The bureaucracy is commonly understood as a body of officials, an organizational apparatus, or even an employment system. As an institution, the bureaucracy can be seen as a coordinated set of operating rules and guidelines whose purpose is to guarantee the continuity, coherence, and relevance of public policies on the one hand, and prevent the discretionary exercise of public power, on the other. Overall, the bureaucracy is a crucial player in the design and execution of public policy. From the point of view of the policymaking process, the bureaucracy is particularly important because it is the body in charge of preparing, executing, controlling, and evaluating public policies. Accordingly, the bureaucracy is a central institution in the effective functioning of the democratic system and oversight of the rule of law. This is especially true given the growing challenges facing public policies in Latin America.

The bureaucracy can act as a brake on arbitrary actions, be a safeguard of legal certainty, and be crucial for effective and efficient government action. However, these roles can be fulfilled only if the bureaucracy fulfills certain characteristics. Only an impartial and transparent bureaucracy can generate legal certainty. A professional bureaucracy helps limit the adoption of opportunist policies and strengthens the confidence of actors to comply fully with the commitments they contract as part of the agreements into which they enter. Moreover, a correctly functioning bureaucracy prevents capture of public policies by corporate interests (Evans, 1992). In the more specific sphere of the decision-making process, a professional bureaucracy can be an additional channel to reinforce intertemporal political agreements. As explained in Chapter 1 and further developed in Spiller, Stein, and Tommasi (2008), intertemporal cooperation increases the effectiveness of policies by limiting the possibility of reversing decisions on the basis of short-term considerations.

Unfortunately, the bureaucracy seldom plays this role in Latin America. The reality of the region is one of states with a weak capacity to execute public policies. To a large extent, this weakness has been associated with the low level of professionalization and stability of the bureaucracies of Latin American countries. Some studies have suggested that bureaucracy has functioned as an employment system in the hands of politicians and corporate interests. As a result, bureaucracies in the region are seldom characterized by regularized and impersonal procedures and employment decisions based on technical qualifications and merit (Klingner and Pallavicini Campos, 2001; Prats i Catalá, 2003).

There is no formal definition of the role of the bureaucracy in the national policymaking processes in the region: from design to execution, including evaluation, control and follow up, and provision of inputs for discussion of policy alternatives. Constitutions only vaguely mention the role of "service" to the nation by public employees. Civil service statutes define the obligations with respect to compliance with laws and regulations, tasks and functions, the orders of superiors, and responsibility for public property, leaving vague how public officials should contribute to and be involved with public policy, even in its most mechanical and operational aspects.

One might expect that the regulations covering the career ladders of officials would provide more information about the expected performance of bureaucratic bodies. For each

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Characterization of Latin American Bureaucracies: Strategic Human Resource Management

To what extent are bureaucracies equipped with the institutional attributes needed to manage increasingly complex public policies in changing conditions? To guarantee some stability in the results of public policies, an independent and stable bureaucracy must be assured. This type of bureaucracy depends on the effectiveness of rules and practices that adhere to criteria of merit, accountability, transparency, and flexibility (Grindle, 1997).

In other words, the procedures, rules, and practices of public employment to a large extent influence the institutional capacity and effectiveness of the bureaucracy in designing and executing public policy. The rules on public employment are (or are not) a source of motivation for officials, as well as monitoring their activities and the quality of their work and results.

What is the current situation in the region? The discussion that follows takes a detailed look at the situation of Latin American civil services in order to identify some common trends and highlight the differences between national cases. This empirical exercise takes as a reference point for evaluation the integrated model of strategic human resources management proposed by Francisco Longo (2002, 2004).

This study takes into account the development of the civil service based on adjustments between organizational strategy and the behavior of officials. It proposes a system-based approach to human resources management. It takes a broad view of the functioning of human resource management that integrates internal context, environment, strategy, and results in an analysis of the coherence of the organizational strategy.

In line with this broad view, this study examines a series of human resource management subsystems, covering human resource planning, organization of work, employment, performance, pay, development, and human and social relations (see Table 6.1).

