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***Research on Public Management Policy Change  
in the Latin American Region:  
Conceptual Framework, Methodological Guide, and Exemplars***

*Working Paper*

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## PREFACE

This document presents a conceptual framework and methodological guide for researching the process of public management policy change in the Latin American region.

Several assumptions are built into this document. The first is to draw a distinction between formal knowledge about the process of public management policy change, on the one hand, and inferences about reform success factors, on the other. Behind this distinction is the view that statements about reform success factors are *prospective* claims meant to apply to some range of present and future situations. By contrast, formal knowledge about the process of public management policy change consists of limited generalizations attained through systematic comparison of actual reform episodes or cases. Research about actual cases can inform deliberation about success factors, but moving from limited historical generalizations to success factors involves the exercise of practical judgment of the sort normally associated with policy analysis. The guidelines provided in this document are meant to help attain formal knowledge about reform processes, but they stop short of indicating how to infer success factors from a mix of formal knowledge and other considerations. Accordingly, the research design we suggest is geared to attaining limited historical generalizations about the process of public management policy change in Latin America.

The second assumption is that an analytical focus on civil service reform is too narrow. As implied above, the analytical focus should include all public management policies. Public management policies are government-wide rules and routines in the areas of organizing the center of government, expenditure planning process and financial management, civil service and labor relations, procurement,

organization and methods, and audit and evaluation. This view is based on our choice of public policy as a reference discipline for the research design. From this perspective, what must be understood is how public value is created. A key, proximate source of actions that affect the costs and benefits of public action are activities of program agencies. Those activities are shaped by decisions made by agency managers. Those decisions, in turn, are responses to substantive policy choices as well as to *the full set* of public management policies. Therefore, we define reform as a type of event where policy-making activity has occurred in the domain(s) of public management policy, not just in the domain of civil service and labor relations.

The third assumption is that in the present round of research, attention should focus on the pre-decisional and decisional phase of public management policy-making, rather than on the implementation stage. Developing comparable analyses of cases in which public management policy-making occurs is itself a stretch goal. Attempting to attain comparable analyses of cases that include the implementation of public management policy changes is overly ambitious at this time. We recommend focusing on developing systematic comparisons of cases encompassing pre-decisional and decisional events within the public management policy-making process. In a future round of research, attention can turn to providing a systematic account of the similarities and differences of larger experiences that include implementation events.

In sum, the guidelines provided in this document reflect the following views:

- ✍ Researchers should answer feasible research questions about the process of public management policy change

- ~~✍~~ Feasible research questions about each single case ask for information and analysis about pre-decisional and decisional events within the public management policy-making process
- ~~✍~~ Feasible research questions about multiple cases ask for systematic accounts of similarities and differences among cases, so defined
- ~~✍~~ Answers to such comparative questions are limited historical generalizations
- ~~✍~~ These generalizations provide useful input to policy dialogues and will help practitioners answer questions about prospective reform success factors in a range of situations or specific ones.

We hope that these assumptions and the guidelines will prove acceptable to the IaDB.

## A Note on the Authors

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**Guillermo Cejudo** recently completed his MSc Management (Public Sector), with distinction, at the London School of Economics. His dissertation was on public management policy change in Mexico in the 1980s and 1990s. Graduate of El Colegio de Mexico. Served within the civil service staff office of the Instituto Federal Electoral in Mexico.

## 1. Introduction

The research program of the Red de Gestión y Transparencia de la Política Pública (RGTPP) is (or at least should be) interested in understanding public management policy change. Public management policy-making is related conceptually to administrative reform and state modernization, but has a more specific definition. Public management policies are government wide<sup>1</sup> institutional rules and routines<sup>2</sup> (Barzelay 2001). These rules and routines relate not only to people, organization, and procedures, but also to planning, execution, auditing, and review of public expenditures. Public management policies fall into the following categories: expenditure planning and financial management, civil service and labor relations, audit and evaluation, procurement, organization and methods.

The overall aim of the RGTPP research program is to gain insight into the process of public management policy change. Each case study provides such insight for a particular country, and the collection of case studies provides a basis for generalization about the Latin American region. The present guide is oriented to enable researchers to research and write country case studies. These investigations must explain the outcomes of the particular historical episodes in which significant processes of change, or attempted change, occurred. By definition, policy change occurs when authoritative decisions (with potential behavioral consequences) are made either by general purpose law-making power centers within the governmental system or by other bodies (such as central coordinating agencies) employing delegated authority. Still, aborted attempts to achieve policy change are of analytical

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<sup>1</sup> Public management policies do not include ministries (departmental) or agency specific change processes.

<sup>2</sup> An example of an institutional rule is one stipulating that an appointing official must choose among three candidates put forward by the personnel department (the so-called “rule of three”). An example of routines is the methods used by auditing bodies to conduct performance audits of program agencies

interest as part of an effort to understand the process of public management policy change, for their analysis helps to discern factors that stabilize public management policies.

This methodological guide is primarily intended to help researchers study the processes of public management policy making so that they a) deliver satisfactory explanations of the outcome of the particular attempts at reform that occurred in their cases and b) enable the IaDB to compare cases of public management policy-making in the region for purposes of obtaining plausible generalizations about this type of *process*. Such generalizations provide a scientific basis for formulating judgments about success factors of prospective reforms within the region.

As stated above, the research goal is to understand the process of public management policy change in the Latin American region. In keeping with the case-oriented research style, the research objective is to develop limited historical generalizations about this process.<sup>3</sup> An example of such a generalization can be offered from research on developed countries. In comparing the United Kingdom, New Zealand, and Australia cases, Barzelay (2001) argued that stability of the perceived problem or issue of inefficient governmental organizations on the public policy agenda, in concert with other factors, has favored comprehensive public management policy change.<sup>4</sup>

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<sup>3</sup> Ragin (1987: 31) conceptualized limited historical generalizations as “modest empirical generalizations about historically-defined categories of social phenomena.”

<sup>4</sup> This proposition emerges from comparing narratives of experiences in which public management policy-making took place. Each narrative reflects the use of similar models of experiences and similar theories of human, organizational and governmental behavior. Such similarity makes the narratives comparable. And comparable narratives are the basis of insights into the process of public management policy change, considered as a historical phenomenon. One can judge whether any proposition put forward is plausible or convincing, provided the methods by which such propositions were attained are clearly understood.

An understanding the process of public management policy change cannot be attained without the successful execution of a carefully crafted research design. Formulating a satisfactory research design involves making coherent choices with respect to a large array of design issues, including the specification of the research goal (e.g., to understand the process of public management policy change in the Latin American region), selection of the cases to be studied (e.g., reform episodes within country experiences), the identification of case outcomes (e.g., public management policy choices), and the imposition of an analytic scheme to order case evidence (e.g., a map of analytically-defined events characterizing reform episodes). A successful case study provides satisfying answers to the designated research questions, whose specification must be coherent with the higher-level design choices just listed. The likelihood that the answers are satisfying depends, in large measure, on the skill with which the researcher applies explanatory (theoretical) frameworks to rich evidence about the events to which the research questions are keyed. A case study will be successful, provided that the research questions are coherent with other design choices, including the research goal, and provided that the questions are answered through the skillful conduct of a dialogue between explanatory frameworks and case evidence.<sup>5</sup>

These guidelines are meant not only to discuss the defining features of the research program on the process of public management policy change in Latin America, but also to codify a practice of conducting case study research on this type of reform or policy-making process. It is well known that case study research is generally improvised more than designed. In the words of the author of a well-regarded text on case-oriented research (Ragin 1987), this style of work involves a

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<sup>5</sup> Research questions need to be formulated in advance in order to provide guidance to the investigation, in spite of being subject to further reformulation at the light of new evidence.

dialogue between ideas and evidence. While case research is always improvised to a degree, we have come to believe that such work can be conducted more efficiently and effectively if improvisation is disciplined by a codified practice. This document codifies the most important aspects of the practice of conducting case research on the process of public management policy change, with particular reference to Latin America. **Figure 1** identifies these aspects and groups them by type of design issue and, notionally, by stage of the research process.

To compensate for the inherent difficulties in codifying a creative process of researching particular historical experiences, we include in the appendix an exemplar of a case study on the topic of public management policy change. The work is a thesis on public management policy change in Mexico, recently written to complete an MSc degree in Management at the London School of Economics by Guillermo Cejudo. We also illustrate particular research design issues by discussing ongoing studies of public management policy change in Peru and Brazil.

The present document is not entirely self-sufficient, in that it calls for applying explanatory frameworks that are known in the political science literature on public policy-making. Researchers on this project would need to read these guidelines in concert with that literature. Appendix 1 provides an introduction to the theoretical literature. The document is also best read in concert with particular texts on the methodology of case-oriented research- including Ragin (1987).

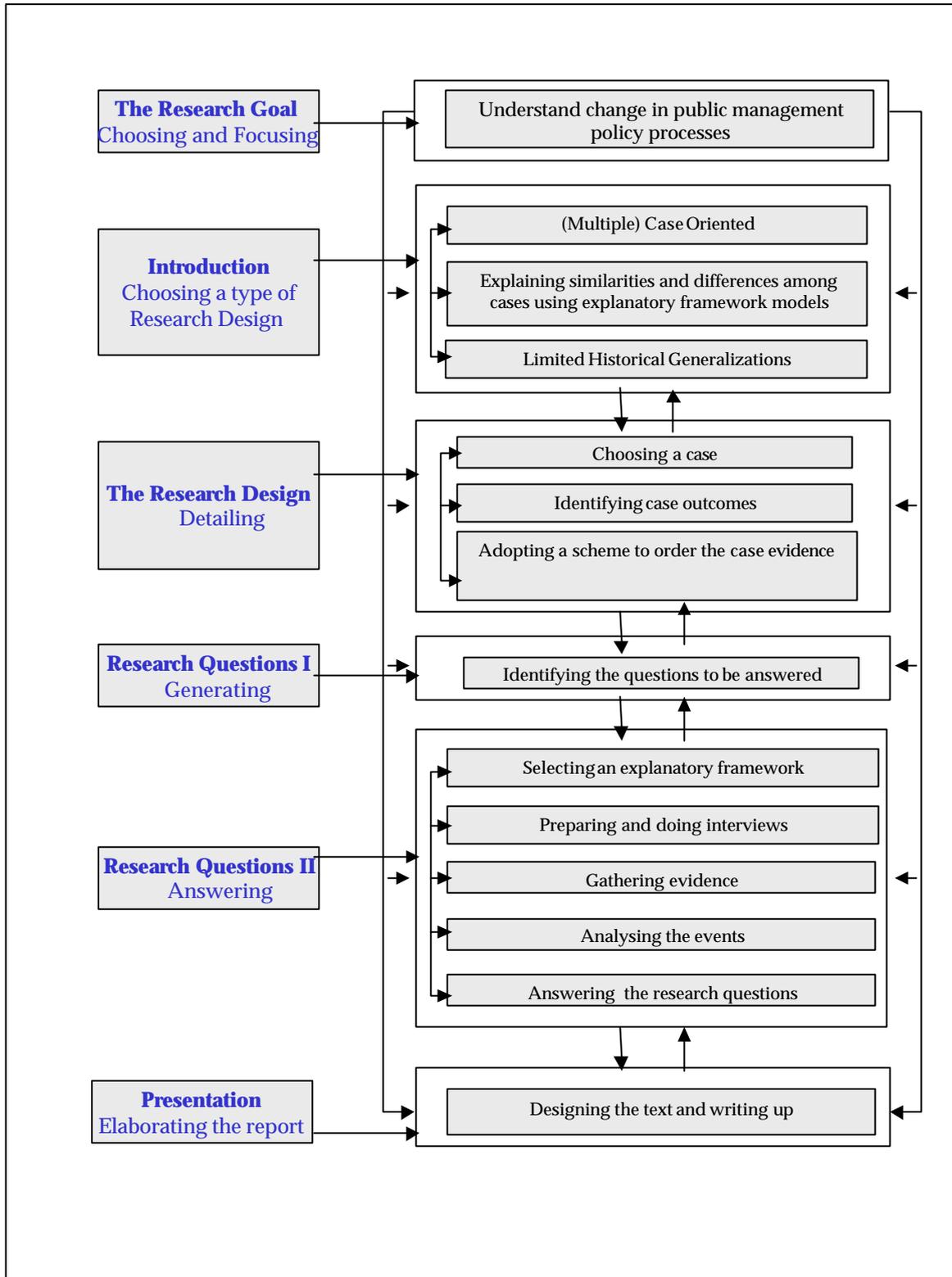


Figure 1 Comparative Research on Public Management Policy Change Processes.

## 2. Formulating an Overall Research Design

### 2.1. Identifying Cases

The case oriented research style (Ragin 1987) is appropriate to the task of creating formal knowledge about public management policy change in Latin America as elsewhere. In the present context, cases<sup>6</sup> refer to events through which public management policy making has occurred in a particular country. Normally, a case refers to events within a limited period, such as one defined by a single presidential administration. Cejudo's recent study of Mexico, for instance, included two cases, so defined. The first case analyzed public management policy-making events during the de la Madrid presidency, while the second analyzed public management policy-making events during the Zedillo presidency. During both administrations there were deliberate attempts of policymaking in various areas of public management policy: reforming expenditure planning and financial management, formulating civil service and labor relations policy, and fostering change in administrative methods and procedures.<sup>7</sup> The Cejudo study compares the two cases (bounded by presidential administrations) in order to generalize about the process of public management policy change in Mexico.

The first decision of the researcher will be the identification cases or experiences to be analyzed. Researchers need to pursue more than one case in order to generalize about the process of public management policy change at the level of a

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<sup>6</sup> At the risk of digression, the word *case* implies an explicit, analytic relationship between a *particular* and a *type*. In the expression "A is a case of B," A refers to a particular and B refers to a type. In the context of the present research program, A refers to events that have occurred in particular governmental jurisdictions, while B refers to the process of public management policy change. When we study A in order to gain insight into B, the analysis of A, insofar as it geared to this purpose, is a case study.

<sup>7</sup> Accordingly, within the context of this research program, the term, "the de la Madrid case" is a shorthand expression referring to "the episode of public management policy change in Mexico during the 1982-1988 period."

country. From this standpoint, the commissioned researchers should identify no fewer than two cases of public management policymaking that have transpired in their assigned countries. Ideally, the cases should be sufficiently different from one another to require an explanation of variety. Explaining difference or variety is useful in understanding the sources and limits of policy change.

When the research goal is to understand a process, like public management policy change, the cases are usefully conceived as an array of parallel and/or serial events through which policy-making occurs. No matter how a reform episode is divided into events, the events comprising the case must individually and severally relate to the process of changing government-wide rules and routines in some or all of the five categories of public management policy mentioned earlier: expenditure planning and financial management, civil service and labor relations, procurement, organization and methods, and audit and evaluation.

## **2.2 Identifying Outcomes within Cases**

According to Ragin (1987), a critical research design decision is to characterize case outcomes. The concept of *case outcome* is related to the more familiar concept of *dependent variable*: it is that which the analysis needs to explain. Generally speaking, the major research questions of a case oriented investigation are expressed in terms of explaining case outcomes. The researcher is accountable to readers, including academic peers, for providing satisfactory explanations of case outcomes. For this reason, the rationale for choosing a particular way to characterize case outcomes should be well considered and explained. In general, case outcomes need to be specified so that they help solve the co-ordination problem that is endemic to scholarly research. It is only by solving this problem that a research community, as a

whole, can produce knowledge about such historically defined phenomena<sup>8</sup>, as the process of public management policy change. Following this suggestion, Barzelay (2001) identified *comprehensive* public management policy change as a similarity of the New Public Management benchmark cases.<sup>9</sup>

Given that reform is conceptualized as public management policy-making, a key property of any selected case outcome is that it refers to authoritative choices of government-wide institutional rules and routines within the public management policy domain (Barzelay, 2001 – chapter 3). This definition leaves room for interpretation, but it is meant to be different from other definitions evident in the literature, such as systemic organizational change in particular governmental systems.<sup>10</sup> To reiterate, case outcomes should be instances of authoritative choices made by law-making power centers or central agencies that potentially affect expenditure planning processes, financial management, civil service and labor relations, procurement, organization and methods, and audit and evaluation across a given jurisdiction. Accordingly, administrative policy choices that have specific effect on a singular department cannot be considered a case of public management policy change.

To illustrate with Cejudo's study of Mexico, the case outcomes included new rules and procedures in governmental agencies, as an outcome of the "simplification" (De la Madrid) and "modernization" (Zedillo) programs, as well as proposals that were generated in the policy development process but did not clear

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<sup>8</sup> Limited historical generalizations should not be confused with claims of successful factors. The latter are claims about the future while the former refer to episodes in the past.

<sup>9</sup> The concept of NPM benchmark case is developed by Barzelay (2001) as a methodological resort – the construct of an ideal type – to investigate public management policy changes in UK, New Zealand, and Australia.

veto points in the legislative process (in the area of civil service / labor relations policy in both cases).

The case outcomes of the recent Brazilian state reform included a new package of public management policies. Some policies were introduced through the approval of a constitutional amendment and others through ordinary legislation. The first group included provisions that enabled new forms of public sector organization and the adoption of different employment regimes within the public sector. The second group included a new procurement policy, the creation of *quangos* and agencies, and a new human resources policy. Both groups were results of the same array of parallel and serial events – public management policy making and decision-making processes within the executive. However, the second group depended on a negotiation process between the executive and the legislative within the Congress in order to have the constitutional amendment approved.

### **2.3. Ordering Case Evidence**

To explain a particular policy choice requires narrating the process by which the choice happened. Policy processes are composed of parallel and serial events. To analyze how policy choices occurred, it is extremely helpful to identify and designate such events, and then explain how they began, progressed, and ended.

A technique for modeling the experience is illustrated in **Figure 2**. The basic element within an experience is an *event*. The set of events directly and intimately related to public management policy making constitute the *episode*. (In a sense, the *case outcome* is situated at the conclusion of all events in the episode.) The episode is situated within *surrounding events*. These events include *prior events* and

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<sup>10</sup> See for instance Peter Aucoin, *The New Public Management: Canada in Comparative Perspective*, Montreal, IPPR, 1995.

*contemporaneous events*. Prior and contemporaneous events might be thought of as sources of occurrences within the episode; prior events occur before the episode while contemporaneous events occur in the same time frame. A model of an experience can also include *related events* coincident with the episode but more affected by the episode than the other way around. *Later events* are sometimes included in the analysis when their anticipation conditions events within the episode.

