical Map of PPME Systems.

Context of Spending Allocations(at the Country Level)	
National Development Plan	National Budget

	Functional Vocation	Functional Vocation		Functional Vocation	Functional Vocation
Multifunctional Monofunctional Multifunctional Monofunctional					
<i>System's General Orientation</i>					
Predominantly political	• SINASID Nicaragua	• SINE Costa Rica	• SMMP Brazil	• SERP-Gerencia Honduras	• SPG Chile
	• SINERGIA Colombia		• PEG/SEV Uruguay		
Predominantly economic	• SED México		• SCG Chile	• SSEGP Perú	• MCE-SIPP Paraguay
			• SSEEP Argentina		
Explicitly economic and political (mixed)	• PPA Brazil	• SE del PND Bolivia			
Predominantly social	• SSEPPS Brazil		• MIDEPLAN Chile		
	• Programas Sociales México		• SIEMPRO Argentina		

Source: Translated from Cunill and Ospina, 2008. Permission granted by original source.

The new study suggested the need to classify the general orientation of the systems not only as predominantly political and economic. The comparative analysis yielded instead four distinct groups, including also a mixed combined political and economic orientation (in the case of the Brazilian PPA and the Bolivian SE) and a social orientation (in Brazil, Mexico, Chile, and Argentina). The latter represented an emerging trend, with a few countries exhibiting differentiated systems explicitly engaging in comprehensive oversight of governmental social programs under the

independent jurisdiction of social ministries or agencies (included in Table 16.2 for information even though outside the scope of the study).

The expected direct relationship between the systems' predominant orientation and the country's institutional approach to resource allocation was not confirmed when new cases were introduced. The political orientation was not limited to countries where the PPME system was explicitly tied to the NDP but crossed over into a few countries driven by the National Budget, as was the case in Honduras, Uruguay, and one of the Chilean systems (SPG). Likewise, the economic orientation appeared in Mexico (SED), a country that does have an NDP.

One analytical level below spending allocations at the country level (NDP or National Budget), the new study further differentiated between systems with an explicit single, monofunctional vocation and systems with a multifunctional vocation. Most PPME systems formally claimed an intention to be accountable to civil society and citizens, thus apparently possessing a multifunctional capacity. In practice, this intention was not being fulfilled. In the above table, we have classified the countries according to the claims they made in their official discourse, and to signal the gap, we call it functional "vocation," meaning that they have the potential to attain their aspiration.

Altogether, Table 16.2 offers a descriptive map of the systems as well as some interesting insights about the ecology of PPME systems as a regional phenomenon. Discounting the emergent social systems (which were not part of the study), about half of those studied had a predominantly political orientation, followed by five with a predominantly economic and two with explicitly mixed orientation.

Among the *predominantly political* systems, several were multifunctional created not only to assess policy and organizational level implementation of political mandates but also to address resource allocation or to produce organizational learning. Emphasizing political accountability, they were also concerned with administrative and organizational accountability demands. This multifunctionality did not align one-on-one with the institutional context of resource allocation. Some were explicitly aligned with the NDP (Costa Rican SINE, Colombian SINERGIA, and Nicaraguan SINASID), and others with the National Budget process (Honduran SERP and Uruguayan PEG/SEV).¹⁸ Only two systems were explicitly monofunctional, aimed toward a single macrostrategic coordination function (the Presidential Goals

systems SMMP of Brazil and SGP of Chile), independent of context of spending allocation, one aligned to the NDP and the other to the National Budget, respectively.

The PPME systems under the *predominantly economic* orientation aimed to rationalize and maximize public spending, aiming for an appropriate allocation of human and financial resources in public administration (Cunill & Ospina, 2008). This group was more uniform. As expected, most, with the exception of Mexico, were located in countries with a National Budget allocation (the Chilean SCG, the Peruvian SSEGP, the Argentinean SSEEP, and the Paraguayan MCE-SIPP). Among this group, most systems claimed to be multifunctional, manifesting concern with organizational and legal in addition to administrative accountability demands. The Mexican SED proved the exception to the rule, emerging as predominantly economic, with a multifunctional function but within a spending allocation context driven by a NDP (this would change over time as will be seen later). The Paraguayan MCE-SIPP was the only predominantly economic system explicitly monofunctional (like Chile's political monofunctional system, it was also aligned with the National Budget process).

Finally, the two *explicitly mixed* systems, PPA in Brazil and SE in Bolivia, had an overt multifunctional vocation, and both operated under the spending allocation context driven by a NDP. While the general features of the classification held over time, reforms in some countries reveal an incipient process of hybridization or convergence toward mixed systems. An example of this is the case of Chile, with the creation of the Ministry of Social Development and the Interministerial Committee of Social Development which share core responsibilities with DIPRES, and the role played by the Unit of Monitoring Presidential Priorities (Irrazabal & de los Ríos, 2015), which combine elements of social and political orientation in a predominantly economic-oriented system.¹⁹ Other elements of convergence and cross-fertilization include the adoption of rapid assessment types of evaluation and specific mechanisms to promote the utilization of evaluation results for program improvement (Pérez & Maldonado, 2015).

5 The Institutionalization of PPME Systems in the Region

By the mid-2000s, given the relative maturity of many systems in the region, an important question arose: what factors contribute to their institutionalization? Mackay's (2006) demand-driven characterization helped to explore this query: he linked institutionalization to the existence of sufficient demand of the PPME systems to guarantee their financing and sustainability over time and into the foreseeable future. Furthermore, Mackay later argued that for a system to be institutionalized, the principal interested parties must positively value the information generated, and they must employ it in their quest for good governance (Mackay, 2007). The institutionalization of a PPME system requires, he argued, moving beyond establishing processes, institutional structures, committees, and other elements that make it viable. The degree of institutionalization depends on the capacity of such processes and structures to have a real impact on public administration.

Given this demand-driven definition (Mackay, 2007; Toulemonde, 1999), a new study (Cunill & Ospina, 2008) hypothesized that the institutionalization of the PPME systems was a function of the following factors (defined in the discussion of the findings below): (1) the degree of functional and instrumental diversification; (2) institutional coherence, or degree of integration between the various levels of the system (vertical) and between the system and other public administration systems (horizontal); (3) quality of the information; and (4) a stable human and financial infrastructure.

Indeed, the study revealed that the capacity of processes and structures to impact public administration was, in turn, a function of whether pertinent actors found the information generated by the PPME systems relevant and useful to enhance their work, within the broader aspiration for enhanced government performance (Cunill & Ospina, 2008, 2012). Altogether perceived quality of the information (and thus its credibility) was strongly associated with the system's degree of institutionalization. Findings about functional and instrumental diversification and institutional coherence were mixed, playing a role in some but not other institutionalized systems, and helping to illuminate fragmentation problems. Surprisingly, the quality of the coordinating unit's infrastructure (funding and staff stability, for example) seemed the least relevant factor.

Ospina and Cunill's comparative qualitative assessment tentatively classified the degree of institutionalization of the systems as follows. At one end of the continuum were the most institutionalized PPME systems, SCG from Chile, PPA from Brazil, and SINERGIA from Colombia. At the other end, noninstitutionalized systems included SINASID from Nicaragua, SSEGP from Peru, MCE-SIPP from Paraguay, and SGRP from Honduras. In the middle, more institutionalized than the latter, but less than the former, were the two other systems from Chile and Brazil, SPC and SMMP, respectively, SINE from Costa Rica, PEG-SEG from Uruguay, and the Mexican SED (in a rapid process toward institutionalization despite its youth).²⁰ Pérez and Maldonado (2015) identify overall progress in institutionalization and reach similar conclusions: Brazil, Chile, Colombia, and Mexico appear as having highly institutionalized systems, followed by Uruguay, Costa Rica, Argentina, and Peru in that order.²¹

Three key insights summarize the overall understanding gained from this study: the lack of credibility of the information produced; the systems' reduced coherence and increased fragmentation, especially around budget and planning activities; and the absence of citizens and Parliaments in the conversation. A counterintuitive finding worth reporting, before discussing these insights, was the lack of evidence supporting a relationship between system institutionalization and institutional factors such as the systems' legal framework, the stability in their financing and in the coordinating unit's staff.

6. Insight 1: Lack of Credibility of Information

The quality of the systems' information was directly linked to the likelihood that it would be used thus facilitating institutionalization over time. Most systems suffered from low credibility of the information (both of the data that fed the system and of the information produced by it) because of problems associated with their quality. Systems with higher credibility and broader confidence on their data quality were more institutionalized.

Factors producing this condition included poor quality of input data, partly because of low technical capacity of the data senders and a generalized distrust of the central statistical units providing baselines; low citizen and Congress confidence on the government's ability to objectively regulate its

self-evaluation; and the fact that data tended to flow only in one direction (upwards, from organizations sending input data to the system). Data senders did not receive feedback about the sent data nor did they see the processed information produced by the system (its output). They thus had few incentives to take the process seriously and even to be rigorous about the quality of the data submitted. Except for the SCG in Chile and the PPA in Brazil, all systems analyzed reported single-direction information flow, so that information produced “is very limited as an instrument for external accountability” (González, 2015, p. 174).

