

THE ARGENTINE CIVIL SERVICE: AN UNFINISHED SEARCH FOR IDENTITY

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1 Introductory remarks

I must confess at the outset that writing a paper on the basis of a predesigned protocol¹ has greatly facilitated the effort invested in the production of the present work, although I still have some doubts about the format, contents and sequence of the issues and sections suggested. Despite my partial disagreement I have decided to strictly observe the *protocol*, with a single exception: these introductory notes. Instead of indicating the key themes developed in the manuscript or providing information about the (Argentine) relevant social and administrative context, I will rather introduce a few conceptual considerations on civil service systems, particularly around the so-called unifying theme of the papers: **performance** and **legitimacy**.²

The new forms of economic and political domination emerging in those societies that have undergone -or are in the course of going through- the harshest phase of structural adjustment and state reform, have raised a central concern in the specialized literature: the governance of these societies in view of the potential conflicts caused by widening gaps in the patterns of income and wealth distribution, however successful they may have been in stabilizing the economy, reducing fiscal deficit or streamlining the public bureaucracy.

In turn, the governance issue has brought back, into a new light, the subject of the state's relative autonomy, a central theme in Marxist theory, as well as the problem of strengthening the public sector, a necessary condition for the state to assume the articulation and guidance roles that could establish or restore equilibria in the patterns of sociopolitical domination. Hence, new issues have raised scholarly attention: the new configuration of the public scene; the emergence, weakening or disappearance of social actors; the embeddedness of the state (as opposed to its isolation) in the network of social relations, playing a catalytic role (Evans, 1996; Osborne and Gaebler, 1992); the new political weight acquired by subnational states as they have taken up new functions and gained access to growing resources; and, finally, the nature of the political system resulting from the new power structure and mechanisms of citizen representation.

Implicitly, civil service systems (CSS) are at the core of these concerns, although usually they have not been highlighted as a central, yet separate, subject of research. As Chinese boxes, CSSs are a main component of public bureaucratic institutions, much as these are, in turn, the material (as opposed to the ideal) manifestation of the state. Seen as a whole, they form a sort of conceptual hierarchy, made up of ever more aggregated units of analysis. As Bekke, Perry and Toonen (1996)

¹I am referring to the *Protocol for Comparative Studies of National Civil Service Systems* (hereafter, *the Protocol*), suggested by the Comparative Civil Service Research Consortium (Indiana University) to the authors contributing papers to this Conference.

²After all, none of the nine sections suggested in the *Protocol* take up explicitly the unifying theme.

suggest, "focusing on civil service systems (...) positions the state and institutions at the center of analytic attention."³

These distinctions become important whenever the role of CSS in achieving performance and legitimacy is assessed. In fact, one would be considering the role of one of the state's subsystems in solving key issues that involve its very existence or reproduction -- provided the contribution of this mediating institution can be specified or differentiated from other variables also affecting the performance or legitimacy of the state.

The *protocol* indicates that over the past decade, CSSs have attracted attention in view of the importance attached to this unifying theme (performance and legitimacy). No wonder, for many decades these concepts (or their close relatives) had been **the** central concerns of the academic discussions on the state and its institutional apparatus -- the more encompassing units of which the CSS is just one component. It could have been either efficiency, productivity, effectiveness or delivery, instead of performance. Or a panoply of terms meaning power, of which legitimacy is a partial aspect. Very often, these concepts have been considered together, as variables forming a single proposition.⁴

The reasons for this concentrated interest is not obvious and deserves a brief digression. State-society relationships may be analyzed at three different, albeit interdependent, levels: at the **functional** level, in terms of the prevailing pattern of social division of labor; at the **material** level, looking at the pattern of distribution of the social surplus; and at the **domination** level, by observing the pattern of power relations between state and society. Figure I suggests that the state agenda is determined, to a large extent, by processes taking place at each of these levels, as well as by those that relate them among themselves. State-society relationships are represented, at each level, in terms of functional, fiscal and power spheres, each of which has its own domain (either state or social), as well as a shared one.⁵

In the case of functional relationships, both spheres share a zone of common intervention (i.e. provision of educational services, transportation, research and development) requiring, on the part of the state, not only the delivery of services but also, in most cases, varying forms of regulation and promotion of private activity. At the fiscal and redistributive level, each sphere participates in the distribution of social surplus while the overlapping area illustrates the mass of resources extracted

³ As a matter of fact, the state, the bureaucracy and the civil service systems, as units of analysis, can basically be distinguished by a "vertical" boundary, which relates more to the level or degree of specificity at which questions are posed, than to strictly substantive conceptual differences. For example, questions dealing with "performance" or "legitimacy" may be raised with regard to the state, institutional, or civil service levels. From this standpoint, "vertical" boundaries should be differentiated from those identified by Bekke, Perry and Toonen (1996) -i.e. scope or extent of a civil service definition-, which should more properly be considered as "horizontal" boundaries.

⁴ Back in 1968, while working as a research assistant in a project on *Comparative Organization*, conducted by Warren Ilchman and Todd La Porte, we found after consulting a vast body of literature involving "organizations" in different cultures and historical settings, that **power** and **productivity** were, implicitly or explicitly, the variables receiving highest attention. In trying to derive propositions from a wide array of over 1,000 books and articles dealing (to cite just a few examples) with the Roman Empire, the Meiji Restoration in Japan, the USA and British Navy, or the organization of a primitive African tribe, the most recurrent proposition was: the more organizational power, the less productivity.

⁵ All references to the state, in this analysis, should be understood as comprising only the national state. For reasons of graphical simplification, subnational state institutions have been globally included within the societal sphere.

by the state from society and returned to it through public expenditures, transfers or investments favoring certain sectors, thus performing a redistributive role. Finally, the power resources that may be mobilized by the state and the civil society are represented at the level of political domination; the overlapping area, in this case, is intended to represent the legitimation of state power by the society. Legitimacy, in this sense, becomes a resource that may either be granted to, or removed from, the state.

Finally, Figure I draws a boundary with an "external" environment, that includes those variables affecting the interaction among our three internal levels and, therefore, the contents of the state agenda. Broadly speaking, I would include the impacts of globalization, regional integration and internationalization of the national state, as well as those institutional actors operating in that supranational domain, unchaining processes which greatly impinge upon the distribution of power, the allocation of material resources and the social division of labor, mostly in countries which are highly vulnerable to these external forces.

Even though the relations at each level are governed by certain intrinsic rules of the game, I would contend that, in turn, they are subordinated to higher order rules governing the relationships among the three levels. Probably one of the oldest ones, originally enunciated in the Federalist papers, is the classical *"no taxation without representation"*, obviously alluding to the nexus between the material and the power levels in state-society relationships. "I will pay taxes only if I am previously granted the power to elect my representatives"--the main political resource at the disposal of the citizenry. But in turn, this rule entails a reciprocal one: *"no power without taxation"*, since fiscal capacity is a main attribute of stateness and this will not be realized unless the state builds a significant resource extracting capacity.

We could extend this argument to the reciprocal relationships between the other two levels. For example, a rule of thumb in the interaction between the functional and the material (or fiscal) levels would read: *"no taxation without delivery"*, that is, "I will further refuse to pay taxes unless I receive my due share of (reasonably satisfactory) public goods and services." Reciprocally, *"no delivery without taxation"* would also be true, since the state could hardly deliver those goods and services without previously obtaining the required material resources.

Similarly, another pair of higher order rules can be proposed to conceptualize the interplay between the functional and power levels: *"no legitimacy without delivery"*, but also, *"no delivery without power"*. In other words, the legitimacy of the state, partly derived from a source of power that ultimately rests with society, will depend to a large extent on the magnitude and quality of the goods and services it provides, but these will not be delivered unless the state achieves the necessary institutional capacity.

These rules are relatively stable and set the basic features of the game played by social and state actors, but the unfolding of the game at each historical juncture and the outcomes at each level of interaction are fairly uncertain. However, I would contend that results at one level will be dependent upon, and in turn, determinant of, results at the other two levels. This assertion deserves some clarification.

At the functional level, the legitimacy of the role historically played by the national state has been

severely questioned during the past two decades. The boundaries separating the functional domains of state and society have shifted, as the socially accepted areas of state intervention have shrunk. The division of labor between both spheres is presently characterized by much narrower limits regarding what the state may or may not do.

From its particular ideological conception, the neoconservative discourse justifies this new "boundary treaty" in purely functional terms: the bottom line is that "society" must recover the initiative vis-a-vis a state apparatus that proved to be parasitic and inefficient, by assuming or reassuming responsibilities that had once been expropriated by the interventionist state. Notice that, from this perspective, the scope of state-society relations is reduced to a problem of fixing new rules of the game between the two spheres, on the basis of a "technical" analysis focused upon the relative efficiency and effectiveness of one or the other in managing the production and delivery of socially desirable goods and services.⁶

The point that is worth stressing is that in this reshuffling of cards, the game played at the other two levels of relation -the material and the power one- also suffers profound changes. It happens that the division of labor between state and society (that is, who manages what) presupposes both an antecedent and a consequent relationship. The first one is simply the existing pattern of power relations between both domains. No doubt, the decision to minimize the national state does not only respond to the technical requirements of its fiscal crisis, but especially to the new correlation of power that has been established between state representatives and highly concentrated economic groups, against a background of increasing globalization of economic and political relations.

The consequent relationship involves the distribution of economic surplus through fiscal mechanisms. If the state transfers parcels of its functional domain to private enterprises or subnational state institutions, it simultaneously resigns its claim to obtain from society the resources that would have been needed to maintain the respective functions within the state domain. Put differently, the less state intervention, the lower its participation in socioeconomic surplus, either to sustain the functioning of its institutional apparatus or to perform a redistributive function favoring the most vulnerable social groups.

The result of the game is foreseeable, although not inevitable: a lower presence of the state in the management of social affairs tends to be accompanied by a lower extractive and allocation capacity, resulting in a weaker power position before the economically dominant sectors of society.⁷ Paradoxically, efforts at state shrinking may not improve its performance nor increase its legitimacy, unless the process of reform involves not simply a change in the rules of the game governing the interactions between state and society but also a simultaneous transformation of the state's internal dynamics. At this point, CSSs become of utmost importance, a subject to which I now turn.

⁶ Let us leave aside the fiction of this new protagonism of "society", supposedly the "heir" of privatized areas of state activity. It is a well established fact that the true heirs are, in most developing countries, the most powerful economic groups and that, far from leading to a more democratic management of the public good, the distribution of the inheritance tends to create a true private state.

⁷ As indicated above, one should also consider the external impacts upon domestic socioeconomic processes deriving from globalization, regional integration and the internationalization of the state. For a recent analysis of these trends and their relationship with state reform, see Oszlak, 1996.

2 Historical background

2.1 The civil service and the formation of the national state

The existence of a professional CSS is one of the fundamental attributes of stateness--the condition of being a state.⁸ The process of state formation in Latin America is, historically speaking, fairly recent: in most national experiences, they began during the second half of the 19th century, even though several incipient -and mostly frustrated- attempts were registered in previous decades.

In many cases, the modern era produced nations without states or states without nations. Only the historical confluence of these two entities untied an inedit process of institutional creation and an explosive liberation of collective energies (Kurth, 1992). This process diffused a new pattern of social and economic organization -capitalism- that found in the national state its main engine.

State expansion implied the expropriation of functions previously performed by other articulating instances of social organization. I mean those areas or functions deemed necessary to solve collective problems in scarcely differentiated societies, at a time when they started to confront the challenge of solving those issues emerging from the development of capitalism -- a system of production, distribution and accumulation that was breaking away with the preexisting feudal organization, thereby deeply transforming the extractive and peasant economies of the most backward regions.

Very often, the conditions imposed by this system of organization led those proto-states to try combined forms of penetration (coercive, cooptative, material, and ideological) into the simultaneously created network of social relationships (Oszlak, 1982). Under the new resulting form of political domination, the repressive component had, almost always, a decisive weight within the constellation of tasks that the state was slowly incorporating into its functional domain. As Tilly (1975) observed, "war made the state and the state made war." During those early stages in the process of social construction, physical coercion became a necessary condition to enable the state to display its other resources of political domination.

The homogeneizing and integrating role played by the new state institutions, ended up transforming the fragmentary rules governing those still loose and dispersed societies. Universal norms, common laws, new collective identities, specialized organizations and bureaucrats, slowly replaced the more primitive, parochial and fragmented mechanisms of social articulation existing so far. The national state began to be perceived as an organization sufficiently strong and complex as to design and mobilize the resources needed to implement new strategies of collective survival and new rules of the game to govern human interactions (Migdal, 1988).

Along the process of state formation, the boundaries drawn with civil society suffered continuous

⁸ Other attributes are the external recognition of sovereignty by other nation states; the centralized control of the physical means of coercion within a given territory; the effective application of fiscal power to obtain the resources needed for state and social reproduction; and the development of a capacity of symbolic production. For the development of the concept of *stateness*, see J.P.Nettl (1968) and Oszlak (1981).

changes. As already indicated, state expansion was the result of expropriating functions previously reserved to local authorities, several intermediate institutions or the individual himself, as well as of creating new functions made possible by this new and exceptional mechanism of resource mobilization, turning those functions into matters of **public** interest.

Originally observed by Marx in his *Critique of Hegel's Philosophy of the State*, this process gave way to a growing agenda for state intervention and to the building and expansion of an institutional machinery in charge of solving the issues included in the public agenda. Social expropriation adopted either a compulsory, discretionary or negotiated strategy, depending on the issues and power relations at each historical moment. But it always meant "new matters" for the national state, whose ever extended arm began to reach all facets of social interaction.

However, in most successful experiences of capitalist development, state expansion -particularly during the 19th century- was not at the expense of civil society; on the contrary, it was instrumental for society's development.⁹ "Deprivatizing" social agents of certain functions taken away by the state was compensated, as the process of social construction evolved, by those agents assuming other responsibilities in the new scheme of social division of labor. It was not a zero-sum game. Both public and private participants in the game would found, along the process, new opportunities of individual or collective benefit.

Thus, a new boundary started to be drawn between the legitimate domains of state and society. It was never a rigid or neatly demarcated border. Rather, it was always an irregular, porous and changing boundary, the shape of which resulted from processes where confrontation and negotiation; arbitrary or agreed upon fixing of limits; capture of new territory or deliberate resignation of competences, alternatively moved the frontier in one direction or the other.

The net result was persisting state expansion. Wagner's Law observed this trend as a universal and ineluctable principle. Optimists regarded it as an inseparable companion of "Indefinite Progress" taking place in the new capitalist societies. Pesimists drew somber projections on this expansive trend, including dramatic utopian visions as Orwell's, in his well known **1984**. Max Weber held contradictory feelings on this subject when observing bureaucratization both as a threat to democracy and as the most rational form of social organization compatible with a capitalist system. Lenin predicted the "withering away" of the state along the transition from socialism to communism.