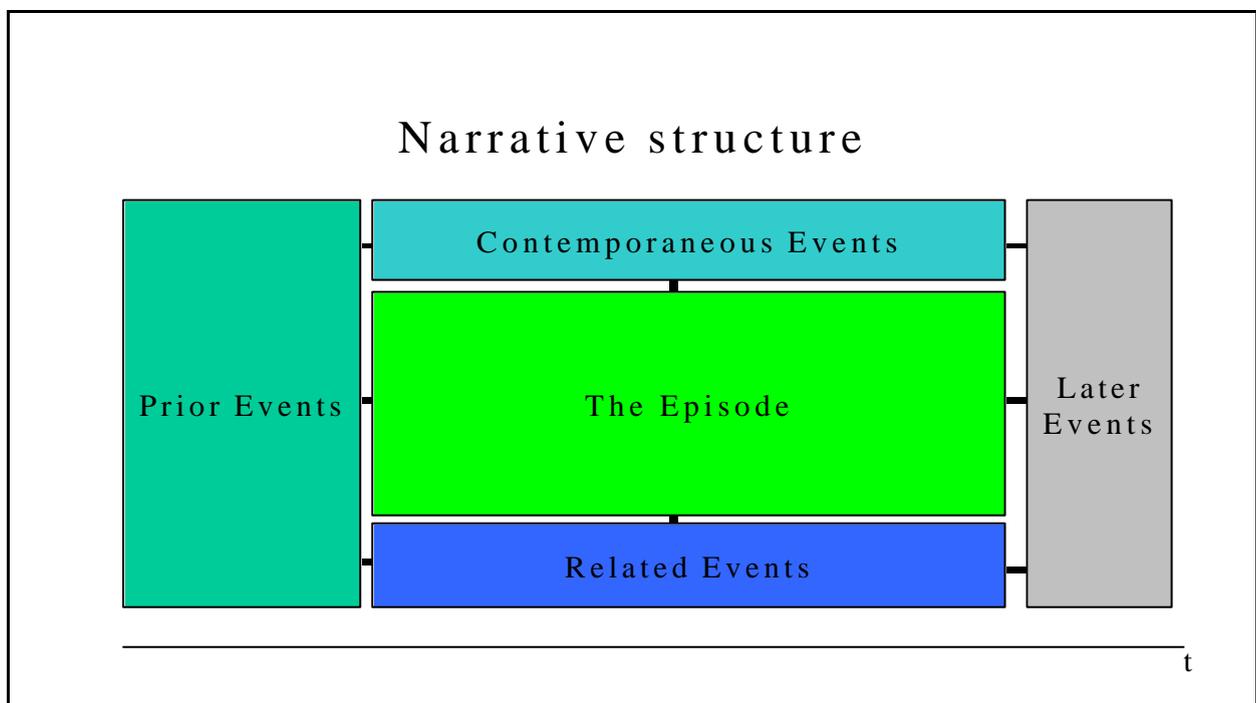


Figure 2 Narrative Structure

#### 2.4. An Illustration

In the Mexican study, the *experience* analyzed was public management policy change in the Mexican Federal Public Administration from 1982 to 2000 (see **Figure 3**). The *periods* coincided with the three presidential administrations: Miguel De la Madrid (1982-1988), Carlos Salinas (1988-1994), and Ernesto Zedillo (1994-2000). Given the fact that during the Salinas period it was not possible to identify events in the area of public management policymaking, there were only two *episodes* (De la

Madrid and Salinas) with events deserving analysis. These episodes were designated as the two *cases*.

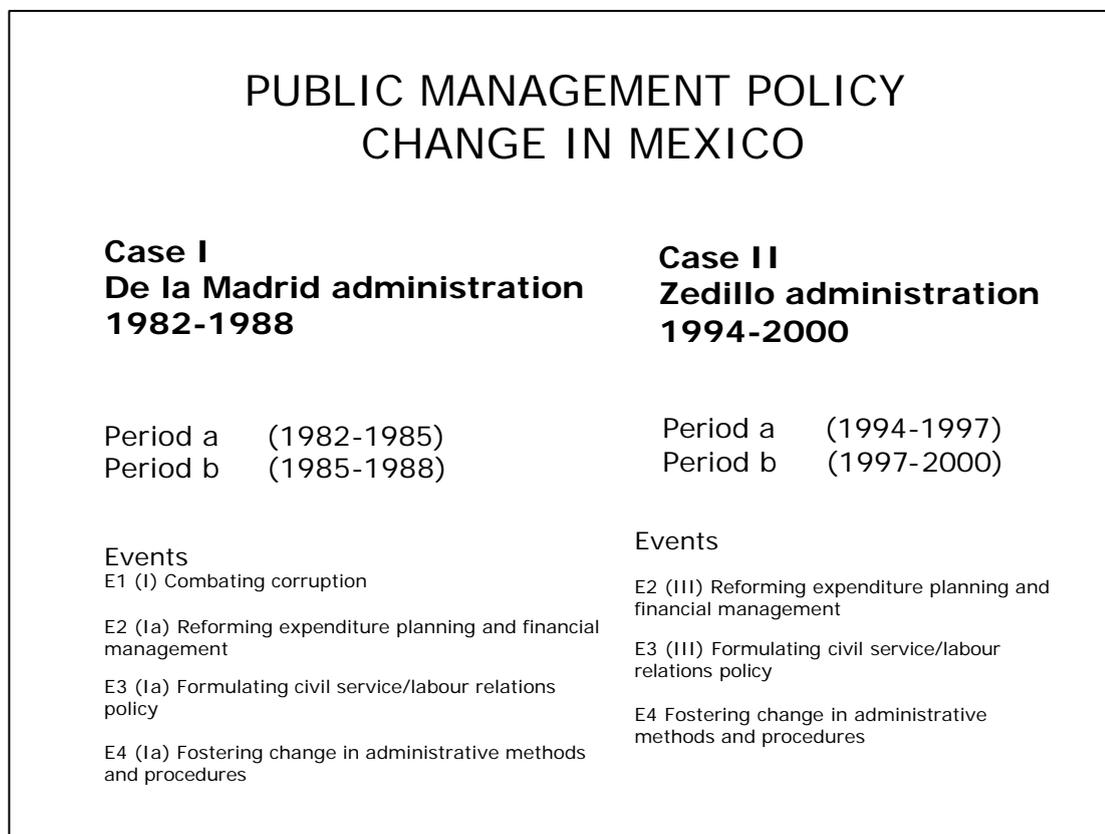


Figure 3: Comparing two cases of public management policy change in Mexico.

Once the cases are identified, the next step is to enumerate the *events* that take place within each episode. In order to simplify this discussion, we focus exclusively on the first episode (the De la Madrid administration) (see **Figure 4**). The *events* within the episode were:

- ~~✍~~ Combating corruption – an effort to reduce administrative corruption in the central government,
- ~~✍~~ Reforming expenditure planning and financial management –an attempt to re-structure the planning and evaluation activities,

- ✍ Formulating civil service/labor relations policy –a failed attempt to create a career civil service, and
- ✍ Fostering change in administrative methods and procedures –an administrative simplification program.

Each of these events is divided even further into a number of *sub events* or *activities*. For instance, combating corruption included, at least, two sub-events or activities: i) Developing institutional capacity to combat corruption, and ii) Developing operational capacity to combat corruption.

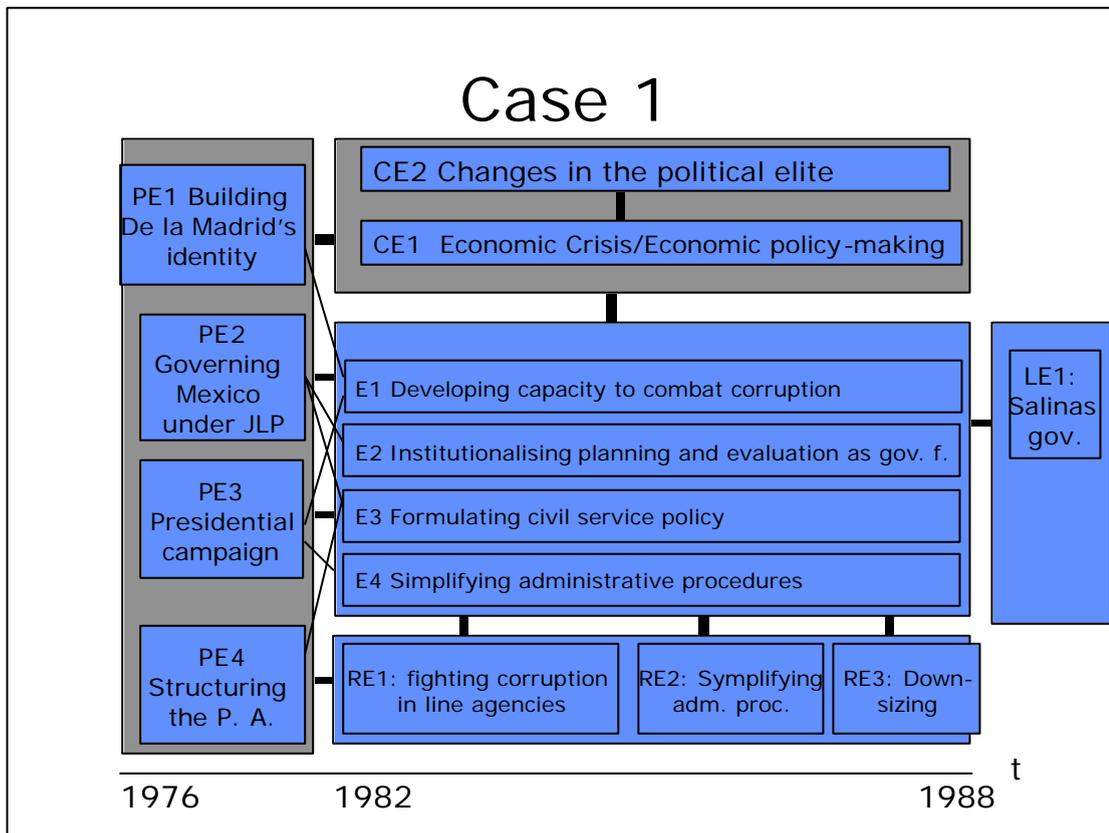


Figure 4 Narrative Structure of the De La Madrid Case

Nonetheless, our main interest is in the identification and explanation of the event *outcomes*; that is, we have to identify what is the outcome of the event (for instance, following the same example, the creation of a new institutional venue for the fighting corruption policy), and to provide an explanation for it, using narrative methods and theories of organizational and policy processes.

To explain event outcomes, we look to other events as sources of change or stability in public management policy. Thus, we look beyond the episode into the *prior events*. They help us to understand the situation at the beginning of the period, including the factors that influence the agenda-setting process within the episode. For the De la Madrid episode, the prior events included i) building of De la Madrid's identity (his career and his political positions), ii) governing of Mexico under López Portillo (both political and economic happenings during this administration), iii) campaigning for the presidency (the De la Madrid's presidential campaign, focusing specially in the issues he raised concerning public management policy), iv) structuring the Federal Public Administration (the situation inherited by the López Portillo government concerning the public sector organization). Accordingly, **Figure 4** defines several prior events within this case.

It is also typically necessary to analyze the concurrent events in the episode. As have been mentioned, *contemporaneous events* refer to events that are interpreted as sources of occurrences within the episode. During the De la Madrid period it is possible to identify two set of events that correspond to this definition: the economic crisis and the economic policy making performed as a response (which affected public management policy making by, for instance, reducing the public budget and, eventually, triggering the decision to downsize the public sector), and the changes in the political elite (as in many other Latin American countries, there was an evident

transformation of the ruling elite, from old-styled politicians to new technocrats; this change produced more changes in the public management policy area). Accordingly, **Figure 4** defines several contemporaneous events within the episode.

### **3. Elaborating the Research Design**

#### **3.1. Generating Candidate Research Questions**

The formulation of the research questions to be answered is a key step in the design and refinement of any research project. A useful distinction is between type A research questions, related to broader policy debates, and type B research questions, related to specific reform episodes.<sup>11</sup> Type A research questions require a high level of generality in order to capture the attention of the international academic and policy community. For instance: How do the processes of agenda setting and alternative generation work in this domain? What affects the generation and resolution of competition and conflict over institutional and policy choices in this domain? How can policy-makers learn from history in designing and improvising public management policy change? How do accepted doctrines of public management policymaking affect policy formulation? Why does comprehensive public management policy change sometimes occur?

Type B research questions structure inquiry about a particular case. One way of generating Type B research questions is to ask how designated events within the episode begin and how their outcome was reached. In generating Type B research questions in this fashion, it is necessary to have the narrative framework already established. As discussed above, the narrative framework delineates the array of parallel and serial events that comprise the episode analyzed in the case study.

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<sup>11</sup> We focus only on Type B research questions on this guide because we think that the scope of the investigations does not encourage us to go further at that stage of the research program.

### **3.2. Illustration of Research Questions about Public Management Policy Change in the Latin American Region**

The best way of understanding how to generate research questions is through a practical example. Therefore this subsection is about generating research questions in another concrete study: Peru. Public management policy making occurred in Peru in the past decade. Reforming the state was a broad policy issue that the government elected in 1990 perceived and tackled during the following years in various ways. This policy-making process produced limited changes in the Peruvian public management policies.

During a first period (1990–95) some change in the public management policies happened, although exclusively focused on specific economy policy agencies that were created or reformed under the influence of the economic stabilization policy the government undertook. However, in a second period (1995–97) governmental authorities became engaged in the implementation of a vast “State Modernization Program.” This program aimed to develop a coherent and consistent public management policy change process. Nevertheless, after the program had generated a number of policy proposals and bills, President Fujimori terminated the process in 1997. This decision contributed to the very limited change in public management policies. **Figure 5** shows the result of organizing the case evidence applying the proposed scheme.

# Applying the Schematics

## Public Management Policy Events in Peruvian Case

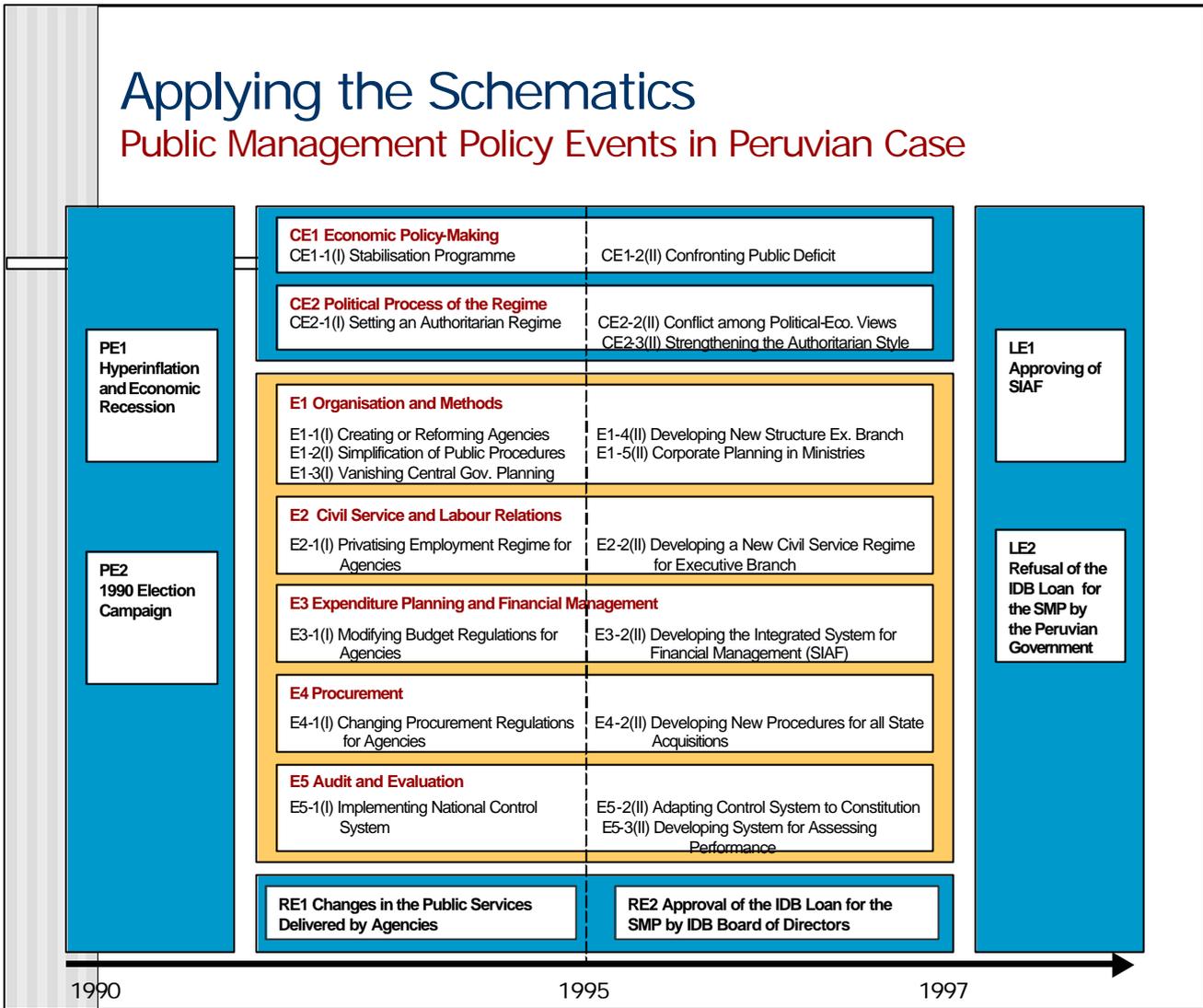
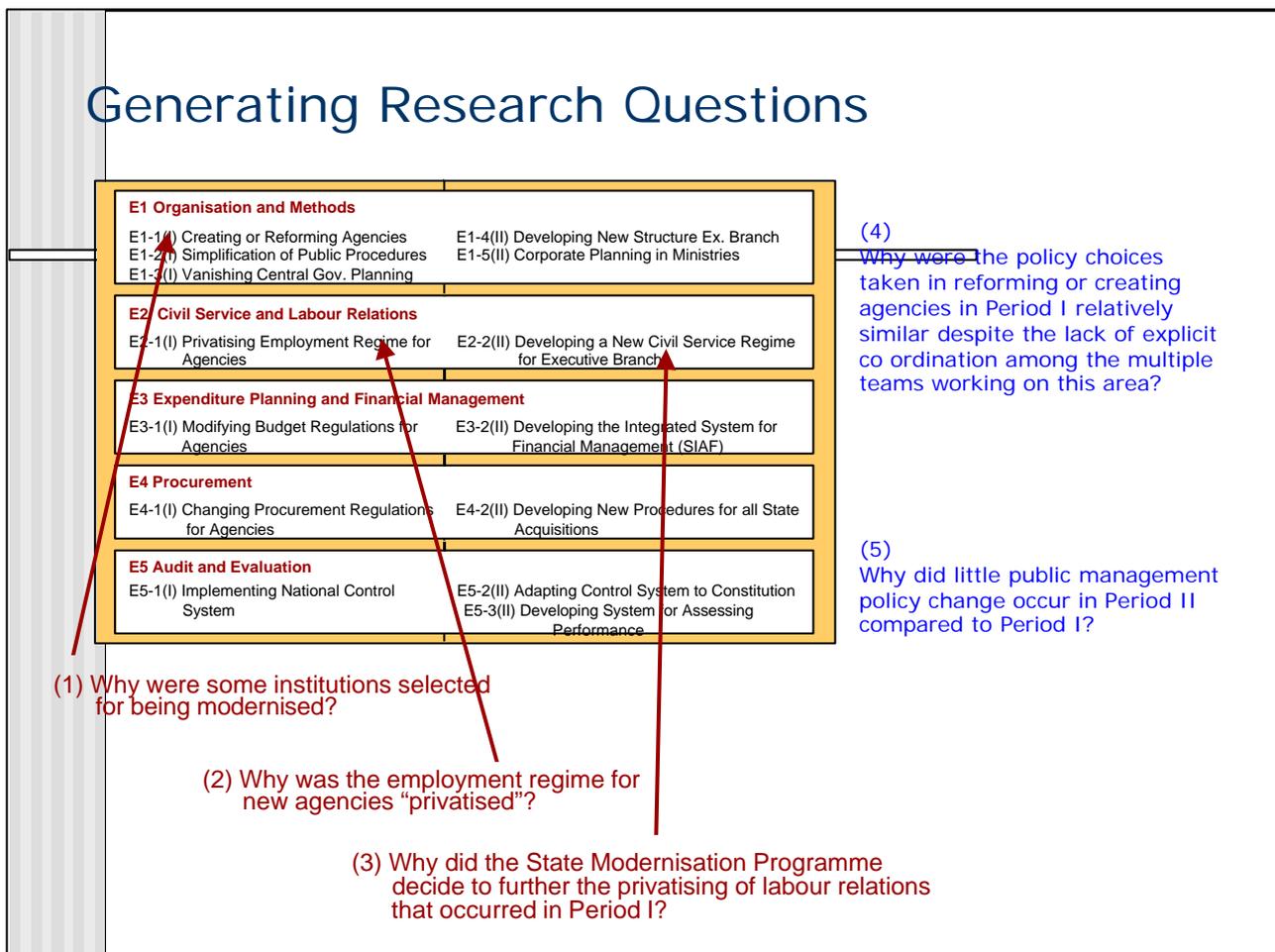


Figure 5 Defining Events as a Prelude to Generating Research Questions

The resulting scheme is useful for generating relevant research questions related to a) each singular event or sub event within the episode, b) the whole episode, and c) the comparison between different periods. **Figure 6** presents an example of the route followed to generate the research questions, focusing on some of the events included in the episode presented in Figure 5. Question 1, “Why were some institutions selected for being modernized?” is directly related to sub event E1-1 (I) “Creating or Reforming Agencies.” In a similar way, Questions 2 and 3 are related to “Privatizing Employment Regime for Agencies” (sub-event E2-1 [I]) and “Developing a new Civil Service Regime for Executive Branch” (sub-event E2-2 [II]) respectively. Question 4 does not refer to a particular sub event but rather to all sub events



**Figure 6 Generating Research Questions**

that occurred in Period I, i.e. across the different public management policy areas. In a broader perspective question 5 considered the whole event, comparing the changes occurred in both periods

Let us now focus in some detail in the process that underlies this route. In the case of Event E2 (“Civil Service and Labor Relations”) our aim is to explain why the outcome of this event occurred. Thus, we have to generate questions related to the particular outcomes the policy-making process of sub events in both periods, that is E2-1 (I) and E2-2 (II). In the first one, the outcome was the fact that special labor regulations - similar to the private sector ones - were approved for the new agencies. In the second one, the State Modernization Program furthered the privatization of labor relations, attempting to extend this policy to the entire executive branch through developing a new Civil Service Regime. As shown in **Figure 6**, Questions 2 and 3 are keyed to sub events E2-1 (I) and E2-2 (II) respectively. Since these questions are analytically interesting to understand the dynamics of public management policy making in Peru, they are carried forward to the stages of data gathering and analysis.