Four dimensions of institutionalization of M&E systems

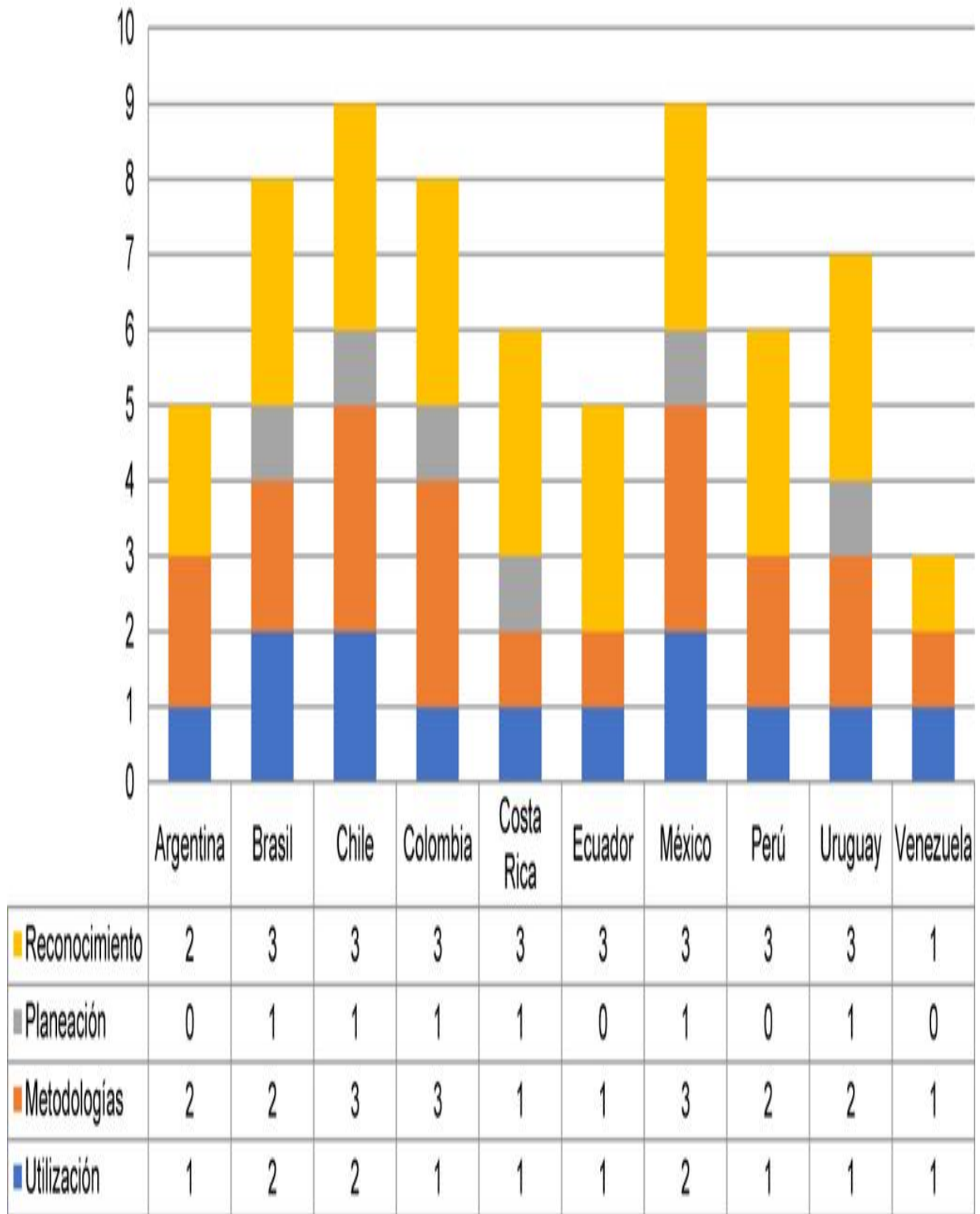


Fig. 16.2. Institutionalization of M&E Systems in Latin America. *Source:* Pérez and Maldonado (2015, p. 404) Permission granted by original source.

As expected (Mackay, 2006), the maturity of the systems affected information credibility. Pioneer systems – such as the Brazilian PPA, the Chilean SCG (and the Mexican older experiences with external and impact evaluations) – featured better methodological instruments and technical teams. However, maturity not always led to more credibility, as suggested by the case of Costa Rica.²² Another factor may help explain this mixed finding: the information produced had higher credibility where social scientists outside government conducted evaluations – not just monitoring. Systems that produced such evaluations also appeared more credible (suggesting an interesting “halo effect”), as in Brazil, Chile, Colombia, and Mexico.

7. Insight 2: Low Coherence and High Fragmentation (Especially Around Budget and Planning Activities)

Analysis of the degree of functional and instrument diversification, as well as of institutional coherence (vertical and horizontal integration), suggested various types of system fragmentation. PPME systems with diverse tools, and those with higher integration (of its components and with other systems), contributed to improve programmatic and organizational performance, thus strengthening the system's potential utilization.

The number of explicitly expressed systems' functions (e.g., to enhance public management, to rationalize public expenditures; enhance programs and policies; enhance strategic planning; or respond to broader accountability demands) and the consequent diversification of instruments seemed to matter, but it was impossible to establish a definitive pattern. Most systems officially claimed multiple functions but only few were actually multifunctional, and those were among the most institutionalized (the PPA in Brazil and the SCG in Chile). The SCG of Chile epitomizes the fundamental role played by a powerful actor such as the Ministry of Finance in achieving multifunctional capacity.

Despite undeniable improvements in institutionalization, most countries continue to face serious coordination and coherence problems, given the proliferation of actors involved in their PPME systems (Pérez & Maldonado, 2015). Chile and Mexico are good examples of this: performance-related information is produced and regulated by a growing number of public agencies without the adoption of a unified framework to do so or elements of basic conceptual and functional interoperability over the budget cycle.

While ideally M&E tools go together, very few systems had both types of assessment practices. At the time of the studies in the mid-2000s, the PPME systems of Nicaragua, Uruguay, Costa Rica, Peru, Honduras, and Paraguay relied exclusively in monitoring tools, though the last four countries claimed they were about to start using evaluation tools as well. Mexico had a strong culture of evaluation of social programs, but not of a combined use of M&E. In addition, Colombia and SCG and PPA, in Chile and Brazil, respectively, made actual use of evaluation and monitoring tools. More recently, Costa Rica, Peru, and Uruguay have shifted emphasis toward evaluation, and Mexico has gradually put more emphasis on monitoring tools, suggesting an ongoing effort at balancing these two sides of the equation.

The system's capacity for vertical and horizontal integration was positively related to the levels of utilization and, therefore, to the institutionalization of the PPME systems. Vertical integration relates to the integrated coordination of actors at the various levels of the bureaucracy that feed data to the PPME system. Horizontal integration refers to the system's capacity for integration with other processes of the public policy cycle. But results were mixed, and it was hard to identify solid patterns.

Although no system monitored and evaluated all micro, meso, and macro levels, as vertical integration would require, there was some evidence of progress in defining and measuring goals and objectives that connected at least two levels of the public administration overall system. The degree of consensus on measurement of goals and indicators affected vertical integration. Systems with political orientations (e.g., Colombia, Costa Rica, Nicaragua, and the Presidential Goals systems in Brazil, Chile, and Uruguay) contributed to vertical coherence through top-down directives. In contrast, fragmentation of the work and actors was more likely where a National Budget drove the process. Vertical integration was also higher where ministries (and an active role from their planning units) helped to define

goals and measures and participated in the systems' implementation. Where this did not happen formally, the ministries' work was alienated, thus weakening the sectors' (e.g., health, education, energy, and so on) capacity for political management. Systems able to involve the ministries as stakeholders did better. But no clear pattern emerged that aligned these with degrees of institutionalization beyond the most institutionalized.

Horizontal integration had advanced in the region since the first 2003 study, perhaps due to the deliberate efforts of some countries to integrate PPME tools in the planning and budgeting processes. The shift toward result-oriented budgets in Argentina, Brazil, Chile, Honduras, Mexico, Peru, and Uruguay may have also helped in this integration, as well as a trend toward re-valuing the institutionalization of macro planning processes to attain a greater government-wide coherence in Peru, Uruguay, and Bolivia. Coordination with international organizations was also highlighted as an important way to increase synergies among the various entities related to the PPME systems. Be that as it may, horizontal coherence of the Latin American PPME systems continued to be an “Achilles Heel” by the late 2000s, independent of degree of institutionalization. A key obstacle was institutional designs that isolated key planning processes from key budgetary processes, and these from key evaluation processes. While there were no clear patterns, the integration of planning, budgeting, and evaluation processes evidenced in the PPA of Brazil proved to be a good example of the actual feasibility of synchronicity among these functions.

Finally, related to both horizontal and vertical integration, multiple requests for the same information, often in different formats for different systems, became a recurrent problem that organizations resented, and managers resisted, even in highly institutionalized systems. It was experienced as a waste of time and diversion away from substantive agency goals. This has proven to be a resilient problem in many countries: “Existing gaps consist of normative disparity, heterogeneous institutions with different and often incomplete responsibilities and the lack of adequate instruments to perform monitoring and evaluation, the lack of coordination among actors involved and insufficient communication of the products and the use of evaluation” (Pérez & Maldonado, 2015, p. 25).

8. Insight 3: The Absence of Key Stakeholders in the Conversation

Information credibility, functional and instrumental diversification, and system coherence were directly associated with the extent to which actors found information helpful, and felt that they were engaged. For example, the attention and value the President gave to the system was a key credibility factor, particularly for Colombian SINERGIA and Costa Rican SINE. So was whether there were consequences associated with the use of information. Systems demanding corrective measures from agencies (external evaluations in Chile and Mexico) generated a virtuous cycle of enhanced credibility. An external fixed information consumer alone (i.e., the donor community), however, did not necessarily translate in higher information or system credibility, as illustrated in Nicaragua and Honduras.