With or without democracy both, capitalist systems and *real* socialisms, experienced a persisting growth of the state during most of the 20th century. In the most developed countries, the Keynesian economic policies adopted after the Great Depression implied a sensible increase of its regulatory role. Nationalism and the socializing trends that dominated the political scene of several European countries after the Second World War, led to an increasing entrepreneurial and redistributive role of the state, particularly in Great Britain, France and Italy. In the European socialist countries, the urge to bridge the developmental gap played a key role in state expansion and increasing centralization.

⁹ Its protagonic role in the early states of national construction and capitalist development is admitted even by prominent critics of statism, as it is the case of Alvin Tofler (Cf. **The Third Wave**).

In the developmental world, state growth was partly explained by similar reasons, although other factors also contributed to this result. Social revolutions, like the Chinese, the Mexican, the Cuban or the Nicaraguan, implied massive transfers of assets and enterprises from private to public hands. Nationalism and populism played an important role as well, leading to more or less developed forms of entrepreneurial and welfare states. In some cases, the weakness of the local bourgeoisie or the difficulties found by private firms in confronting critical economic situations -like recession periods or hyperinflationary processes- were also used to justify state intervention in promoting the accumulation process, either through facilitating infrastructure, goods and services, or by rescuing bankrupt firms.

In sum, nationalism, revolution, populism, socialization, redistribution of income and the need to accelerate the rhythm of capitalist development, converged over an extended period of recent history to jointly explain state expansion. *State Capitalism*, a marriage between capitalism and the state- became, for some time, a favorite concept to describe this trend.¹⁰ Alternatively, state capitalism was seen as a new and fully developed form of social organization, or simply as a transition towards some other model, originating a heated academic controversy which lasted until the late 70's.

In that same decade, the oil crisis was the first signal that the process of state expansion had reached its upper limits and that new formulas of social and political organization were needed. The debt crisis confirmed this warning pathetically, giving way to strong critiques about the excessive scope acquired by the national state. This process marked the turnover point of a historical trend that had lasted for over one and a half centuries and would lead to the demarcation of new boundaries between society and the state.

Within this broad framework, let us now turn to the specific features of CSS development in Argentina.

2.2 The development of the federal and local civil services

Argentina does not have a long civil service tradition. Its institutional history is relatively recent, as it is the case of most Latin American states. Due to the centralist (although not unitary) character of its institutional organization, the CSS was mainly developed at the national level; the provinces, which had been expropriated by the national state of most relevant functions, were deprived of an early historical chance to build professional CSSs.

The expansion of a national state bureaucracy was much more encompassing -and quantitatively more important- than the provincial ones.¹¹ However, the national state was mainly an institutional apparatus **installed within** the provinces. In 1874, about 80% of the total personnel employed by

¹⁰ Variants of state capitalism began to be observed in countries as disparate as Egypt, Argentina, India, Peru, Italy, the Soviet Union and even the United States. This lack of specificity probably contributed to the slow disappearance of this concept from academic circles.

¹¹ Unless indicated otherwise, all references to numbers of employees at the federal and provincial levels should be interpreted as including all categories of employees in the government's personnel budget: permanent or temporary; civil or military; working for the Central Administration or decentralized agencies.

the federal government (including a large majority of military personnel) worked outside Buenos Aires, the capital city. Even less than 20 years ago, over 50% of the total federal personnel was dispersed in Argentina's Interior (see Table 1).

The growth of provincial bureaucracies was much slower. Until 1950, the ratio of total civil servants working for provincial governments, compared to the country's total population, registered an average of 1.25 employees each 100 inhabitants, whereas the corresponding figure for the federal public administration, on that same year, was 3.04. Beginning in 1970, the trend was reversed: there was a decline in the proportion of federal employees and an increase of the provincial ones. The turning point was around 1980, when there was about 2 public employees for every 100 inhabitants in the federal and provincial jurisdictions. At the present time, the figures have almost reversed those estimated half a century ago. While the provinces -taken together- now employ over 3 public servants every 100 inhabitants, the federal administration employs only 1.

There are several reasons that explain this process. In part, it was a result of the economic crisis initiated in the mid-70's and accelerated in the 80's. The crisis produced, at the same time, a freezing of vacancies at the national administration and a visible expansion of public employment in the provinces as a means to mitigate its effects, which were particularly drastic in several regions. Moreover, the process of redemocratization initiated in 1983 was accompanied by the return to power of some old *caudillos* (local strongmen) who made an intensive use of public employment as a mechanism of political patronage.

On the other hand, the process of decentralization started by the last military dictatorship (1976-83) through partial transfer of the educational services to the provinces, was completed in recent years under the government of President Menem. As a result, public employment in the provinces was greatly increased by the remaining educational, health and road maintenance services transferred by the national to the provincial governments.

Finally, the privatization of almost the totality of public enterprises in the hands of the national state - which took place mainly between 1991 and 1994- helped dismantling one of the most important sectors of the state apparatus. In addition, several decentralized agencies were liquidated and strict measures intended to streamline public employment were adopted, including voluntary resignations, early retirement and salary reductions that discouraged permanence in the civil service. In just a few years, the combined effect of these processes determined a decline in federal employment from over 900,000 to about 300,000.

2.3 Changes in the nature of the civil service

In view of the historical background presented so far, the periodization suggested by Raadschelders and Rutgers (1996) and the *protocol* is not applicable to the Argentine case.¹² Excluded, for historical reasons, the categories "civil servants as *personal servants* or *state servants*", the notion of *public servants* could be accepted to denote not only the character initially

¹² I would point out, in passing, that unless the definition of "western countries" is restricted to the USA and the European ones, Raadschelders and Rutgers' periodization is clearly not applicable to the Australian and Latin American (western) cases.

assumed by the Argentine civil service but also the one it maintained all along its historical development. In this sense, the notion of *protected service* just alludes to a particular aspect of the relationship between the state and its civil servants, namely the recognition of certain rights to stability in employment and compensation upon termination thereof (pensions and retirement benefits) which, in general, featured the evolution of the welfare state in most Latin American countries.

Certainly, Argentina was not an exception to these new developments. In most experiences, they reached their highest point after Second World War, implying increasing professionalization of public employment and the creation of certain higher level strata within the bureaucracy which could well be characterized as *professional service*.

Beyond this classification, it may be even more important to observe the distribution of state employees according to public management areas -- a highly revealing indicator of the nature and role of the state in society. From this perspective, it could be affirmed that at the early stages of its formation -as suggested above- the national state was a coercive, repressive apparatus, more inclined to impose order than to promote progress. In the Argentine case, this feature was prevalent at least until 1880.¹³

These figures were rapidly reverted after 1880, when the pacification of the country and its amazing rhythm of economic growth found the national state ready to promote and accompany these processes by playing a key role in the development of public works, commerce, industry, agriculture, scientific and technological knowledge, and even a well trained labor force.¹⁴

Another way of analyzing the transformations occurred in the nature of the civil service is by observing what strata of public servants -or what types of occupational classes- are formed over the historical period considered. For example, one could examine the relationship between work posts created to produce goods, services or regulations vis-a-vis those support posts not intended to serve an external clientele but just the substantive activity of the state apparatus.¹⁵

Although the precise distribution of work posts (and their occupants), on the basis of this criterion¹⁶ is hard to determine (even more so diachronically), I would consider this kind of analysis as extremely relevant not simply for understanding the historical dynamics of the civil service but also

¹³ In my research on the formation of the Argentine state (Oszlak, 1982), I found that 69.8% of the total number of employees at the service of the national state were members of the Armed Forces.

¹⁴ For an account of the pioneer role of these primitive civil servants and their "explorer" and "entrepreneurial" roles, see Oszlak, 1982.

¹⁵ Work posts can be classified according to the type of production and "client" served. We may refer to either *external products*, to indicate those delivered to clients or beneficiaries located either in society (i.e. monopoly regulation, educational policies) or within the public sector (but beyond the organizational boundaries), as in the case of global budget formulation or tax collection; *internal products*, to refer to those posts that support the production of the "external" ones, in such functional areas as administration, logistics, maintenance, sales, information services, etc. Finally, we may consider a third category -*institutional products*- to include those posts which tend to increase the institutional capacity to produce either external or internal products, as it is the case of posts assigned to the development of new software; the construction of additional infrastructural facilities; or the restructuring of the organization itself.

¹⁶ As a consultant, I have conducted several exercises of this sort in Argentina, Bolivia, El Salvador and Panama, using O-HR (Organization-Human Resources)--a sophisticated management tool supported by a computerized system.

for determining the degree of rationality of the state's organizational structure and allocation of public employment. In this respect, there are clear evidences that the main problem of CSS is not **hypertrophy** but **deformity**, caused by an irrational distribution of posts. I will come back to this point below.

3 Internal labor market

In their relationship with government, civil servants experience a true life cycle: they are recruited, assigned a work post, induced to the job, given a grade or rank, and a corresponding salary, trained, evaluated, promoted and deployed. Each of these relationships are governed by a set of rules which have varied historically and have conformed a highly heterogeneous and complex system.

In the case of Argentina, this heterogeneity is explained by two main reasons: (a) the natural inclination of decision makers (either politicians or members of the permanent bureaucracy) to circumvent the constraints limiting the hiring of new personnel, by resorting to all sorts of deviant procedures, such as the periodic renovation of "temporary employees" who tend to become permanent; or the use of vacancies in certain professional positions to hire civil servants having a different profile; and (b) the granting of incentives -especially in the form of cash salary payments-, through ad-hoc mechanisms devised to create differential situations (i.e. the approval of new classification systems or *escalafones*);¹⁷ the multiplication of special compensations that may serve to circumscribe and solve labor conflicts, although causing further distortions in the salary composition; or the spurious promotion of civil servants to higher grades in the job classification system, used as a hidden mechanism of salary increase that ends up degrading the whole system as the lower ranks are emptied and all civil servants are moved upwards.

In recent years, however, Argentina -along with many other Latin American countries- began to pay a renewed attention to the improvement of their civil service systems, particularly at the central administration level. The new impetus was generated by structural adjustment policies adopted by most governments in the region, which led to various forms of downsizing, retrenchment, and off-loading of public sector personnel.

A lower number of civil servants -and the corresponding reduction in personnel expenses- allows governments to create new employee and management incentives systems (Reid, 1992), while introducing new rules of the game regarding recruitment, promotion, evaluation, training, stability, and accountability. As a result, new CSSs are being tried, giving way to a diversified internal labor market in the public sector.

3.1 Alternative career civil service systems

There have been, at least, four different ways whereby Latin American governments have attempted to introduce reforms aimed at upgrading the quality of their civil services. Alternatively, they have defined the scope of the respective systems in terms of (1) **a small number of key**

¹⁷ In 1994, after the massive privatization of public enterprises, over 50 *escalafones* (or classification systems) were still in force within the federal public administration, being applied to different categories of personnel.

positions; (2) an élite corps; (3) a service wide career; or (4) an internationally funded, parallel consultants' network (Oszlak, 1993).

Very succinctly, the first system seeks to improve performance in public management by relying on the critical role played by small strata of public managers -usually not exceeding 5% of the total central administration staff-, assigned to key technical-cum-managerial positions (policy design, steering, and coordinating positions, highly specialized functional or sectoral posts, etc.). In a way, the system is akin to the "Senior Executive Service" created in the U.S. under President Carter, although it admits several variants in different countries (i.e. the 600 positions under the *Sistema de Cargos Clave* originally proposed in Bolivia; or the 465 *Cargos con Función Ejecutiva* in Argentina).

The élite corps approach, patterned after France's ENA model, has -to my knowledge- only been adopted in Argentina. Members of this corps (the so-called *Administradores Gubernamentales* or AGs) are recruited through a very strict, competitive system, following a complex selection process and a specialized training program. Upon entering the Corps, AGs are destined to various staff, consulting, and managerial positions within the public service, while maintaining a double dependency with both, the Secretary of the Public Service and the official in charge of the unit to which the AG has been assigned.

A public sector wide, career civil service, is much more costly and difficult to implement. It requires a radical shrinking in the size of personnel and sophisticated management tools to deal with the new rules and procedures established under a meritocratic system. Bolivia is presently embarked in the establishment of a programme of this sort, while Argentina, under the so-called *SINAPA* (National System for the Administrative Profession), has also started a similar experience.

Finally, almost every government in the region has introduced, to a lesser or greater extent, an employment mechanism of medium and top level specialists (even in high managerial positions), through parallel contracting by international donor or financial agencies. In some countries, as their number grew in significance,¹⁸ these positions began to create problems of equity, discrimination, double loyalty, and sometimes serious disruption of day-to-day activities, leading to the search of more permanent solutions.

Interestingly enough, Argentina is probably the only country in the region where all four systems are presently in force. In addition, it still maintains a large number of special *escalafones* applying to different groups of personnel (diplomatic, military, health, educational, etc.). I will only deal with the above mentioned four systems, as they apply to those categories of personnel closest to the definition of civil servants proposed by the *protocol*.

3.1.1 The CAG (Governmental Administrators' Corps)

The CAG system is only 12 years old and it applies to just over 200 civil servants. It is the only

¹⁸ In Bolivia, for example, over 800 consultants, representing about 7% of the total central administration staff, were being employed under this system in 1995. Present estimates for Argentina set the number of consultants at 5,000.

experience of upper management training and creation of a critical mass of higher civil servants that has survived political alternation in the Argentine government. The creation of the CAG was probably one of the best indications that administrative reform under the Radical Party government was geared towards technical, incremental, and long-run changes, instead of heading towards the swift and drastic transformations that occurred under its successor Peronist Party government.

The CAG was seen as a way to bridge the century-old politics-administration dichotomy. The endless sequence of military and civilian governments had turned top public managerial positions the realm of whimsical and short-lived incumbent regimes. Since the early 40's, the average tenure of ministers, governors, and secretaries of state had been about one year in office. Turnover in top level positions in the civil service was comparable to this figure. Discontinuity was the natural companion of ineffectiveness. Professional public management had been neglected, until then, the opportunity to take root into administrative practice.

By placing highly trained and motivated young professionals in key positions of government, a new breed of public managers would be disseminated across the bureaucracy, thus providing both, a critical mass of experts and numerous focal points from which new cultural and professional patterns could be disseminated.

The philosophy of the project was quite clear. It was not a matter of training new cadres to do the routine work of government better, but rather to train them in doing things not done before, and in a totally new style. The professional profile of the future AGs stressed a service orientation, a basic commitment to solving the country's hard-pressing problems, and an unflinching allegiance to democratic values as desirable features. Openness, intelligence, and common sense -rather than previous expertise in highly specialized fields- were held as a preferred background for these future agents of change.