Some questions are not keyed to particular events but to multiple events or even the entire episode. For example, Question 4 is keyed to all the events comprising Period I. This research question seeks to understand similarities among events during which policy-making teams worked to reform particular departments and agencies. Specifically, the similarity to be understood is the change in the employment regime in the direction of private, contractual practices. This change characterized each of several department or agency-specific interventions. Question 5 is another example of a research question keyed to multiple events. In this instance, the question asks for an explanation of differences between the outcomes of events

in Period II (taken as a whole), on the one hand, and the outcome of events in Period II (taken as a whole), on the other. Specifically, the difference is conceived as the occurrence of significant public management policy choices in Period I and their absence in Period II.

However, considering event E2 outcomes we must recognize that in the first period important changes in the labor regulations were approved and implemented, while in the second period nothing really changed, as the Civil Service Bill proposed by the State Modernization Program was never approved. Thus, we need a question to pinpoint this difference and call for its explanation. Question 5 tried to do so, considering not only labor relations policies but all the public management policies in which changes occurred in period I.

It is important to take into account that the formulation of the research questions is not a linear process. In fact, we arrived to most of the questions presented through a large number of different formulations, trying to take into account relevant outcomes and linkages among events. This required, as we will mention later, a continuous dialogue between the concerns that founded the questions and the outline of possible answers.

Following this procedure a vast set of research questions can be generated. Three general phases can be considered in this. The first phase is to identify the central questions that the research has to address. Five questions were identified as the core ones:

- A. Why did policy-making occur in the five areas of public management policies during the two periods?
- B. Why did the “state reform” issue maintain its presence in the governmental policy agenda between 1990 and 1997?

- C. Why did little public management policy change occur in Period II compared to Period I? Why were the policy choices taken in reforming or creating agencies in Period I relatively similar despite the lack of explicit coordination among the multiple teams working on this area?
- E. Why did the State Modernization Program produce changes in some Public Management Policy areas (Procurement) and not in others (Civil Service, Organization and Methods, etc.)?

Questions A, B, and C are related to the whole episode presented in Figure 5. Thus, they are focused on the extent of public management changes and the presence of the State Reform issue in governmental agenda through both periods. Question D, instead, is only referred to the events occurred in Period I, while Question E to those occurred in period II.

The second phase for generating the research questions was to organize all the secondary questions by means of relating them to one or more of the central questions. **Figure 7** shows an example of how a central question (E) served to organize several secondary and specific questions (the Figure shows only three of a large number of secondary questions related to question E). However, this is not a mechanical classification procedure. It required considering the possible answer to the questions and, by doing so, to identify which specific questions had to be posed in order to provide relevant analysis for attaining adequate answers to the most important research questions.

## Organizing Secondary Questions

**E. Why did the State Modernisation Programme produce changes in some public management policy areas (Procurement) but not in others (civil service, organisation and methods, etc.)?**

**E.1. Why was the State Modernisation Programme Created?**

- E.1.1.** Why did the Executive Branch ask the Congress for legislative powers for a comprehensive administrative reform?
- E.1.2.** Why was the SMP created eight months before the legislative powers were approved?
- E.1.3.** Why was the SMP created within central staff unit of the Cabinet of Ministers?
- E.1.4.** Why did the State Modernisation Programme agenda include all five areas of public management policy?

**E.2. Why did the State Modernisation Programme have a negative assessment of the process that created agencies in Period I?**

**E.3. Why was the State Modernisation Programme aborted in the Cabinet?**

- E.3.1.** What facts originated the policy image of the State Reform issue as "minimal modernisation"?
- E.3.2.** Why did the idea of a "minimal modernisation" displace earlier policy images that had sustained the State Modernisation Programme?
- E.3.3.** Why was the decisional stage postponed until the delegated legislative powers were about to expire?

Figure 7 Organizing Secondary Questions

In **Figure 7**, for example, to answer the central question (E) about why the State Modernization Program generated change in one public management area but not in others, requires examination of why the State Modernization Program was ultimately aborted by the President (question E.3). But, for understanding why the program was terminated we must address questions E.3.1, E.3.2 and E.3.3. Thus, generating adequate research questions involved establishing a dialogue between current questions and possible (provisional) answers.

Finally, the procedure reaches the stage of representing a body of questions, shown in **Figure 8**. It is important to notice that not only the secondary questions are related to the principal ones (as shown in Figure 7) but the central questions are also interrelated. Thus, questions A, B and C –focused on the entire episode - are mutually connected and are also linked to questions D and E - focused on each period.

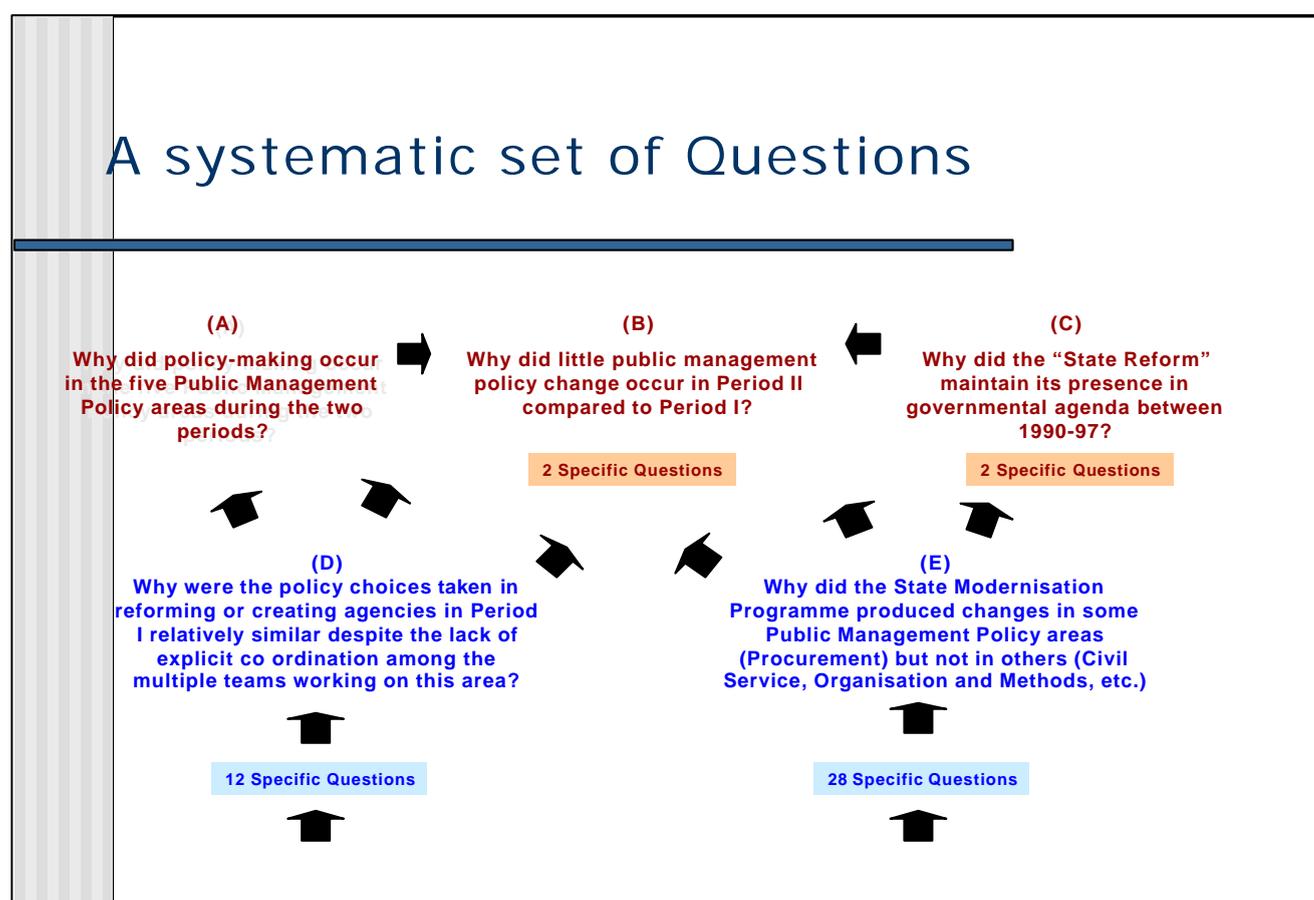


Figure 8 A systematic set of questions

Such a connection can be understood considering the process for generating answers to the research questions. In Figure 8 the arrows indicate the direction this process has to follow. For answering question B (comparing the extent of changes between period I and II), for example, we need to understand why did public

management policy-making occur and why it affected all these policies (question A). We also require understanding the progressive change of the policy image related to the State Reform issue (question C). But, it is impossible to answer these three broad questions if we do not have previously a detailed account of what happened in Period I and Period II. This requires answering not only questions D and E, but also all the specific questions related to them. Thus a systematic set of research questions as the one proposed above allows the researcher to interrelate the multiple answers he elaborates.

### 3.3 Selecting Explanatory Frameworks to Answer Research Questions

In order to answer research questions, theoretical frameworks for studying the policymaking process need to be applied to properly ordered case evidence. One example of a processual explanatory model of decision-making borrowed from political science is the multiple streams model of agenda setting and alternative specification of Kingdon (1984). See **Figure 9**.

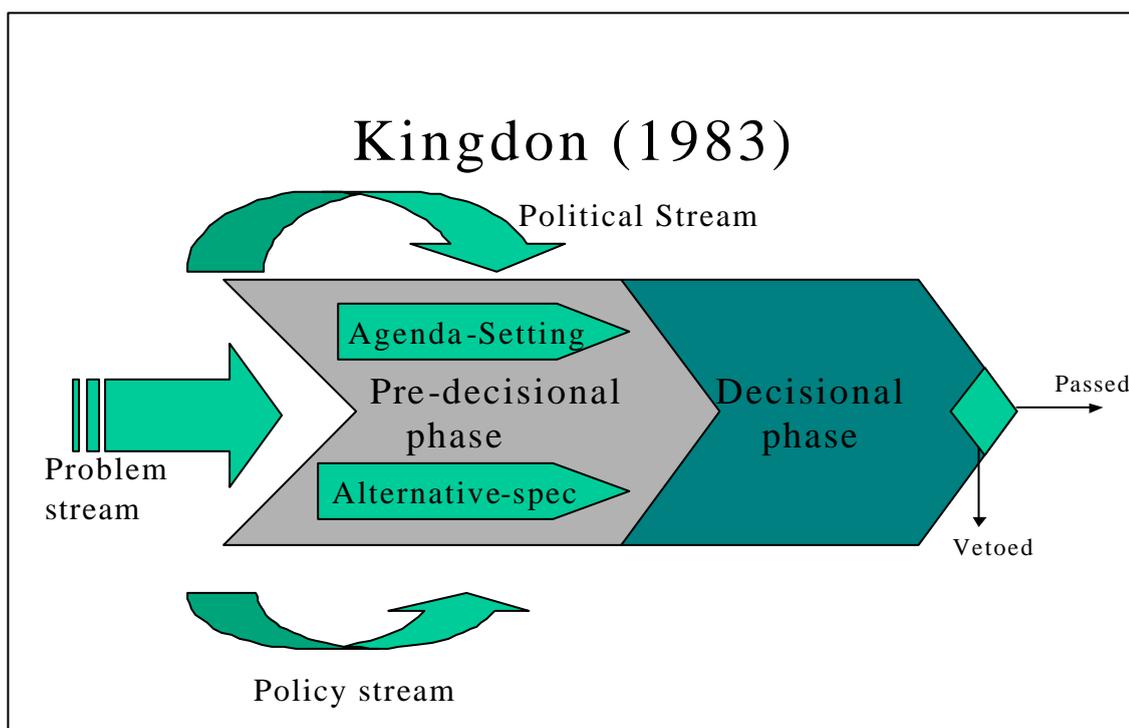


Figure 9 The diagram of the theoretical framework developed by Kingdon

His framework focuses on the pre-decisional and decisional stages of policymaking processes in order to account for the progression of a policy issue from the diffuse systemic agenda to the governmental policy agenda and finally to the decisional stage. Policy change occurs through the combination of the problem, policy and political streams, a convergence catalyzed by entrepreneurial action.<sup>12</sup> For instance, suppose that the case outcome is defined in terms of cumulative change in public management policy over a certain period.

The Kingdon model is useful for several reasons. First, the career of an issue is an emergent phenomenon – a resultant of action – rather than action itself. It is therefore an attribute of the *process* to be understood. Second, an issue career is inherently dynamic, which draws attention to the temporal dimension of the policy-making process. Third, by explaining an issue's career, we can perceive the effects of many diverse influences leading to policy choices: in this way, it structures the work of cross-event analysis.

We present in Appendix 1 four theoretical models borrowed from political science that can be deployed as frameworks for answering research questions about episodes of public management policy change. In order to account for the process of policy change as well as the analysis of the policy outcome four alternative styles of narrative are suggested: the multiple streams model adopted to explain agenda setting and issue career (Kingdon, 1984), the models characterized by actor centered decision making process based on the logic of appropriateness or on the logic of consequences (March and Olsen, 1989), theories of attention and search (March, 1994), and the generation and resolution of competition and conflict that gravitated around the policy making process (Barzelay, 1986).

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<sup>12</sup> See Barzelay (2001, 56-58) and the annexes for a more detailed view of the model.

## **4. Gathering Case Evidence**

### **4.1 Identifying Sources**

Applied research implies in gathering empirical evidence to support the analysis advanced by the reports. Researchers committed with the proposed methodology will need to make intense use of interviews. Interviews are an important methodological tool:

- ~~///~~ Interviews help to get the facts straight, a central concern of an historic method.
- ~~///~~ Interviews help to understand the dynamic of a policy process, including sequences of actions, changes in point of views, conflicts, and intermediate transient outcomes that will not be visible at the end of the process.
- ~~///~~ Interviews contribute through the record of words to improve analytical descriptions of social phenomena and to fulfill blanks in an investigation. They are sense-making resources that help to provide a coherent account of what happened in the past.
- ~~///~~ Interviews allow the researcher to get access to information stored at a personal level. Public management reforms are not usually well-documented experiences. They focus on gray areas of the public sector that do not beneficiate from the public exposure.
- ~~///~~ Interviews are particularly suitable to refine descriptions of how and why situations evolved, although it is also useful to capture ideas, values, opinions and impressions of relevant protagonists.
- ~~///~~ Interviews are not necessarily oriented to reveal subjective knowledge, in spite of their shortcomings. They can provide objective data as well as to indicate other hidden sources of neglected information.

~~the~~ Interviews are appropriate to induce protagonists to retrieve past experiences from their memories in the search of discrepancies and holes in previously available descriptions.

Interviewing is especially critical in this research program because the bibliography of public management reforms in Latin America is unstructured, frequently insufficient, laudatory, superficial, and judgmental.

In Latin America the meaningful original information is not available in the academic policy community vehicles of publishing like journals or web sites. Most of the relevant data<sup>13</sup> and analysis is not public. The lack of transparency is the rule, in spite of the advances that many countries have done in the area of e-governance. In some contexts there is a culture of secrecy that is a serious obstacle to creative and original investigations. In other situations, the access to important documentation is regulated by intangible networks of personal relationships. Finally, there are some databases that depend on direct superior orders to produce a special sort of information, especially those IT intensive. All those factors suggest caution and sensitivity in the effort to gather empirical evidence.

We suggest special attention to a group of unconventional sources of new data and information: government reports, personal archives, consultancy analysis, international institutions' briefings, personal archives, media coverage, public opinion polls, focus groups studies, oral history files, and other similar fonts. These sources of information usually circulate within a circle of insiders close to government. The owners of those connections are usually high ranked officials, experienced civil servants, firms that traditionally do consultancy work for the

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<sup>13</sup> The solitaire exception is ordinary legislation. However legal documentation has induced many scholars to adopt an orthodox old institutionalist approach to policy analysis. The main characteristics of these studies have been an over-descriptive propensity, formalism, and lack of analytical treatment.

government, political media firms, politicians, and some specialized academic institutions and think tanks. Ideally IADB should do what is possible in order to facilitate the access of the commissioned authors to these restricted sources of information as well as to interviewees.

## 4.2 Preparing Interview Protocols

Interview protocols are a requirement for good interviews. The main reason is because they provide a systematized structure of the main questions that interviewers want to address. Putting them in writing is a prudent form of keeping the focus on the relevant research questions in order to avoid a diffuse interview. There are at least five good cautions to be taken into account for elaborating an interview protocol.

- ✍ Interview protocols are primarily important to guarantee coherence between the interviewee answers and the research questions
- ✍ Interviews need to be planned in advance. The researcher needs to know before what he is looking for, even if letting some room for the emergence of new questions.
- ✍ Interviews need to be managed. They do not flow naturally or if they do so they are not necessarily productive.
- ✍ Interview protocols provide guidance but also provide basis for comparability. The same questions addressed to different people facilitate triangulation and comparative deductions.
- ✍ Interview protocols minimize the sources of unreliability in the interviewing process: the interviewer, the person interviewed, and the chemistry of the relationship between them.