Congress was mentioned as a potential user in many systems, but its members were not using them in most countries. System information produced in Chile and Brazil emerged in budget discussions in Congress. But in most other systems, it did not influence the conversation in Parliament. System stakeholders – in Colombia, Peru, Mexico, and Paraguay – explicitly aimed to achieve this goal, but at the time of the study it was premature to assess whether this would happen. An obstacle was the perception from opposition members in Congress that the systems were political tools from the Executive and was thus the information was not credible. Finally, extremely technical reports made them hard to understand when congress members lacked skilled advisory teams.

Likewise, the PPME systems lacked mechanisms to inform citizens and capture their feedback. Hence, citizens had no incentives to take the process seriously or to have faith in the information produced, if they knew about it. Overall, the citizens were neither using the information produced by the systems nor participating in the definition of goals and management indicators and measures. Only the Brazilian PPA was about to start creating specific modules addressed to the citizens and later Mexico made efforts in the same direction (González, 2008). Some systems created within an accountability framework did offer public access to the information. Yet, the dissemination was conducted online, which limited its access. Some countries reported the use of the information by private institutions, political

parties and universities (Mexico and Chile), and academia (Colombia), despite the limitations associated with its quality.

Summing up, the quality and thus credibility of the information (both inputs and outputs of the system) was the most important factor associated with the systems' institutionalization. Associated with this finding is the fact that neither citizens nor Congress seemed to trust the information or to be using the systems. At the other extreme, the factor least associated with their institutionalization was the formal stability of the coordinating unit's infrastructure. The two other factors considered, functional and instrumental diversification, and institutional coherence (vertical and horizontal integration), seemed to play an important role in the institutionalization of several systems, but the patterns identified were not as strong and the results were mixed. In fact, recent developments in Latin American PPME systems have rendered the identification of system development patterns even more difficult (Pérez & Maldonado, 2015). Most countries have now formally and legally recognized results-oriented management, and the centrality of mandatory M&E in the budget cycle has improved the quality of information produced by their systems. But strong conclusions about institutionalization and their effective link to accountability remain elusive.²³

Considering democratic governance, an adequate balance between M&E is relevant to promote both internal and external accountability. While in the mid-2000s studies monitoring featured more prominently with a significant gap in evaluation capacities and efforts (Cunill-Grau & Ospina, 2008), this gap has significantly narrowed (Pérez & Maldonado, 2015). In this context, the comparative focus has shifted to evaluation (Bustelo, 2017; Stockmann, 2016) as a key element of PPME and, by extension, to democratic accountability.²⁴ These studies highlight additional factors behind institutionalization that are external to governmental institutions and actors. Stockman (2016) proposes that institutionalization of evaluation occurs in three subsystems – political, social, and professional – highlighting that results-orientation for accountability requires changes in rules and behavior beyond the strictly governmental and political. Bustelo (2017) suggests six elements of institutionalization: the practice of evaluation; existence of units and structures for evaluation; capacity-building for evaluation and professional associations; professionalization and academic production on evaluation. Both authors point to an enabling environment for evaluation

associated with human capital development and the existence of a community of practice and/or attentive public for this type of information. In a similar vein, Jacob, Speer, and Furubo (2015) identify the following indicators of institutionalization: evaluation takes place in many policy domains; supply of domestic evaluators specialized from different disciplines; national discourse concerning evaluation; professional organizations; government procedures to perform evaluation and disseminate evaluation results; parliamentary procedures to perform evaluation and disseminate findings; pluralism of institutions or evaluators performing evaluation within each domain; evaluation activities in the main auditing institution; evaluations focused on outcomes, not only inputs and outputs.²⁵

Overall, it can be argued that Latin American PPME systems have made important progress toward institutionalization, but that the gaps in effective utilization of this information for accountability purposes remain and it is partially associated with incipient enabling environments beyond the Executive power and the governmental structure. For this reason, initiatives like the Open Government Partnership, the emergence and strengthening of national²⁶ and regional evaluation associations²⁷ and results-oriented networks²⁸ as well as international spaces promoting capacity-building (NEC) and knowledge exchange (CLEAR,²⁹ FOCEVAL³⁰) can be instrumental for the future of these systems in Latin America. Given a relative degree of governmental consolidation of the norms, instruments, and organizations shaping PPME systems, one might expect additional external pressure and a growing demand for information and accountability to play a prominent role in the near future.

9. Democratic Accountability in the Context of the PPME Systems' Trends and Challenges

Attention to the factors reviewed above can help the national PPME systems contribute to the broader goals of enhancing public accountability and ultimately governmental performance. Ensuring the quality of the information produced to feed key actors' decision-making (both technical and political actors) is a must. So is promoting conditions that facilitate

integration among public administration stakeholders, levels, processes, and systems required for the PPME systems to produce timely, credible, and useful information. Finally, assuring the presence of key democratic actors – citizens and Congress – as consumers of the systems' outputs must happen. New developments and challenges associated with the growth and consolidation of the systems may have further direct bearings on the goal of enhancing democratic accountability.

9.1 New Developments and Trends

Four developments promise to reinforce the national PPME systems' capacity for political and democratic accountability: the integration of political and budget considerations, the development of negotiating spaces, the expansion of evaluation activities, and the opening of the systems to society.³¹

Toward a Political Orientation that Integrates Budget Considerations

A comparison of the studies conducted within a 12-year period (Cunill-Grau & Ospina, 2003, 2008; Pérez & Maldonado, 2015) surfaces leaders' intentions to improve public policies and management by way of the PPME systems, and at least nominally, to facilitate accountability both within the State and with its citizens. This general trend has deepened as increased attention is paid to public policies and strategies since the mid-2000s. There is a current trend to reconsider developing formal planning processes at the macro level of the country (similar to the NDP of other countries) to achieve more governmental coherence. The cases of Peru, Uruguay, and Bolivia illustrate this trend.

Another trend associated with these concerns is that planning and budgeting authorities share leadership around decisions related to the systems. In countries where the PPME systems exist around the Planning ministries, like Costa Rica, and Colombia, the competition with the ministries of Finance and Economy has tended to restrict their scope and impact. Yet, it appears as if there is an attempt to integrate various types of accountability – bringing in attention to the budget – without losing the political orientation (though certainly not without some tensions).

In Colombia, the National Planning Department and the Ministry of Finance coordinated 19 sector-specific budget committees to establish goals within the Medium-term Expenditure Framework (*Marco de Gasto de*

Mediano Plazo); the explicit regulation of SINERGIA's actors and coordination processes by Decree in 2014 also entailed an important step in that direction. Costa Rica's 2009 joint production of technical and methodological guidelines for strategic planning and for sector-specific M&E demonstrate an effort to articulate the visions of the Ministry of Planning (MIDEPLAN) and the Ministry of Finance. In Mexico, the National Council of Social Development Policy (*Consejo Nacional de Evaluación de la Política de Desarrollo Social*, CONEVAL), the Secretariat of Finance and Public Credit, and the Secretariat of the Public Function's joint guidelines to evaluate federal programs were later expanded to other programs (González, 2008). In Chile, the Interministerial Committee for Social Development (*Comité Interministerial de Desarrollo Social*) included participation of the ministries of Social Development (*Ministerio de Desarrollo Social*), Finance (*Ministerio de Hacienda*), Health (*Ministerio de Salud*), Education (*Ministerio de Educación*), Housing and Urban Development (*Ministerio de Vivienda y Urbanismo*), Work and Social Security (*Ministerio del Trabajo y Seguridad Social*), as well as the General Secretary of the Presidency (*Secretaría General de la Presidencia*) and the National Service for Women (*Servicio Nacional de la Mujer*). These trends also help to address the needed coordination between the planning and budgeting activities around the PPME systems, at least in some cases. Furthermore, steps toward creating result-oriented budgets in some instances are undoubtedly reinforcing the trend toward integrating PPME systems with the budget. Mexico epitomizes this trend during Presidents Calderon and Peña Nieto Administrations (2006–2011 and 2012–2018, respectively) with the further consolidation and instrumentalization of its national PPME system, SED. This system now formally links the planning and budgeting processes, something that still constitutes only an aspiration for most systems in the region. Furthermore, constitutional reforms (2013) have legally and organizationally locked-in key aspects of SED and the evaluation model (Pérez & Maldonado, 2015).³²

Toward Opening Spaces to Negotiate with Sector-specific Authorities

The weak relationship between the systems and different sectors (e.g., health, education, justice, etc.) and ministries' directorships contributes to hinder the sectors' capacity for political management. In response, some countries

created communication and interaction spaces to negotiate PPME agendas, goals, and indicators.

For instance, SINERGIA developed Pluriannual Evaluation Agendas at the end of 2008 in Colombia. It also defined what programs to evaluate after negotiations with those controlling large portions of the national budget in the top priority sectors. Likewise, Brazil's PPA now considers relevant stakeholders in its system deliberations, including a PPME interministerial collegiate body (CMA) and the M&E units of each Ministry (UMAs). Starting with the 2008–2011 cycle, the UMAs are directly subordinated to their respective sectoral body, leading to larger influence from ministry directorships. The CMA includes representatives from the Civil House of the Presidency of the Republic, the Finance Ministry, the Ministry of Environment, and the Ministry of Planning, Budget and Management (which acts as the CMA Executive Secretariat).