**Table 6.1 Integrated Human Resources Management Model**

<table>
<thead>
<tr>
<th>Human resources planning</th>
<th>Work organization</th>
<th>Employment management</th>
<th>Performance management</th>
<th>Compensation management</th>
<th>Development management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of information for management. Provision for personnel-based on strategic priorities. Flexible planning that adapts to changes. High degree of technological improvement and reasonable payroll costs.</td>
<td>Jobs designed based on criteria of management,</td>
<td>Open recruitment based on suitability, with</td>
<td>Performance objectives related to strategic</td>
<td>Pay policy linked to organizational strategy. Internal</td>
<td>Flexible career plans, including horizontal promotion.</td>
</tr>
</tbody>
</table>
This study uses findings from an evaluation of civil services in 18 countries of the region according to the reference model (IDB, 2006). This same conceptual model was taken as the basis for preparation of the Ibero-American Civil Service Charter (CLAD, 2003), which was approved by the countries of the region as the standard to which their public personnel management should aim.

Taking this integrated strategic model of human resources management as point of reference, what can be said about the region? First, the region’s civil services are very far from the proposed model. Instead of the integrated strategic management that the model suggests, the region seems to be characterized by a segmented human resources management, with decisions and procedures that are more random than planned (Iacoviello, 2006). These characteristics can be more or less dysfunctional in relation to the design and execution of public policies depending on the national environment in question. Despite the deficiencies, some of the human resource management subsystems of the model are closer to the proposed standard.

Consider first qualitative and quantitative human resources planning, which suffer from important deficiencies in the region. The planning of government policies and budget projections concerning personnel are rarely coordinated with the public sector’s institutional indicators and organizational strategies. On the contrary, the planning of policy guidelines is often separated from their human resources needs, producing serious mismatches between the personnel needed for implementation of successful public policies and the personnel available. This gap results in ineffective instruments of government coordination.

These shortcomings are compounded by the great difficulty of establishing systems of updated, relevant, and reliable information suitable for use by senior public service heads and supervisors in personnel management. The construction of these information systems also must contend with considerable vagueness in the definition of jobs and profiles in public organizations, which is intensified by the difficulties of carrying out an effective evaluation of the performance of organizations and their members. With respect to pay, efforts are centered only on guaranteeing the formal administration of wages, without any effective coordination with the organizational strategy and with the development of incentive systems for individuals. These shortcomings in the pay system affect effort. It is common to find situations where public policies are implemented with difficulty because inequalities in the
pay of officials or even low wages among certain specialized occupation groups do not foster
the necessary levels of commitment to the work. Some researchers have called this gap
"substantive absenteeism." There are only a few cases in the region of pay structures that act
as positive incentives.

Latin American countries have different methods of hiring and promoting officials. In
some, admission into public employment occurs only through political connections. In others,
some admission schemes are based on merit criteria used in the selection and promotion of
employees—although with clear difficulties of implementation. Other countries have solid
merit systems in recruitment and promotion of employees, with Brazil a leading case. Because of the importance of merit in the construction of an efficient bureaucratic body to
implement public policies, and because the caliber of the bureaucracy based on merit varies
considerably in the region, the discussion that follows focuses on analyzing how merits
criteria influence decisions on entry, promotion, and dismissal of personnel.

**Merit Criteria in the Region**

How are the most capable candidates selected from a set of aspirants? What
mechanisms are used to attract aspirants in the first place? Are the mechanisms particularistic
or do they offer comparable opportunities to similarly qualified personnel? Are the officials
selected those who are most capable or those with personal or political connections to the
bosses in power? To tackle these questions, this study works with a merit index prepared for
the reference management model.

This index measures to what extent objective, technical, and professional procedures
exist and are followed to recruit, select, promote, compensate, and dismiss employees from an
organization. By evaluating ten critical points, this index offers a summary measure of the
effective guarantees of professionalism in the civil service and the effective protection of
officials from arbitrariness, politicization, and private benefit-seeking. Merit is displayed in
the practices of selection, promotion, and dismissal of officials from the state apparatus.
Following this index, merit not only includes professional or occupational qualifications, but
also the expertise acquired in practice and the capacities needed to work in more specific
areas.

The merits of a candidate can be evaluated through objective procedures (knowledge
tests) or subjective ones (interviews). They also involve open competition mechanisms and
universal procedures for aspiring to a position in the public sector. Ideally, only the suitability
of the candidate should be taken into account in human resources management, leaving aside
considerations that have nothing to do with job performance, such as attributed characteristics
or political loyalties.