The project also aimed at solving the absence of legislation allowing the creation of positions subject to free appointment. Under the existing rigid structural arrangement, there was a strict correspondence between directorships and directors: these functionaries could not be assigned to any other functions. Hence, if the government decided to make a political appointment to fill a position of high responsibility, it was faced with a dilemma: it would either have to dismiss the incumbent director, thus violating the constitutionally guaranteed stability of public employment; or create new positions and, at the same time, displace the existing directors to "advisory" posts. It was very difficult to find those who would meet the three required conditions: personal and political trust, professionalism and experience.

Insofar as the CAG attained a plural political composition and a comparable level of training, future democratic governments would be free to choose within that corps, those who would fill certain positions on the bases of personal or political affinity, but the spirit of administrative continuity would be preserved (Groisman, 1988).

On the average, and measured by any standards of comparison, the level of training and the capacity of the AGs are quite high. The Corps has carried out a varied and intensive activity. To what extent has this experience been successful is still an open question. Nevertheless, it can be

safely affirmed that the role of the Corps will hardly be as important as it was originally foreseen. Its size has remained fixed at 230 and it appears that it will never reach the targeted 1000 figure since recruitment of new cadres has been suspended by the present government.

Moreover, the positions filled by AGs in the public sector fall mainly within the advisory/executing category, rather than the command functions foreseen in the project. The creation of SINAPA and, especially, the Executive Positions regime -with its emphasis on merit, competitive examinations, and adequate pay- seems to have put some limits on the prospects of AGs to be the sole source of supply of top managers for the public sector. Rather, the Executive Positions are probably curtailing, to some extent, the very possibility of AGs' performing this kind of role.

There are indications that the CAG has gained certain prerogatives, insofar as its members are solely responsible for the selection of new trainees, the coordination of the Corps and the preliminary evaluation of AG's performance. It seems to be an organization that virtually reproduces itself. This may not necessarily be negative, in view of the competence and capacity of its members. But considering the solidarity and *esprit de corps* that characterizes it, and the fact that permanence within the Corps depends heavily on performance evaluation, it is quite likely that the discharge of this responsibility by peer members may not be entirely objective. Paradoxically, it may also signal a possible loss of status: any institution which is central to a political project is usually brought under strict supervision by those in power.

Any serious evaluation of this experience should consider a number of issues: (a) the perceptions about the AGs' role among members of the institutions of destination; (b) the extent to which their intervention brings about effective changes in the organizational culture of those institutions, through the transfer of new work styles and methodologies; (c) the dynamics of double dependency, including possible benefits or frustrations; (d) the role played by AGs within political parties; (e) the motivations behind entering the Corps and the attitudes observed upon becoming members thereof; and (f) the legitimacy of the CAG within the new context of an extended professional civil service.

Whether the Corps will become a key dynamizing element of public sector management; will be disactivated indefinitely; or will end up developing its own style of a bureaucratic culture, akin to that it tried to eradicate, is still an open question. Monitoring the future operation of the CAG may be important to draw useful lessons for comparative experiences.¹⁹

3.1.2 SINAPA and the Executive Positions' system

The other **institutionalized** approaches (i.e. service wide and critical positions) are still very recent as to assess their possible success, failure or potential. In turn, parallel contracting of experts through international organizations is widely regarded as a non-permanent, undesirable solution. However, I will attempt to synthesize the main features of those personnel systems that most closely fit the restricted definition of civil service offered by the *protocol*, namely SINAPA and the

¹⁹ It is worth mentioning that another specialized corps, the so-called *Cuerpo de Economistas del Estado* (State Economist Corps) has been created in 1995. Upon finalization of a two-year intensive training course, they will be assigned -as in the case of the AG's- to different advisory and research positions within the public administration, beginning in 1997.

Executive Positions' System.²⁰

Let me start with the rules for job definition and classification currently operative. Strictly speaking, the Argentine public sector lacks a true system for job definition and classification. Some progress have been with the creation of SINAPA.²¹ According to the federal budget figures for 1995, SINAPA applies to 35,928 civil servants. They are classified into six levels (*A* being the highest and *F* the lowest), each of which are duly defined, and up to five grades (from 0 to 4) which in 1993 were increased to 10.

Originally, the system created two classes or groupings: a **general** group, comprising all administrative, technical, professional and service jobs; and a **scientific-technical** group, covering all personnel involved in the generation, improvement, diffusion and application of scientific knowledge, research and technological development, training of specialized human resources and activities associated to scientific institutions. A large majority of the civil service was included in the general group although in 1994, a third group -the **specialized** class- was created to include those civil servants in charge of advisory tasks.

However, SINAPA does not have a job definition and classification system specifying the tasks and requisites of each work post. Instead, it has typified a certain number of posts as generic job categories (see Table 1).²²

These categories are extremely broad and do not bear any direct relationship with the micro-organizational structure, that is, the actual types of posts existing in any given institution. The development of a Job Classification system is extremely important to determine the nature of posts required to perform the tasks any government entrusts to its public administration. In fact, such a definition precedes the recruitment of civil servants. To know in advance the quantity and proportion of different classes of posts is a *conditio sine qua non* for optimizing the public management "production function". These magnitudes constitute the "demand" of human resources -- the "supply" side being the composition of the civil servants actually recruited. One must first determine how many, and what type of, "chairs" (or posts) are needed and then select those candidates who will seat on them, provided they fulfill the required profile.

²⁰ A good deal of information in this subsection has been obtained from Estévez (1996). Furthermore, Mr. Estévez has collaborated in providing useful data for the preparation of this paper.

²¹ The so-called *Sistema Nacional de la Profesión Administrativa* (or SINAPA) was introduced in 1991 by Decrees No. 993 and 994, later modified in 1993. It is a sophisticated *escalafón*, with several related subsystems dealing with training, performance evaluation, salary grids, competitive examinations, etc. It is a rigid, rather than a flexible system, operating within a context of flexibilization and high levels of unemployment in the private labor market.

²² Level A includes the following functions: planning, organization and control, participation in the formulation and proposal of plans, policies and action guidelines. Requisites to fill these posts are a university degree and a general and specialized background, as it also the case for level B. The latter includes planning, organization and control, development of plans and projects in the administrative, professional or technical field. Level C includes organization and control functions. Civil servants, in this case, are subject to plans and normative frameworks but enjoy a certain degree of autonomy and initiative. Requisites include secondary education and a general and specialized background according to the functions at this level. Requisites for level D are a basic secondary education (three years) and training for the specific functions, which include diversified tasks, knowledge in the application of specific techniques and control of lower level units. Levels E and F have lower requisites and complexity of functions. Minimum age to fill these posts varies from 16 for level F to 30 for level A.

Hence, along with human resources management there is a need to **administer organizational structures** and, particularly **microstructures**, that is, the relationship of work posts with their occupants and with the organizational units to which they belong. Argentina is just starting to consider the administration of organizational structures as a separate management process, whereas human resources management is almost exclusively limited to those aspects traditionally included within the concerns of personnel administration (i.e. absenteeism, leaves, permits, payroll).

The so-called *Régimen de Cargos con Funciones Ejecutivas* (or Executive Positions System) deserves a separate analysis. Although it is part of the SINAPA system, it just applies to a number of selected positions having: (1) a special incidence upon the delivery of essential services to the community, or (2) a key participation in state reform activities, highly specialized consultancy, public policy implementation, budget administration or coordination of projects in complex technical areas and of high public interest. Initially, the total number of positions under this system did not exceed one-hundred, but according to recent official figures, they now number 909. The distribution of these positions by jurisdiction is shown in Table 2.

These positions are presently classified within four levels (A through D), with decreasing responsibilities which vary according to the size of the sector, organization, project or area being considered, as well as to the technical complexity of the tasks performed.

Recruitment of civil servants in the federal public administration depends on the type of personnel system (*escalafón*) applying in each case. Most of the civil servants presently included under the SINAPA were previously reached by an older system (Decree No. 1428/73) and reclassified according to the rules of the new one. As the freezing of vacancies has been in force for several years, there are very few civil servants that have entered the service under the norms and procedures established by SINAPA. Under this system, both selection for recruitment and promotion are subject to competitive examinations, of which there are three types:

- (a) *Open competitions*, where any person coming from the public or the private sectors may participate. They are used to fill vacancies in Executive Positions and posts classified as A, B and C, provided a university degree is required. For the other levels, open competitions are only held when the first *internal* call is declared void.
- (b) *General competitions*, in which persons coming from the federal, provincial or municipal jurisdictions may participate. They are used to fill vacancies classified between levels A and E.
- (c) *Internal competitions*, restricted to a particular organization and applied for the purposes of promoting career advancement at the lower levels.

It is expected that over the next few years, competitive examinations will be extended to the entire federal administration as well as to the provincial administrations. However, budgetary restrictions have curtailed employment opportunities in the public sector. In part, these constraints have been overcome through recruitment of "transitory" personnel, employed on an annual basis, without tenure rights nor special compensation (or indemnities) upon termination of contracts.

There also exists the possibility of hiring personnel through the figure of *locación de servicios* (a sort of temporary Special Service Agreement), regulated by Decree No. 92/95. This hiring mechanism utilizes a salary scale similar to that applied by the World Bank and UNDP for national consultants. Contracts are flexible, temporary, do not create any permanent employment relationship with the government and may be unilaterally terminated by the employer.

Before reclassification under the SINAPA system, an important proportion of civil servants used to enjoy full inamovability (or tenure). At present, any civil servant receiving an *insufficient* score in its annual evaluation, for two consecutive years, is automatically dismissed. Otherwise, "permanent" personnel cannot be removed from their posts or dismissed without due administrative process and adequate compensation. In the case of the Executive Positions, tenure is limited to five years after entering the service and is dependent upon satisfactory scores in successive evaluations, which may extend it for one or two additional years.

As civil servants were reclassified under the SINAPA, the partial loss of tenure rights was partly compensated by entering a more professionalized system, with greater training opportunities and a more attractive salary. SINAPA has created a permanent training subsystem whereby civil servants must obtain a certain number of credits (one credit for each hour of training) to either stay in their posts or as a requisite for promotion. There are certain basic modules that serve to expose trainees to a general view of the state institutions, the processes of administrative reform or the analysis of public policies, before proceeding with more specialized subjects. A special Upper Management Course has been established for all employees classified at the A and B levels; a High Level Training Course for those at the C level; and a basic Job Training Program for civil servants at levels D, E and F. The following table indicates the kind of training requirements for the different levels and steps (see Table 3).

Training is provided by the National Institute of Public Administration, which also carries out central oversight functions over the National Training System for public sector personnel.

SINAPA has established a direct relationship between cumulative training credits, evaluation scores and automatic grade (or step) promotion, thus aiming at staff development and a merit based career path. There are two types of mobility rules: (a) a *horizontal* career path, directly related to increases in grade (or step), which is subject to approving the established professional training courses and obtaining favorable performance evaluations; and (b) a *vertical* career path, dependent upon passing competitive examinations--the exclusive key to a possible change of level (B to A; D to B, etc.).

Let us now turn to the reward structure and how it influences wage rules. A civil servant (or, by the same token, a private sector employee as well) may receive salaries based on **what he/she is**, **what he/she does** or **how well he/she performs his/her job**. In the first case, the subject of compensation is the person and its attributes; in the second one, the task and the responsibility assumed on the assigned job; and in the third case, the level of performance in the discharge of the person's duties.

Most often, the **basic** wage depends upon the personal traits of the employee, which are

acknowledged in the category and grade assigned in the job classification system. This, at least, has been the criterion generally followed by most Latin American CSSs. A typical case is military employment, where a Lieutenant General, for instance, receives a salary based on his rank, whether he heads a regiment, is in charge of a military academy or has been assigned a diplomatic destination. However, there is an increasing trend towards determining the basic wage on the basis of post requirements while adding special compensations for certain personal features and good performance.

One of the main goals of SINAPA was, precisely, to give a greater weight to functional and performance considerations in determining salary levels. This implied a wide departure from the preexisting system (created by Decree No. 1428/73), which was full of variegated "*additional*s" intended to compensate mainly the employee's personal conditions.²³ Under the previous system, as the number of wage items increased (virtually hundreds were created), the composition of the payroll became extremely complex and the percentage of the basic wage within the total salary became almost negligible.

The main reason for the preexisting heterogeneity was the permanent need to solve discrete labor conflicts -especially during high inflationary periods- through new, small compensatory items, agreed upon in the course of negotiations restricted to one or a handful of state organizations, to a given class or level of civil servants, or to employees located in a certain area.

Under SINAPA, basic wages for different levels and steps have been established in terms of the functional requirements of the job. At the same time, the system has sought to simplify the salary system as well as to eliminate compensations for seniority.

Total wages are presently composed of (a) a basic assignment according to level; (b) an additional payment for grade or step, which compensates promotion along the horizontal career path, provided training and evaluation requisites are satisfied;²⁴ (c) supplements compensating work in inhospitable zones; psychophysical risk; executive functions (which remunerate the performance of special or critical tasks); and specific functions in especially determined cases; and (d) an additional bonus (a full basic wage) for a *remarkable performance* evaluation score.

Besides its composition, an analysis of the civil service salary system should also consider its structure, represented by a curve that depicts the distribution of total salary compensations by job levels and the distances among levels. Past experience in Argentina, especially under hyperinflationary conditions, showed shrinking differences between maximum and minimum salary levels, which reached a 3 to 1 narrowest gap in the late eighties. With economic stabilization, the government has been able to maintain a more adequate hierarchy in the civil service salary structure.

Table 4 provides an interesting comparison between the salary structure of the 1428/73 and the SINAPA job classification systems. While the top-bottom wage differentials under the previous

²³ This has been the case of most other *escalafones* created in the Argentine public sector.

²⁴ Civil servants ranked at level C may also receive an additional compensation *for higher training* in case they possess or obtain a university degree.

system was about 4.5 to 1,²⁵ the corresponding relationship for SINAPA was 9,5 to 1. In 1993, with the increase in the SINAPA's number of steps, the relationship was further widened to about 12,7 to 1.

Another interesting feature of the civil service salary structure is that, when compared to the private sector, wages have become much more competitive than before the creation of SINAPA, the CAG and the Executive Positions systems. High levels of unemployment and growing flexibilization of the labor market in the private sector, compared to the relative normative rigidity of the salary system in the public sector, have reduced wage differentials at the upper rank levels, where private sector salaries used to be much higher, whereas at the lower levels, salaries in the public sector have become even higher than those payed in the private sector for comparable jobs.

Table 5 compares upper-level wages for civil servants under the CAG, SINAPA, and the Executive Positions' group, with those payed to managers at similar levels in the private sector. Even though the private sector continues to pay higher salaries at these levels, the differences with the past have dwindled down enormously.

As shown in Table 6, salaries for temporary personnel under the Decree 92/95 system -mostly project coordinators, senior, semi-senior and junior consultants- are closer to those received by civil servants filling executive positions.