Toward Greater Emphasis on Evaluation

Following the Chilean PPME system's practice to formally conduct evaluations since 1997, there is a growing trend in many countries to implement or reinforce the systems' evaluation components. Colombia formally acknowledged and stressed again its importance through an administrative rule incorporating evaluation in the NDP (Article 132 of the Act 1151 of 2007). In Mexico, the Program to Improve Public Management (led by the Secretariat of the Public Function) has created a public management evaluation component. Most interesting is that the PPME system's stakeholders have agreed on a strategy for evaluating the federal government that will articulate these two different evaluation logics, program-led and management-led (González, 2008).

Toward Opening the PPME Systems to Citizens and Parliaments

Slowly, steps taken confirm a persistent effort toward turning the PPME systems into explicit mechanisms for democratic accountability to society. Innovative developments at the subnational level illustrate this trend, as suggested by efforts in Brazil (Guerrero, 2015) and more recently the state of Jalisco in Mexico and the municipality of Rafaela in Argentina. In these cases, linkages with civil society and citizen participation go far beyond their respective national systems. At the national level, the Brazilian PPA system

developed pedagogical instruments to convey useful information to citizens in collaboration with the Auditors Court. Mexico incorporated client surveys into its evaluation activities and various instruments of rapid assessments designed to respond faster to decision-makers information demands, and to provide regular and credible information to the Legislative. Colombia started working in 2008 on a National Accountability Policy that would turn SINERGIA into a source of information, both to aid central government's decision-making and to support control organisms, Congress and the citizenry. Given earlier plans to develop strategies to connect to the citizen, the jury is out yet on the materialization of these new efforts.

9.2 Recurrent and New Challenges

In a scenario characterized by constant change and adaptation, the PPME systems face multiple challenges to keep up with the times. These are more political than technical, as they connect to the articulation of different stakeholders who influence the systems' quality. These challenges refer to the institutionalization of the systems and to their relationship with various societal actors.

Some challenges revolve around the systems' institutionalization. To seamlessly articulate the planning, budgeting, executing, monitoring, and evaluating processes will continue to prove challenging. It means finding coordinating mechanisms to ensure that the Ministries of Finance include the PPME produced information in budgetary decisions, and to consider political issues in budget allocation. Using different units of analysis to do M&E through the PPME systems also hinders the articulation of goals, baselines, and indicators. Another institutionalization challenge is to create evaluation mechanisms that consider the intersectoral approach under which many programs work. Financing and evaluation mechanisms of public sector investments also strengthen the sectoral-led logic. Furthermore, evaluations continue to focus on annual quantitative budget execution more than on achieving programmatic visions. Ministry goals and performance indicators for the PPME systems are rarely conceived within a broader policy vision, thus downplaying the interinstitutional dimensions of the work. Cross sector mechanisms to facilitate effective implementation of public policy and therefore to achieve expected results are thus hindered (González, 2008). The

critical system entanglements mentioned must be tackled to ensure the systems' sustainability and effectiveness.

Other challenges refer to the systems' need to establish and deepen their relationship to societal actors. Proceedings of the 2009 CLAD Congress's Monitoring and Evaluation track highlighted the urgency of generating in the PPME systems' environment channels for citizens accountability and social control, arguing that participation from civil society and its organizations is fundamental in defining public problems, their structure and dimensions, as well as in establishing the objectives and expected results (CLAD, 2009). Almost a decade after this accurate diagnostic, Latin American systems still lack a sustained link with organized civil society and individual citizens, other than making PPME information publicly available. The scope for these systems to effectively contribute to external accountability and improve system legitimacy continues to be quite limited.

This *democratic deficit* of PPME systems is especially problematic given the political context of the region, where core institutions, processes, and even the legitimacy of the democratic regime are questioned at unprecedented levels. Since 2010, governments have lost approval levels in every country. With the exception of Chile and Mexico (2018), there is an all-time low in voter participation and a five-year period of stagnation in support for democracy (around 53%). On average, government approval between 2002 and 2017 was only 36% and only a quarter of the population trusts government (Latinobarómetro, 2017). One in every four citizens is indifferent to regime type, and “disenchantment with politics is having serious consequences for democracy” (Latinobarómetro, 2017, p. 17). As the report suggests, satisfaction with democracy – in contrast to the less volatile support for democracy – is highly correlated with government approval, and only Uruguay, Nicaragua, and Ecuador had over 50% satisfaction levels.

Broader citizen control over public policies' assessment faces at least two obstacles. First, civil society's low autonomy levels are typical of representation in participative and social control mechanisms, which are also disconnected from the PPME systems. State representatives normally determine which actors will participate in bodies that oversee public programs, services, and policies. This in turn produces choices more responsive to State than to citizen interests. This is aggravated by the creation of *ad-hoc* social representation structures instead of involving more

organically groups and organizations already working from the ground up, even if only to ask them to help select authentic social representatives to watchdog bodies.

Second, despite its limitations, PPME systems usually provide some type of information, but not necessarily transparency. Members of democratic societies require aggregated information to judge policy orientations and compare data across agencies and jurisdictions to draw their own conclusions and make their own choices (Cunill, 2006). For example, when the Brazilian Pluriannual Plan 2004–2007 was created, representatives of the social sector who participated proposed i) indicators and measures disaggregated by gender, race, ethnicity, and other identity markers, to assess the differentiated impact of public policies; and ii) broad access to electronic systems that monitor and evaluate the plan and control public spending, in user-friendly formats (De Toni, 2006, pp. 22–23). Indeed, this type of communication channels with the citizenry is extremely important to make information accessible to different users.

Finally, new configurations associated with the collaborative governance movement in public management point to the growth of public–private alliances in social areas such as education and health associated with recent State reforms. These create a space that the PPME systems have not covered yet. In fact, the lack of data to assess costs, inputs, and results of these “new arrangements” requires attention as more and more services are delivered and public policies implemented through these types of multistakeholder networks.

10. Conclusion

National PPME systems in Latin America have achieved great progress during the last 25 years. But much more information is needed to fully understand their nature and impact as democratic accountability mechanisms. The pioneer systems analyzed in 2003 suggested two distinct models: the planning-oriented and budgeting-oriented, according to their more political or more economic orientation. The 2008 study and the follow-up comparative outlook of 2015 revealed a much more complex scenario. This suggests the need to relativize expectations about development paths and revisit and expand classification efforts. More recent studies qualitatively assessing the

degree of institutionalization of the systems continued to identify as key factors the quality of the information that enters and leaves the system (and thus the system's credibility), and to a lesser extent their functional and instrumental diversification, and their degree of institutional coherence. The 2015 study noted that increasing levels of institutionalization have not yielded a strengthening of results-oriented democratic accountability. It suggested that countries have yet to find effective coordination mechanisms that improve information legibility, its quality, and its public (citizen) usefulness and use. These findings suggest that PPME systems also depend on environmental conditions beyond government structures and processes and highlight the need for a series of citizen-oriented mechanisms and entry points for social participation in these tasks.

This represents a formidable challenge even for the more consolidated systems, given the organizational complexity of the processes behind PPME systems. Furthermore, the resilience of sectoral (partial/fragmented) focus also raises information costs and barriers to entry for the common citizen. In the absence of citizen-oriented information and linkages, access and use of M&E information will remain bureaucratic in nature and this arguably limits the transformative potential of these tools. Nevertheless, innovation at the subnational level in Brazil, Mexico, and Argentina may help find a way forward, offering a window of opportunity for the democratization of M&E systems from below.

There are, however, rapidly developing trends worth noting: a deepening of the political orientation; shared leadership emerging among planning and budgeting authorities; “umbrella” bodies promoting healthy negotiation and coordination among key stakeholders; the systems' articulation with other localized public administration systems; a renewed emphasis on evaluations over monitoring; innovative subnational M&E systems emerging; and finally, some incipient movement to realize the aspiration of citizenry and Congress-active participation in the PPME systems. These developments suggest a tendency – not yet realized – toward fulfilling the systems' potential as instruments of political and democratic accountability.

Assuming data and information quality issues are addressed head-on, if the trends continue in the right direction, the systems might eventually contribute to enhance democratic accountability. But there is still a long way to go. The lesson learned from the research done so far offers an important

conclusion. No matter how well supported and endowed a PPME system is, if there is no trust in the information it produces, if it is not well integrated with other elements of what constitutes the larger governmental machinery, and if citizens and their representatives in Congress have no use for it, that system will fail in a very important way. It will not help those in power to account for their activities and decisions in relation to the adequate use of public funds and to the pledges made to the electorate around public performance. In this scenario, decreased legitimacy of the system would reduce its capacity to enhance public and democratic accountability.

This conclusion acquires more weight as we take seriously Bovens' (2005) argument about democracy: even though there are at least five different types of potential accountability relationships for the public administrator, the “public” adjective in “public accountability” implies that these relationships must ultimately extend down to reach citizens. Only they have the authority to judge governmental performance and sanction their political representatives with their voting capacity. This is “democratic” accountability and represents a normative type that subordinates all the others to the ultimate aspiration of bringing government closer to its public – of bringing citizens back in.