Another question that needs to be addressed refers to against what quality criteria should information generated by interviews be evaluated. The quality of

information is related first to the process of eliciting it. However, quality is a relative concept, usually applied in contrast with previously defined standards. In interview terms the two concepts relevant to the discussion are reliability and validity.

✍ Reliability refers to the possibility of verification of the information generated by reproducing the same procedure in other occasion.

✍ Validity refers the degree of fitness and conformity of the results in relation to the experience studied.

Standardization and structure provide conditions for a more reliable process. The presumption is that more rigid an interview protocol of an interview the more reliable it is. Conversely a more unstructured approach allows more room of maneuver within the conversation leading eventually to improvements on validity. Unstructured interviews are usually more motivated by understanding needs than informing or clarifying. Therefore, an intermediate solution like a semi-structured approach – an intermediate point between standardized and non-standardized protocols - is advisable to deal with the trade-off between reliability and validity.

Interviewees should be selected on the basis of their potential contributions to answer the research questions. By the same token, interview protocols need to contain questions specifically oriented to answer the research questions. Respondents need to be questioned about how and why things turned out the way they did. Respondents need to be interrogated carefully about what accounts for the initiation, dynamics, and termination of key events of the episode. They can also explain the progression of the issue within the event as well as the occurrence of intermediate and final outcomes. In the absence of a reliable literature, they provide the most important source of evidence available.

Interview protocols can - and should - be modified along the way as part of a continuous dialogue between ideas and evidence. Intermediate findings eventually provoke re-orientations of angles and priorities. Therefore, interview protocols are inherently provisional tools, subject to change even at the moment of the interviews, depending on the dynamic of the meeting.

## **5. Analyzing Case Evidence and Preparing to Write**

### **5.1 Analyzing the events**

The role of theory is to make sense of the process by which the case outcome happened. Explaining what led to an outcome is different from identifying factors *associated* with the outcome. Theory can illuminate the causal process that was at work in a case. Theoretically informed intra and cross event analysis of an experience is the key intermediate input to formulating causal explanations of cases outcomes. Intra-event analysis concentrates on how individual events progressed; cross-event analysis concentrates on analyzing how individual events were influenced by others within the larger experience. Explaining case outcomes within the research program on public management policy change requires a mix of intra-event and cross-event analysis, as previously mentioned.

### **5.2. Providing an example of event analysis: the Brazilian 1967 episode**

In order to demonstrate how to proceed to analyze an event we will check at one example from a Brazilian episode (Gaetani, 2002). The case selected refers to an episode that occurred between 1964-1967, when important public management policy changes took place. One influential package of public management reforms

occurred at the sunset of the first military government of “authoritarian Brazil”. It was a very turbulent period as we can observe in **Figure 10**.

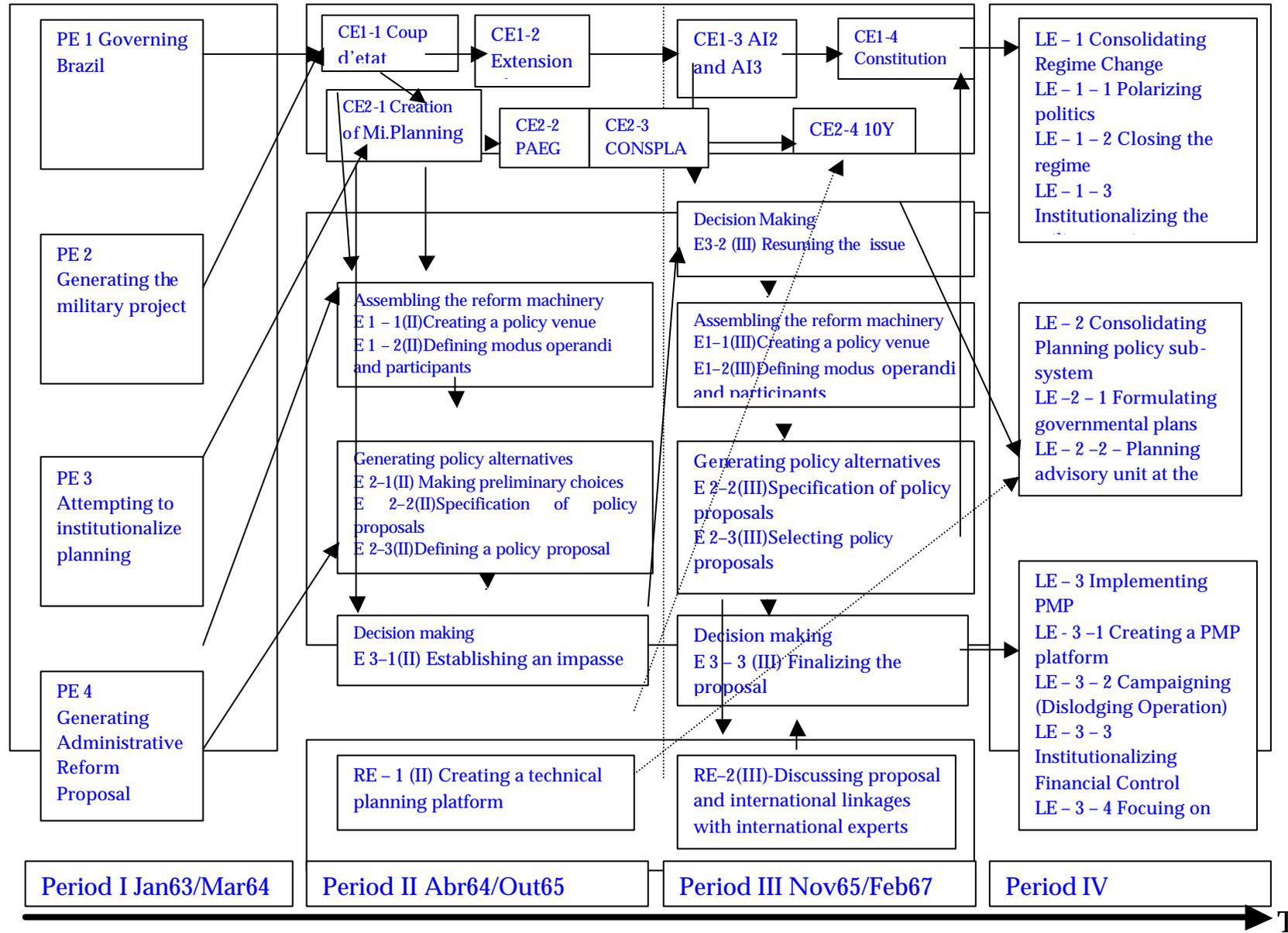


Figure 10 Brazilian 1967 episode

Let's have an overview of the events that occurred during the episode beginning with the contemporaneous events. The coup d'état (CE1-1) occurred at the beginning of 1964 and it was supposed to be a quick intervention in order to preserve democracy. Few months later the mandate of Castelo Branco was extended for one more year (CE1-2), until March 1967. Meanwhile Roberto Campos, the new Ministry of Planning institutionalized planning activities through several initiatives: the creation of the Ministry (CE2-1), the creation of a research governmental institute (RE-1), the launch of macro economic stabilization (CE2-2), the creation of National Council of Planning (CE2-3), and the elaboration of development plans (CE2-4). There was an administrative reform policy proposal available that had been sent to the Congress some months before (PE-4). The new president, who had participated in the previous initiative, decided to give the highest possible status to the treatment of the issue: the creation of a High Level Commission (E1-1) to review the available proposal. The importance the president attributed to the problem could be measured by the selection of participants in this commission (E1-2): the best cadre available at that time, ascendant figures of the new regime, and top governmental officials. It was established that the president of the Commission should be a well-known public administration champion, Beltrao, and the executive secretary, Dias, a technocrat that represented Campos because the Commission was located at the Ministry of Planning. There were not explicit decision mechanisms at the commission because the government expected that decisions through consensus would naturally emerge because of the reunion of the experts on the field.

The event we will further explain as an example of how to precede to event analysis is the incapacity of this commission (COMESTRA) generating a policy proposal (E3-1), an impasse that took place after Beltrao took over the activities of the commission at the expense of Dias alienation. That event came as a surprise by all means. How did it happen? Why couldn't they achieve a consensus? Why didn't Campos stick with Beltrao's final proposal? What explains the impasse?

Part of the explanation can be found through a cross event analysis, at the previous event: generating policy proposals (E1-2). Beltrao and Dias successfully defeated the idea of resuming the proposal available at the Congress. That proposal was championed by the legendary Simoes Lopes and by the technocrats located at the once powerful central agency located at the presidency (the Department of Administration and Civil Service – DASP). However if they agreed about that common enemy, both did not share the same vision about the problems to be tackled and the way of doing it.

The impasse at E1-3 was derived from a clash of problem definition, in Kingdon's terms. An intra-event analysis revealed that while Beltrao defined the issue of the reform as de-bureaucratization, Dias was more concerned with public management problems. While the former suggested that the reform proposal should be resumed to a group of principles and general objectives, the latter was determined to detail specific measures and instruments related to all public management policies<sup>14</sup>.

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<sup>14</sup> A more detailed explanation involves an identification of the values and beliefs sponsored by each one of them (Dias and Beltrao) as well as how their identities were forged along their professional careers.

COMESTRA did not have decisional mechanisms capable of overcoming a conflict between its leading figures (E1-2). Beltrao was a public champion and an ascendant figure of the new regime. Dias was a key advisor of Campos and an experienced technocrat. When, finally, Beltrao's view prevailed, the Commission was not functional anymore. Dias had distanced himself from the process and the disputes over the control of the commission had undermined its credibility within the government.

Meanwhile, turbulence at the political stream had completely absorbed Castelo Branco and Roberto Campos attention. While the latter was facing the problems derived from a recessive economic policy, the president faced a hardliners reaction against the victory of opposition candidates in two key states at the governors' election of 1965 (CE1-3). The radicalization of the regime marked a compromise between the incumbent cabinet, dominated by the "Sorbonne" group, and the military hardliners. The leadership succession was solved at that moment with the unstoppable choice of Costa e Silva, the Minister of War, to be the president successor, almost fifteen months before the end of the Castelo Branco mandate.

The stabilization of the political stream (CE1-3) allowed Roberto Campos to resume the issue (E3-2) through a subtle solution: the creation of an advisory unit under his jurisdiction: *Assessoria de Estudos Tecnicos para a Reforma Administrativa* (ASESTRA). A new policy venue was created but centralized in only one person: Dias, his advisor E1-1 and E1-2 (period III). Dias had assembled public management policy solutions for areas like planning, civil service, auditing, financial expenditure, control, and procurement. But, moreover, Dias had provided a public management package of solutions consistent with Campos's broader objectives: creating the required conditions

for the taking off of the developmental state. Dias proposal was instrumental to Campos's vision in a way that Beltrao's ideas could never be.

In short, in order to analyze E3-1 we had to dissect the event and its internal dynamics as well as to execute a cross event analysis in order to understand aspects of the problem located at other events "upstream" and "downstream", within the episode or at the level of contemporaneous events.

### **5.3 Outlining the report**

The guide proposes the following outline to be used as a model in order to provide coherence to the narrative and to facilitate further comparisons. The first broader suggestion is to divide the report in four broad sections:

- I – Introduction
- II - Case 1
- III - Case 2
- IV - Conclusion

Each section addresses the follow checklist of elements.

I - Introduction:

1. Narrative overview of the whole experience
2. Research design adopted (including theoretical framework)
3. Generation of research questions about the process of public management policy change (comparative - between the two cases - and related to the country)
4. Preview of the main findings

## II – Case I

1. Narrative overview of the case
2. Narrative analysis of key events
3. Answers for the research questions about case I

## III – Case II

1. Narrative overview of the case
2. Narrative analysis of key events
3. Answers for the research questions about case I

## IV - Conclusion

1. Answer for the research questions about the country by comparing cases
2. Speculative reflections about relevance of country case for study of public management change in Latin America region

## **6. Conclusion**

The methodological guide is a tool for researchers, consultants, officials, or practitioners commissioned by IADB to carry out investigations on selected countries. It is developed to provide guidance to investigations oriented by a knowledge-building purpose. It aims to support them in analyzing selected public management policy reforms and clarifying the events included in the study. The guide is written to be a facilitator at the same time that provides a unifying framework for all projects. It introduces an accessible research design provided that the researchers had assimilated the main concepts, frameworks, and procedures proposed. In short, it provides guidance to the researchers in order to allow them to accomplish their goals and to deliver a comparable outcome.

The guide aims to provide a starting point for a continuous dialogue between the commissioners of the studies and those responsible for the investigations. The balance between the resources' limitations – especially time and data availability - and the rigor required in order to do meaningful research is a continuous challenge. Therefore flexibility and fine tune need to be permanently kept in mind in order to promote the inevitable adjustments required on the way. Finally, no matter the quality of final product of the investigation it will be an unfinished piece of work. But if the final reports improve the historical understanding of the events studied and address the dialogue about the subject it will fulfill its role.

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## **Annexes I**

### **Selected Explanatory Frameworks**

#### **1 The multiple streams agenda setting model**

Kingdon (1984) multiple streams model is a variation of March and Olsen garbage can model applied to policy processes. It is particularly suitable for fuzzy situations that need to be clarified in spite of their fluidness. It focus on the issue career from the global systemic agenda until the decisional stage, pushed by an entrepreneur capable of coupling the problem definition, policy specification, and politics processes.

Traditionally the policy of public management is an implicit one, even if it conditions and pervades all the other policies. Given its conflictive character and political sensitivity it is not a natural topic in the national agenda. The ascent to the top the decision-making agenda a broader explanation than the march of the problems, since they usually had been there for a long time.

Kingdon's model is centered on the pre-decision processes and decision making processes. It explains how certain issues (and not others) reach Executive attention, why ideas reach national scrutiny, when it happens and how policy proposals are developed. His framework is a variation of the garbage can model<sup>15</sup> that considers organizations as "organized anarchies" characterized by problematic preferences, unclear technology, and fluid and

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<sup>15</sup> See March and Olsen (1989)

unstable participation.<sup>16</sup> The contents of the can consist of problems, solutions, participants, and choice opportunities – the streams. Outcomes emerge from the mix of garbage. “People work on problems only when a particular combination of problem, solution and participants in a choice makes it possible”<sup>17</sup>.

The agenda setting process has to be de-constructed to its three major streams: problem recognition, the formation and refining of policy proposals, and the political stream. The first stream of Kingdon’s framework is problems, or “how problems come to be recognized and how conditions come to be defined as problems”<sup>18</sup>. The second stream consists of solutions, ‘what to do ideas’ which are available to contribute to the formulation of policy proposals. The third stream was political. It includes since the values in question until the bargains and pressures involved. A “policy window” opens when the convergence of the three streams in a critical juncture provides an opportunity for an issue to be included on the national agenda.

Policy change occurs via entrepreneurial actions<sup>19</sup> by linking the political, problem, and policy streams when “windows of opportunity” occur. Timing is critical because when the window of opportunity opens<sup>20</sup> – influenced or

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<sup>16</sup> In this sense, “the organisation is a loose collection of ideas rather than a coherent structure; it discovers preferences through action more than it acts on the basis of preferences.” (Kingdon, 1984: 85)

<sup>17</sup> See Kingdon (1984: 86)

<sup>18</sup> See Kingdon (1984: 18)

<sup>19</sup> Kingdon focuses on entrepreneurs’ actions. Nevertheless entrepreneurial functions can also be performed by organisations, even if operating as an extension of entrepreneurs’ powers.

<sup>20</sup> Political events, decision-makers rotation, compelling problems, external shocks, and seasonal predictable opportunities are examples of keys for opening political windows, usually but not necessarily short duration episodes.

not by entrepreneurial action - policy entrepreneurs<sup>21</sup> must take action. Otherwise, the opportunity is lost and the policy entrepreneurs must wait for the next one to come along. The issue's chances dramatically increase when all three streams are coupled in a single package. Therefore, environmental elements as well as serendipity and chance are incorporated in the analysis that also reserves a protagonist role for entrepreneurs.

## **2. The sociological variant of new institutionalism**

March and Olsen (1989) developed an influential study of policy making processes within the sociological variant of new institutionalism (Hall and Taylor, 1997). Putting institutional autonomy at the center of their analysis they suggested that political institutions endogenous processes play a decisive role in shaping policies, even if affected by external factors (March and Olsen, 1989: 18). Their contributions to the analysis of administrative reform processes include group of formulations and categories: three framework of references: the duality between two policy logic angles (appropriateness and consequentially), the double rhetoric of administrative reorganizations (administrative orthodoxy and realpolitik), and the allocation of attention.

### **2.1. -Appropriateness versus consequentially**

In investigating how institutions function March and Olsen realized that organizations follow rules codified by a repertoire of procedures accordingly to two fundamentally distinctive logics: consequentially and

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<sup>21</sup> Kingdon defines policy entrepreneurs as individuals committed in investing "time, energy, reputation, money - to promote a position for anticipated future gain in the form of material, purposive solidarity benefits" (Kingdon, 1994: 179),

appropriateness. In the first case rules are imposed and enforced and by political or organizational authority. In the second case rules belong to a code of conduct generated over time via customs, socialization and education. The authors defined rules as “the routines, procedures, conventions, roles, strategies, organizational forms, and technologies around which political activity is constructed” but also “beliefs, paradigms, codes, cultures, and knowledge that surround, support, elaborate, and contradict those roles and routines”. (March and Olsen, 1989: 22) Actions are commanded either by the rational calculation of the return of given choices or by the identification of normative appropriate behavior to be adopted.

The logic of consequences is based on anticipatory and calculative actions. A course of action is chosen between the alternatives available given a set of values pursued. Consequences with respect to these values are attached to each alternative. The chosen alternative is the one that suggests the best consequences. Behavior is conditioned by preferences and expectations with respect to future consequences. The logic of appropriateness gravitates around obligatory action, an expected behavior to be performed accordingly to a situation. The most suitable course of action is the one that is more appropriate to the specific situation in question. Behavior is “intentional but not willful” because it is inserted in role obligations associated with the positions of the actors.

Accordingly to the logic of appropriateness, routines prescient individuals mandates and can survive over time because they establish relationships among expectations to be fulfilled by roles with which the incumbent acts obliged. As the authors say, “The terminology is one of duties and obligations rather than anticipatory, consequential decision making” (March and Olsen, 1989: 23). The routines are also embedded in procedures, decision rules, rules

of thumb, evaluation rules, access rules, timing, and even changing rules. However rules are imperfectly codified what makes compliance subject to variation accordingly to the dominant interpretation. In this sense, rules are learned and socially assimilated over time until being perceived as “catechisms of expectations”. Therefore, individuals can conform to existent rules and act appropriately not because of their best interest but waiting for appropriate reciprocal behavior.

The logic of appropriateness explains mechanisms adopted to provide sustainability for institutional arrangements capable of facing problems like turnover, self-interest, conflict, and ambiguity. In adopting the logic of appropriateness, “political institutions realize both order, stability, and predictability, on the one hand, and flexibility and adaptiveness on the other.” (March and Olsen, 1989: 160). The logic of consequentiality provides alternative explanations to this reasoning but it can also be circumscribed to a sub-area of the logic of appropriateness. In this case the choice of the interpretation of the rules would be subject to personal calculus.