With a 17% unemployment rate, there are strong incentives to maintain a governmental job, despite the fact that since the stabilization plan adopted in 1991, real salaries have dropped about 40% as a result of the freeze imposed on wage increases.²⁶ The situation in the provinces has been much more dramatic; in some cases, salaries have suffered compulsory reductions of as much as 50%, in addition to losses due to inflation.

Retirement of both civil servants and private sector employees have also been subject to fundamental changes under the Menem administration. In addition to the old public "distributive" system, a new privately managed "capitalization" system has been created. The new social security system is compulsory for all newly registered employees, while those already contributing to the public system were given the choice to remain in that system or be transferred to the private one.

On several occasions, the government offered civil servants the option to quit the service through an early or voluntary retirement plan, funded by international banks. This plan caused, at the same time, a sizable reduction in employment and a loss of highly qualified human resources best fitted to find a job in the private sector.

Another important change occurred during the Menem government was the enactment of a new retirement law which introduced "capitalization," instead of "distribution," as the main criterion for constituting retirement funds, while the administration of the newly created retirement and pension

²⁵ Notice that under the old system, there were almost no civil servants below the 10th grade.

²⁶ A December 1996 survey conducted among civil servants under the SINAPA system, indicates that conformity with their jobs is predominant. High conformity obtained a 22% of the sample and conformity, another 56%. Almost 13% showed low conformity; 4% were indifferent; and 4% declared to be unhappy with their work posts.

funds was transferred to private firms (the so-called AFJPs). All salaried personnel, public or private, were offered the option to continue contributing under the old distributive system or to join the AFJPs. Although accurate figures are not available, it appears that about one-half of civil servants opted for the capitalization system while the rest remained under the older system.²⁷

4 Representativeness

According to the *protocol*, two optional concepts could be used to examine the degree of social representativeness of the public service: the *equal opportunity and mirror-image* types (Van der Meer and Roborgh, 1996). This alternative views should not be considered as forming a dichotomy. In the first case, the degree of representativeness is the contingent result of a recruitment mechanism based on the assumption that any citizen may have access to public employment; in the second case, it is the result of a deliberate policy designed to create and maintain certain equilibria aimed at reducing social tensions, particularly in those societies characterized by strong ethnic or religious cleavages. But the exact opposite of each of these criteria is not the "other pair" of this apparent dichotomy: in the first case, it is an adscriptive recruitment mechanism, based on political patronage and retribution of party loyalties; in the second one, a mechanism whose **mirror-image** would correspond to that of the (ethnic, religious, linguistic) dominant group. In Argentina, I would contend that representativeness of the civil service is of a **natural** mirror-image type--the implicit result of impartial recruitment processes based upon functional and standardized criteria, coexisting with informal criteria as well.

As a country with a strong immigration background, fully integrated ethnic minorities, diffused miscegenation, extended religious freedom,²⁸ and high linguistic and cultural unity, Argentina has not experienced significant discrimination in the access to public service. This does not imply that the concept of equal opportunity is fully applicable in this case. Even though the trend towards increasing professionalization is fairly clear, the influence of politics on the operation of the public sector has been detrimental to the full application of this criterion. True, it would seem that the weight of nepotism is less significant at the federal administration than in the provincial ones, where alternation of political parties is quite often accompanied by an overall replacement of civil servants loyal to the outgoing government, particularly those in middle and higher level management posts.

To a large extent, this trend is the outcome of a very long period of political instability, characterized by the succession of civilian and military governments which entailed not only a change in leadership but, especially, in the nature of the political regime. These regime changes implied fundamental transformations in the rules governing access to the upper state positions and in the

²⁷ Women retire at the age of 60 and men at the age of 65, after contributing to a retirement and pension fund for 30 years. There are also a number of "privileged systems," applying to several groups of public service personnel, either political appointees or permanent staff (i.e. President's Office, military, legislators, cabinet members, judges), although most of them have been recently abolished, except for those already enjoying their considerably lower requirements and higher benefits.

²⁸ Under the constitutional amendment approved in 1995, even the highest governmental position in the public service - the Presidency of the Republic- can be filled by candidates of any religious creed. Until that date, only Roman Apostolic Catholics could occupy that post.

dominant politico-ideological orientations. Occasional democracies, more or less restricted, more or less populist, were drastically displaced by ever more violent bureaucratic-authoritarian regimes. Along with these changes, the dominant socioeconomic coalitions, the styles of state management and the very structure of the public bureaucracy used to change as well.

From the representativeness perspective, I would argue that the civil-military alternation brought about, with each new wave, substantial transformations in at least three different aspects: (1) in the ideological orientation of the main policy decisions; (2) in the social and economic interests that were privileged by the policies adopted; and (3) in the composition of certain civil service groups.

For instance, while populist governments used to benefit the most deprived social sectors through welfare policies, military governments, inspired by a disciplinarian ideology, chose to promote law and order instead of redistribution, to impose a "revolution from above" aimed at "correcting" past policies followed by mostly "condescending" and "vacillating" regimes.

Similarly, the state apparatus was recurrently exposed to the predatory activity of certain dominant social groups, alternately the most concentrated capitalist sectors, the representatives of the domestic bourgeoisie (small and medium size entrepreneurs), the labor unions or even the members of the permanent bureaucracy.

As regards the composition of the public sector, the most conspicuous changes produced under military authoritarianisms were reflected in the degree of political like-mindedness of high level civil servants with members of the governing coalition. Afinity was at its peak in the case of officials in charge of steering, planning, and control responsibilities, including middle-level managers, often recruited from the military ranks themselves. Conversely, all personnel suspected of maintaining actual or supposed relationships with subversive movements, or even with traditional -populist or center-left- political parties were banished from public office (or disappeared altogether).

Questions related to the pattern (i.e. concept and dimension) of representativeness and its relation to the political, administrative, and societal context, will be further discussed in section 8 (Configurations).

5 Politicization

We will now turn to the politicization issue, a century-old subject which mainly refers to the interface between political appointees and permanent bureaucrats, and still remains a matter of academic controversy. The first issue of *Governance*, devoted to a reconsideration of the politics/administration dichotomy, is a good example and may be taken as a point of departure. Although the cases discussed and the theoretical propositions presented in that issue were mainly restricted to Western democracies, it is worth pointing out that even in these stable and consolidated political systems, the relationship between the actual roles played by politicians and civil servants in the policy-making process -and its appropriateness- was still regarded as a matter of considerable debate.

5.1 "Les unes et les autres"

In one of the contributions to that issue, the editors alluded to the current belief among political executives that their power has been usurped by the permanent officials in the public service, suggesting that this apparent usurpation is rarely a conscious attempt to sabotage policy or programs. Rather -the authors seem to believe- it is the product of the skills and values which the permanent staff has acquired through years of service and training. But for whatever reasons, the political official will want to establish control over the permanent staff and gain, or regain, control over policy (Campbell and Peters, 1988).

However, in their review of the literature, these authors appeared less confident about the strictly professional behavior of the permanent staff, as they raised the problem of policy distortions caused by singleminded pursuit of self-interest by administrative cadres dominating the bureaucracy. This pattern, they contended, has emerged in an even more blatant form in Latin America. Drawing on the works of Sloan (1984) and Valenzuela (1984), they proposed that for the most part, the absence of liberal traditions in this region grants proponents of statist approaches a free hand.

"Government departments in Latin America -whether dominated by generalists or specialists corps- often can put their faces against the political will with near impunity. Under such circumstances, the executive leadership must often resort to the creation of new departments and quasi-autonomous agencies in order to pursue essential elements of their policy agenda (Campbell and Peters, 1988).

This concise statement provides, in my opinion, only a cursory and probably misleading view of the politics/administration relationship in the Latin American scene, while adding to our perplexity as to who are actually the "good" and the "bad" guys in the game.²⁹

The Argentine experience may shed some new light into this largely unexplored field. An examination of the variegated factors that account for the complex patterns of relationship between political appointees and permanent administrators may offer a more balanced interpretation of

²⁹ Given the comparative scope of the article under consideration and the scant literature covering Latin American experience, this critique may be a bit unfair. However, to blame the absence of liberal traditions and to speak of a free-hand statist approach appears as an oversimplification of the problem, even at the time the article was written.

public management and the policy process. My observations will cover, essentially, the experience of the Alfonsín government during the 1983-1989 period, a time of critical economic and political conditions.³⁰

Just a few months after the Radical government was inaugurated, one of the provincial governors of the winning party, who later became the presidential candidate in the 1989 election, held a press conference in which he blamed the middle-level bureaucrats for the slow implementation of public policies:

"I come to call attention to the urgent need of tearing apart the technocratic cobweb that seems to be installed in the federal government...The plans of the Radical government are entangled and delayed at the intermediate echelons of the administration; it is the inheritance left by the military regime, that must be immediately neutralized."

To be sure, the image correctly identifies a level of bureaucratic action (or rather, inaction) where - experience shows beyond doubt- "something happens" that impedes the due course of policy implementation. In my view, there is a complex set of circumstances surrounding the interaction between political newcomers and permanent civil servants, that account for different policy making processes and outcomes. They include, among other factors, personal traits (i.e. professional background, leadership style, ideological underpinnings, psychological characteristics, previous experience), established networks of relationships with colleagues, clients, and party men; degree of access to key political figures (like an influential minister or the President himself); nature of the agency's functional domain; degree of dependence on bureaucracy for policy implementation; degree of interagency conflict over resources or policy areas; and prevailing cultural patterns in the institutions concerned. A careful consideration of these variables in a broad spectrum of the Argentine public sector may provide additional clues for understanding this uneasy relationship.

5.2 The political newcomers

To characterize the politics-administration interface it is first necessary to analyze who represents the politics' end of the dichotomy. In a country with a long history of instability, the general profile of political appointees tends to vary with the nature of the incumbent regime. The more regimes are short-lived, the less political appointees possess the required experience to run the business of government.

Usually, those who are experts in their field start to work immediately; but lack of political training often results in poor articulation at the critical interfaces with party officials and political appointees in other areas of government. Those with a private sector background, who know how to survive in a hostile business environment like the Argentine, found themselves in a totally different milieu, where references are lost and decisions have to be taken in solitude. The majority, even when knowing their technical script fully well, feel they are stumbling on a dark stage. The institutional

³⁰ The hypotheses presented emerge from the analysis of extensive interviews conducted during 1987 with some 25 former cabinet members of the Alfonsín government, as well as from secondary sources and my own personal experience as Undersecretary of State for Administrative Reform and presidential advisor between 1983 and 1989.

interstices, the files' hideaways, the rituals of bureaucratic pilgrimage whereby every decision must find its way up the administrative ladder, are unknown to most of them. Placed in the assembly-line of the decisional process, with few pauses for reflection, they become overrun by routine decisions, appointments, signing rituals and protocol.

Besides, they lose the socializing bonds created by the preelectoral struggle, the spaces for collective discussion: the workshops, study groups and party committees. With almost no initiation rites, nor sufficient pre-incumbency "warm-up", they find themselves in charge of a machine that is already functioning, however good or bad. A machine that has changed management but continues to produce paperwork that has to be dispatched, goods that have to be disposed of, regulations that have to be established, and services that have to be delivered. They expect to create a zero-base bureaucracy, but most must soon assimilate the hard lesson that their pet projects must be subordinated to the inexorable logic of the gears, the transmission belts and the filters in place; that government by decree is just an utopian dream,...even when decrees are obtained.

Looking backwards, they realize that the prevailing style of management approximates Hirschman's descriptive formula: motivation outruns understanding (Hirschman, 1964). They attempt to do things fast, send projects to Congress as soon as possible, produce self-legitimizing facts. They try to change the rules of the game, hit hard and fast, clean up the house, eliminate waste and disorder, avoid bargaining, act before the distabilizers and the corporative interests react.

They soon realize that governance -especially in transitional times- needs good negotiators rather than exceptional experts. When asked open-endedly about the ideal profile of a political appointee in a transition, they provide a list of attributes which Superman could hardly emulate.³¹ Whatever the description, which obviously is not unanimous nor fully articulated in each individual case, there is almost total consensus that the described profile is not the predominant one. The paradox is that if everybody believes that the government does not have the right profile in their cabinet members, probably each of the respondents are contributing to detract from the desirable mix, notwithstanding their more benevolent self-image.

5.3 The permanent civil service

With the return to democracy in 1983, the new government assumed control upon a bureaucratic apparatus with a permanent staff of nearly one million employees, including the central

³¹In their view, the transitional political manager would have to:

- Have previous experience in public management.
- Be an expert in the respective field, skillful and experienced.
- Have clear goals and understanding of the political implications of decisions in the field of competence.
- Have achieved in previous experience some respectable -or better, unusual- results or output.
- Have managed complex projects, where the human factor was important.
- Be able to handle many different issues at the same time.
- Divide work hours between "extinguishing fires" and devising longer term projects.
- Resist pressure and use a "judo" strategy to take advantage of other's forces in a creative manner.
- Dominate fear, including physical fear, in the face of threat.
- Devote about equal time to technical and to political work.
- Be able to bargain with permanent bureaucrats and enroll them in creative projects.
- Be able to deal with, and resist pressures from, clients and interest groups.

administration, decentralized organizations, public enterprises, the armed forces and certain special accounts. Irrespective of their degree of functional autonomy, the agencies composing this immense organization were distributed among eight sectorial or functional ministries, as well as some units directly dependent from the Presidential Office. Due to constitutional constraints, the number of ministries could not be modified; hence, the ministerial reorganization involved, from the beginning, an overall redistribution of functional jurisdictions at lower levels of the cabinet, namely secretariats and undersecretariats of state.

This was not an entirely new exercise. On the contrary, it was one of the clearest manifestations of the permanent political instability of the country, since the ministerial structure had been modified in the past as many times as governments succeeded each other. Even in the course of a single governmental term there were -and still are- important reorganizations.³²

The relevance of the ministerial division of labor derives from the fact that it was not always clear who inherits what. As newcomers become more acquainted with their agencies, they discover that many General or National Directorates within their jurisdiction exist only in paper. Or that certain units which do exist, are not performing any function at all. Often, the staff supposedly assigned to certain units has been commissioned to other agencies or just transferred *de facto* somewhere else.

Another difficulty is the required profile of the permanent civil service. It is a widespread phenomenon -also current in other Latin American bureaucracies- to find what I once called the "excess-lack syndrome" (Oszlak, 1972), that is, the existence of supernumerary personnel in lower level clerical positions and the absence of personnel in certain higher level critical posts, such as project evaluation, strategic planning, systems analysis, organizational design, etc.

The problem is compounded by the fact that the division of labor within the ministerial structure is undertaken under the assumption that a larger number of cabinet positions are needed to accommodate an increasing and specialized number of functions. Even though in most cases, these units are simply a reconstitution of previous agencies, they nonetheless create a series of staffing requirements of secretaries, advisors, general directors, chiefs of sections or even chauffeurs.