Low values on the scale from 0 to 100 imply absence of objective, universal, and
technical considerations, while high values reflect established merit criteria in personnel
management practices.

In general in the region, the merit index suggests that the systematic and
institutionalized use of merit criteria for selection, promotion, and dismissal of employees is
infrequent. This situation is reflected in an average of only 33 points (out of 100) for Latin

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2 We thank Humberto Martins for suggesting the use of this term.
3 The methodology evaluates 93 critical points that reflect best practices in relation to the various aspects of human resource management.
Each index is constructed as a weighted average of a selection of critical points. Evaluation is based on analysis by a team of experts of
quantitative and qualitative information.
American countries, although, as discussed later, there is an enormous spread—between 87 points for Brazil and 2 points for Panama.

Paradoxically, one of the most developed normative aspects of civil services in the region is the selection of employees based on meritocratic principles, which has even achieved constitutional status in some nations. There has been no lack of attempts to introduce merit-based competition for recruitment of new employees, but with very uneven success. Moreover, it is not common to promote personnel to other, more responsible posts based on their merits and work qualities. When there are objective promotion practices, they are based more on length of service than merit, understood as performance. Finally, dismissal of career officials is very difficult; when it occurs, it does not necessarily reflect bad performance but political "purges" (which can involve tortuous legal questions for many years).

Based on these trends, use of merit in bureaucratic bodies varies from country to country, as can be seen in Figure 6.1. Brazil, Chile, and Costa Rica head the list, with indexes between 55 and 90 (out of 100), which reflects widespread acceptance of the principles of merit in decisions on selection, promotion, and dismissal of public servants. Brazil, Chile, and Costa Rica are the three cases where merit criteria are most embedded in personnel management, putting them—in principle—in the best situation for the tasks of preparation, implementation, and control of public policies.

![Figure 6.1 Merit Index](image)

Brazil has a considerably institutionalized universal system for covering positions through public competitions for both functional careers and temporary posts under the Labor Contract Law. In Costa Rica, merit is the prevailing principle (based on the Civil Service Statute of 1953) and recruitment is open to all candidates, with the possibility of dismissal for reasons of poor performance. In Chile, the Administrative Statute (1989) establishes competitions for entry into different areas; the New Deal on Employment Law (2004)
introduces merit criteria for selection to posts of free appointment through the Senior Public Management System.

The next group of countries, with indexes between 30 and 55, includes Argentina, Colombia, Uruguay, Mexico, and Venezuela. Here, merit-based practices coexist with traditions of political patronage. A third group of countries—Bolivia, Paraguay, the Dominican Republic, Ecuador, Peru, and the Central American countries (except Costa Rica)—have indexes below 30 points. This indicates strong politicization of decisions on selection, promotion, and dismissal; in addition to the absence of institutionalized merit-based criteria for selecting personnel, there are no protection mechanisms against arbitrary practices in personnel management.

Mexico, Venezuela, and Colombia have very politicized situations, but with a strong movement to include merit in personnel management based on new legal frameworks. In contrast, Uruguay and Argentina illustrate how attempts to develop an administrative career and reform the civil service have stagnated because of prohibition on entry of new employees into the workforce. This is made worse by the use of parallel recruiting mechanisms, particularly in programs with international funds for implementing sectoral public policies. Under the same numerical result, countries display two very disparate tendencies: those that are trying to put situations of strong politicization behind them and introduce rules based on professionalization criteria still in their infancy; and countries with a longer tradition of administrative career that have stagnated, with length of service predominant in considering criteria of personnel management.

Finally, there are the countries with the lowest levels of merit, with strong politicization of personnel decisions. In some cases, political interference violates the principles of merit established by law. In other cases, legal ambiguity permits political favoritism. Politicization of entry and dismissal leads to the general absence of career systems. In several of these countries, the party membership of employees can be predicted by their year of entry (Geddes, 1994).