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APPENDICES

Appendix 1: Brief description of the comparative studies

The unit of analysis in the Cunill and Ospina studies (2003, 2008) was the PPME system itself, not the country. The 12 systems analyzed were all created at the central government level (Ospina et al., 2004). The Pérez and

Maldonado's study (2015) uses the country as unit of analysis, yet indirectly covers within-case variation and system multiplicity.

The Cunill and Ospina studies offered a unified conceptual framework, a common methodological approach and identical research agendas and protocols. Their first phase included protocol development and validation with in-country researchers; data collection on specific areas of PPME and factors related to PPME institutionalization, respectively; and the writing of country case studies.

In-country researchers collected data through interviews with key systems' actors (including their creators). Official documents and secondary sources including previous studies and available consultancy reports complemented the interviews. Team member feedback on drafts and case validation from government officials took place at the end of this phase. The second phase included a comparative analysis across countries to develop classifications, identify patterns, and draw regional lessons. This phase concluded with the development and validation of the comparative narrative. Since the data were independently gathered in each country, the case study findings may reflect partial views and must be considered with caution. That some in-country researchers participated in the creation of the studied initiatives may have influenced their findings. Furthermore, factors like knowledge of interviewees and diverse researcher interpretations of their responses may have generated some distortions.

Pérez and Maldonado's study (2015) was the result of an open call for papers launched by CLEAR that required a common, yet rather flexible, template. Selected through peer review, the country case studies were then cross-reviewed and discussed among contributing authors and third parties, in order to validate common concepts and enhance their comparative contribution. This study incorporates findings and insights of previous studies (Feinstein, 2012; García Moreno et al., 2015; Ospina & Cunill, 2003; 2008) as a starting point to update the general outlook of PPME in 10 countries, assess their degree of institutionalization, and explore the dynamics that might explain some discontinuities in their development over time and the apparent lag in the advancement of M&E as a pillar of Results-Oriented Management (García Moreno et al., 2015) per PRODEV's framework. The regional outlook focuses on four system development dimensions: (1) formal recognition of M&E activities as an intrinsic part of

public management by way of legislation, decrees, and any other formal norms; (2) evidence of planning processes of M&E activities; (3) selection and publication of methodologies used; and (4) degree of information utilization and evidence generated by M&E activities.

Appendix 2: Country and Name of National PPME Systems Studied/Analyzed^a

Country	PPME System
Brazil ^a	Sistema de Monitoreo y Evaluación del Plan Plurianual (PPA) (<i>Monitoring and Evaluation System of the Pluriannual Plan</i>)
Sistema de Monitoreo de Metas Presidenciales (SMMP) (<i>Evaluation System of Presidential Goals</i>)	
Chile ^a	Sistema de Control de Gestión y Presupuesto por Resultados (SCG) (<i>Control System of Budgeting and Management by Results</i>)
Sistema de Seguimiento de la Programación Gubernamental (SPG) (<i>Monitoring System of Governmental Programming</i>)	
Colombia ^a	Sistema Nacional de Evaluación de Resultados de la Gestión Pública (SINERGIA) (<i>National System of Evaluation of Public Management Results</i>)
Costa Rica ^a	Sistema Nacional de Evaluación (SINE) (<i>National System of Evaluation</i>)

Country	PPME System
Honduras	Sistema de Gerencia por Resultados (SGPR) <i>(Management by Results System)</i>
Mexico ^a	Sistema de Evaluación del Desempeño (SED) <i>(Performance Evaluation System)</i>
Nicaragua	Sistema Nacional de Seguimiento a Indicadores de Desarrollo (SINASID) <i>(National System of Monitoring and Development Indicators)</i>
Paraguay	Sistema Integrado de Programacion Presupuestaria (MCE-SIPP) <i>(Integrated System of Budget Programming)</i>
Peru ^a	Sistema de Seguimiento y Evaluación del Gasto Público (SSEGP) <i>(Monitoring and Evaluation System of Public Expenditures)</i>
Uruguay ^a	Sistema de Evaluación de la Gestión Pública (PEG-SEG) <i>(Public Management Evaluation System)</i>

^a Country cases included in Pérez and Maldonado (2015).

Appendix 3: Table 3: National Evaluation Networks (Founding year)

Academia Nacional de Evaluadores de México – ACEVAL (2014)
Asociación Centroamericana de Evaluación
Red Argentina de Evaluación – EvaluAR (2014)
Red chilena de Evaluación – ReLAC Chile (2009)
Red de Evaluación de Costa Rica (RedevalCR). (1994)
Red de Monitoreo y Evaluación de Bolivia REDMEBOL (2004)
Red Ecuatoriana de Evaluación - EvaluEC
Red Interdisciplinaria de Monitoreo y Evaluación de Guatemala – RIMEGUA
Red Nicaragüense de Seguimiento y Evaluación – RENISE (2006)

Red Paraguaya de Evaluación (2010)
Red Peruana de Evaluación (2004)
Red Salvadoreña de Seguimiento y Evaluación – RESALVASE (2005)
Red Uruguay de Evaluadores
Rede Brasileira de Monitoramento e Avaliação (2008)
REDHPRESS Honduras
Sociedad Puertorriqueña de Evaluación

Source: Authors elaboration based on internal records by ReLAC (2018) (Red de Seguimiento, Evaluación y Sistematización de Latinoamérica y el Caribe).

¹The literature on public accountability is broad and it is not our intention to offer a full review in this chapter. For other excellent discussions of the topic in the context of Latin American public administration issues, see Villoria (good governance and corruption), Criado (the digital revolution), and Zurbriggen (governance and civil society) in this Handbook.

²Latin America has pioneered efforts to institutionalize these systems. However, the development of national comprehensive systems is not exclusive to the region. Since 2009, UNDP has organized a biennial International Conference on National Evaluation Capacities (NEC) with the explicit objective of strengthening international cooperation and learning exchange in order to improve national capacities for M&E. More recently, the international policy dialogue on M&E has gained prominence with the adoption of the Sustainable Development Goals (SDGs).

³Organizational or hierarchical accountability is based on internal control, high scrutiny, and priority accorded to the expectations of superiors; administrative accountability is based on the exercise of regular financial and managerial controls often drawn from statutes and norms; legal accountability stems from expectations rooted in contractual and legal obligations sanctioned by courts; political accountability is based on expectations and demands of stakeholders external to the organization, and professional accountability relies on confidence on professional norms and peer-based reviews as the source of control (Bovens, 2005; Romzek, 1996).

⁴For recent comparative studies see Feinstein (2012) and Pérez & Maldonado (2015).

⁵The Open Government Partnership (OGP) is a multilateral initiative that seeks to ensure specific commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. It was launched in 2011 with Brazil and Mexico among the eight founding governments. By 2018, Argentina, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Panamá, Paraguay, Perú, and Uruguay had joined OGP. By strongly emphasizing direct linkages and collaboration between citizens and government, this platform can greatly contribute to an increasing use of public information for accountability purposes, especially performance- and delivery-related information.

⁶In the last three decades, virtually every country in the region has undergone fiscal and political decentralization processes seeking to increase the capacity and responsibility of local governments for policy design and service delivery. Hence, the emergence of subnational PPME systems will be instrumental for the future of democratic accountability in the region.

⁷Examples include the World Bank's "How to build PPME systems to support better government" (2007), and IDB's "Challenges in monitoring and evaluation: an opportunity to institutionalize PPME systems" (2010); UNICEF's "Country-led monitoring and evaluation systems: better evidence, better policies, better development results" (2009), and "Bridging the gap: the role of monitoring and evaluation in evidence-based policy making" (2008); and UNDP's report on its International Conference on National Evaluation Capacities in Morocco (2010).

⁸See Wollman (2003) for a description of the evolution of evaluation as a development tool; see also OECD (2005) for a discussion of this organization's approach, and Talbot et al. (2005) for the UK case. See the cases of Chile, Mexico, Canada, and Australia in López-Acevedo, Krause and MacKay (2012). For a practitioner-oriented guide of efforts in Australia, New Zealand, Great Britain, and Sweden, for example, see International Technology Scanning Program (2010). In the United States, see Radin (2006) for a good description of US federal efforts, and Moynihan (2009) for a description of state efforts.

⁹See, for example, World Bank (2010), UNDP (2010), Segone (2008, 2009), García López and García Moreno (2010).

¹⁰Both studies were sponsored by CLAD, the first with support from AECI and the second from the World Bank.

¹¹This project was sponsored by the Center for Learning on Evaluation and Results for Latin America (CLEAR LAC).

¹²See Appendix 1 for a brief methodological description.

¹³Sinergia territorial is a strategy that seeks to express the results of the National Development Plan in a territorial scale, as well as promote a monitoring and evaluation culture at the subnational level.

¹⁴As will be described later, this system changed again in 2010.

¹⁵Analysts suggest that the absence of a systematic link between these two systems represents itself a problem (Dussauge Laguna, 2012), and that fragmentation and excessive proliferation of performance measurement instruments has affected information quality (Irrarázabal & de los Ríos, 2015).

¹⁶It has been argued that this feature makes them *sui generis* among systems worldwide, and their existence refutes the traditional notion that managerial and political accountability may be mutually exclusive (Ospina et al., 2004).

¹⁷Data quality and timing precluded the use of information from Argentina's and Bolivia's systems for the systematic comparative analysis and were used only as reference.

¹⁸The Uruguayan system later changed its orientation.

¹⁹It substituted Mideplan, the Planning Ministry, and acquired important functions for the coordination of evaluation and the budget cycle.

²⁰For the systematic comparisons, see Cunill and Ospina (2008) and for the case studies of each system see CLAD's website, www.clad.org/.