Roulet (1988) has described, in a few words, the main traits of the inherited civil service, the counterpart of political appointees:

"We found a rhetorical public administration, much larger than what was strictly necessary, demoralized, suspected, and criticized by society; with a low self-esteem and a growing self-criticism."

³² Originally, the Alfonsín government created about 32 secretariats and 65 undersecretariats, but this number grew during his presidency. In 1991, already under the Menem administration, the total number of these units was brought down to less than 70 altogether; in the following years, the total grew again until reaching 192 units. The last "restructuring" measure, enacted in 1996, fixed the number at 125.

Broadly speaking, it is a rather aged staff, with many years in service, with a relatively high level of instruction although low professional training in high rank positions. The hierarchical and functional structure, prevailing in most governmental units, is heavily distorted. Very few institutions possess adequate recruitment systems based on competitive examinations and meritocratic criteria. Promotion policies is highly biased due to certain "hierarchization" measures that tend to erode the lower level echelons of the bureaucratic structure and to pad up the middle-level rungs, while the top remains unaccessible. Thus, the usual pyramidal structure has turned into an irregular inverted polyedrum.

5.4 Interactive patterns

Let us now turn to the ways political appointees organize their relationships with the permanent staff. In my interviews, I raised the question of the extent of previous knowledge about the established bureaucracy which newcomers possessed before taking office. The strategies used in dealing with this personnel and in establishing a stable and productive working relationship were also brought into the questionnaire.

Most political appointees use different channels for obtaining information about their future collaborators. In some cases, this information is very elaborate, including professional background of higher level officials, political affiliation, special qualifications for certain tasks, emotional stability and degree of conflictivity. Their purpose is basically to distinguish amongst this personnel in terms of competence, loyalty and ethical behavior. But in most cases, the information is partial, incomplete or heavily prejudiced.

Upon taking office, distrust is at its peak. Every political appointee must learn how to discriminate who is who, before assigning responsibilities of any kind, and how to sort out the extremists of any sign from the loyal and competent ones. They find those who had endured authoritarianism and maintained public employment as a source of income, while disguising their militant sensitivity for human rights, justice and democracy. They also find the politically insensitive, who could adapt to any situation and are prepared to be "useful", without interfering nor trying to become too conspicuous. Slowly, they discover the enthusiasts, but also the mean and the corrupt.

The number of personnel dismissed is fairly low. In general, even when the initial impressions are confirmed, many arrive at the conclusion that the bad guys are not so bad, nor the good ones are so good. Even the ones they bring in themselves are found to be less competent than expected. The black legends become more variegated. A more balanced and finely tuned view is finally gained.

Some of the permanent officials become close collaborators of the new incumbents. On the job experience is usually the best test for evaluating competence, performance and loyalty. But it takes a considerable amount of time, especially when new programs and projects have to be devised while routine work cannot be discontinued. As one former undersecretary put it, "while the newcomer loses time trying to find out who is who, the permanent bureaucrat loses time trying to demonstrate how good and trusty a person he or she is."

Moreover, even when the newcomers are able to obtain useful information about the permanent

staff, it is difficult for them to remain totally detached from the intrigue and slander usual in such cases. Biased "evidence" precludes the possibility of getting a true picture: false information, fueled by personal interests, fear, prejudice or revenge, often become a hindrance rather than a help.

Many political appointees report that loyal and motivated bureaucrats, eager to get rid of the stigma attached to their condition, or to demonstrate their commitment to democratic values and accountability, or to look for a last chance of finding in governmental service a source of personal realization and self-esteem rather than the frustration of a mutilated professional life-experience, become unexpected collaborators. Unfortunately, these are exceptions in most cases. Other incentives, besides the opportunities created by democracy, must be offered in order for these exceptional civil servants to become a sizable number. Particularly, responsibility of managing clearly defined programs, as well as material incentives consonant with the responsibilities assigned. These conditions can be met in very few cases. The message from fellow bureaucrats, deeply embedded in the culture of the civil service, often puts a brake on excessive commitment: "Do not excel too much...*they* will leave anyway. Nothing lasts more than two years here, except *us*."

There are newcomers who cannot even acquire a proper opinion of their permanent staff, because there is not just enough work to be assigned to them in many cases. Certain programs must be discontinued because they are no longer in line with the new policy agenda, but the existing personnel is untrained for many of the new priorities or, at least, knowledge about their potential expertise is not readily available. Trial and error is usually the rule.

Given these conditions, there is a marked preference for incorporating new, better known, and politically akin staff. This is facilitated by the great number of newly created agencies. Most newcomers dream with an *ex-novo* bureaucracy. As a matter of fact, this trend causes a strong increase in personnel. During Alfonsin's first two years in government, the bureaucracy grew by about 10 per cent.

However, in most cases institutional "newness" is simply the same old wine in new casks. With an additional disadvantage: new agencies often result from reorganization of older agencies regrouped under new labels, requiring personnel reshuffling, new organization charts, new rules and procedures, all of which generates enormous delays in the launching of new initiatives and projects.

This is why the inherited bureaucracy -an "administrative widow" of countless political regimes- becomes a ballast for any new government, especially when the nature of the regime also changes. Both, ephemeral and prolonged incumbency tend to crystallize bureaucratic institutions, regulations, and practices. When these turn out to be incompatible with the orientation of a new regime, they become institutional remnants, unburied administrative corpses. They may remain in the structure of the government's apparatus, still competing for valuable resources, but usually deprived of any useful function. The historical reiteration of this trend has converted the state bureaucracy into a true "cemetery" of political projects.

A corollary, central to our main concern in this article, follows: beyond the collaborative or conspiratory intentions of permanent officials, beyond the biases acquired in the process of bureaucratic socialization, there is an institutional web, made up of deeply rooted hierarchies, rules,

procedures, values, and social practices of which both, the permanent civil servant and the political appointee are, at the same time, creators and creation, victimizers and victims. The more frequent political alternation and the more divergent the dominant policy orientations of the incumbent regimes, the more irrational the bureaucratic web and the greater the difficulties of state management.

Therefore, the "willingness" of the civil service to adhere to values of responsibility, accountability, participation, transparency, and tolerance -inherent to democracy- does not depend so much on a deliberate choice by individual bureaucrats but on a mainly cultural transformation, that must also reach the society of which the state apparatus is nothing but a reflection. In the words of the first Secretary of State for the Public Service of the Alfonsín government,

"...we have reached this point because fifty five years ago we have interrupted the effective operation of democracy in Argentina and because we have not been able, since then, to consolidate it as a universally accepted principle. This perverse 'culture' is the administrative correlate of instability and sectarianism, because it is an adaptive answer -not entirely devoid of historical rationality- to a recurrent cycle of aggressions and grievances that our administration has suffered over this long period...Massive dismissals, ideological discrimination, politically biased filters for admission into public office placed in the hands of security services, nepotism, requirements of party affiliation before entrance into public office--we have had everything during these black years of our decline. What else could be expected from a human group so large and so representative of a society in crisis...? Our civil servants were not apostles nor heroes, but ordinary people, and they maladapted to a situation which was even worse. They are paying -and they are collecting from us- the price of instability and sectarianism" (Roulet, 1988).

From this broader perspective, the popular vision of an intermediate strata of treacherous bureaucrats, deliberately committed to slow down and blockade the task of a new government through red tape, slackness or sheer usurpation of decision-making powers, is no more than an appealing and even convincing image, but hardly an illuminating one.

5.5 Organizational specificities

So much for the broader patterns. A deeper understanding of the dynamics of the interaction would now have to consider certain organizational specificities. I shall examine size, length of the chain of command, dependence on bureaucracy for policy implementation, and degree of personnel "corporatness."

The first factor seems fairly obvious: the sheer number of people counts. It is quite different to be in charge of none, 200, or 90.000 employees. The "remoteness" of the agencies and personnel to be supervised, as well as the variety of policy issues involved, change considerably with staff size.

A related factor is the length of the chain of command. The higher the position, the more remote the distance with the operational staff, and the greater the difficulties of directly controlling the outcomes of policy implementation. Thus, in their relationship with cabinet members, General Directors of the same jurisdiction tend to exhibit, *caeteris paribus*, different degrees of autonomy and power

associated with the mere size of the units involved and the number of steps required for reaching a decision or having things done. In turn, cabinet members get acquainted with the internal dynamics of the smaller divisions faster, while enjoying better chances of bypassing obstructive directors through closer contacts with lower level personnel. In the larger divisions, the organizational boundaries appear to be sharper and the possibilities of access more unlikely.

The interaction is also affected by the degree to which the functional domain requires permanent officials to get policies implemented. There are cases in which this dependence is very high, as in the delivery of most public services or the collection of taxes. If the "street level" bureaucrat or the revenue agent are -for whatever reason- corrupt or unwilling to carry out their work properly, not only performance will be poor but, in addition, the political appointee will be unable to take over the function personally or assign it to a parallel, redundant, staff. However, there are cases in which the "distance" between policy formulation and policy implementation tends to be negligible. For instance, a minister of foreign relations, working with a small staff, may adopt certain policies (i.e. signing a treaty with a foreign country, entering a regional agreement, promoting cooperation from international donors) that do not require a long implementation chain. Embassies may play a mainly protocolar role, while crucial policies really revolve around, and come to depend upon, the shrewdness and capacity of a very small, committed and coherent team.

Finally, the politics/administration dynamics may also vary with the degree of personnel "corporatness". There are important differences in managing the armed forces, R&D institutions, the hospital system, or the foreign service. Military officers and professional diplomats share certain common characteristics regarding strict recruitment patterns, hierarchies and ranks, promotion rules, horizontal mobility (i.e. destinations), and even comparable international standards of behavior and performance. These types of institutions are difficult to penetrate, except by politically appointed insiders, but authority can be more easily exerted and obedience obtained, especially when retired officers or career diplomats are put in charge of certain strategic line units. In other cases -like in the hospital system or the R&D institutions- access may be easier but the exercise of authority more difficult, since the organizational structure is looser, more feudalistic, with roles less clearly defined and rules not generally accepted.

The situations just examined are not intended to exhaust the full spectrum of differential patterns of interaction between permanent and political executives. They simply attempt to call attention to their variety and to underline the importance of their specification in order to obtain a better understanding of the dynamics involved.

5.6 Conflicts in policy implementation

One major conclusion that can be drawn from my interviews is that almost nobody believes in a conspiratorial established bureaucracy: there is no "big trap" deliberately placed by a group of permanent civil servants sharing a premeditated intention to hinder political initiatives and projects. If there were such a trap, it would have been easy to remove. The problem is that instead of a trap, there is a cobweb and a labyrinth, much more difficult to disentangle or find a way out.

Barriers to successful implementation of public policies may lie either within the agencies themselves, across the civil service, or outside the public sector altogether. They may derive from

the operational effects of a given cultural and normative set of values (i.e. orientation towards time or authority, acceptance and diffusion of corrupt practices); from the complexity of the established routines for processing decisions; from the overlap of functional domains; from the degree of antagonism created by the policies pursued and the resistance thus ensued; from the weight of routine workload vis-a-vis innovative projects; or even from the lack of clear goals or priorities. Let us consider some of these factors inhibiting policy implementation.

When I consider instability as a normal state of affairs, I mean a process in which behavior must constantly adapt to changing and uncertain circumstances. Over the past half century, turnover of cabinet members in the Argentine public sector averaged about one year in office. In many public enterprises and decentralized agencies, the average figure was even lower, especially during the past twenty five years.³³ Under these conditions, a permanent official, subject to recurrent suspicion from newcomers and asked to follow sometimes widely divergent policy directions, will expectedly tend to adopt a cautious and defensive attitude towards new incumbents. Roulet (1988) has provided a very incisive description of this character:

"If you are his superior, the permanent official would be a person exhibiting a neutral look and a benign face, who would try to guess just what is it that you would like to hear so that he could tell it to you, instead of expressing his true thoughts. If, instead, you are his subordinate, you would find another official -yet perhaps the same person- with very little time available and not much willingness to hear what you have to say, who will transmit to you certain instructions or demands possibly originated in, or attributed to, 'higher levels of authority,' and enunciated in the less compromising and more ambiguous form possible, so that any error in implementation could be attributed to the misinterpreter located at the end of the chain of command, rather than to the confusing message originated at his own level of emission."

This vivid picture does not necessarily reflect the aggregate of the permanent staff, but it is certainly a faithful description of a predominant pattern.

Quite often, incoming political teams spend a great deal of time holding extensive investigations of budgetary disbursements and personnel behavior, following charges of corrupt practices and serious mismanagement.³⁴

³³ For example, in the reported study conducted at the National Grain Board, it was found that the average period of incumbency since 1967, had been only 8,5 months. It appears that a similar pattern exists in other key agencies, dealing with highly controversial policy issues (i.e. price controls, tax administration, foreign exchange regulation).

³⁴ Institutions like the National Council for Scientific and Technological Research were immersed over long periods of time in finding out evidence about budgetary transfers made to ghost institutes and research centers by officials of the previous military regime. A former Secretary of State reported that the proceedings of investigations carried out at various units of his Department amounted to 800 kilos of documents, sent for further action to the Auditor General for Administrative Investigations. A major reorganization of the Internal Revenue Service and the Customs Service had to be undertaken in order to bring their operating units under closer scrutiny. Similar accounts have been obtained from other agencies.

With regard to the complexity of established routines, newcomers soon realize that the implementation of most policy decisions does not depend solely on the authority, resources, and willingness of their own agencies, but rather on a succession of decision "stations", most of which are located outside the agency in which policy originates. "This can be done", "that cannot be done" become for them a matter of daily learning. Thus, they discover that in order to appoint someone they should obtain "an approved structure" (sic), and that in order to "obtain a structure" they should "get a budget", and in order to "get a budget", they... (and so on). They learn that the Accounting Act, the Basic Civil Service Statute, the Court of Accounts and other institutions of this sort (always spelled beginning in capital letters) are the untouchable of the tribe: taboos to be honored, bad spirits that would punish those who dare disobeying their rules. "Thou shalt not appoint", "Thou shalt not purchase without a previous bid", "Thou shalt not receive without a voucher your desk fellow's file" are assimilated as commandments of a rigid decalogue, the transgression of which augurs irreparable disgrace.

Everything is minutely regulated but, paradoxically, the legal framework applicable to a discrete case may be totally uncertain. Neither the memory or experience of the permanent staff, nor the scrupulous but always incomplete legal digests, can alleviate the political incumbent's disquieting feeling of deciding by approximation, by trial and error. Like the *dilettante* described by Max Weber, always exposed to sign documents on the mixed basis of suspicion, candor, and sheer ignorance.