## **2.2. Administrative theory versus realpolitik**

In their analysis of public management reforms in the US, March and Olsen (1989: 74) emphasized the rhetorical character of administrative reorganizations. They discerned two types of administrative reform rhetoric: administrative and realpolitik. The orientation of the administrative theory rhetoric<sup>22</sup> is mainly prescriptive, concerned with the modernization of

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<sup>22</sup> The discourse of the administrative orthodoxy recipes to modernize the government obsolete machinery emphasize issues usually located under the public management policy scope like: economy and control, managerial leadership, lines of authority, spans of control, merit based personnel procedures, administrative neutrality, capture, law enforcement, war on waste, and others.

structures and procedures aiming the improvement of bureaucracies' efficiency and effectiveness. The rhetoric of realpolitik emphasizes real world crude problems of day-by-day governmental organizations: politics interference, interests contests, the dispute of access, spoils struggle, control over resources, and alike. Institutional arrangements express the victory of a winning coalition of interests. Conflict resolution does not depend on administrative theory but on the politics of pragmatism. The capacity of accommodating interests in a acceptable way for hegemonic interests is essential as well as taking into account power networks that operate within governmental structures.

Therefore, both litanies are worthy been taking into account in the study of administrative reforms. "The orthodoxy of administration is the voice of the prologue to comprehensive administrative reform; the orthodoxy of real politick is the voice of the epilogue." (March and Olsen, 1989: 90?) Given the fact administrative reorganizations frequently occur on ad hoc basis, the more administrative reforms incorporate politics dynamics in their calculations the more they have chances of getting approval for their proposals. They are until a certain point simultaneous recitation, attached to each other and mutual reinforcing. In order to make one advance the other has to come to terms with former.

### **3 - The theories of attention allocation and search.**

The problematic of attention allocation is a key element in political contexts dominated by short run courses of action. Attention is a scarce resource. Therefore, the association of opportunities, choices, problems, solutions, and people depends heavily on the sustainability of attention from the part of the

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top executive. Perceiving administrative reorganizations as a variations of a garbage can process implies in recognizing that they are complex enterprises marked by ambiguities of problems and (quasi)-solutions. The executive can hardly keep continuous attention in a strenuous conflictive initiative. Pork barrel negotiations tend to recurrently undermine reform ambitions in order to guarantee legislative support in short term political bargains. Presidential attention in particular is easily displaced, a factor that makes difficult the maintenance of the reform initial impetus. Plus, the reform benefits are long term gains, remotely distinguishable during the crucial stages where keeping the momentum is decisive. (March and Olsen, 1989: 80-82)

A more detailed framework based on theories of attention and search in decision making process was further detailed by March (1994), who centers his analysis on the problem of allocation of attention in a context where alternatives, consequences, and preferences are imperfectly known. Accordingly to March (1994: 24) an “ecology of attention”<sup>23</sup> needs to be incorporated in decision making analysis because of problems of time, attention, and information management (and overload). In order to deal with recurrent problems of intermittent attention satisfying search rules. Satisfying rules establish conditions to activate search behavior, the timing of it, and its limits. The parameters of search are the expectations derived from a comparison between performance and targets. When the performance falls bellow the expected targets search increases, when performance goes beyond expectation search decreases (March, 1994: 27)

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<sup>23</sup> By ecology of attention March (1994: 24) means basically questions related to “who attends to what, and when.”

March's model of search emphasizes is complemented by three premises: aspirations change over time, search is affected by success and failure, and search depends on the market of "supply of" and "demand for" information.

#### **4 - A policy making model based on the dynamics of resolution of conflict and competition problems**

Barzelay (1986) model of policymaking analysis expanded the ideas of the "neo-Weberian synthesis"<sup>24</sup> and developed an original framework based on the ideas of conflict generation/resolution and competition over the structures of authority and assignment. Conflict gravitates about policy issues while competition is centered on jurisdiction struggles.

Competition over jurisdiction occurs with respect to productive control and regulatory control. The former refers to production and delivery processes while the later deals authority over regulatory arrangements<sup>25</sup>. Barzelay uses the concept of segmentation to describe a situation in which the competition becomes more intense because of the rise of the number of governmental agencies with statutory or de facto overlapping authority over issue-area<sup>26</sup>.

Conflict refers to the struggle over policy and can be split in two dimensions: conflict generation and conflict resolution<sup>27</sup>. Conflict arises when governmental agencies with overlapping jurisdictions disagree about policies.

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<sup>24</sup> See Simon, H. (1976) *Administrative Behaviour*, New York, Free Press and Cyert, R.M. and James G. March (1963) *A Behavioural Theory of the Firm*, Englewood Cliffs, New Jersey.

<sup>25</sup> Barzelay (1986: 105) correctly emphasizes that when the granted attributions refer to exclusive productive control the distinction blurs because of the amount of implicit regulatory control attached in this case.

<sup>26</sup> By issue-area Barzelay (1986: 107) meant a set of interrelated policy actions. Three issue-areas characteristics affect the level of the competition over jurisdiction: complexity, age, and size.

An agency's volition is unconstrained when it depends "on its substantive bureaucratic, political, or entrepreneurial mission" and when it is formed independently of central decision-makers approval. The conflict is solved when either volition is constrained or there is redefinition on broad policy objectives by the central authorities. The more complex the objectives, and the bigger the number of agencies with overlapping jurisdictions, the more diffused policy making authority become. Complexity and segmentation will therefore permeate conflict generation and resolution in issue areas characterized by their occurrence. Size and age are another complementary elements to be considered. Both provide inertia and brand externalities that usually favor the allocation of resources in the agencies that own them.

Competition and conflict are particularly useful concepts to analyze policy-making problems at the level of central agencies. Given their systemic dimension they are usually detached from implementation areas and therefore excluded from technical considerations of line agencies. They are in permanent fights to gain control over governmental bodies, notably over those characterized by autonomous resource base and highly specialized technical competencies.

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<sup>27</sup> An important complementary concept here is "quasi-resolution of conflict", a label used by Cyert and March (1963) to designate process that result in precarious near finished outcomes, a very common situation at the public sector.

## **Annexes 2**

### **PUBLIC MANAGEMENT POLICY CHANGE IN MEXICO**

#### **1982-2000**

**Guillermo Cejudo**

#### INTRODUCTION

During the last two decades of the 20<sup>th</sup> century, numerous countries experienced substantial changes in public management policy (Hood, 1991; Pollit and Bouckaert, 2000; Barzelay, 2000; Lane, 2000). Notably, the United Kingdom, New Zealand, and Australia have been regarded as examples of comprehensive transformation in the public sector. However, despite some rhetorical attempts to present this trend as a 'global revolution' with more similarities than differences (Osborne and Gaebler, 1992), the idea of a homogenising reform in public management has been challenged by several authors (Hood, 1998; Knill, 1999). It has been argued that, even if the United Kingdom, Australia and New Zealand experiences could be regarded as a 'benchmark case' (Barzelay, 2000), other countries present different patterns of public management policy change, with dissimilar results.

The purpose of this paper is to explore change in public management policy in the Mexican Federal Public Administration,<sup>28</sup> during the 1980s and 1990s.<sup>29</sup> Although it is framed within the field of public management

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<sup>28</sup> Federal Public Administration refers to the Mexican central government's bureaucracy. Throughout this paper, however, this term will exclude the state-owned companies.

<sup>29</sup> In this paper there is not a description of the public administration organisation in Mexico. In other words, it is not its purpose to present a static account of the civil service organisation in a 'comparative public administration style'. For an analysis of the structure and organisation of the Mexican public administration, see Haro, 1999. Arellano (2000) provides an explanation of the patrimonialist culture in the Mexican bureaucracy. See also Hernández (1994), Méndez (1997), Pardo (1991), Heady (1995), and Moctezuma and Roemer (1999).

literature (Barzelay, 2001), the explanations presented in this paper draw heavily on political science, since the main focus are the events surrounding policy making, rather than the specific content of the policies.<sup>30</sup> It does not provide an evaluative claim regarding the results of these policies, nor is it concerned with producing ‘lessons from experience’; instead, it presents a theoretically-informed historical interpretation of the events. In this way, it aims at explaining the sources and limits of change in public management policy in Mexico and, on a theoretical level, to provide insights about what accounts for change in public management policies. It provides an account of an experience of public management policy making in a developing country during the process of dramatic political and economic change, and, in doing so, offers a narration that helps to understand how the policy making process in this domain is affected by contemporaneous events in other domains.

The Mexican experience is relevant because it presents a case in which, notwithstanding the fact that the public management policy-making process was active in at least two of the three administrations under study, the effect of such efforts were rather limited. This study is focused on two administrations within this period, under the presidencies of Miguel de la Madrid (1982-1988) and Ernesto Zedillo (1994-2000). The administration of Carlos Salinas de Gortari (1988-1994), albeit being active in other domains, did not carry out any significant change in public management policy.

Following Barzelay (2000), in this paper public management policy refers to government-wide institutional rules and organisational routines intended to guide, motivate, and control public service organisations. These policies involve expenditure planning and financial management, civil service

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<sup>30</sup> According to Kingdon (1984: 2-3) “public policy making can be considered to be a set of processes, including at least (1) the setting of the agenda; (2) the specification of alternatives from which a choice is to be made; (3) an authoritative choice among those specified alternatives, as in a legislative vote or a presidential decision; and (4) the implementation of the decision”.

and labour relations, procurement, organisation and methods, and audit and evaluation. The point of departure is to understand the changes in public management during the 1980s and 1990s as a public policy –a public management policy change–, not as a trend. From this perspective, “the outcomes to be explained are policy choices, not styles or themes, or other characteristic descriptions of the New Public Management” (Barzelay, 2000: 10). The purpose is, first, to achieve a satisfactory historical understanding of the two episodes, and, second, a theoretically informed account of the events within these episodes, in order to be able to make some limited generalisations (Ragin, 1987) about the way in which public management policy change has taken place in Mexico during the period of time under analysis.

In the Mexican experience, the De la Madrid and Zedillo administrations were active in public management policy making in the areas of combating corruption (this one only during the De la Madrid administration), reforming expenditure planning and financial management, formulating civil service/labour relations policy, and fostering change in administrative methods and procedures. Each policy was developed in a different fashion and with different levels of success, as will be explained in the following pages.

This paper includes a brief overview of the each of the cases (De la Madrid and Zedillo’s administrations), a detailed (historical) narrative account of the policy making process for each policy (including, when relevant, the relation with prior and contemporaneous events), and a theoretically informed explanation of the events.<sup>31</sup> In order to give coherence

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<sup>31</sup> It is necessary to alert the reader that the narration is not necessarily built in chronological order. The events are narrated when they are pertinent for the explanation of the policy making process. Thus, some prior events may not be explained before the introduction of the narration, but as a part of it.

to the narration, there are four central subjects (Hull, 1975) that guide the discussion of each case: the image and agenda status of public management policy in the governmental and specialised agendas,<sup>32</sup> the public management choices for each policy, the policy subsystem and domain structure,<sup>33</sup> and, when present, the policy entrepreneurs.<sup>34</sup> With the analysis and comparison of both cases, there will be a dialogue between ideas and evidence (Barzelay, 2000), in order to present in the conclusion a theoretically informed account of the episode and produce some limited historical generalisations.

With this analysis, it will be possible to address the questions of how some issues reached the governmental agenda in the area of public management policy, how the policy-making process occurred, how each of the policies evolved over time, and what was the effect on the policy subsystem. The overall research questions refer, first, to why public management policy change in Mexico has achieved comparatively limited results, and second, to what accounts for the differences between each policy. The claim of this paper is that public management policy achieved more significant changes during the Zedillo period because the concurrence of i) a stable policy subsystem consisting of specialised agencies whose agendas were committed to a specific policy; ii) a coherent domain structure framed in term of a “administrative modernisation image”; and iii) active policy entrepreneurship. Although present in some cases in the De la Madrid period, these elements did not concurred at the same time, so the instability of the issues made them more

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<sup>32</sup> Policy image refers to how a policy is understood and discussed in a certain moment; it includes both empirical and evaluative elements (Baumgartner and Jones, 1993). The status of a policy is the place that a certain issue has in the governmental or specialised agenda (that is, the agenda of the government as a whole or of a specific institutional venue) (Kingdon, 1995).

<sup>33</sup> A policy subsystem is “a definable institutional structure responsible for policy-making, together with formal arrangements and informal relations that influence participation in the venues where decisions are made” (Baumgartner and Jones, 1993: 7). Domain structure is the conceptual organisation of public policy making, which reflects beliefs about the interrelatedness of various policies.

<sup>34</sup> Policy entrepreneurs refers to the pool of individuals eligible to attain positions from which functions of active support for a specific policy could be played.

easily affected by contemporaneous events (especially after 1985). Nonetheless, at the end of the period, public management policy change was comparatively limited, because new obstacles precluded the policies carried out in the Zedillo administration from being implemented to their full extent.

PUBLIC MANAGEMENT POLICY MAKING  
DURING THE DE LA MADRID ADMINISTRATION

Overview of the period

When Miguel de la Madrid took office in December 1982, Mexico was in the middle of a severe economic crisis and the government was virtually bankrupt and coping with widespread public distrust (Cornelius and Craig, 1984). In his first address to the Congress, the new president announced drastic measures to make an effort to overcome the situation, including a reorganisation of the federal government. In this sense, Mexico was not an exception in the international arena: several countries were experiencing economic problems and developing overarching public management policy changes. Nevertheless, in the Mexican case, public management policy did not produce far-reaching changes in the federal administration. This does not mean that there were not attempts to produce those changes. Actually, De la Madrid seemed to be interested in public management policy since the presidential campaign, and he saw it as a means to restore government's legitimacy and to improve the performance of the public sector (Aguilar, 1994).<sup>35</sup>

The public management policy choices achieved during this period were a result of a combination of De la Madrid's previous experience as head of the Secretariat of Programming and Budget (*Secretaría de Programación y Presupuesto*, SPP) and his own ideas and commitments during the presidential

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<sup>35</sup> It might appear surprising the excessive attention devoted to the president throughout this paper. This is due to the predominance of the president in the Mexican political system, not only because of its constitutional role, but also because of the weakness of the Congress for most of the 20<sup>th</sup> century, which was dominated by the ruling party until 1997.

campaign. At the same time, they were a response to the situation inherited by the previous administration (under José López Portillo, 1976-1982), in terms of both the economic and political conditions and the structuring of the public sector. Thus, in order to make sense of some of the policy choices it is necessary to take into account the fact that De la Madrid and his close team belonged to a new kind of politicians, different from the old-styled rulers that dominated the political system for several years, and he was well aware of the unsustainability of the prevailing economic and political arrangements (Loaeza 1992; Morales, 1994). Furthermore, in his job at SPP, De la Madrid was involved in the previous government's attempt to reorganise the public administration (which will be explained below), but was also aware of its limited results.

Another important antecedent to this narration is the fact that, when De la Madrid was elected, the country was already in the middle of a deep economic crisis caused by adverse international economic conditions and mismanagement of the country's economy (Bazdresch and Levy, 1992). Thus, even though the presidential campaign was, in general terms, a mere formality (since for the previous fifty years the ruling party –Institutional Revolutionary Party– had not lost any presidential election) it was an opportunity for the candidate to set the agenda for the next administration and to outline some plans. By outlining these plans, De la Madrid committed himself to a set of reforms, which, despite being presented in very broad terms, would be the guide for the new government's actions.

The most notorious issue concerning public management policy raised during the campaign was the idea of a 'moral renovation' (*renovación moral*) as one of the main objectives of his government. This was a deliberate response to the widespread allegations of corruption under the López Portillo

administration. Its objective was to combat corruption and increase governmental control over public officials' activities.

Combating corruption was not the only public management policy pursued during the De la Madrid administration. In the area of expenditure planning and financial management, the new government decided to establish planning and evaluation as core governmental functions, by amending the constitution and creating planning and evaluation systems. This policy aimed at enhancing governmental effectiveness. A third public management policy –this one in the area of civil service and labour relations– consisted of an attempt to prepare and enact a civil service law which would create a career civil service in the Federal Public Administration. This issue was incorporated into the government agenda during the campaign, although it was a much less prominent issue. A fourth public management policy under the De la Madrid administration was the so-called “administrative simplification programme”. As its name indicates, it was an activity aiming at reducing red tape. This was the only deliberate attempt to fostering change in administrative procedures during this period.

As has been already mentioned, public management policy during this period was greatly influenced by the economic situation. It will be shown how this event affected the emergence and evolution of each of the policies that took place during the De la Madrid government. But there was another event affecting the Mexican government: new ‘technocrats’ were replacing old politicians as the holders of political and bureaucratic power. Both events were intensified during 1985 (Cornelius, 1986; Aguilar, 1994), and consequently the effects on public management policy were stronger. A new public management issue –downsizing– emerged as the new priority in the agenda of the government, after De la Madrid criticised the size of the state and called for its reduction. Consequently, the previous policies were

relegated and, furthermore, changed so that they could contribute to reduce the size of the public sector. This issue dominated public management policy making during the second half of the administration (1985-1988).

In the following pages, it will be explained how these issues evolved during this period. In order to do so, it will be explained how each of these policies was framed as an issue worthy of governmental attention, and what status they had in the governmental agenda. Moreover, it will be analysed how the policy choices were made, and what was the effect on the policy subsystem and, if any, the impact of policy entrepreneurship.

#### COMBATING CORRUPTION

As has been mentioned, during the early eighties, the most outstanding event regarding public management policy was the creation of institutional and operational capacity to combat corruption in the federal government. During the 1981-1982 presidential campaign, it was clear that one of the main sources of public discontent was the widespread allegation of corruption throughout the last years of the López Portillo administration. Fighting corruption was to be, according to De la Madrid, a priority in the next government, under the label of “moral renovation”. In his inaugural address, he announced: “Moral renovation will be a commitment and a norm of behaviour during my administration” (De la Madrid, 1982: 21).

In order to do so, the first step was a change in the institutional framework in which corruption-fighting would take place. Even though audit and evaluation were activities already performed in the Federal Public Administration, it was decided that a new office, at ministerial level, should be created. As Pardo (1992) suggests, it was thought that audit and evaluation activities were dispersed and fragmented, and that the only way to strengthen

them was by integrating them in one body. On the other hand, this was a symbolic action aimed at demonstrating the commitment of the new government toward the containment of corrupt activities. This decision was a direct response to the situation inherited by De la Madrid, in which it was necessary to regain the public confidence in government lost because of the crisis (Crespo, 1992; Aguilar, 1992).

Thus, immediately after taking office, De la Madrid sent a bill to the Congress, as well as a proposal to amend the Constitution (both changes prepared during the transition period between election and De la Madrid taking office). After some alterations regarding norms about information disclosure by public servants (Pardo, 1992), the bill was passed, and, as a result, the new institutional framework for 'moral renovation' was set. The constitution was amended in order to include some articles regarding public servants' responsibilities. A new Federal Law of Public Servants' Responsibilities (*Ley Federal de Responsabilidades de los Servidores Públicos*) established the administrative duties of public officials, as well as the constraints to their behaviour, and the administrative sanctions that could be imposed on them in case of misbehaviour. Finally, there were some changes to the Federal Public Administration Law (*Ley Orgánica de la Administración Pública Federal*), which modified the structure and names of some secretariats and established a Secretariat of the Federation's General Comptrollership (*Secretaría de la Contraloría General de la Federación, SECOGEF*), which was created as a central co-ordinating agency, with oversight and normative power over other secretariats. This new public entity was in charge of auditing and prosecuting corrupt practices, as well as controlling and evaluating the public sector (including the numerous state-owned enterprises).