²¹See Fig. 16.2

²²According to García and Ugalde (2015), the credibility of information has improved yet it remains an important challenge for the system.

²³ García Moreno et al. (2015) report remarkable advancement since the 2010 PRODEV report in four out of five pillars of results-oriented management. Ironically, M&E is the pillar with less progress between 2007 and 2013.

²⁴Ongoing research project for the comparative analysis of the institutionalization of evaluation (forthcoming Routledge).

²⁵Used for the Update of the International Atlas of Evaluation, for 19 OECD countries.

²⁶ Table 3 lists active national evaluation associations and networks.

²⁷The two active regional networks, REDLACME (2005) and RELAC (2004), organized in partnership with IDEAS (International Development Evaluation Association) in 2017 a first joint international conference on Evaluation in light of the SDGs (Mexico, 5–7 December).

²⁸The IDB actively promotes these networks of academics, practitioners, and civil society representatives. Country-level dynamics shape their scope, visibility, and influence.

²⁹The Center for Learning on Evaluation and Results for Latin America and the Caribbean is the regional hub of a global capacity-building and knowledge-sharing initiative that seeks to promote government effectiveness and accountability through monitoring, evaluation, and performance management. CLEAR Centers are financed by a group of international donors (IDB, World Bank, African Development Bank, Asian Development Bank, DFID, and others) and they are embedded in prestigious academic institutions. To date, there are six regional centers worldwide (South Asia, East Asia, Anglophone Africa, Francophone Africa, Latin America, and the Caribbean and Brazil and Lusophone Africa).

³⁰FOCEVAL is a regional capacity-building project led by the German Institute for the Evaluation of Development Cooperation and financed by the Federal Ministry of Economic and Development Cooperation (BMZ). The project, originally launched in Costa Rica with MIDEPLAN as a counterpart, seeks to promote capacity building in evaluation in Latin America.

³¹Unless otherwise indicated, we draw heavily from Cunill-Grau (2010) in this section.

³²CONEVAL was granted constitutional autonomy, which entails the maximum degree of autonomy in the Mexican constitutions, comparable to the autonomy of the Central Bank and the Auditor's Office (*Auditoría Superior de la Federación*).

Conclusion: The Present and Future of Public Administration in Latin America

Conrado Ramos and B. Guy Peters

Abstract

The chapters within this Handbook have contained a very large amount of information about the political and administrative systems of a number of Latin American countries. This concluding chapter will attempt to extract some general themes from that material, and to relate the findings in the chapters to our general themes of turbulence, formalism, and politicization of public administration in the region. These themes appear throughout the national cases and in the cross-cutting chapters but should be highlighted as we attempt to integrate the findings from our chapter authors.

Keywords: Comparative public administration; administrative reform; decentralization; depoliticization; digital governance; coordination

1. Making Generalizations Is Difficult

This *Handbook* is about public administration in Latin America and like any attempt to address politics or governing in a whole continent (and more in this case) generalizing is difficult if not impossible. That said, there are some common aspects of administration that can be identified, and which can be observed in the various chapters contained within this volume. The

absence of common patterns of administration among these countries is not surprising, however, despite the tendency of analysts to speak of the region as relatively homogenous.

First, these countries have different natural endowments – oil in Venezuela and important minerals in Chile, Bolivia, and some of the other countries – that can affect their political and administrative styles (Waldner & Smith, 2015). Further, these two dozen countries have developed across centuries, and have varying historical experiences that have inhibited the formation of common patterns of administration across the political systems. While most countries have experienced at least some of the turbulence we mentioned in the introduction, that turbulence has had different effects and occurred at different times, the administrative systems therefore have experienced political and economic upsets, but these have not been homogenous and have had differential effects.

Those differential histories of development, and the political choices associated with them, have produced significant variations across these political and administrative systems. For example, several of the larger countries are federal, while most are unitary, albeit with varying degrees of decentralization (Eaton, 2006; Falletti, 2010). Almost all countries in the region are presidential, but the powers of the president and the relationship with the legislature vary significantly (Cheibub, Elkins, & Ginsburg, 2010; Cox & Morgenstern, 2001; Lanzaro, forthcoming). Further, several Latin American governments have been controlled by populists of one sort or another (Brading, 2012; Panizza, 2005), and varying degrees of institutionalization of their party systems that affects the performance of governments. That populism has created particularly intense forms of politicization in some regimes makes achieving goals of improving public sector performance all the more difficult.

In addition, as the differences across political systems may be, there may be even greater administrative differences within systems. The administrative challenges faced in a large urban area such as Sao Paulo or Buenos Aires are vastly different from those faced in a remote commune high in the Andes. The continuing power of local *patrons* and local political traditions may reinforce those differences, even in metropolitan areas. These differences persist despite the generalized pattern of a highly centralized, and centralizing, administrative tradition at the national level.

The different patterns of political and administrative development among the Latin American countries are important, but all systems do share a common pursuit of “good governance.” Leaving aside for a moment the precise meaning of that term (see Nanda, 2006), it is clear that all these governments want to improve the performance of their political and administrative systems, to further economic development, and also to pursue greater human development. For both politics and administration, doing this involves goals such as reducing corruption, improving the quality of personnel in government, and creating greater equality.

While the goals of improving government performance may be clear, the mechanisms for achieving those goals may be less clear, and much less consensual. For some donors and some political leaders the way forward has been neoliberal reforms reducing the power of the state, especially in the economy, and attempting to create more powerful market forces. For others the way forward has been to create stronger civil society organizations and produce the social underpinnings of democratic performance. And for yet others the recipe for good governance has been within the State itself, reducing corruption and clientelism, creating a competent, professional public service, and perhaps strengthening the State. Each of these plans for reform has some validity, and each has its weaknesses. The task for contemporary governments is to select a path or create some hybrid that matches the particular demands of their case.

2. Moving into the Present: An Unconsolidated Model of Public Management Reform

The United States was not formally a colonial power in the region but has had a significant and continuing influence.¹ Some of this influence was through gunboat diplomacy used largely to protect economic interests, and the modern version of this method was used to prop up authoritarian leaders to “preserve freedom” against communist threats. Some influence has, however, been more benign, attempting to promote both political and economic development, and serving as a model for constitutional development, e.g., the adoption of presidentialism in most Latin American countries.

In any case, State reforms in Latin America have been characterized by a center–periphery development model, not only in economic terms but also in terms of administrative reforms. After the colonial times, shaped by attempts to adapt to ritualistic rules imitating a modernization process, reforms of the first-half of the twentieth century were inspired by the principles of the Scientific Management. Reforms followed the trending doctrines of centralization, specialization, short span of control, budgeting designs, and the consolidation of a meritocratic civil service. The results were highly uneven, not only among countries but within the national public sectors. They had many problems, not only anchored in the previous inherited culture, but their implementation did not reach the hole public sector, covering only some enclaves of excellence and in most of the cases never being implemented at the subnational levels of government.

International cooperation (USAID, United Nations, ECLAC, Ford Foundation, etc.) played a key role in the mid-twentieth century as a support for the generation of research centers and public administration reform processes. These changes derived largely from external induced reforms based on the idea of “administrative modernization” and later the “Washington Consensus” (Pérez Salgado, 1997; Ramírez, 2009). Further, the 1960s saw in Latin America the rise of the *New Public Administration* models influenced by the trends of the American public administration (Oszlak, 2013). This approach of “administrative reform” predates the “managerial reforms” of the 1980s and 1990s and, although shares some of the critique to the state functioning and performance, it is not based on the idea of imitating the private sector business operative within the state apparatus.

This era was characterized by ideas about the growing inefficiency of the public sector due to excessive administrative rigidity and the high number of procedures that slowed down the public administration. This type of paradigm led to management innovations that sought to simplify the processes and times to increase the efficiency and productivity. This is how the Organizing and Methods Offices, Planning Offices, program budgeting, and other areas tending to incorporate “science” into the public management were originated. However, this was not always able to break with the rooted bureaucratic ritualism of Latin American administrations. At the same time, the strongly legalistic approach generated, in some cases,

an additional step to the established procedures rather than their simplification (Pérez Salgado, 1997).

However, the cultural inheritance in Latin America and the period of dictatorships that followed in several countries obstructed an adequate cultivation of these ideas, even though its premises of decentralization, de-bureaucratization, delegation, and democratization will be flags that will be displayed little by little and will form part, subsequently, of the paradigm of the new public service. Given that overcentralization is a continuing critique of the State in Latin America, these ideas also have continuing importance.

More toward the last decades of the twentieth century, the influence of the United States has come through donor organizations such as the World Bank and the Inter-American Development Bank. These organizations have been heavily funded and influenced by the United States and have tended to favor market-based economic reforms along with democratic political reforms. In the age of globalization, these are not, however, the only donors involved with Latin American countries and many European and international development organizations have been active in the region. The agendas of these organizations have differed slightly, but most have pressed for goals such as reducing corruption and enhancing democracy in the region.

Since the late 1980s and throughout the 1990s, parallel to the development of the *new public management (NPM) model*, most countries in Latin America embarked in State reforms aiming to reduce its size and deregulate the private sector. These “first-generation reforms” (as the World Bank called them) followed the rise of neoliberal policies and the “Washington Consensus.” In the mid-1990s, in considering that neoliberal policies did not reach the intended consequences of supporting economic growth and reducing corruption, and in the context of growing poverty rates, a second wave of reforms was launched with a strong emphasis on strengthening institutional capacities of the State. The reforms of the last two decades, although reject the proposal of a minimal state, promote a public sector which incorporates the logic of managerialism.