The feudal nature of the civil service complicates intra-agency coordination and mutual control. Time becomes less relevant than space: where is the file and what office has to act next, are the relevant questions, instead of when will a decision be reached, which is always uncertain and seldom under control. Decision is not a matter of time but of a physical sequence. The policy implementation process resembles a conveyor belt, where facts and opinions are added at different station points to a file that grows relentlessly on its way of reaching a decision. Most likely, those intervening in the process are beyond the authority of any single policy unit. In a way, it is a checks-and-balances system that tends to strengthen a feudalistic and non-accountable bureaucracy.

Overlapping and conflict with other functional areas are almost impossible to avoid as there is no tradition of interagency coordination. In addition, the broader division of labor actually takes place at the secretariat level. Most ministries are, in fact, conglomerates of secretariats, put together on the bases of vicinity of functional domain or plain tradition. This arrangement promotes an autonomous functioning of the various secretaries, who in turn divide up their fiefdoms in several undersecretariats. Many decisions are taken without due consultation with all agencies involved. In most cases, it is difficult to determine who, or which agency, should be involved. Decisions are made on the basis of personal initiative and political leverage, with little collaborative effort with other parties involved.

Interagency conflict has many other manifestations, including frequent clashes between agencies and the Secretariat of the Presidency--the last screening instance before an Executive decision could be reached; with the civil service trade unions; or with monitoring and control agencies.

The degree of antagonization inherent in a given policy is another important factor explaining success or failure in implementation. As early as 1964, Hirschman considered this variable a crucial one for interpreting policy outcomes in the Latin American experience (Hirschman, 1964). Management will be facilitated to the extent that services, goods, sanctions, or regulations can be

delivered without much resistance from clients (in the broadest sense of the term). Customers will welcome improvements in the delivery of public utilities' services, a better functioning of railroad transportation, or an upgrading of the school system. They will strongly endorse a policy of food distribution to the extreme poor. Opposition may arise only from certain political or interest groups that may question the financial arrangements of these policies or, in the latter example, its possible ideological or hidden demagogic motives. Even foreign policy, when conducted within certain expected patterns, will very unlikely cause any major antagonisms.

Conversely, policies on tax administration, interest rates, price controls, foreign exchange; on medical care upsetting powerful trade union controlled clinics; on human rights and the handling of military trials; on industrial development affecting location, branch or size of industries, will most likely meet with fierce opposition from well entrenched interest groups. Our data strongly suggest that these fairly obvious differences should nonetheless be seriously considered in any assessment of managerial capabilities of governmental agencies, given their distinct impact upon the policy implementation process.

The conflict between routine and innovation is also regarded by our interviewees as a major constraint on policy implementation. Routine may result from constant repetition of programmed operations and decisions; or from the daily resolution of conflicts and crisis resulting from the implementation of current policies. In both cases, routine becomes an eternal struggle with the present, which precludes the possibilities of imagining the future--after all, what state transformation is all about. Finding the time necessary for reflection and elaboration, for designing new programs and devising new strategies and priorities, is the greatest lament amongst political incumbents.

My final point concerns the lack of clear goals and priorities. I do not mean to say that political executives do not know what to do or how to do it. Most have clear visions of a desirable future scenario in their respective policy fields. But it is quite a different thing to convert these "images" into a consistent set of policy instruments, ranked by priority, scheduled over time, and backed by adequate resources. Such a task requires an institutionalized planning system which most governmental agencies lack. Those units formally assigned with this responsibility are usually unable to perform it, either because the information systems are deficient, the agency's policies are not made explicit, or the unit does not possess the legitimacy needed to convey their proposals or persuade policy makers.

In addition, the normative frameworks (i.e. legal statutes) of most public institutions tend to refer to their mission, goals and jurisdictions in sufficiently broad and ambiguous terms as to almost embrace and legitimize every possible program of action. Being so encompassing, these institutional goals do not provide any effective guidelines for action. Hence, shifting and contradictory policies may demand -with similar titles- being faithful translations of the legislator's intentions.

In the absence of precise guidelines, compulsive action disregards any rational choice approach or any patterned scheme of stages and instruments for policy implementation. Short-term, contingent decisions replace strategic planning. The future disappears as a significant temporal dimension for action.

High turnover in cabinet positions makes things even worse. Ephemeral political teams barely reach the point of recognizing, even in an incomplete fashion, the nature of the agencies' mission, the state of the projects and activities under way, the relative priority of the problems to be solved, and the adequacy and capability of the permanent staff. Immersed in this accelerated process of learning and absorbed by the demands of day-to-day decisions, they fail to even sketch their own programmatic guidelines and operational plans.

In sum, institutional instability and its consequences upon the politics/administration interface; degree of dependence upon the civil service for policy management; degree of congruence between technological and cultural change in the process of state transformation; required and viable styles of state management under different political regimes; types of profiles deemed adequate for political executives during difficult transitions-- these are some of the questions that deserve further comparative research in these unstable contexts.

6 Public Opinion

6.1 General perception of civil servants

The federal civil service does not rank very high among the most revered institutions of the Argentine society. As it is also the case with regard to the state or the public bureaucracy, general perceptions on the civil service are plagued by stereotyped views. Several surveys conducted at different moments over the past ten years indicate a very low favorable opinion or degree of acceptance of the civil service on the part of the citizens.

Even the civil servants themselves believe that this unfavorable perception is widespread. Since its creation, SINAPA conducts a permanent survey of civil servants' self-image which records their attitudes, opinions and expectations. One would expect that the self-image of a group like this -or any other social group, for that matter- should at least be similar, or better, than that held by the society at large. The last survey, conducted in December, 1996 (after the first stage of state reform had been completed), indicates that only 18.79% of the surveyed employees believe that the population has a **good** image of the civil servants, while 1.08% consider that the image is **very good**. Another 40.66% think the image is **fair**, 31.53% that is **bad** and 4.71% that is **very bad** (see Table 7).

However, the same survey reveals that civil servants' beliefs about the citizens' image have improved when compared with that held five years ago and even more so when the comparison is made with respect to the previous year (see Table 8).

Despite this more benign image, public opinion still reflects concern upon the relative size, degree of efficiency or performance of the civil service. With regard to size, there may not be a greater commonplace than the generalized conviction about the "excess" of public employees, regarded as the main manifestation of an oversized state apparatus. Certainly, this popularized image is nurtured by the personal experience of citizens in dealing with bureaucracy. What is less obvious is that a large number of tasks are not performed due to lack of trained personnel. Or that certain state units are subject to a very high workload while other, even within the same organization, remain idle. Without neglecting the popularized vision, I would contend that the public sector in most Latin American countries suffers from *deformity*, with oversized personnel in certain areas and

notorious deficit in others.

To assess the magnitude of public employment one may observe either (1) its size; (2) its rate of growth; and (3) its superfluous or supernumerary posts. In all three dimensions prejudices are coincidental and widespread: public employment in less developed countries is "exaggerated", has grown too fast and presents great excesses (Ozgediz, 1983). Comparative research on this subject has arrived at opposite conclusions. Besides, the differences among countries are sufficiently wide as to turn any generalization utterly controversial.

In the case of Argentina, public employment at the federal level has been reduced drastically, but the amount of state expenses has not diminished accordingly. In the public opinion's view, the distinction between a heavily padded budget and an oversized bureaucracy is not always obvious. Widespread corruption, associated with the level of public expenses, adds confusion to a fair evaluation of the civil service by the general public. The low quality of the services provided by the remaining state bureaucracy, mistreatment of the citizens dealing with public institutions, red-tape, the acceptance of grafts and other manifestations of bureaucratic behavior long established within the collective imagery and satyriized by the media, continue to reflect current public opinion about the civil service.

The terms "accountability," "delivery," and "responsiveness," do not have easy equivalents in Spanish (nor in any Latin language); longer sentences must be used to express these terms' implicit meanings. When a language lacks a precise expression to designate a particular concept, it is likely that the concept itself has little meaning within the prevailing culture. Contrarily, there are manifold locutions to refer to bureaucratic "corruption" or "inaction."

In recent times, however, some changes in public opinion have become evident: people now tend to criticize political appointees much more strongly than federal civil servants. Most concerns involving the federal public sector relate to policy choices on different social issues rather than to the provision of public services. This explains the relatively higher exposure of political appointees to the citizens' opinion.

A variety of reasons explain this move. First, most instances of business between federal civil servants and the citizenry have disappeared. The national state is no longer the owner of public enterprises providing goods and services to society; all public utilities -which used to be a main source of public complaints- are presently in the hands of private enterprises. Education, health, road maintenance and a few other services have been transferred to provinces and municipalities. Therefore, what remains at the federal level are, basically, planning, coordination and control units serving mainly other state agencies, and a few institutions providing services to certain segments of the population: federal tax collection, cultural services, preservation of national parks, maintenance of national roads, justice administration, foreign relations, social security, national defense, and some specialized scientific and technological services to the private sector. Thus, privatization and decentralization have brought about, as an unintended effect, a more positive image of the federal civil service, which probably grows as the national state withers away.

On the other hand, any assessment on the public opinion's judgement about the civil service should be carefully qualified. In the first place, because of the already mentioned difficulty to distinguish

between the civil service and the state bureaucracy, an institution which bears a derogatory connotation almost everywhere. Secondly, because any opinion the civil service may deserve cannot be easily isolated from the predominant views about other state and social institutions. For instance, public opinion in Argentina have Congress, the Judiciary, the trade unions, the police, the political parties and other institutions in a very low esteem. Why would its judgement on the civil service be more benign? In the third place, because even though contacts between federal civil servants and citizens have virtually disappeared in this country, the residual effect of long years of red tape, waste and sheer corruption remains intact in the collective memory. And finally, because there is an inevitable association between the degree of satisfaction or dissatisfaction towards the public service and the popularity or acceptance of the incumbent governments: the greater their legitimacy and performance, the less critical the opinions regarding their civil servants.

The apparent paradox underlined by the *protocol* when counterposing the highly stereotyped collective perception that prevails towards the civil service with the favorable opinion of individual citizens registered in their specific encounters with civil servants is akin -with due apologies for the rather extreme analogy- to the twin perception on nazi brutality and Schindler's exceptionality. There is an inherent trend in every collective perception towards generalizing on the basis of negative personal experiences, compounded by knowledge of those suffered by others.³⁵

Any generalization on this matter should further discriminate among civil servants' groups or strata. For instance, researchers and extensionists in the agricultural sector, still employed by the federal government, are highly regarded for their dedication and performance. Teachers in public schools are widely seen as victims of the government's educational policies; physicians and nurses in public hospitals are also highly appreciated. Contrarily, policemen, revenue agents, diplomats and the scarce plaincloth bureaucrats still maintaining face-to-face interactions with users of public services are held in high contempt, even though the reasons behind this opinion may vary (i.e. suspicion of corruption, special privilege, lazyness).

6.2 Determinants of perception patterns

No civil service is better or worse than the society it belongs to. Perception patterns on the civil service are a reflection of society's prevailing culture. In this respect, Argentina has experienced enormous cultural changes over the past decade, leading to fundamental transformations in the nature of the state and of the society as well.

According to Catterberg (1989), one of the striking characteristics of the Argentine political culture is the simultaneous presence of individualist and statist attitudes held by the population at large. This is an outgrowth of historical processes that deeply marked the country's development, such as external and internal migrations, the industrial substitution policies of the forties and fifties, the impact of social modernization and the Peronist regime.

³⁵ Quite often, the *Letters to the Editor* in any daily newspaper, include public denunciations of mistreatment or ill-behavior by state employees, along with praises for the mere compliance of individual civil servants with their public duties, obviously regarded as an exceptional behavior.

Argentines are individualist and pro-statist at once: they are individualist inasmuch as the image of an open society offering unlimited possibilities for individual advance is widely disseminated; and they are statist insofar as the achievement of these goals should be facilitated and supported by state protecting policies. In Catterberg's view, this cultural conjunction probably inhibited for long decades the emergence of both, pluralist and socialist orientations. The statist component may have blocked the emergence of more autonomous individual dispositions--a prerequisite of a democratic culture.

Social images of the state and the civil service should be related to recurrent experiences of citizens, that have stimulated a culture of social mobility. State interventionism in Argentina is still expected to guarantee the achievement of individual goals and targets, to facilitate individual access to material goods, services, welfare and employment. These perceptions imply incongruences between abstract beliefs and concrete formulations of those beliefs: links with the state are closer in those areas more immediately related to the people's daily needs, whereas adherence is moderated when it comes to the state's role regarding more generic and abstract issues.

These patterns began to shift during the 80's. In general, mental changes originate in new experiences. Sooner or later, people change their mental models whenever these fail to resist the test of experience. A prominent expert in public opinion holds that changes in the mentality of Argentines regarding the state were due to the *fiscal crisis* and its sequel of inflation and inefficiency in the delivery of state services (Mora y Araujo, 1991).

Since 1984, systematic research shows a clearly defined trend in public opinion which amounts to a paradigm shift in the prevailing culture. Mora y Araujo (1991) has summarized its main features as follows: (a) a marked increase over time of *productivist* attitudes, giving greater value to production over redistribution; (b) an overwhelming preoccupation with inflation, a phenomenon that largely exceeds other concerns, such as unemployment and low salaries, or even historically bounded issues like human rights or the foreign debt; (c) a militant democratic attitude, along with a rejection of every proposal or conduct that could imply the possibility of breaking the established institutional order; (d) a progressive loss of confidence in politicians, party leaders and labor unions; and (e) a growing predominance of privatist attitudes.

The same author provides survey evidence of these cultural trends. In 1984, 60% of the population was classified as falling within a vector of *productivist* attitudes, whereas in 1989, the proportion increased to 74%. Similarly, in 1985, *privatism* (as opposed to *statism*) was supported by 56% of the population, while in early 1989, that attitude was shared by 72%. Finally, in 1984, 60% of the population was both, privatist and productivist, but six years later, the proportion was 70%.

In summarizing his findings, Mora y Araujo hypothesizes that the Argentine society no longer discusses ends and is rather concerned with finding adequate means to achieve commonly agreed upon goals. The fiscal crisis marked the turning point, prompting deep changes in expectations and, ultimately, in values and attitudes, while creating a more favorable environment for the swift and far-reaching state reforms introduced in the early 90's.

I would accept these conclusions with certain reservations and a few additions. Admittedly, most

experiences of state reform in Latin America have been the direct consequence of the economic crisis of the 80's, often fuelled by rampant hyperinflation and a huge growth of the foreign debt. When a society reaches such critical conditions, the appropriate role of the state is usually subject to intense debate. Societies need to find out who should be held accountable for the crisis, even though it often succeeds to identify mere scapegoats. A society in crisis often shows signs of disintegration. Insofar as the state constitutes the main articulating factor of society, those signs of rupture tend to question its capacity to perform this fundamental integrating role.

Actually, the crisis involves a global model of social organization which proves inadequate to sustain a process of economic development compatible with both, governance requirements and equity considerations. As GNP stagnates or decreases and social inequality grows, economic and political institutions are put under public scrutiny and key actors begin to seek clues conducive to more rational ways of allocating resources and managing social activity. This need becomes crucial as the "management gap" weakens governance capacity and threatens the very continuity of democracy.