In Panama, Honduras, Nicaragua, Guatemala, Peru, and Ecuador, a mass replacement of officials occurs every time the administration changes. This type of "revolving door" is a problem because public policies need continuity of resources for follow up and control. If the most capable employees with specific knowledge are dismissed, then policies will be affected. Ironically in these countries, the laws establish merit-based entry—in some cases for decades. In Paraguay and in the civil service segment in the Dominican Republic, legal ambiguity encourages a high level of politicization of recruitment decisions because only minimum standards are required for entry. In El Salvador, there is a curious "institutionalization" of a special selection procedure for candidates suggested by politicians. In Bolivia, political criteria continue to predominate in personnel decisions, although the institutions that have reformed under the umbrella of institutional reform projects—usually financed by external donors—have hired personnel through open public competition.

Variations in Functional Capacity

Apart from merit, the integrated model of strategic personnel management calls for bureaucracies to have certain capacities to attract, retain, and manage qualified personnel. What influence do civil service practices and procedures have on the work motivation and

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4 The change of administration in Uruguay has put professionalization of the civil service back on the reform agenda as one of the priority reforms.
commitment of employees? Can these structures promote a real vocation of public service, with officials committed to the quality of their work and service to citizens?

The functional capacity index evaluates how and how much existing procedures and practices in the civil service can influence employee behavior, and if they serve the purpose of strengthening the commitment of officials to the institution and to their jobs. Functional capacity does not operate in a vacuum, but is influenced by the quality of the systems of pay and performance evaluation. The perception of an equitable compensation in relation to the private sector (external equity) and to the rest of the public sector (internal equity) is a requirement for attracting, motivating, and committing trained personnel. The motivation and retention of officials are also affected by the nature and extent of follow up of individual, group, and institutional performance, and the degree to which performance effectively influences decisions affecting careers (assignment of tasks, promotion, monetary or nonmonetary recognition).

So what is the state of functional capacity in the region? What are the values for the reference index? The average for this index in the countries of the region is 30 (out of 100), with a maximum of 61 for Brazil and a minimum of 11 for Honduras. As can be seen in Figure 6.2, the spread of the results is high, but less than for the merit index.

![Figure 6.2 Functional Capacity Index](image)

In general, the civil services of the region have fairly undeveloped management systems. Likewise, there is no real wage policy. In practice, wage policy is determined by budgetary restrictions, which generates decisions that undermine the objective of guaranteeing the internal and external equity of remuneration. There are few experiences of variable

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5 This index is constructed on the basis of a weighted average of the valuation of 41 critical points that reflect a series of best practices associated with the capacity of the system to guarantee key competences for public management (competence); its effectiveness for creating incentives for productivity, learning and quality of service (incentive effectiveness); and its flexibility for promoting adaptation to change (flexibility).
remuneration systems that effectively relate individual performance to compliance with targets. Those that do exist are arbitrary. In most cases, attempts to associate incentives with individual performance tend to generate conduct outside the norms, such as rotation of officials with maximum qualifications during the evaluation period, to give all officials the opportunity to access an additional bonus, which undermines the system.

Despite these tendencies in management of pay and performance, the functional capacity of the region’s bureaucracies is not homogeneous. As seen in Figure 6.2, Brazil and Chile have indexes of close to 60 points out of 100. Their indexes reflect ordered systems of wage management with relative internal equity, and the existence of processes aimed at improving wage competitiveness, along with evaluation processes that take into account group and institutional management.

These countries have more developed and coordinated systems of performance management, wage structure, and incentive systems. For example, in Chile, pay management is centralized, which promotes a high degree of fiscal discipline. With pay associated with aspects of management (such as the Management Improvement Programs) based on institutional and collective incentives, the Chilean civil service has achieved some flexibility in its functional capacity. Brazil has reformed its wage structure, with important efforts to make it competitive based on benchmarking studies. Individual and institutional performance evaluation schemes have also been developed.