3. Current Issues

For contemporary governments in Latin America, a number of important issues require some consideration in order to improve the quality of governance that is being supplied to their citizens. The issues to be discussed here are located primarily within public administration, although there are numerous issues in political institutions that also should be addressed if the overall quality of governance is to be enhanced. All of these issues can be linked back to the fundamental issues of turbulence, formalism, and politicization with which we began this discussion of public administration in Latin America.

3.1 Depoliticization and Creating Merit Systems

Creating a career merit system has been, and continues to be, one of the most fundamental issues in contemporary public administration in Latin America. Although the level of politicization of public administration varies across these systems, in general, there is a significant absence of a permanent, career public service. In particular, there is a need for qualified professionals who are capable of serving any government and providing sound policy advice and manage implementation.

There is ample evidence of the level of politicization and patronage appointments in public administration in Latin America. Chapter 10 documents these problems across Latin America, and comparative research project involving several of the editors of this volume has demonstrated how pervasive patronage appointments are across seven Latin American countries. The research by Merilee Grindle (2012) and others has also documented how pervasive patronage is within the public sector in Latin America.

The good news is that there has been some progress in creating civil service systems in parts of Latin America. Meritocratic and competitive recruitment to the civil service has been reinforced during the last decade, mainly through the introduction of web portals and the strengthening of civil service institutions. What is perhaps most important is the extent to which patronage in the Latin American countries is becoming more expert and less purely political. That is, instead of appointing political allies with few real qualifications to government positions, political leaders are now more commonly appointing experts who may have political party or

personal ties with the government ministers (Panizza, Ramos, & Peters, 2019). Some political hacks continue to be appointed to important positions in the public sector, but so too are a number of extremely well-qualified individuals who simply happen not to be permanent government employees.

3.2 Decentralization and Participation

Until the late 1970s, when democratic transitions began in LA, many countries were politically centralized. They had suspended or never held elections for all local government officials. Since that time, nearly every country in the region has implemented decentralization reforms in three areas: fiscal relations, which means control over subnational revenue generation and spending; political decentralization, which refers to direct elections for subnational offices; and administrative decentralization, which is the authority of subnational governments to set goals and implement policies (Falleti, 2010). All of them refer to questions of multilevel governance, and the consequences were different in each of these areas, and in different national contexts (Campbell, 2003).

In the rush to share power, many governments promulgated decentralization without fully thinking through how national objectives – for instance, in health, education, and welfare – could be reconciled with decentralized powers of decision-making and spending by subnational governments. In many cases, local governments were saddled with new responsibilities without transferred revenues (Oszlak, 2001), and in some others they were left with a good deal of discretion and excess funds (Campbell, 2003).

In a recent paper presenting a dataset on regional authorities in 27 Latin American and Caribbean countries for 1950–2010, Stoyan and Niedzwiecki (2018) show that in 1950, 9 of the 20 countries had directly or indirectly elected executives or assemblies, but only Argentina, Brazil, Peru, and Uruguay had both. By 2010, 16 countries had directly or indirectly elected regional executives or assemblies, and Argentina, Bolivia, Brazil, Colombia, Cuba, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela had both. According to the authors, only when political decentralization was followed by a strong devolution of authority to

subnational units, did it positively affect voting participation (Stoyan & Niedzwiecki, 2018).

Administrative decentralization went in hand with the emerging of a new governance, which is characterized by much stronger participation in public decision-making. Until the 1990s, many local authorities implemented novel forms of citizens participation, like the participatory budget (Goldfrank, 2006), citizen participation in municipal meetings (Montalvo & Phillip, 2008), municipal planning (Andersson & Van Laerhoven, 2007), and municipal audiences where political authorities are accountable to the citizens (Suárez et al., 2018).

3.3 Developing Greater State Capacity

One of the principal issues in contemporary reform of the public sector involves attempts to enhance the capacity of the state in Latin America. Indeed, this issue may be seen as encapsulating a range of other pressures for change within these governments. Many of the other issues discussed here, such as the professionalization of the public service and enhancing the coordination capacities of governments, can all be related to creating the capacities of governments to make and implement policies more effectively. Making this process more democratic and participatory is also a significant element of improving state capacity within the contemporary political contest.

Performance management is one common instrument used when attempting to improve the capacity and performance of governments. As the name implies, these techniques attempt to measure and improve the performance of government. At its simplest, performance management requires the identification of a set of objective (and perhaps also subjective) measures of performance of programs, and then placing pressure on organizations and individuals to improve their grades on those indicators (Bouckaert & Halligan, 2008).

This appears to be a perfectly reasonable means of making governments, and particularly administrations, work better. Government organizations should be made to specify their goals, to identify the best ways of achieving those goals, and be rewarded or punished according to their performance. But unlike market organizations for which there is a

clear measuring rod – profit and loss measurement – in the public sector is more difficult (Bouckaert & Peters, 2002). Many measures that are readily available for administrators measure inputs and processes rather than the final outputs of the public services. It is easy to measure the number of students attending schools, and even performance on standardized tests, but how do we measure the more complex concept of “education”?

In addition to the inherent difficulties involved in measuring many outputs of the public sector, the actors involved may attempt to influence the results of the processes to make themselves and their organizations appear more successful. Teachers can teach their students what they need to know for the standardized tests, rather than critical thinking skills. Policemen can record crimes as less severe than they are, or not record crimes at all, in order to make their performance appear better. This list of ways to manage the outcomes of measurement without improving performance could easily be extended, but the fundamental point is that really getting a picture of how well the public sector is performing is difficult if not impossible in some instances. Attempting to measure the provision of public goods such as defense, for example, involves a number of heroic assumptions.

The reform process, both in Latin America and more generally, has been characterized by the search for “good governance,” and indeed at times almost perfect governance. In practice, it may be more reasonable for reformers to pursue the goal of “good enough governance,” rather raising unreasonable expectations (Grindle, 2007). This may involve establishing measures of performance that are more reasonable for less-professionalized public services. Or it may involve creating islands of excellence rather than attempting to change the entire public sector at one time.

Finally, developing greater state capacity may involve creating more effective linkages with civil society actors. In some ways, however, improved governance will involve eliminating some of the linkages between state and society, at least in the form of clientelism that is so rife in Latin America (see Stokes, Dunning, Nazareno, & Brusco, 2013). But developing more inclusive links between actors in civil society and state actors can enable the state to make and implement policies through leveraging and involving the social actors. The fundamental point then is that linking State and society is not a simple matter but involves a nuanced

understanding of the potential, and the potential pitfalls, of these relationships.

3.4 Center of Government and Coordination

Another of the governance challenges facing contemporary governments in Latin America (and elsewhere) is how to improve central steering capacity (see Alessandro and Lafuente, this volume). The last several decades of administrative reform have emphasized decentralizing and delegating governance capacity (see Christensen & Laegreid, 2007). That may have been beneficial in addressing some of the overcentralization found in many governments, including many in Latin America, but the benefits associated with a decentralized system have been bought at some cost. Both in democratic and in administrative terms, the weakening of the center of government in many regimes has reduced the capacity for coherent policymaking.

Strengthening the center therefore is necessary for many governments to perform their tasks more successfully. In some instances, however, governments – especially presidents and prime ministers – may have taken this desire for enhanced control too far (Savoie, 2008). Prime ministers have been argued to have become presidents, or worse, and legislative bodies to have become mere rubber stamps for an overweening executive. This power in the center of government may enhance coordination but that coordination may be purchased at a rather high price.

Given the history of strong or dictatorial presidents in Latin America, attempts at strengthening the center of government should be done with some extra care and maintaining appropriate controls over those executives remains crucial. Strengthening the executive may imply, for example, also strengthening the capacity of the legislature and the judiciary to monitor the executive and enforce accountability. Further, all of the strengthening need not be done in the office of the president per se but can be done in other central agencies that help to make and to monitor public policies.

At the same time, centers of government in Latin America are more efficient in controlling that all the processes of coordination are implemented, than in the content of the policies they coordinate. That, disparity in the types of control says a lot about the persistence of some

traditional features of Latin American public administrations, like formalism and legalism. Saying there is a law for coordination is not the same thing as coordinating.

3.5 Coping with Turbulence

The problems of politicization of public administration in Latin American public services are to some extent exacerbated by political turbulence and the unpredictability of the political climate in the region. This has been very true historically, with numerous coups and military regimes interspersed between periods of democratization. Although recent years have been more stable, there is some evidence of “democratic backsliding” in the region, and threats to the continuation of liberal democratic regimes.

Latin America, and other parts of the world, is facing another wave of significant political turbulence, based largely on populist mobilization. This populist upheaval has been very evident in the United States, Hungary, Poland, the United Kingdom, and France. And in Latin America, the populism of the left in Venezuela and to some extent Bolivia and from the right in Brazil threatens the established political order. These political upheavals, albeit largely through electoral means, do create serious concerns about the future of governance in Latin America.

The populist changes in government can be connected to public administration in several ways. First, most populist outsiders have little experience in governing and may therefore be reliant upon a civil service that may not agree with it – the “Deep State” in Donald Trump's terminology. But the lack of support that can be expected from a career civil service will only lead to higher levels of patronage, or perhaps higher levels of conflict between the public service and elected officials (see Peters & Pierre, 2018). Both of these outcomes would further weaken governance capacities in Latin American countries.