Under these circumstances, overexpansion of state intervention is regarded as the crisis' main contributing factor. Giantism, hypertrophy, macrocephalism -among other expressions- are utilized to refer to a state apparatus that misuses productive resources and interferes with the free will of private (and public) actors, leading to suboptimal allocation, distortions in the social division of labor and dissipation of the benefits that would accrue under a capitalist system based upon the unrestricted functioning of market forces.

Who should be in charge and in control of what, becomes the thrust of political debate. The main goal is defined as fixing a lower level and a narrower scope of state intervention, whatever other possible social costs may arise in the process. Once the state is blamed for all social illnesses and is sacrificed in the shrine of structural adjustment, society may dedicate its energies to grow without the asphyxiant tutor of a bureaucratic apparatus that has consumed its resources and curtailed its initiative for the sake of survival and self-aggrandizement. Over the past eight years, this philosophy has underlied most efforts at state reform in Argentina.

7 Reform and Diffusion

7.1 State reform in Argentina

Beginning in 1989, the transformation of the state apparatus conducted by President Menem's administration entailed, at the same time, a massive response to the economic crisis and a disciplined compliance with the policies and conditionalities set by the IMF, the World Bank and foreign creditors. In this respect, I would contend that neither a *governance* nor a *management* tradition (Ingraham, 1996) can be singled out as dominating reform in the public service. State reform in Argentina, as in most other states, has simultaneously tried to reconcile governance, productivity and equity constraints, starting with an overall redefinition of the rules governing state-society relations at the social division of labor level.

Privatization, decentralization, demonopolization, deregulation and outsourcing became the main instruments of reform. All of them implied **less** state but not necessarily a **better** (more rational,

efficient or effective) state. Changes aimed mainly at disengaging the state from certain service, production, or regulatory functions, thus enlarging the scope of private sector activities and drawing new borders with the state at the functional level. But the "remaining" state apparatus was not subject to comparable transformations, except for further streamlining and shrinking decisions, and some fragmentary policies involving civil service rules and the introduction of new management technologies.

In the midst of the political and economic crisis surrounding the resignation of President Alfonsín, shortly before termination of his mandate, and the incoming of the Peronist government, two pieces of legislation -the Economic Emergency Law and the State Reform Law- were passed only twenty days after President Menem took office, setting the overall normative framework upon which most reform measures were to be based in subsequent years. These laws provided the Executive with exceptional powers to legislate by decree--a faculty which was used much more extensively than any other previous government.³⁶

Law 23696, known as the State Reform or Administrative Emergency Act includes, among its principal measures:

- The National Public Administration is declared in a state of emergency.
- All national public entities -both centralized and decentralized, except the national universities- are intervened.
- Public enterprises are subject to privatization or participation of private capital.
- Mechanisms for the functioning of "ownership sharing programs" are established in those enterprises subject to privatization to allow for employees' participation in the future integration of capital.
- Measures for the protection of workers.
- Emergency contracting and new mechanisms for managing government contracts in force.
- Suspension of the effects of judicial sentences against the state.
- An emergency employment plan.

Law 23697, known as the Economic Emergency Act, includes as its main decisions:

- State emergency powers on a variety of subjects.
- Suspension of subsidies and subventions.
- Reform of the Central Bank's charter.
- Suspension of the system of industrial and mining promotion and reduction to 50% of the benefits provided to promoted enterprises.
- Assimilation in the treatment of foreign investment to that given to domestic investors.
- Suspension of the "Compre Nacional" system (which used to promote the purchase of domestic manufactures).
- Suspension of contracts and recruitment of new employees within the central administration, public enterprises and other state units.

³⁶ Between July 1989 and December 1992, almost 1,000 norms (including laws, decrees and resolutions directly or indirectly related with state reform) were approved; some 800 of them were executive decrees (Blutman, 1992).

- Increase in penalties for tax and social security evasion; financial restructuring of trade union social services; sale of state owned unessential buildings, etc.

The Argentine experience with reform embraced all of Ingraham's categories. With respect to *budgetary and financial reforms*, a wide range of measures were adopted to bring about economic stabilization and reduction of public expenditures:

- * Several changes in fiscal policy and administration aimed at fighting evasion, broadening the tax base, simplifying the tax system, eliminating emergency levies, unifying collection of taxes and social security contributions, and seeking permanence and stability in the fiscal normative framework, were introduced at several points in time.
- * Short term financial certificates held by local investors were compulsorily exchanged for long term government bonds, in order to help abating hyperinflation.
- * A convertibility plan was introduced to stabilize the economy through equating dollar reserves at the Central Bank with the circulation of the Argentine money and establishing a 1 to 1 parity.
- * Standby agreements with the IMF and a successful negotiation under the Brady Plan helped reducing the burden of the foreign debt.
- * A new financial management integrated system was approved by law, establishing new rules and procedures regarding public sector budgeting, accounting, treasury and audit.

Structural reforms comprised various initiatives, including:

- * Privatization of all public enterprises, starting with the national telecommunications and airline companies and following with dozens of other enterprises in public hands. As a result, the national state almost ceased to be a direct producer of goods and services.
- * Partial demonopolization of certain economic activities, such as in the oil sector, although remonopolization or the constitution of private monopolies were registered in other areas (i.e., telephones, electricity, water and sanitation).
- * Deregulation of the economy, by reducing state interference in private business; promoting market self-regulatory mechanisms; and eliminating most controls in the fields of price setting, foreign exchange, capital flows, etc.
- * Decentralization through transfer of health, education, road maintenance and other public services to subnational state levels (provinces and municipalities).
- * New regulatory bodies were created in the fields of water and sanitation, energy, telecommunications, railroads and other public services, following the privatization of the corresponding public enterprises.
- * The structure of government suffered several changes which successively increased or

decreased the total number of departments (ministries remaining unchanged), but the total number of public sector personnel was reduced to about one-third of the 900,000 employed in the late 80's.

Procedural and technical reforms have also been introduced in several areas, but results are still lagging behind expectations:

- * Some progress has been made in the development and application of computerized technologies, particularly those supporting "horizontal" management systems (such as integrated financial administration, organization and human resources management, procurement, etc.).
- * Changes in civil service legislation and procedures have introduced uniform and simplified rules for recruitment, evaluation, promotion and pay.
- * A more integrated and sustained effort in the field of training of civil servants is noticeable but a clearer identification of training needs is still pending.
- * Certain improvements have been registered in service delivery, simplification of norms and procedures.

Finally, *relational reforms* took several forms:

- * There was a concentrated effort at reducing the power of trade unions, both in the public and private sectors, through cooptation, greater control of their social welfare services, more flexible labor policies, etc.
- * A fiscal pact signed between the federal and the provincial governments gave the former the upper-hand in concentrating resource extraction and allocation functions, while the provinces were forced to assume direct responsibility for the provision of basic social services under strict policy and management constraints from both the national state and the international financial banks.
- * The Executive gained a decisive control over the Judiciary, particularly regarding Supreme Court decisions favoring the policies and positions held by the Presidency.
- * Most earmarked taxes and contributions were eliminated and budgetary controls became more stringent, thus weakening the power of the decentralized agencies and cabinet departments as resource allocation capacity at the central level of government was further concentrated.

7.2 Diffusion patterns

Broadly speaking, recent experiences of state reform have tended to emphasize: (a) the need of *less* state, rather than a *better* state, even though a reduced state may be a necessary condition of a better state; (b) the changes occurred at the *national* level, instead of the processes that took

place at the *subnational* one; (c) the *functional* dimension of reform, while paying lesser attention to the redistribution of *power* and *income*; and (d) the apparent *autonomy* of the state -especially of the Executive in adopting reform measures, without due consideration of its strong *dependence* upon both, domestic and international constraints. These relative emphases coincided with what has come to be known as the "first" phase or stage of state reform, as distinguished from a "second" phase exhibiting different characteristics.

From the implementation point of view, the first stage of reform was quite successful and easy. In terms of its speed and ruthlessness, this "surgical" stage was featured by an apparent autonomy of the Presidency to draw new functional boundaries with the society and to reduce the size and intervention of the national state.

The stage still pending in most national experiences is the "difficult" one, the post-surgery "rehabilitation" stage, which is implicit in the other terms of the dichotomies previously mentioned, that is, to achieve a better state (not only a smaller one), technologically and culturally advanced, able to strengthen those institutions and programs that promote new equilibria in income distribution and political power, and to foster badly needed changes at the subnational level (i.e. provinces and municipalities), including new mechanisms of citizen participation at that level.

Obviously, the reductionist imperative that characterized the first state of reform had a close relationship with external opening and liberalization of the economy, as well as with the adoption of orthodox capitalist policies unknown in the world historical experience. These processes were compulsively promoted in countries with widely different political and ideological orientation. Even in extreme cases, like in China, state reform was conceived of as a central piece of the transition towards a market economy which, while preserving the ideological postulates of socialism, was based on what they called the "three fixes" or the "triple decision principle": reduce the contents and scope of state intervention; cut down the number of organizational units; and contract the size of the civil service.

In making this observation I am stressing two aspects that seem to characterize the present state reform programs and distinguish them from previous experiences. First, the difficulty to draw a line between economic and state reforms; second, the relative independence of the latter with respect to both, the nature of the existing social and political organization, and, to some extent, of the constraints posed by the fiscal crisis.

If one accepts the dominant diagnosis, that observes state hypertrophy as the main cause of mismanagement of public sector finances, then the association between fiscal crisis and state reform becomes obvious: structural adjustment programmes appear as the technically rational response to recover the macroeconomic equilibria lost.

However, the demolition or redefinition of the state edifice is not merely a solution for fiscal disequilibria, however chronic it may appear to policy makers. After all, past wars and economic crises have given way to *more*, not less state, as illustrated by Keynesian policies adopted after the Great Depression or the higher and downwards inflexible *plateaux* of public expenses reached by belligerent states after a war, as Peacock and Wiseman demonstrated a long time ago. Moreover, many of the present state reforms take place within the context of prosperous economic systems, where fiscal crisis does not appear to be a problem nor orthodox adjustment a policy to be applied

meticulously. In countries as disparate as New Zealand, Mongolia or Chile, the main forces behind reform seem to have originated, much more strongly, in the needs of a successful insertion within a new, globalized, capitalist system.

In these cases, state reform appears as an indispensable piece of a wider transformation at the level of the overall social and economic organization, which appears to be much more significant for understanding the forces underlying this process.

To provide a systematic view of the directions taken by these transformations, Figure II distinguishes various levels of state organization (national, provincial, municipal) and their interactions with the private sector and the supranational level.

Present trends show, on the one hand, a process of transfer of responsibilities and competences for the production of goods and the provision of services, from the national to the state and municipal states, through such mechanisms as decentralization and regionalization. In turn, national states are increasingly delegating part of their capacity for autonomous decision making towards supranational instances (i.e. international financial organizations, regional integration agreements), evidencing greater internationalization of the state. Finally, at each level of state organization, there has been a massive transfer of functions and responsibilities for the production of goods and services towards other social and institutional actors (i.e private enterprises, NGOs or the civil society at large) through privatization, deregulation and outsourcing of services. The arrows in Figure II indicate the direction of these transformations.

Probably one of the most striking of these processes is the new role played by supranational actors as natural participants of the countries' domestic scene. Today, the World Bank and the IMF - among others- have become more influential in determining the contents and orientation of public policies than the strongest parliamentary coalition. A globalized narcotraffic enthrone or turns down democratic governments. An economic crisis in one country produces domino effects upon other, apparently solid, economies. Governmental pressures from first world countries lead, in other countries depending on them, to the passing of legislation that tends to favor the economic interests of the former.

Besides other important consequences upon state-society relationships, the internationalization of the state affects the configurations that may be used to characterize civil service systems holistically, insofar as it introduces homogenizing factors -like imposed reform formulas- that tend to soften the acute contrasts of otherwise different configurations. I now turn to this last subject.

8 Configurations

Before considering what configuration emerges from the analysis of the Argentine CSS, I would like to make a few comments on the Heady (1996) and Morgan (1996) approaches, proposed by the *protocol* as possible models. Heady's configuration is an important attempt at theory building, but raises some important doubts. One relates to a problem of covariance: several variables have a high probability of appearing in the same configuration because they may be mutually determining or strongly correlated. For example, in a democratic system (or in a poliarchy) there will probably be a majority party; the sociopolitical context will obviously be competitive; and civil servants will be

responsive and will observe the constitution or the policies enforced. These features simply characterize a democratic system, just as the other configurations feature other political regimes.

To substantiate this point it may be observed that the only descriptive elements which are strictly applicable to the civil service (as opposed to its overall context) -such as "focus for personnel management" or "sense of mission"- are never tied to a unique pattern; the different values that these variables may present suggest that other dimensions, such as existing technological or cultural patterns, may be playing a more determining role upon the observed phenomenon than those related to the nature of the political regime--the obvious dominant referent in all configurations.

Another weakness of this approach is that most of the topics addressed by the *protocol* -internal labor market, representativeness, politicization, public opinion, reform and diffusion- are not recalled as variables in the proposed configuration analysis. One would expect that after examining the various features of a CSS in a given case, these same elements would fall into a particular pattern that could then be compared with other patterns or fit into more encompassing models. Instead, Heady and Morgan choose other dimensions or parameters which may, of course, be valid as academic exercises, but not for the holistic characterization suggested by the *protocol*.

I would also observe that Heady's configurations do not belong to the same level of analysis. To call a configuration "party controlled" implies that an external agent (let us say, a single or widely dominant political party) has absolute control upon the organization and functioning of the civil service, whereas to say "collaborative" alludes to a kind of attitude or behavior of civil servants with regard to their masters. In the first case, the defining element of the configuration is external to the civil service; in the second one, it is an attribute of the civil service itself. But even more questionable is the attempt to embrace, as a configuration, the constitutive features of a complex social system (i.e., its political system, its socioeconomic characteristics or a large portion of its institutional apparatus and internal dynamics) with reference to a single attribute ("collaborative", "policy receptive"), no matter how diffused it may be.

Something similar occurs with Morgan's configurations -which the author prefers to call "fields"- resulting from the overlapping of different analytic dimensions and forming a sort of map.³⁷ The fields do not seem to be mutually exclusive nor adequately descriptive of the reality they intend to characterize, either in their denomination, level of analysis chosen or historical connotation. As in the case of Heady's configurations, they incur into the same type of simplification as they attempt to capture in an exhaustive way, and presumably through universal categories, the diversity of configurations that may be found in reality. For instance, patrimonialism could well be associated with absolutism; positivism and pragmatism may not fall within opposing fields.