Although the legal reform was publicised as a groundbreaking change, with SECOGEF embodying the idea of ‘moral renovation’, it is obvious that the formal change was not enough. It was necessary to develop operational capacity for implementing this governmental endeavour. Accordingly, some functions from the Secretariat of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público, SHCP*), the SPP, and the General Attorney were transferred to SECOGEF (Torres, 1999). Furthermore, this new secretariat took on authority over each secretariat’s internal comptrollers, which was supposed to be a further step to strengthen its capacity to audit and evaluate governmental activities. However, this objective was not entirely fulfilled, since the internal comptrollers were appointed by the head of each secretariat. Consequently, the loyalty of these officials was to the person who appointed them, not to SECOGEF.

As head of SECOGEF, De la Madrid appointed Francisco Rojas, a close member of his team when he was in charge of the SPP under López Portillo. Rojas worked in the Co-ordination of Management Control (*Coordinación de Control de Gestión*). It has been argued (Torres, 1999) that, in many respects, SECOGEF resembled this co-ordination, created in 1979 by De la Madrid with the main task of overseeing SPP’s internal programmes. Given his close relationship with the president, and his experience before being appointed (working under De la Madrid in the area of control), it was expected that Rojas would be a prominent member of the cabinet, at least in the specialised arena of public management policy. However, his work was low-profiled throughout the administration, and he was not able to become a policy entrepreneur for fighting corruption.

Once the institutional setting was established, there were also activities focusing on developing operational capacity to combat corruption, both within SECOGEF and the rest of the federal bureaucracy. Hence, during 1983,

SECOGEF developed the framework under which it (and its agents in the rest of the government) would operate. The result was a document called “General norms for the formulation of audits” (*Bases generales para la formulación de auditorías*), which emphasised its role in the external supervision of the work done by public officials, and control and auditing over state owned enterprises, and developed routines and operation procedures for doing so (Pardo, 1992).

Nevertheless, soon after being initiated, the public management policy lost its place in the governmental agenda (which was congested by more urgent issues related to the economic crisis). The issue remained in the specialised agenda of SECOGEF. This office carried out regular audits in the rest of the government and watched over the application of the Federal Law of Public Servants’ Responsibilities, particularly concerning the “patrimonial declaration”, a document that public servants were required to submit annually, stating the sources of their income. The purpose of this requirement was to gather information in order to be able to detect possible illegal sources. However, the practical impact of the work done by SECOGEF was limited. As has been mentioned, the autonomy of the internal comptrollers in each secretariat was limited and neither them, nor SECOGEF as a whole, had enough political power (or support from the president) to pursue a more active corruption-fighting policy.<sup>36</sup> It served some political purposes, but did not induce a systematic change in the behaviour of public officials:

Instead of the promised ‘moral renovation’ and political reform, the government of Miguel De la Madrid limited itself to the arrest of a particularly odious figure who had no strong constituency supporting him (ex-Mexico City Police Chief

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<sup>36</sup> Presidential support was essential given the political effects of this policy and the close relationship between the political and bureaucratic elites.

Durazo) and the imprisonment of and ex-political rival of De la Madrid's whose corruption paled next to that of ex-President López Portillo (Jorge Díaz Serrano) (Centeno, 1994: 9).

Routine activities in line agencies continued throughout the De la Madrid administration, but the results were rather limited<sup>37</sup> and, as will be discussed later, after 1985 there was a change in the priorities of the specialised agenda of SECOGEF.

In sum, public management policy regarding corruption during the De la Madrid administration initiated as a high priority issue in the governmental agenda. Despite the economic chaos in which the country was embedded in the early eighties, which demanded a great amount of presidential attention, De la Madrid reacted to the corruption-related scandals of the previous administration, given the commitment he had created during the presidential campaign. During this period, this was the only public management policy with direct policy entrepreneurship from the president. The policy choices radically transformed the policy subsystem, by creating a specialised agency with responsibility over this policy. However, presidential support faded once the institutional setting was established, and the design and operation of routine activities within SECOGEF proved to be only a secondary issue. Kingdon (1984) has explained this fact by saying that it not unusual that, once a legal change has taken place, the issues disappear from the agenda. This situation was to be replicated in other policies, as will be shown in the following sections.

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<sup>37</sup> At the end of 1988, SECOGEF had investigated approximately 2500 cases, which is an insignificant number compared to the more than four million federal public servants (Pardo, 1990).

## INSTITUTIONALISING PLANNING AND EVALUATION

## AS CORE CENTRAL AGENCY FUNCTIONS

The initial response of the De la Madrid administration towards the 1982 economic crisis was not an overall attempt to reduce the size of the bureaucracy.<sup>38</sup> On the contrary, governmental activity was not regarded as part of the problem (as occurred in other countries, Savoie, 1994). According to the new government, what was needed was a more efficient and organised governmental apparatus. Thus, planning and evaluation emerged as the solution to the lack of organisation and control in the bureaucracy. Whereas in other countries downsizing and privatising emerged as the solutions to what was framed a governmental overbureaucratisation, in Mexico the response was a corrective adjustment, not a radical transformation.

The idea of planning and evaluation as core governmental functions was initiated during the previous government. The López Portillo administration carried out a wide-ranging attempt to restructure the public sector, which included the promulgation of a Law of the Federal Public Administration (Pardo, 1984; Aguilar, 1994), and the creation of SPP. This new secretariat was to be the most influential office during the following decade (Torres, 1999; Hernández, 1993), and it was created in order to modify the way in which expenditure planning was done. The purpose of the reform was to reduce the influence of the Secretariat of Finance, and to centralise the decision making process in a office close to the president, in order to achieve coherence and co-ordination in governmental activities (Centeno, 1994; Torres, 1999). As Hernández (1993) argues, the creation of SPP implied a comprehensive change in the way the public administration worked, since

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<sup>38</sup> Actually, in contrast with public management reform in other countries, in Mexico there has never been an anti-bureaucratic rhetoric, probably because of the close interrelatedness between the political and bureaucratic elites (Pardo, 1989).

each public agency was expected to follow the courses of action prescribed by an overall plan and by the specialised plan of each secretariat. The SPP was the cornerstone of the administrative strategy of the López Portillo government. Furthermore, it was there where the new political elite was being formed (Morales, 1994; Rousseau, 1998). De la Madrid was Secretary of Planning and Budget during the second half of the administration, before being selected as candidate for the Presidency. The SPP emerged as a super-secretariat, with power over the government's budget (and the grants to state governments) as well as evaluation-related functions.

The project of public management policy change under Lopez Portillo had a strong support from the president, and it was thought that it was going to be implemented to a full extent. However, the oil boom at the end of the decade produced a deviation of the original purpose of the so-called administrative reform.<sup>39</sup> Furthermore, inter-bureaucratic conflicts between the Secretariat of Finance and SPP limited the effectiveness of the reform and precluded its full implementation.

In this sense, it is not surprising that, De la Madrid identified planning as a way of enhancing control and efficacy in governmental activities. Hence, after taking office, he sent a bill to the Congress, in which he proposed the creation of what was called National System of Democratic Planning (*Sistema Nacional de Planeación Democrática*). Moreover, the constitution was amended in order to include the government's obligation to make overall planning of its activities with the participation of state governments.<sup>40</sup> It was thought that

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<sup>39</sup> After discovering abundant oil reserves, and given the high oil prices during that period, the government (which relied heavily on the state-owned oil company's revenues) began to spend beyond budgetary constraints since, it was thought, it was time to "administrate we alth".

<sup>40</sup> The new text of constitution was written in a way more appropriate for rhetorical rather than legal texts: "Planning will be done in a democratic way. With the participation of different social sectors, it will include society's aspirations and demands in order to incorporate them in the development plan and programmes. There will be a National Development Plan on which the rest of the governmental programmes will be dependant" (article 26).

in this way they would increase participation in the decision-making process and that the legitimacy of governmental action would be enhanced.<sup>41</sup> The underlying idea was that, by following a national plan that was coherent with budgetary constraints, it would be easier to control the work done by the public servants and to evaluate their performance regarding goals set in advance (Hernández, 1993). On the other hand, evaluation activities were framed within a National System of Control and Evaluation (*Sistema Nacional de Control y Evaluación*), under the direction of SECOGEF, in order to take advantage of its structure in every secretariat and state-owned enterprise.

Hence, SPP and SECOGEF gained considerable power over the work done by the rest of the government, but, once again, SECOGEF proved unable to position itself as a institutional venue with authority over the entire federal bureaucracy. In contrast, SPP secured its position as a central co-ordinating secretariat, by employing its power to guide and control the planning and budgeting activities. This office –and its head, Carlos Salinas de Gortari– used this new authority to gain political power that he was going to use in the inter-bureaucratic struggles between different political groups.

The political impact of this decision was determinant in the evolution of the political system in the following years (Hernández, 1993; Centeno, 1994). However, in administrative terms, planning and evaluation were seen only as routinised activities that did not enforce any significant change in the organisation of governmental operational procedures. When the effects of the crisis were deepened after 1985, planning was understood only as a way of keeping the budget under control, whereas evaluation was limited only to the regular self-evaluation meetings in each office, without further effects. This

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<sup>41</sup> As Pardo suggest, “the importance given to evaluation was based on the accumulated and growing discredit produced by the previous administration” (Pardo, 1992: 450).

evaluation was confined to only two aspects: the proper use of financial resources, and conformity to the legal framework.

The emergence of this issue in the presidential agenda was produced by De la Madrid's experience in the area, as well as his inclination to believe that planning and evaluation could be used to increase control over bureaucracy and to increase governmental effectiveness. The choices made by his government show its preference for corrective measures. The changes undertaken by De la Madrid in the area of expenditure planning and financial management lead to SPP emerging as one of the most powerful secretariats in the federal government (which was the result of a trend initiated during the López Portillo administration). Of course, this is mainly a political (more than an administrative) outcome of this policy. However, this situation was determinant in the development of public management policy during the following years. It transformed the policy subsystem within which most of the policies were to be made, although the practical effects in the administrative procedures were only formal changes in the way in which each office would plan its activities and evaluate its results. As has been argued, planning and evaluation in line agencies were only carried out regarding financial and legal constraints, without any resemblance to the kind of strategic planning that was being introduced in other countries.

#### FORMULATING CIVIL SERVICE POLICY

The Mexican public administration does not have a career civil service structure.<sup>42</sup> The labour relations regime for unionised bureaucrats is specified

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<sup>42</sup> "Due to the centralisation and concentration of powers, the civil service has neither service regulations, nor its own career structure, with the exception of certain services such as the diplomatic services. Responsibility for appointments to senior posts falls to the President, and it is he who decides whether to suspend civil servants. Lower-ranking civil servants are appointed without

in the constitution and the Federal Law of Public Servants (*Ley Federal de Trabajadores al Servicio del Estado*). However, in the case of the high public servants (*trabajadores de confianza*) this law does not apply, and therefore, they are appointed, promoted and dismissed in accordance to discretionary decisions made by their hierarchical superiors.<sup>43</sup> During the López Portillo administration, there were some efforts to introduce a civil service system in the federal public administration. It created the General Co-ordination for Administrative Studies (*Coordinación General de Estudios Administrativos*) within the presidential office), which was in charge of –among other policies– the civil service policy. In fact, the results of this commission were very limited, since it only produced a new human resources catalogue, which attempted to organise the payroll system (Pardo, 1991).

The lack of a career civil service had been identified as a problem for a long time, especially in the agenda of professional groups and academic experts. De la Madrid raised the issue during the presidential campaign,<sup>44</sup> and announced his intention to introduce a career civil service system in the federal government. At the beginning of his administration, the General Co-ordination for Administrative Studies was brought to an end. To replace it, a new agency was created within SPP: the Public Administration Modernisation Unit (*Unidad de Modernización de la Administración Pública*), which received direct orders from the Secretary. By attaching the Modernisation Unit to the SPP, De la Madrid wanted to link the process of

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competitive examinations and this bureaucracy is able to improve its situation only very slowly.

There are no means of assessment, and it is very difficult to divest [lower-ranking] civil servants their rights are protected by labour legislation” (Gow and Pardo, 1999: 537-8).

<sup>43</sup> At the beginning of the 1980s, only the Foreign Service could have been considered a proper career civil service. Nevertheless, as Hernández (1994) has shown, there exist some patterns of administrative career, particularly in the specialised agencies. For an explanation of causes of this situation, see Haro (2000) and Méndez (1995).

<sup>44</sup> At the beginning of the presidential campaign during a campaign rally, De la Madrid praised the advantages of establishing a career civil service in the federal public administration, in which he committed himself to the creation of a career civil service for the federal public administration (Pardo, 1992).

creating a career civil service with the programming and budgeting processes. However, at the end, as it will be shown, this linkage did not come about and the Modernisation Unit was isolated in this powerful secretariat, which was interested in other, more urgent activities.

It was clear that a civil service reform required the support of the government as a whole. Consequently, in 1983 the new government also established a new Inter-Secretarial Civil Service Commission (*Comisión Intersecretarial del Servicio Civil*), as a co-ordinating and advisory body to the president regarding civil service policy making. The members of this body were the representatives of the Secretariat of Interior, the SPP, SECOGEF, and the leader of the bureaucrats union.<sup>45</sup> In this way, the policy subsystem was divided into two different activities: the Modernisation Unit (together with the Directorate General for the Civil Service –a low ranking office within SPP) was in charge of the technical aspects of the project, whereas the inter-secretarial commission had to deal with the political matters involving the project. The process of civil service policy-making was designed in a way in which the preparation of the civil service law would be done in a specialised agency and the political bargaining would be held within the inter-secretarial commission, at ministerial level.

The Modernisation Unit carried out some research about civil service systems in other countries and prepared detailed proposals for a career civil service system in the Mexican bureaucracy. As a matter of fact, in his second state of the nation address, De la Madrid announced that the Unit had already prepared a bill proposal, which was being discussed in the inter-secretarial commission (Pardo, 1991). Despite these developments, the issue of civil service policy was not on the top of the agenda of SPP or the government as a

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<sup>45</sup> The Federation of Trade Unions of Workers in the Service of the State (*Federación de Sindicatos de Trabajadores al Servicio del Estado*) was founded in 1938, and in 1939 it joined the PRI.

whole. This public management policy was not a priority for De la Madrid, and not even for SPP, which was dealing with the effects of the economic crisis, and with budget adjustments. SPP did not want to invest political capital in a low profile project, when it was engaged in political struggles with other secretariats (particularly the Secretariat of Finance; see Torres, 1999).

Furthermore, the participation of the bureaucrat's union proved to be crucial to the development of this event. Pardo (1991) argues that it was the reason why the issue lost importance. The decision of whether or not the career civil servants were going to be members of the union produced an impasse that could not be overcome, because the union leaders would not accept a project in which they would lose prerogatives, but it was impossible for the government to grant them. Thus, in order to avoid alienating the union, the discussions were brought to an end and bill did not reach the Congress.

Thus, not surprisingly, the issue of civil service reform soon lost its already low-profiled status in the governmental agenda and in the specialised agenda of SPP. In 1984, the Modernisation Unit was transformed into a Coordination, which implied a lower rank in the hierarchy of SPP and the loss of direct access to the Secretary. Since that year, it was subordinated to the Subsecretariat of Budget Control (*Subsecretaría de Control Presupuestal*), making explicit the fact that the issue of labour relations was regarded by the government mainly as a matter of reducing expenditure.

After this change took place, there were more alterations to the ranking of the agency in charge of this policy. In 1985, the Modernisation Unit was downgraded even more, and it lost an important part of its budget. After the discussion of the bill was suspended, it focused on a project on training

activities, but the effect of these efforts was rather minimal. After three years, there were not structural changes in the bureaucratic regime (Pardo, 1991), and the establishment of a career civil service was postponed indefinitely. Thus, public management policy regarding civil service and labour relations was, from the very beginning, an unimportant issue in the governmental agenda, and the administration (specially SPP) did not want to affect the bureaucrats union position, particularly in a moment when the political cost of the crisis was already high.

Throughout this period, civil service policy was only a secondary objective in the specialised agenda of an agency that did not have enough authority to implement its decisions. Second, it was not a new issue; it was, in fact, the continuation of an activity under the Lopez Portillo's administration (and even earlier administrations). As a result, this policy did not enjoy enthusiastic support from the President (as was the case of 'moral renovation'), and, as could be expected, the results were rather minimal. At the beginning of the administration, the policy subsystem was framed in two bodies (the Modernisation Unit and the Inter-secretarial commission), but the issue never reached the top of the governmental or SPP's agendas. It was considered an important issue but not an urgent one (in a moment when the governmental agenda was overloaded with urgent issues). Nobody assumed the role of policy entrepreneur for this policy, and consequently, nobody opposed the decision of postponing the resolution of the issue.

#### SIMPLIFYING ADMINISTRATIVE PROCEDURES

The De la Madrid government's attempt to fostering change in administrative methods and procedures was focused only on administrative simplification. This event within public management policy in Mexico was

not new; actually, it could be argued that it was the continuation of a policy carried out since the beginning of the Lopez Portillo administration, when (as part of the administrative modernisation project of 1976) the government prepared a simplification programme focused on reducing red tape in line agencies (*Reforma de Ventanillas*).<sup>46</sup>

Under the De La Madrid administration, the administrative simplification programme was officially launched on August 1984, when a presidential decree was enacted. It was thought of as a programme to facilitate the provision of public services and to reduce the number of administrative operations. Its objectives were both political and economic, since the government believed that by reducing red-tape the bureaucracy would spend less and there would be less chances of bribery. From the very beginning, it was designed as a low-cost, low-profile programme, in which all the work was to be done by line agencies, focusing specifically in areas in which no laws had to be changed, so that the Congress did not have to take part in it (Ponce de León, 1989).

Each agency (secretariat or state owned company) was supposed to carry out three different activities: simplification of administrative procedures; training of public officials to help them to identify opportunities for simplification; and the notification of any change to the users. All of this was to be co-ordinated by SECOGEF. It is difficult to measure the impact of this policy, since the “outcomes” were measured just in terms of reports by agencies (Pardo, 1991).<sup>47</sup>

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<sup>46</sup> The origination of the programme was a presidential decree on September 1977. The agency in charge of this programme was the General Co-ordination of Administrative Studies, an office within the Presidency.

<sup>47</sup> For instance, it makes little sense to know that, by mid-1985, almost 2000 procedures had been simplified. The impact of these changes in government operations remains unknown.

Although it was expected to be a permanent programme, it did not remain in the governmental agenda for long. In 1985, an evaluation meeting took place,<sup>48</sup> in which President De la Madrid praised the achievements but asked for more. However, given the political and economic problems of the last part of the *sexenio*, the issue was relegated to a secondary place not only on the governmental agenda, but also within each agency.<sup>49</sup> Officially, it lasted until February 1989, when, under a new administration, a new decree was enacted, which considered administrative simplification simply as administrative decentralisation and, mainly, deregulation of the economy (i. e., not a public management policy but a part of industrial policy).

The main reason why this policy was a low-profile event in the De la Madrid administration is because there was not policy entrepreneurship behind it. Even though De la Madrid prepared a presidential decree, he was more interested in the fate of the 'moral renovation' programme. The issue never reached the top of the government agenda. Moreover, it was not in the core of the specialised agenda of any secretariat (not even SECOGEF). The political and economic impact of this policy was not evident, and consequently there were not enough incentives to pursue it.

#### PUBLIC MANAGEMENT POLICY AFTER 1985: DOWNSIZING THE PUBLIC SECTOR

The initial reform project of De la Madrid did not consider the idea of transforming the role of the state from a dominant, active and interventionist one towards one with a more limited role and size. During the post-revolutionary regime in Mexico (particularly after 1970), the public sector had

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<sup>48</sup> This was to be the first and only evaluation meeting; subsequently, as will be argued, there was a change in the policy direction of this activity, and this policy changed direction towards downsizing.