3.6 Corruption and Accountability

Corruption has been, and continues to be, a problem for government and for public administration in Latin America. The corruption ranges from large-scale misuse of public funds and influence by politicians to petty bribes to low-level officials by ordinary citizens. The paradox of corruption in Latin

American bureaucracies is that although it is widely criticized by citizens (Latinobarómetro, 2018) and by international organizations, it is also deeply ingrained in the systems of government. Citizens may dislike bribing officials when getting papers stamped or when stopped by the police, but they continue to do it.

The problem of corruption is perhaps a symptom of a larger issue in Latin American bureaucracies, which is the relatively low level of effective accountability. Several chapters in this *Handbook* have pointed to the difficulties arising in making public bureaucracies more accountable to political institutions, and to the people more generally. The problems of accountability extend beyond the obvious problems of paying bribes to more general problems of poor public services and the inability to produce “good governance” (Chapter 15).

The good news in the corruption story is that some institutions are strengthening themselves and becoming more capable of monitoring and controlling other parts of government. In particular, audit institutions in several countries, notably Brazil, have become more capable of monitoring not only legal compliance but also the performance of public organizations. Thus, the pursuit of accountability has been moving beyond the emphasis on legalism that has characterized public administration in Latin America to address important issues of managerial effectiveness and even efficiency in the public sector.

3.7 Digital Agenda

Finally, we must be concerned with the possibilities of expanding the “e-government” agenda for Latin America (Chapter 13). Like all other countries in the world, those of Latin America face the challenge of utilizing information technology in the most effective way to provide better services for citizens. The availability of digital mechanisms for governing represents not only a huge opportunity for governments in Latin America but also some challenges. For example, the digital divide in these societies, as in many, may exacerbate inequalities in access to public services, despite the seeming ease of access to government provided through digital means.

The development of digital governance may be especially useful for dealing with problems of accountability and corruption. Information

technology allows many of the transactions necessary for delivering public services to be conducted without face-to-face contact between the citizen and the official. This technology also allows for conducting processes such as procurement in a more transparent manner. And digital governance can improve monitoring of a wide range of government activities. The challenge will be to create the infrastructure for governments, and perhaps especially for citizens, that will let necessary to allow digital governance to reach its full potential.

4. The Future?

But what about the future of public administration in Latin America? It is perhaps easier to forecast the challenges that administration is likely to face than it is to forecast the solutions for the challenges, but it is still worth considering how these administrative systems are likely to continue developing.

4.1 Neo-weberianism/Post-NPM

Above we discussed the role of the NPM in reforming public administration in Latin America. Like all parts of the world the ideas of making the public sector more managerial and less governed by the formal, legal conceptions of bureaucracy has been implemented. These managerialist ideas were not always compatible with the underlying traditions of administration in these countries and have been far from fully successful. But the administrative systems are now significantly different from what they were prior to the adoption, or imposition, of NPM.

Also like other parts of the world, public administration in Latin America is moving away from the NPM. Many vestigial elements may remain in place, but the thrust for administrative reform now could be seen as more “Neo-Weberian,” attempting to restore some of the older approaches to public administration and focusing more on law, formal authority, and accountability. NPM reforms did raise some important concerns for public administration in Latin America but may not have been well-suited for governments that did not already have in place some of the central features of the Weberian state. The question for the future for public

administration in Latin America therefore is how to blend the traditional forms of governing with NPM, and with the ideas of probity and accountability central to the Neo-Weberian state.

4.2 Improved Politicization

We mentioned above that public administration in Latin America remains very politicized and very much influenced by political patronage. That is certainly true, and in some ways the politicization may be getting worse. With the decline of political parties in this region, much of the patronage is more personal than party driven. That style of patronage is likely to contribute to even greater turbulence in government. But the good news is that an increasing proportion of the political appointments are being made on technical rather than purely political grounds. Thus, the type of patronage we have identified as “party professionals” (Panizza, Ramos, & Peters, 2019) are becoming more significant actors in governance in Latin America, while the pure political appointees are becoming less significant. This has been and will continue to be a slow process of change, but there are some hopeful signs of the increased quality of appointees in the public sector. This pattern may never substitute for a professional and competent public service, but it is movement in the right direction.

4.3 Decentering Governing

Decentralization has been a consistent theme for reforming the public sector in Latin America. After decades if not centuries of highly centralized governments – both military and democratic – there are continuing attempts to move control over policy, and particularly over administration, to lower levels of government (Falleti, 2010). The assumption of most reformers has been that the decentralization will improve the quality of administration as well as enhance democratic control. Also, the impact of neoliberal ideas has meant moving many activities, especially economic activities, out of the public sector entirely and giving them to the private sector.

The intention of this decentralization, and deconcentration, of administrative activities has been to make public administration smaller and more policy focused. The maxim from the NPM that government should steer and not row was taken to mean giving many activities to lower levels

of government and to the private sector (for profit and not for profit). But the problem for Latin America in adopting this strategy has been that, despite numerous improvements (see Chapter 12), the center of government is not always capable of providing adequate coordination and accountability.

4.4 Creating an Intelligent State at the Core

If governments are to decenter many aspects of service delivery, they must maintain strong and effective capacity at the center in order to provide direction and control. In the phrase of the Dutch students of governance, they should still steer, but steer at a distance. This style of steering may be more difficult, however, than steering in the more direct manner that has been typical of governance in Latin America. The difficulties arise in both the “detector and effector” (Hood, 1984) aspects of creating an intelligent state for steering at a distance.

On the detector side of governing, governments can use a variety of mechanisms – digital and more conventional – to monitor their own performance and the state of the society. This information then must be processed and linked to policy issues that can be handled by the political system. A capable career bureaucracy, with field organizations to collect information and analysts to process the information, is crucial to this aspect of the intelligent state. Likewise, the ability to use information to implement policies more effectively also involves an effective, career public bureaucracy. Many of the issues discussed in this volume concern shortcomings of bureaucracies in Latin America on rather conventional administrative criteria, but we should also be concerned with the next generation of issues for public administration.

4.5 Credible Commitment

The image painted to this point about governance in Latin America is one of turbulence and frequent, and often extreme, alternations in office. One candidate wins, brings in his or her ideas and personnel, only to be replaced at the next election by leaders with very different programs and personnel. This turnover in office is obviously democratic, but it can also pose

problems for businesses, and ordinary citizens, who want to plan for the future and make reasonable investment decisions.

Douglass North, a Nobel Laureate in economics, has argued (1993) for the importance of “credible commitments” on the part of governments. That is, in some policy domains such as monetary policy governments should be capable of making policies that will remain in place for some time, and which would be influenced more by technical and scientific variables than politics. Independent central banks and independent regulatory agencies have been the classic examples of these types of policymaking institutions. These institutions are granted substantial autonomy in exchange for making policy in as expert a manner as possible.

The challenge arising in reference to credible commitment is balancing democratic accountability and expertise in making policy. As Frank Vibert (2007) has pointed out, the reforms of the late twentieth and early twenty-first centuries have created a significant separation between those aspects of public policy that are controlled by democratic instrumentalities and those which have become more autonomous. Latin American governments historically have sided with more direct and democratic forms of control, but there may be a need for more professionalized and more autonomous styles of governing within some domains.

The difficulty is that any politician who is elected wants to have the power to make his or her own policies and may not be willing to delegate those powers to an external agent. This has been true for reform of the civil service as well as for reform of economic policymaking institutions (Geddes, 1994). Therefore, reform processes can be slowed significantly, and the politicization of the civil service and of other aspects of governing that might be performed by more expert institutions persists.

5. Summary and Conclusions

This *Handbook* has made a number of important points about public administration and governance in Latin America. Perhaps the most important point is that governing these countries, or indeed any country, is not easy. Governments confront numerous challenges to their authority and their governance capacity arising from the market, from civil society, and

from the international environment. These challenges are especially important for Latin America and other developing political systems that still confront some negative legacies from the past and numerous contemporary challenges.

A second major point that arises in this *Handbook* is that an effective public bureaucracy is essential for governing. This means creating more effective institutionalized civil services within these countries and trying to improve the quality of public employees more generally. Although we have placed a high level of emphasis on the professional civil service in the *Handbook*, it is also important to note that if used properly patronage appointments can bring highly qualified personnel into the public sector who might otherwise not be able to be hired, given salary levels in the public sector. Thus, it is important to assess overall qualities of public employees and not just make a sharp dichotomy between civil service and patronage appointments when making judgments.

Although this *Handbook* has focused on the public bureaucracy, effective governance requires other strong institutions as well. This is especially true if effective accountability measures are to be put into place. Legislatures, the courts, and audit institutions are all significant players in enforcing accountability over the bureaucracy. Also, legislatures and political executives must be adequately staffed and must themselves have high capacity if governments are to make good public policies to be implemented through the bureaucracy. We consider public bureaucracies extremely important actors in governance, but they certainly cannot do their jobs alone.

We have attempted to provide a comprehensive look at public administration in Latin America. We have not been able to cover every country in detail, nor cover every dimension of administration that might be worthy of consideration. Still, this volume provides the most complete examination of public administration in the region and enables both scholars and practitioners to see how these administrative systems are composed, how they function, and the many challenges they continue to face.

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¹Leaving aside three years of full control of Cuba, longer control of the Panama Canal Zone, and the continuing control over a small part of the island of Cuba.

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