Another subject deserving a more careful examination is the fact that in both, the configurations and the fields, a series of attributes of the civil service are inferred (i.e. recruitment and compensation

³⁷ As a matter of fact, Morgan's approach is not very different from Heady's: their main differences are (1) the type of analytic dimensions that attract their respective interest; and (2) the way they represent the selected variables or continua: in one case, an expanded matrix; in the other, a multidimensional map.

systems) without having been considered either in Heady's variables or in Morgan's parameters. This conceptual "elasticity" does not appear to be justified.

When one finally arrives at the four quadrants, Morgan leaves us with an unfinished business: the fifth residual category, to be explored further, which ultimately indicates that the variety may be much greater (the central point in the map would synthesize all possible options) and, above all, that the quadrants tend to describe the extreme or "pure" cases, rather than those currently found in reality.

In my opinion, however, some of the parameters and polar situations chosen may be scarcely important or highly questionable, as in the case of *pro- vs. anti-state feelings*, since **state**, as a category, was almost absent in the Anglo-Saxon literature twenty years ago, and still has little meaning at the social level, at least in the United States. Another example is the *level of institutionalization of the nation state*. The United States, highly ranked under this parameter, is not a good example of a fully integrated nation-state and there are authors who consider U.S.A. as an extreme case of a country that has never become a true nation-state.

The *level of independence* of the civil service is a parameter that has an obvious relationship with the characteristics of the political regime (as it is also the case in Heady's configuration). And with respect to the *degree of tension between process and outcome*, it is debatable to place the United States as a clear example of a system emphasizing process over outcomes. If not for anything else, the USA has been quite active in overcoming this tension by promoting a new paradigm of state reform (and hence, of civil service reform) that emphasizes the need to move from process to output in public management.

In view of the foregoing comments, to characterize the Argentine case I will resort to a "configuration" I developed 20 years ago (Oszlak, 1977), which relates certain aspects of the bureaucratic dynamics (and of the civil service) with a number of contextual variables.

As in Heady's and Morgan's schemes, my approach attempts to relate the internal dynamics of the civil service with external social processes. These processes may be characterized in terms of four principal dimensions: (1) the degree of current technological development; (2) the broad cultural patterns prevailing in society; (3) the relative degree of capture or autonomy of the civil service vis-a-vis sociopolitical actors, particularly bureaucratic clienteles; and (4) the nature of the existing political regime.³⁸ Whereas all of these factors would deserve consideration, I will confine my analysis to the processes related with the fourth dimension,³⁹ namely the regime-bureaucracy relationship as it takes place in different contexts and historical situations.

I would argue that there is a causal relationship between political regime and bureaucratic

³⁸ In view of its growing importance, a fifth dimension should also be considered: the processes of internationalization of the nation-state, which -as I indicated- increasingly limit its discretionary power to make independent decisions. According to the Clerk of New Zealand's House of Representatives, about one third of the country's legislation in recent years has been enacted in compliance with international agreements. In Great Britain, an even larger proportion has a direct bearing with issues related to the European Community.

³⁹ A discussion of all four dimensions would take me far beyond the focus of the present paper. Besides, to distinguish configurations on the basis of the nature of political regimes is fully in line with Heady's and Morgan's approaches.

organization. In other words, the various forms of bureaucratic interdependence (or intrabureaucratic dynamics) are differentially affected by the nature of the political regime. The transformations underwent by the public sector as a new regime takes power, can partly be explained by the kind of interactions that occur once the incumbent powerholders try to make the state machinery compatible with their political designs. However, the specification of this relationship requires a previous conceptualization of both the bureaucratic dynamics and the types of political regimes.

There are at least three analytical dimensions that may be relevant to analyze the internal dynamics of public bureaucracies: (1) the predominant normative orientation (i.e., what kind of decisions are implemented; whose clientelistic interests are favored by the civil service); (2) the structures that relate or hold the civil service together as an interdependent system (distinguishing among authority, functional, and material structures); and (3) the dominant behavior patterns, expressed in terms of attitudes, values and action orientations.

To distinguish among normative orientations, we may use Lowi's typology of public policies (i.e. regulatory, constitutive, distributive, redistributive, symbolic), which I find fully applicable because it considers as one of its dimensions the nature of the political system (Lowi, 19..).

At the structural level, we may identify three different forms of bureaucratic interdependence, which depend on the type of resource exchanged: (1) *material or budgetary*, involving those interactions required to obtain and allocate material and financial resources needed for the functioning of each unit; (2) *functional*, including those interdependences required for the production, transfer or application of information and technical know-how associated with the specialized activity of each unit; and (3) *hierarchical*, comprising those interactions aimed at imposing and observing directives originated from competent authority in order to make sure that certain goals shared by the units involved will be accomplished. In other words, either through a budgetary link, a functional relationship or a hierarchy, the public sector tries to achieve the degree of coordination needed to convert public policies into discrete bureaucratic actions, congruent with the policy goals. These different types account for most of the intrabureaucratic transactions, where power, information, and material resources are exchanged.

At the behavioral level, one could consider the attitudes, values and action orientations that are dominant within the public sector and may be captured -among others- by the following variables:

- * Accountability vs. unaccountability
- * Service vs. normative orientation
- * Transparency vs. opacity
- * Corruption vs. honesty
- * Professionalism vs. deference to authority

Turning now to political regimes, two questions should be clarified: (1) What are the criteria for categorizing political regimes as a variable? and (2) To what extent can we attribute this variable a causal relationship with respect to the dynamics of the public service?

To answer the first question, political science provides a full stock of labels to designate different regimes, but consensus has not been achieved. Sometimes, different categories are used to refer

to similar cases (i.e., fascism, corporatism, bureaucratic-authoritarianism). In addition, there are problems in building typologies that reasonably cover the universe of political regimes. Finally, no category is capable of apprehending the essentially dynamic and changing character of any regime; this has often led to qualifications which attempt to account for the regime's phases of "moments": i.e., implantation, transformation, transitions, "exit".

The second question also poses important problems, because we have to make reasonable assumptions about the proportion of the variance in intrabureaucratic interdependencies which is explained by the nature of the regime. The main difficulty here lies in the fact that many of the characteristics of these relationships are -as indicated above- culturally or technologically determined, that is, interdependence is altered by exogenous variables but also by traditions and technical requirements implicit in the relationship itself. In this sense, the intrabureaucratic dynamics would have a logic of its own, independent of the fluctuations and odds of politics. Therefore, it is difficult to establish the "specific weight" of these "permanent" elements of bureaucracy, and to isolate them from those whose variation may be explained by alternative forms of political regimes.

With these caveats, one can consider three types of political regimes that have been dominant in Latin America at different historical junctures: bureaucratic authoritarian, liberal democratic, and neopatrimonialist. By cross-tabulating these regime types with the normative, structural and behavioral dimensions previously examined, we obtain three distinct styles of state management (see Table 10).⁴⁰ These are *dominant* features; in attributing a regime a given style of state management, I am stressing those characteristics that distinguish it from other regimes, but these may express what the regime is aiming at rather than what it is actually achieving.

Before turning to a characterization of the Argentine CSS on the basis of the above conceptual configurations, we should make a few additional distinctions. One relates to the variegated civil service strata, their particular organization and cultural traits. Diplomatic personnel, for instance, tend to behave as a closed stratum, with clearly defined hierarchies and high deference to authority, whichever regime is in power.

A second important point is the increasing homogeneity shared by countries with widely different historic and sociopolitical environments, as a result of widespread diffusion of models and formulas for public sector institutional strengthening promoted by international financial organizations and bilateral cooperation agencies.

Third, in those countries with high political instability and frequent changes in the nature of the political regimes, institutional "lags" in the recurrent readaptation process tend to become chronic. Very often, their influence is such that the resulting configurations are mixed, falling quite apart from the "pure" cases.

⁴⁰ The table does not include references to the behavioral dimension, pending further elaboration of the typology. Only normative and structural variables have been included. Furthermore, the table includes certain self-explaining categories under each type of structural interactions (i.e. authority structure, means of control, functional orientation, resource allocation, etc.). A full explanation of the cells resulting from the matrix would take far beyond the limits of the present paper. Readers may consult Oszlak (1983).

A fourth point, closely related to the previous one, is that even the characterizations of political regimes should be carefully qualified before comparisons with discrete national experiences are drawn. Formally, for example, the great majority of Latin American countries tend to fall within the "third wave" of democratization described by Huntington. But it can hardly be contended that the democracies established in each country belong to the same type. The differences are manifold: degree of consolidation of a party system; remaining influence of the military (as in Chile, Ecuador, Paraguay or Guatemala); relative hegemony of the Executive vis-a-vis other powers and political actors (as in Argentina); diffusion of prebendalism; political strength of the narcos and guerrillas (as in Peru, Mexico and Colombia); political weight of the civil service labor unions (as in Brazil and Costa Rica), etc.

A final dynamic element is the adaptation of CSS (at the national and subnational levels) to the changes brought about by the processes of decentralization, privatization and deregulation, which tend to modify the configurations. Particularly, as those functions related to the direct delivery of goods and services disappear, new financing, promotion or regulation roles must be undertaken and the professional profile of the civil service must change accordingly.

Upon due consideration of these various aspects, I would characterize the Argentine civil service in terms of the following features:

- * At the normative level, policies tend to produce a negative redistribution of income, wealth and power. Also, certain foundational policies are adopted to change the rules of the game governing state-society relationships.
- * The authority structure is poliarchic, in line with a liberal democracy, but the nature of this democracy is of the *delegative* type (O'Donnell, 1992).⁴¹
- * Control of the civil service is formally exercised by political parties, public opinion, corporate organizations and the mass media, but these controls are overridden by high concentration of power in the hands of the Presidency, a clear majority in Congress and the subordination of the Judiciary to the whims of the Executive.
- * At the functional level, efforts are made at reducing the size of the civil service through decentralization, deregulation and privatization, greater flexibility of public employment and a clientelistic functional orientation aimed at favoring the more concentrated economic groups and those political appointees most closely associated with the incumbent government.
- * Public revenues are highly centralized, earmarked funds are abolished, and resources are disbursed on a competitive basis, with the Office of the Budget retaining a strong veto power.

⁴¹ The author uses the term "delegative" to refer to a conception and practice whereby, through the polls, citizens delegate to the Executive the right to do whatever it considers fit for the country. O'Donnell opposes "delegative" to "institutionalized", "consolidated", "established" or "representative" democracy.

- * Certain strata of the civil service have acquired a more professional status, but the larger majority of public servants does not enjoy the benefits of a real administrative career.
- * Corruption is widespread; a normative -as opposed to a service- orientation characterizes the relationship with clients; transparency and accountability are low; and deference to authority has increased in view of the precarious stability brought about by retrenchment and flexibilization of labor.

9 Concluding remarks

State reform in Argentina has implied a fundamental transformation of state-society relationships, bringing about important changes at the functional, material and power dimensions of these interactions. But mere streamlining of an admittedly fat state has not automatically given way to an "athletic state." For this to occur, changes at the level of the social division of labor are not enough: it is also necessary to redefine the role that the national state should play in a society that changes simultaneously and becomes integrated to a complex and uncertain world.

Labels such as "necessary", "intelligent", "common-sense", "athletic", "reinvented" or "cathalytic" states, have been used to designate utopian models towards which state reform efforts should strive. However, along with the "functional pact" whereby new boundaries are being drawn between the national state, the subnational states, the NGOs and private enterprises, it is also necessary to anticipate and overcome the disequilibria caused by state shrinking, at the levels of the distribution of power and economic surplus.

Restablishing equilibria at these levels is intimately related with the governance issue. Everyone in Argentina knows that under the new rules of the game at the functional level, the concentration of economic power has increased enormously, while other fundamental social actors -like political parties, labor unions, the Parliament or the Judiciary- are losing their previous strength and legitimacy. Thus, the main political countervailing forces needed to preserve equity in income distribution or even the very rationality of state decisions, have almost disappeared.

The redistributive role of the state is no longer legitimate in the hegemonic discourse. But the new state roles, and their consequent new capacities for stabilization, promotion, regulation, guidance or assistance, are not built at the same rhythm as the old legitimacy of the interventionist state is rejected. The new ideology, that regards economic adjustment, privatization and free market not just as instruments but as a model of a "good society", does not have yet its correlate in a pro-active state, showing effective leadership and capacity for solving the contradictions created by the new model of economic organization: deepening social inequality, extreme poverty, unemployment, corruption, and so on.

Paradoxically, the international financial organizations responsible for promoting adjustment all around the world, have come to "discover" the need to consolidate governance--a capacity that has both, a component of leadership, initiative and political will sustained by the consolidation of a democratic culture and social institutions, and a component of management and policy implementation capabilities. They have also "discovered" that the widening of the social gap is

inimical to democracy and that focused social policies must be adopted as a safety net against extreme poverty and social discontent.

Unfortunately, the strategy followed in what is now known in Argentina as the First State Reform, produced serious consequences upon these management capacities, particularly as the provision of public services was transferred to subnational governments without consideration of the installed capacity in the recipient agencies. The results have been poor delivery, lack of technological improvement, increase in employment caused by political nepotism and the crisis of the regional economies, and a growing fiscal deficit that led to an even harsher adjustment. Recent manifestations of social uprisings can be partly explained by this widespread deficit for policy implementation.

In the case of privatization, even though the quantity and quality of services have improved under private management, the national state has been unable to establish regulatory mechanisms capable of effectively enforce the contracts with the new providers, in such matters as tariffs, benefits, investments, or operating standards.

Finally, I would like to mention an important consequence upon the state apparatus itself. The speed -or rather precipitation- of the adjustment process within the public administration caused, quite often, an irrational downsizing of civil servants, thus affecting the production function of the agencies or units involved. In other words, the relationship between human and material resources (or the combination of human resources itself), required for the state to produce whatever belongs to its functional domain, suffered important distortions. In trying to attack a padded bureaucracy, the state apparatus became further deformed, thus deteriorating the operational capacity of many public institutions.

Under such conditions, a professional civil service, imbued of a mission, charged with new responsibilities, and trained in those managerial capacities required by the new roles assumed by the state, can hardly be developed. The Argentine civil service is still in search of an identity. Impressive transformations in the functional domain of state and society have not been accompanied by similar changes inside the civil service. In the absence of strategic planning, instant decision making becomes the rule; monitoring, control and evaluation functions are weak; information and coordination mechanisms have not improved much; training of civil servants is offered without due consideration for actual needs.

In the absence of these capacities, a vicious circle is retrofitted and the dismantling of the state is accentuated. A dismantled state is a propitious milieu for its function of moderating market excesses and failures to be subverted for the benefit of tutoring corporate clienteles, of privileged civil service groups or of occasional parasites. This is not a rethorical statement. It has been confirmed by Michel Camdessus, head of the IMF, when in an even more blatant language affirmed that *"in the beginning the market contains one thousand forms of abuse; it is the mafia, the triumph of the astutes and the peddlers in influence"*.

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