<sup>49</sup> As a proof of this relegation, Pardo (1992) finds that, in the annual report of activities of the government, the subject of administrative simplification disappeared after 1986.

been increasing considerably the extent of its activities and the number of public employees. For ideological and political reasons it was generally accepted that a strong state was needed in order to implement any governmental agenda.

This situation changed in 1985, when, in contrast to previous declarations praising the active role of the state in the economy, De la Madrid described the Mexican state as an “obese state” (Aguilar, 1994). He made the proposal of “*slimming it down*”, by privatising public enterprises, deregulating the economy, opening the market to external competition, and reducing the size of the budget. It was a reaction to the deepening of the economic crisis of 1982. At the beginning of his government, De la Madrid thought that in two years the economy would have recovered and therefore the initial measures were designed under this assumption. The first adjustment programme, the Immediate Programme of Economic Recovery (*Programa Inmediato de Recuperación Económica, PIRE*) was intended to last for three years. Its main objective was to improve the economic performance of the state-owned enterprises and, in this way, increase governmental income and help to overcome the effects of the crisis.

However, this did not occur and, after 1985 the economic conditions worsened. Simultaneously, the political cost of the crisis was reflected in the loss of some municipalities and in the emergence of unprecedented political activism against the central government in northern states (notably Chihuahua). Furthermore, “conjunctural factors like the earthquake that struck Mexico City in September 1985 and another steep decline in oil export prices during the first quarter of 1986 clearly exacerbated the country’s problems” (Cornelius, 1986: 1). Consequently, after 1985, the structural nature of the crisis and the inability of the government of Miguel de la Madrid to engineer a durable recovery became evident (Aguilar, 1992). These conditions

forced the government to undertake radical measures. A new economic model started to replace the old import-substitution scheme. This was also favoured by the increasing power of the new technocrat faction of the political elite, composed mainly of economists educated in prestigious American universities, who would dominate the political stage in the following decade (Hernández, 1987). The head of this new team, Carlos Salinas de Gortari, as Secretary of Programming and Budget had been pressing for a radical change and by 1985 had already won some bureaucratic battles with the conservative members of the cabinet (Centeno, 1994).

The most significant effect of this policy reversal (Hood, 1994) was related to the market liberalisation and privatisation (which is beyond the scope of this paper), but regarding public management policy the most relevant event was the reduction in government expenditure. Public management policy turned towards a new direction: downsizing (which was labelled as re-dimensioning of the state, *redimensionamiento del estado*). It was not a policy similar to the events studied previously: there were not significant changes in the institutional setting of the government, and there were not legal changes or the enacting of a plan or programme. It was a reaction to adverse economic conditions and could be considered a spill-over of economic policy. However it affected the evolution of the policies implemented in the first part of the administration.

Given the decline in government's income, this time the reductions in government expenditure were more radical than before. In 1982, the initial austerity measures consisted of sacrifice of public spending on investment projects and infrastructure. In contrast, in 1985, seventy percent of the cuts fell on current expenditures. Hence, for the first time, this administration implemented layoffs of governmental personnel, up to the sub-secretariat level. Given the traditional alliance between bureaucracy, party, and

government, this was a difficult decision, and –together with the privatisation programme– it represented a reversal to the trend of the last decades.

At the end of the De la Madrid's term in office, he announced that the number of public employees had been reduced by one percent, and that 1574 offices had been cancelled. This was the result not only of the initial measures of 1985, but also some further decisions taken as a response to the 1987 rising in inflation rates and problems in the stock exchange.

In January 1988, as part of the so-called Pact of Economic Solidarity,<sup>50</sup> the government signed an “Austerity Deal” which included the reduction of current expenditure, and the lay-off of 13 000 non-unionised public servants, and the initiation of a early retirement programme for unionised workers (Aguilar, 1994: 156-157).

The impact of these changes on public management policy making was not only a reduction in the size of the bureaucracy, but, more importantly, a change in the activities and priorities of the agencies in charge of the public management policies of the first part of the administration. In the case of the fighting corruption policy, SECOGEF changed its main objective from combating corruption to the privatisation and downsizing activities. This secretariat was supposed to be in charge of this task, and its delegates to detect and prosecute corrupt practices, but the effects of the crisis changed their original assignments. SECOGEF officers were usually in charge of overseeing privatisation procedures, and the delegates in each secretariat took on the responsibility over the budgetary adjustments and the laying-off of

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<sup>50</sup> The *Pacto de Solidaridad Económica* was an agreement between businessmen, labour unions and the government aiming at reducing inflation rates.

bureaucrats (Pardo, 1991). Something similar occurred with the planning and evaluation activities, which main focus would be on the control of public expenditure.

In the same way, after being downgraded, the main task of the agency in charge of civil service policy was to restructure the payroll, adjust salaries, and modify the pension system. The establishment of a career civil service was no longer in the governmental agenda, and the SPP, where this agency was based, was the responsible for the control of public expenditure, so its activities were adapted to serve better this purpose.

## CONCLUSION

In general terms, it can be argued that two issues lead public management policy during the De la Madrid administration. Between 1982 and 1985, the fighting corruption policy dominated the agenda in the domain of public management policy. This issue enjoyed direct policy entrepreneurship from the president and was implemented through a policy subsystem created specially for it. It was the only truly new issue in the public management governmental agenda, since the policies regarding planning and evaluation, civil service and labour relations, and administrative simplification were either continuation of policies initiated during the López Portillo administration (in the case of planning and evaluation) or a new attempt to carry out policies unsatisfactorily pursued before (simplification and civil service). Nonetheless, in the four cases there was a change in public management policy, which initiated with a modification of the legal framework, but that, soon after the legal change, suffered a diminishing status in the governmental or specialised agendas. However, even if fighting corruption dominated public management policy in this period, the domain structure was not coherent. In other words, each public management policy

was a separate attempt, with different motives and objectives, without clear interrelation among them. As a result, the outcomes of these policies did not amalgamate into a substantial change in public management policy.

Each of the public management policies in this administration achieved only limited results, despite the activism in this area. The reason is that this activism existed only for the first stage of each policy, but soon after the legal change was ensued, it disappeared. On the other hand, the economic situation, and the political struggles negatively affected the implementation of these policies. That is why, in the second half of the administration (1985-1988), the domain of public management policy was overwhelmed by the economic situation, which demanded a decrease in public expenditure and, as a policy spillover, produced a change in the policy direction in this area, since downsizing emerged as new issue image that modified the activities carried out in the other policies and occupied the policy subsystem assigned to them.

In sum, downsizing emerged after 1985 as a new issue in the public management domain, despite being only a spillover of the economic and fiscal policies. Public management policy was reduced to finding ways of reducing public expenditure and laying-off public personnel. If in 1982 De la Madrid wanted to re-organise the public sector in order to improve its effectiveness and help to overcome the political and economic crises, after 1985 it was evident that small changes were not enough. As Aguilar (1994) has argued, administrative modernisation could not take the place of a broader political and economic reform. Consequently, public management policy disappeared from the agenda of the De la Madrid administration and its place was occupied by a complete transformation of the economic model. Privatisation, trade liberalisation and de-regulation emerged as the new priorities, whereas public management policy making was suspended not

only for the rest of the administration but, as will be shown in the next section, the Salinas period as well.

## THE SALINAS INTERLUDE

The Salinas administration has been recognised as a period when dramatic transformations of the Mexican economy and politics took place. Undoubtedly, the so-called state reform produce affected almost every aspect of the political and economic life (Méndez, 1994; Serrano and Bulmer-Thomas, 1996). On the one hand, the economic adjustment initiated under De la Madrid culminated in 1994, when Mexico signed the North American Free-Trade Agreement. In that year, Mexico was also accepted as a member of OECD. Extensive privatisation and deregulation policies were carried out, alongside a transformation of industrial and trade policies, in order to reduce the role of the state and to promote a more open economy. On the other hand, political reform was also significant in this period. The allegation of fraud around Salinas' election raised serious doubts about his legitimacy. Hence, he attempted to recover some legitimacy for the regime by reforming the electoral system and developing an extensive social policy.

In contrast, despite the reformist impetus of the Salinas administration, in the domain of public management policy making the only significant event was the reorganisation of some secretariats in 1991. For the first three years of the administration, Salinas relied on the structure inherited by De la Madrid (Pardo, 1991). After the mid-term elections of 1991, the Secretariat of Programming and Budget was brought to an end, and its functions were assigned to the Secretariat of Finance. On the other hand, a Secretariat of Social Development was created to be in charge of the social policy programme of the administration. There were also some decisions towards decentralisation in the areas of health and education policy. Additionally, as part of the economic policy of the administration, there was a reorganisation of the state-owned enterprises that had not been privatised, as well as deregulation and simplification programmes. Finally, further downsizing of

the public sector was also carried out, leading to a reduction of 4.3% on the number of public servants (Méndez, 1994). However, public management policy making never reached the governmental agenda. In this sense, Aguilar (1996: 19) argues that, while De la Madrid wanted to correct “the failures [...] of governmental action with an administrative modernisation, without taking into account the need or pertinence of a state reform”, under Salinas, “on the contrary, many people thought that everything could be solved with a state reform, without taking into account an administrative modernisation”.

Among the reasons that led to this lack of activism in public management policy, it could be mentioned the fact that, given the comprehensiveness of the state reform that was being developed during this administration, the government suffered from agenda congestion. On the other hand, it is clear that managerial ideas of decentralisation and delegation were against Salinas’ intentions of power concentration. During the whole administration, no policy entrepreneur of public management policy turned up. The only external pressure, the entrance of Mexico into the OECD, occurred only in 1994, the last year of the Salinas government and therefore, as will be shown in the next section, its consequences became visible in the Zedillo administration.

PUBLIC MANAGEMENT POLICY-MAKING  
DURING THE ZEDILLO ADMINISTRATION

OVERVIEW OF THE PERIOD

Contrary to what happened in the 1981-1982 presidential campaign, the Zedillo campaign took place in a moment of (at least) apparent good economic conditions (including the coming into force of the North-American Free Trade Agreement in January 1994), but the political situation was severely difficult. At the beginning of the year, the so-called Zapatista Army initiated a revolt against the Mexican government. Three months later, the PRI presidential candidate, Luis Donaldo Colosio was assassinated. Ernesto Zedillo took his place as candidate and won the elections, in one of the more critical junctures in the decade (Loeza, 1994).

The new president took office in December 1994. In his inaugural speech, he outlined his plans for the new administration (which included some public management policy changes). However, in the same month political and economic problems of all kinds affected the new government: a new rebellion of the Zapatista guerrilla, and, most importantly, a new economic crisis, which, in a few days, sunk the country into a recession. Consequently, in the first half of the administration (1994-1997), all governmental efforts focused on overcoming short-term problems caused by the crisis.

Undoubtedly, the new administration's decisions regarding public management policy were a response to the situation inherited by Salinas. In

the first place, the reforms carried out during the Salinas administration led to a wide-ranging transformation of the political and economic systems. Contrary to the situation in 1982, Mexico had already two strong opposition parties, an open market economy and closer relation with other countries, especially the United States. Secondly, the integration of the Secretariat of Programming and Budget into the Secretariat of Finance lead to a much stronger secretariat with power over the rest of the government. Finally, economic policy-making during the last year of the Salinas administration was one of the causes of the economic crisis that exploded in December 1994, which was to be a major constraint (in political and budgetary terms) to the governmental capacity of the new government.

Nonetheless, the new government had its own agenda regarding public management policy. Despite the problems mentioned above, during this administration important public management policy change initiatives were launched, “perhaps the most (at least formally) ambitious and comprehensive ever” (Arellano and Guerrero, 2000: 12). Before the crisis appeared, Zedillo announced changes in the federal public administration; most notably, the transformation of the SECOGEF into a new Secretariat of the Controllershship and Administrative Development (*Secretaría de la Contraloría y Desarrollo Administrativo, SECODAM*), which would extend its traditional control and evaluation functions to a broader responsibility regarding public management policy.

Then, in 1995 a new office was created within SECODAM: the Administrative Development Unit (*Unidad de Desarrollo Administrativo, UDA*), which in the next year issued a Public Administration Modernisation Programme (*Programa de Modernización de la Administración Pública, PROMAP*). This programme set the basis for the events regarding public management policy during this period: the introduction of managerialist

practices in the Federal Public Administration, and the re-organisation of the labour relations regime (which included a new attempt to establish a career civil service system). Indirectly, this programme was also an impulse to the formulation of new rules for budgetary planning and administration.

In this sense, the new government was trying to overcome serious deficiencies in the Federal Public Administration (which were presented in the diagnosis of the PROMAP), including excessive centralisation, lack of attention to citizens' demands, absence of measurement and evaluation systems, and inadequacies in the labour relations regime (SECODAM, 1996). The responsibility for the implementation of this programme was assigned to two institutional venues: SECODAM and the Secretariat of Finance. As will be shown, this division of the policy subsystem produced some conflicts that could not be solved and lead to some shortcoming the implementations of this policies.

SECODAM was in charge of the introduction of managerialist practices in the public administration. Its Administrative Development Unit was the institutional venue in charge of the implementation of this public management policy, but the decision-making process in this area was affected by conflicts within SECODAM, which limited the support for this policy. In the case of the civil service-labour relations policy, the office in charge was the Civil Service Unit (*Unidad de Servicio Civil, UCS*) in the Secretariat of Finance. Its work was successful in the reorganisation of the labour relations regime, but the establishment of a career civil service system was stopped-up by an unresolved conflict between SECODAM and the Secretariat of Finance, as well as by the intervention of the bureaucrats' union. However, the UCS changed the focus of its activities towards reorganising the labour relations regime.

In contrast, the Secretariat of Finance enjoyed autonomy (and presidential support) for the design and implementation of a wholesale budgetary reform that would introduce new rules for budgetary planning and administration. As part of this reform, a so-called Performance Evaluation System was also introduced, which was the first attempt to measure and evaluate results in the Federal Public Administration. The 1998 Federal Budget was submitted to the Congress with the new system; however, the continuation of this policy under the new government (Vicente Fox administration) is yet to be seen.

As has been mentioned, the economic crisis severely affected the work of the Zedillo administration, including public management policy making. In some cases, budgetary constraints (both in 1995 and 1998) limited the impact of the policies implemented in this period. On other cases (i. e., budgetary reform), however, economic problems triggered political support for the policy choices. Furthermore, the evolution of the political system, notably the mid-term election in 1997,<sup>51</sup> was also a influential factor in this policy domain, particularly in the case of budgetary policy, because, after this election, the Congress was dominated by the opposition parties, which demanded more transparency and accountability in public expenditure.

As has been done in the De la Madrid's case, in the following pages it will be narrated and analysed the evolution of each of these public management policies, with special attention to the central subjects enumerated in the introduction.

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<sup>51</sup> "The election results [of 1997] were equivalent to an earthquake. The PRD [Democratic Revolution Party], in the person of Cuauhtémoc Cárdenas, won the mayoralty of Mexico City by a large margin; the PAN [National Action Party] added two more state governors (for a total of six); and, most important, the PRI lost control of the Congress. Each of these changes entails a break with the past" (Rubio, 1998: 8).

## INTRODUCING MANAGERIALIST PRACTICES

The Zedillo administration's attempt to fostering change in administrative methods and procedures did not appear as a prominent issue during the presidential campaign. However, after taking office, Zedillo announced his intention to carry out a general reorganisation of the federal government. The first step in this direction was the transformation of SECOGEF into a new Secretariat of the Controllershship and Administrative Development (SECODAM). This new entity would be in charge not only of its traditional anti-corruption activities but also of what was intended to be a far-reaching re-organisation of administrative procedures. This change was based in a modification of the Public Administration Law proposed by Zedillo to the Congress in December 1994. The new text of the law prescribed that SECODAM would be given power to "organise and co-ordinate the integral administrative development of departments and agencies of the Federal Public Administration, in order to make efficient use of human capital and technical resources, with the aim of decentralising government and reducing bureaucracy".

In terms of institutional design, one of the most important choices regarding the work of SECODAM was the decision to make the internal comptrollership in each public agency more autonomous. During the De la Madrid period, one of the main constraints to the performance of anti-corruption activities (and, in general, to the work done by SECOGEF), was the fact that the heads of the internal comptrollerships were appointed by their hierarchical superiors, limiting their independence. Thus, the Zedillo government decided to grant them greater autonomy. In order to do so, SECODAM would appoint the internal comptrollers in each agency, in order

to enhance its ability to monitor their performance and to carry out their activities without interference.<sup>52</sup>

Regarding public management policy change, the most significant event in 1995 was the decision to create a new office within SECODAM: the Administrative Development Unit (*Unidad de Desarrollo Administrativo, UDA*). The intention was to establish a specialised (and relatively small) agency, which could design a model for re-organising the Federal Public Administration. The establishment of UDA (together with the creation of the Civil Service Unit in the Secretariat of Finance, which will be analysed in the next section) provided the institutional framework where public management policy would be developed during the Zedillo administration. In contrast with the De la Madrid case, within which there was no clear assignment of responsibility for public management policy making, in this case the policy subsystem was defined in less ambiguous terms.

UDA's first task was the preparation of a modernisation plan for the federal public administration. The objectives of this plan were already stipulated in the National Development Plan, which called for flexibility, efficiency, and accountability in the public sector, as well as the creation of a professional, ethically aware career civil service. For designing the plan, UDA relied on New Public Management-styled reform experiences in OECD countries, as well as some experiences in the state governments in Mexico (specially regarding the use of Total Quality Management techniques in the public sector; Roel, 1996).<sup>53</sup>

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<sup>52</sup> It must be mentioned that, during almost the whole of Zedillo's administration, the fighting corruption activities initiated under De la Madrid continued in the same form, relying solely on the "patrimonial declaration" and external audits.

<sup>53</sup> At this point, it may important to mention that, some years before, Mexico had been admitted to the OECD, and, according to Gow and Pardo (1999), the preparation of PROMAP was, in part, a result of the negotiations surrounding the admission of Mexico into the OECD.

In early 1996, while this plan was being formulated, Norma Samaniego resigned her position as Secretary of the Comptrollership and was replaced by Arsenio Farell, a hard-liner of the old political elite. This change produced a modification in the style of the work done by SECODAM, since Farell was more interested in control activities than in the modernisation issue (interview with Santiago Roel). Nonetheless, UDA continued with the preparation of the plan, which was presented by the president in April 1996.

The result of this work was called *Public Administration Modernisation Programme (PROMAP)*. It included a comprehensive analysis on the conditions of the federal public administration and proposed a number of changes. PROMAP encompassed different areas of public management policy, notably organisation and methods, audit and evaluation, and civil service labour relations.

The programme included four sub-programmes for each of the following areas: citizen participation, decentralisation, evaluation and professionalisation. The influence of the OECD style of public management reform is clear, even in the vocabulary used in the document. As it has been argued by the person in charge of UDA during the implementing of the programme, “PROMAP [was] highly critical of traditional practices and contains objectives and strategies used by successful OECD members like quality standards for public services, performance measurement and decentralisation” (Roel, 1999).

As has been mentioned, under the label of administrative modernisation a number of public management policy choices were included in the PROMAP. The policy choices regarding professionalisation (civil service-labour relations policy) and measurement (audit and evaluation) will be discussed in the following sections. The focus of this section is the attempt to introduce

managerialist practices in order to increase citizen participation and decentralise. This was the main responsibility of the UDA. At the head of this Unit, Farell appointed Santiago Roel, who had implemented similar policies in the state government of Nuevo León.

UDA had an enormous task to face: a small team with scarce resources and, more importantly, without support from the Secretary of SECODAM or from Zedillo was assigned the responsibility of introducing managerialist practices (something absolutely new in the Mexican public administration). The lack of support from Farell, as head of SECODAM, can be explained as a result of his profile: an old politician interested in avoiding conflict with other secretariats and minimising the autonomy of its own subordinates (Interview with Roel). In the case of Zedillo, even though he made the official presentation of PROMAP, he was not aware of the results of the work done by UDA, and never became an enthusiastic supporter of this public management policy, because, as has been suggested, the first years of the administration his attention was entirely directed towards overcoming the economic crisis.

In spite of these conditions, UDA carried out some activities towards the introduction of managerialist practices in the federal public administration. This Unit created a scheme that was to be followed by all the public offices, as well as some technical guidelines for doing so. It also carried out some training activities in order to make public servants aware of the content of this new public management policy (Roel, 1999).

There were some qualitative changes in the work done in line agencies. Particularly, after the reforms were introduced, each office was required to do basic corporate planning (i. e., state a mission, vision, objectives, etc.), and to set standards regarding the quality, timing and other factors involved in the

performance of their tasks.<sup>54</sup> However, even if this issue was at the top of the specialised agenda of UDA, the resources available for this office were not enough to enforce the implementation of this policy to a full extent. The constraints for the activities performed by UDA have been explained by Roel in the following terms: “Without a merit system [that is, a career civil service system], most government employees are weary of taking risks in favour of public reform. They are in the hands of top level officials and politicians who favour the status quo. Activity control, instead of outcome control is still well enforced. [...] But maybe the strongest [limitation] is the lack of top level commitment to the program. PROMAP was never made very public in fear of creating strong expectations from the public. The UDA was never near to the President, there was no follow-up at Cabinet level and no co-ordination between ministries” (Roel, 1999).

As a result of his disagreements with Farrell, Roel resigned in 1998. The implementation of PROMAP continued within the same guidelines, but it had lost *momentum*. The budget cuts in 1998 (due to a decrease in the oil prices which had a strong impact on public finances) severely limited the resources available for training activities. Furthermore, the forthcoming election soon distracted the attention of most politicians and high-level public officials. Given Zedillo’s interest in creating an image of honesty for his administration, by the end of the period SECODAM focused on activities aiming at increasing transparency in the use of public resources. In 2000, a Programme of Transparency in Public Management (*Programa de Transparencia de la Gestión Pública*) was announced. Finally, an electronic system for monitoring the relation between the government and its suppliers via internet was initiated

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<sup>54</sup> According to Méndez (1999), by the end of 1997, about 65% of the government agencies had already developed their performance indicators and performance standards. UDA also helped public offices to develop typical New Public Management-like (Hood, 1991; Barzelay, 1992) activities like process re-engineering, total quality management and contracting out.

in order to increase the standards of transparency and avoid corrupt activities. However, this late developments of the Zedillo administration did not affected conspicuously public management policy, given the proximity of the presidential elections.

Thus, for the first time in the twenty years studied in this paper, public management policy-making was done within a comprehensive framework under the label of administrative modernisation. Although the issue never reached the top of the governmental agenda, the initial decisions taken by Zedillo were enough to create a coherent policy subsystem for public management policy, with specialised agencies in charge of each policy, with authoritative power to make decision in their specific domain. In the case of the Zedillo administration's attempt to fostering change in administrative methods and procedures, by introducing managerialist practices in the federal bureaucracy, the PROMAP was the framework giving coherence to the domain structure (because the introduction of managerialist practices, as will be argued in the following section, was linked to the other public management policies during this period). The issue remained at the top of the specialised agenda of UDA throughout the period. Furthermore, this policy enjoyed the active policy entrepreneurship of Santiago Roel. However, this was not enough to secure substantial changes in the public administration, given the lack of presidential attention, and internal conflicts within SECODAM, which affected UDA's work considerably. Despite UDA's work, the impact of this policy was relatively modest, as a result of the lack of (financial and political) resources for its implementation.

#### FORMULATING CIVIL SERVICE/LABOUR RELATIONS POLICY

During the Salinas period, there was a Directorate-General for Regulation and Administrative Development within the Secretariat of

Finance, which was in charge of the civil service and labour relations policy. However, after the De la Madrid's attempt to prepare a civil service bill, little had been done in this area. This objective was not in the governmental agenda of the Salinas administration. However, in some specialised agencies (the Federal Electoral Institute, the Water Commission, the National Institute for Statistics and Information, among others) a career civil service has been introduced. There was not a diffusion of these efforts to the rest of the federal public administration. The budgetary effects of the crisis, and the emphasis on downsizing lead to a postponement of civil service reform for several years (Méndez, 1995).

As a response to this situation, the Zedillo administration announced its intention to create a career civil service in the federal public administration.<sup>55</sup> As part of its 'modernisation' strategy, the government included in the National Development Plan a section on *Government Reform and Public Administration Modernisation*, which specified the objective of creating a professional career civil service system. In addition to this purpose, the government also wanted to restructure the labour relations regime, since it was qualified as obsolete, given its lack of coherence, the ambiguity of its rules and the undue discretion with which some processes were carried out (Ibarra).

The institutional venue in which this policy was to be design was the newly established Civil Service Unit (*Unidad de Servicio Civil, UCS*), the agency created to replace the Directorate-General for Regulation and Administrative Development. Notwithstanding the fact that 'administrative development' was an issue under the responsibility of SECODAM, traditionally the Secretariat of Finance (or SPP during its existence) has been

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<sup>55</sup> Even during the campaign, the PRI's think tank published a report on civil service reform (Fundación Cambio XXI, 1994).

in charge of the labour relations policy, given the budgetary impact of the expenditure on human resources. Thus, the UCS received responsibilities regarding the regulation of the civil service, planning and controlling the budget for human resources, and authorising changes in the structure of other secretariats and agencies of the federal government (in collaboration with SECODAM) (Ibarra, 2000a).

The activities carried out by the UCS resembled the ones performed during the De la Madrid period: an exhaustive research on civil service reform in other countries and the preparation of a number of drafts for a bill proposal. This time, however, given the active policy entrepreneurship role of the head of UCS, Luis Guillermo Ibarra, it seemed that this policy could be more successful. The result of this work was a “Federal Civil Service Model”, which was supposed to lay the foundations for a career civil service in the federal public administration. To put into practice this model, the UCS prepared a bill proposal which, before being presented to the President, required the approval of SECODAM. “At this stage, the bill was stalled because both [secretariats] could not reach an agreement. At first, the points of disagreement seemed to be mere legal points of little practical importance. But gradually, as negotiation progressed, it became clear that the differences of opinion were substantial” (Arellano and Guerrero, 2000: 20).<sup>56</sup> From the SECODAM’s point of view, UCS had designed a centralised system in which the emphasis was on UCS’s role throughout the processes of the civil service (Guerrero, 1998, Méndez, 1995). In addition to these different positions, personal conflicts between the public servants in charge of the negotiations

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<sup>56</sup> According to Arellano and Guerrero (1999: 21), there were also some bureaucratic politics involved, since “under the Civil Service Unit proposal, it would gain a fair amount of control over the administration with a proposal that would, at the same time, highly complicate SECODAM plans for public administration modernisation”.

imposed further barriers to an already improbable agreement (interview with Roel).

On the other hand, the budgetary cost of implementing a career civil service was another source of delay. Given the budgetary impact of the 1994-1995 crisis, the government was more interested in reducing public expenditure and laying-off personnel. Hence, both in 1995 and 1996 the UCS issued regulations promoting the laying-off of non-unionised public servants. In addition to these constraints, Arellano and Guerrero (2000) argue that there were three factors why the civil service policy remained stalled. First, timing considerations, since the year when the bill was supposed to be presented to governmental agenda was overloaded with different events (mid-term elections, economic adjustment, the Zapatista conflict, etc.). Second, the involvement of two different secretariats required the co-ordination of two different agendas and projects, which never occurred. Furthermore, after 1997, the Zedillo government lost majority in Congress, making it even more difficult to reach agreement over this domain and bringing new items to the governmental agenda. Finally, once again, the bureaucrats' union strongly opposed the design on the system, since it would exclude unionised workers from the career track.<sup>57</sup>

When it was clear that the civil service bill proposal was not to be approved,<sup>58</sup> UCS changed its main priority towards a re-organisation of the Human Resources system in the Federal Public Administration. The first step

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<sup>57</sup> The union argued in favour of having one single system covering lower- and middle-level posts, which would be effectively controlled by the union. For obvious reasons, the government rejected this proposal (Nickson, 1999).

<sup>58</sup> The only further attempt to establish a career civil service was the bill proposal introduced by senator Esteban Moctezuma in April 1988. However, this was an isolated effort, without any effect, since soon afterwards he was appointed Secretary of Social Development and the bill was never discussed in the Congress.

was the restructuring of the compensation system, which included salaries, bonuses and other benefits. In order to make available more resources for paying higher salaries, UCS required agencies in the federal public administration to reduce by 30% the cost of the payroll for middle and senior public servants (Ibarra, 2000b). Additionally, there was an attempt to make more transparent the bonus awarding mechanisms, since, before this reform, they were assigned in a highly discretionary manner. In January 2000, the Secretariat of Finance issued the *Pay and Benefits Handbook for Middle and Senior Public Servants of the Federal Public Administration*. Two months later, it also issued some guidelines for the performance appraisal of public servants. UCS worked simultaneously in a number of projects regarding training, retirement and performance assessment. These have been, so far, the most serious attempts to re-organise the civil service and to sort out the chaotic labour relations regime.<sup>59</sup> However, given that these changes were introduced in the last year of the Zedillo administration, it is unlikely that they will be fully implemented by the next government (Guerrero, 2000), which has its own agenda regarding public management policy.<sup>60</sup>

It can be argued that civil service and labour relations policy making during this period was more successful than in the past because this time the issue remained in the specialised agenda of UCS for the whole period. However, the policy subsystem was designed in such a way that the main objective in this regard (the enactment of a civil service law) could not be fulfilled. Once again, the proposed civil service bill did not achieve agreement among the actors involved and, consequently, it did not become a law. However, contrary to what occurred during the De la Madrid period, this

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<sup>59</sup> The Civil Service Unit prepared also some guidelines for the training of public servants, as well as the creation of an Individualised Retirement Fund, and a Unified Information System to create, for the first time, a shared database with basic information about public servants and

<sup>60</sup> See Oficina de la Presidencia para la Innovación Gubernamental, 2001.

time the UCS continued its activities in the area of labour relations. They stopped the search for alternatives (Levitt and March, 1990) once they found that it was not possible to reach an agreement with SECODAM regarding the civil service bill. Their aspiration was not to be fulfilled so they changed their aspiration to an area where UCS had more autonomy to pursue its objectives.

#### FORMULATING NEW RULES FOR BUDGETARY PLANNING AND ADMINISTRATION

As has been mentioned, during the Salinas administration, one of the most important changes in the federal public administration was the integration of the programming and budgeting activities back into the Secretariat of Finance. However, even if there was a change in the institutional venue where the budget was prepared and controlled, there was not any important change in the operational procedures and the way in which the budgetary planning and administration processes were carried out. The framework provided by the National System of Democratic Planning introduced by De la Madrid was still in use, but there were serious concerns about its effectiveness.

The Secretariat of Finance was interested in reforming the budgetary system, in order to increase its control over the way in which the budget was being spent by each agency, but without creating more constraints to their autonomy. This resulted in the initiation of a public management policy change in the area of expenditure planning and financial management. The project was prepared by a team lead by Jorge A. Chávez Presa in the Budgetary Policy and Control Unit (*Unidad de Política y Control Presupuesta*)<sup>61</sup> of the Secretariat of Finance, since 1996. It was framed as a part of the PROMAP. However, it was also a response, first, to the economic crisis, which

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<sup>61</sup> This is the office in charge of preparing each year's federal budget.

called for efficiency in the use of public resources and, second, to the political situation, in which the opposition parties had already won more seats in the Congress and demanded more accountability, specifically in the use of public money.

In this way, the public management policy choice consisted on the creation a New Programmatic Structure (*Nueva Estructura Programática, NEP*). It was an ambitious effort to transform the traditional budgetary system into a performance-driven budget system. The basic idea was to provide public organisations with sufficient independence for using its budget, while, at the same time, enhancing the Secretariat of Finance's capacity to monitor it more effectively.<sup>62</sup> The new system linked each element of the budget to the objectives of the National Development Plan. Moreover, it was linked to the corporate strategy that each agency was supposed to carry out in accordance to PROMAP (the definition of mission, vision and objectives under the guidelines provided by the UDA).

In contrast with the other two public management policies during the Zedillo period described above, the Budgetary Policy and Control Unit enjoyed sufficient autonomy to design and implement this new budgetary system. Furthermore, it benefited from the support from the Secretary of Finance and even the president, who, as former Secretary of Programming and Budget in the Salinas administration, was aware of the problems regarding this issue. With these advantages, in the same year of its initiation the new system was tried out with success in some agencies in the health, education and labour areas.

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<sup>62</sup> According to Jorge A. Chávez Presa, the head of the Budgetary Policy and Control Unit, the purpose of the reform was to diminish budgetary restrictions, and to make more transparent and accountable the budgetary process (Chávez Presa, 2000).

In 1997, the mid-term election resulted in the PRI losing its majority in the Chamber of Deputies (the part of the Congress that approves the federal budget) and, even though the Congress did not participate directly in the formulation of the budgetary reform, it produced another favourable impulse to the formulation of new budgetary rules (Arellano *et al.*, 2000). Consequently, the Budgetary Policy and Control Unit continued its work and produced a method for preparing performance indicators, which evolved into what was called the Performance Evaluation System (*Sistema de Evaluación del Desempeño, SED*). The Federal Budget for 1998 was presented in its new form to the Congress and it was approved. In this way, the New Programmatic Structure and the Performance Evaluation System came into force in that year.

1998 was, once again, a difficult year in terms of public finances, as a result of the fall in the oil prices. In that year, the recently appointed Secretary of Finance José Ángel Gurría announced budget cuts in all government agencies. These changes, however, did not disrupt the budgetary reform, first, because the new Secretary was also committed to budgetary reform, and the Sub-secretary of Expenditure (Santiago Levy, a man with a very good relationship to the President) continued in his position, despite the fact that the initiator of the project (Chávez Presa) had resigned. Furthermore, the economic slowdown gave a new motivation for budgetary reform, since, it was argued, it would aid in the improvement of the public finances (interview with Treviño).

By 2000, this reform was already put in practice, but the implementation was not yet at its full extent. Even when the design of NEP was complete, the internal regulation for its application to all the areas of the administration was in preparation and, furthermore, autonomy for public agencies was not achieved (Arellano *et al.*, 1999).

Although the outcomes of public management policy in this area are still uncertain, it can be argued that the policy-making process proceeded in a more straightforward way than the other policies in this period. The issue was framed not only as a reorganisation of methods and procedures but also as part of a general aspiration of a more efficient and accountable public sector. The issue reached the top of the Secretariat of Finance's agenda, and the unit in charge of preparing and implementing it enjoyed considerable autonomy to do it, as well as enough political support. The fact that the alternative generation and decision making processes were done entirely in the same secretariat facilitated the creation of the new budgetary system. Furthermore, contemporaneous events (both political and economic) affected the policy making process in a favourable way, since they provided further motives for the implementation of the policy.

## CONCLUSION

Public management policy making during the Zedillo administration included, as has been shown, three different policies. However, all of them were shaped in accordance with the guidelines and objectives of PROMAP. Thus, the domain structure of public management policy achieved a degree of coherence that was not present under De la Madrid. The policy image was built during this period as a comprehensive modernisation strategy, with different components that operated in different specialised institutional venues. There was a well defined policy subsystem for each policy, but with a close interrelatedness among them. This time, there was not direct policy entrepreneurship from the president. Instead, it could be argued that, to a certain extent, this function was performed by the head of each specialised agency (Roel, Ibarra, and Chávez Presa). In the same way, the issue never

reach the top of the governmental agenda, but each institutional venue had it as its own priority, despite the happenings in contemporaneous events in the political and economic spheres.

Nonetheless, the policy-making process did not occur in the same manner in the three areas. In the case of introducing managerialist practices, the lack of support from the head of SECODAM, and internal bureaucratic conflicts within that secretariat narrowed down the freedom of action of UDA and, as a consequence, reduced the possibility of achieving an extensive transformation of administrative methods and procedures. On the contrary, the policy making process regarding expenditure planning and financial planning was carried out in an easier way because the unit in charge enjoyed the support from the secretariat and enough autonomy to make its own decisions. Finally, in the case of civil service and labour relations policy there was a mix of both situations. Regarding the preparation of a civil service bill, SECODAM vetoed the project prepared by UCS and other actors' interventions stopped the discussion. However, UCS's attempt to modify the labour relations regime proceeded in a less complicated way, since this unit had enough authoritative power to decide among the alternatives and enforce its choices.

## CONCLUSION

This paper has presented an explanation of public management policy change in Mexico during the 1980s and 1990s. The policy-making process has been active during the De la Madrid and Zedillo administrations, but the impact of these efforts on public management policies presents different degrees of success. How can this be explained? The common explanations refer to the lack of governmental interest on public management policy change. However, as has been shown, in several occasions the government has raised the issue of public management policy to the governmental or specialised agendas; it searched among alternatives and made policy choices in various areas. However, the problem formulation and image creation processes may be enough to raise an issue to the agenda, but not for keeping it there (Kingdon, 1984). For instance, even the presidential active commitment in the case of fighting corruption under De la Madrid was not enough to achieve a comprehensive change in public management.

This is one of the main differences between the De la Madrid and Zedillo periods. In the first case, the policy issues were highly visible in the governmental agenda, but then gradually disappeared from it (until being superseded by a new interest in downsizing). Once the legal and institutional framework was enacted (a new law, a new institutional venue, or even a presidential decree), the issues stopped attracting attention from the government, given the lack of top-level policy entrepreneurship for these policies in the specialised agencies. In contrast, under Zedillo the issues never actually reach a high position in the governmental agenda, but the policy subsystem was designed in a way that allowed the continuation of the policy-making process in the specialised agencies. Furthermore, the heads of these

agencies assumed an active policy entrepreneurship role, although in some cases it was not enough to stop the interference of inter-bureaucratic or inter-secretarial conflicts. Furthermore, the domain structure in the second case was much more coherent than in the previous one, since the “administrative modernisation” image of public management policy encompassed the three policies studied in this paper.

In this sense, it could be claimed that under De la Madrid the policy subsystem was rather unstable (Baumgartner and Jones, 1993), whereas under Zedillo, the creation of the specialised agencies gave greater stability to the policies (and to their status in the decision agenda). As a result, public management policy making was less susceptible of drastic changes produced by contemporaneous events (as it was during the 1980s).

At the end of the period, however, despite activism in the policy making process, the results in terms of public management policy change were rather limited. First, because there were weak pressures for change. Economic crisis did not produce the triggering effect present in other countries that experienced comprehensive public sector reform (Barzelay, 2000). The close linkage between the political and bureaucratic elites made it difficult to politicians to frame public management policy change as part of an anti-rhetorical bureaucracy. Furthermore, economic and political problems of all kind distracted governmental attention from this issue and precluded the policies carried out in these periods from being implemented to their full extent.

In this way, this paper adds new evidence to the literature in public management policy change, and it reinforces the argument about the importance of the policy subsystem, the domain structure and policy entrepreneurship in the policy making process.