The next group of countries, which have indexes between 35 and 50 points, consists of Costa Rica, Argentina, Colombia, Uruguay, Mexico, and Venezuela. This group, despite having made some pay reforms, is characterized by the persistence of strong internal inequities and very low competitiveness of the managerial salaries when compared with similar occupations in the private sector. Performance evaluation is practiced only for show. It is not transformed into a reliable management tool capable of distinguishing between good and average performance. In Venezuela and Colombia, the system is distorted by the excessive benevolence of supervisors, while in Argentina and Uruguay the problem is a forced rotation of scores for the high performers. That is, despite actual performance, the best scores are assigned to different officials each year as a reaction to the forced distribution of evaluations that establishes a maximum percentage of employees that can be assigned to each evaluation category. Consequently, some high performers may not be rewarded as such because of the pre-established fixed proportions across the staff distribution. An exception is Costa Rica, which has a slightly broader development of evaluation practices. At the other extreme, in Mexico, evaluation practices are pending implementation. With respect to pay management, progress in terms of definition of wage scales based on tasks and levels of responsibility is held back by situations of internal inequity and problems of wage competitiveness in the managerial sectors. The inequity is based on the multiple sources of additional compensation which continues to represent an important part of remuneration (despite attempts at unification). For example, in Colombia, additional pay represents 50 percent of the basic wage, on average.

The countries with the lowest functional capacity (between 10 and 25 points) are the Dominican Republic, Bolivia, Ecuador, El Salvador, Guatemala, Nicaragua, Peru, Panama, Paraguay, and Honduras. These countries have multiple pay criteria with no relation or coordination, coupled with the absence of systematic and transparent information on remuneration, together with high levels of inequality and almost total absence of any kind of performance evaluation criteria.

Pay criteria varies greatly for different groups of officials, so it is not possible to guarantee a minimum of internal equity to which levels of responsibility or complexity of
tasks and pay levels can be associated. Consequently, lack of motivation or the sense of inequality in the civil service is not surprising. The cases of Peru and Ecuador are paradigmatic in this respect. In Peru, only 40 percent of wages are paid by the unified payroll, which makes it practically impossible to obtain information for wage management. In Ecuador, the enormous diversity of regimes creates deep internal inequities, which create "classes of bureaucrats." The term "golden bureaucracy" is usually used to refer to sectors with privileged pay—which creates envy and resistance in other bureaucratic groups. Moreover, several of these countries have not even established individual performance evaluations (Panama, Nicaragua, Paraguay, and Guatemala), or such evaluations are undertaken only in pilot bodies (Bolivia), in some restricted sectors (the Dominican Republic), or for personnel under special statutes (Honduras).

So far, the discussion has considered the aspects of merit and functional capacity separately. It is possible to examine them together; in this way, a "summary" of the characteristics of the national civil services can be obtained, based on simultaneous consideration of these aspects.

Bureaucratic Configurations

Are some bureaucracies more professional and others less professional? Are some more flexible, with the capacity to adapt to the environment? Are others more focused on procedures?

Looking at bureaucracies broadly this way means approaching them as organizational configurations. By configuration is meant the global form and logic of the functioning of a civil service; this covers the set of practices and structures that produce its peculiar attributes. Two different ways of working with the organizational configuration approach follow. Both are empirical but each takes a different level of analysis as reference.

In the first way, bureaucratic configurations are distinguished by the level of development of their management systems. This approach aims to demonstrate the state of the civil service in any given country. The unit of analysis continues to be the national case. The objective of the exercise is to classify the countries of the region by the degree of development of their civil service taken as a whole. This degree is established in relation to the human resources management model used as reference (Longo, 2002). The advantage of this approach is to provide a "summary" view of the bureaucracy of a particular country.

The second way changes the level of analysis and the aspects of interest in question. The level of analysis becomes the organization, whether taken individually or as a set of organizations with common attributes, rather than the national case. From this point of view, it would be incorrect to say that a national case has a single bureaucracy; rather it has multiple types of bureaucracies or organizational configurations. The advantage of this approach is that it offers a view of the variations existing inside a single national bureaucracy.

Bureaucratic Configurations by Level of Development of the Civil Service

Considering the merit and functional capacity indexes simultaneously, the countries analyzed can be grouped according to three levels of bureaucratic development (see Figure 6.3). Brazil and Chile stand out: their civil services are more developed. In relative terms, these two countries have institutionalized civil services with practices that take into account the abilities and credentials of officials, and structures that tend to maintain and develop a higher quality of work in the service.
These countries construct their professional civil service in different ways. While Brazil is a more classic bureaucracy in its procedures and structure, Chile has elements close to the New Public Management in its personnel management. Aside from these important differences, both cases converge in the use of criteria where performance-related achievements and work incentives play a central role for public officials.

A second group of countries has civil service systems that can be classified as intermediate: Colombia, Argentina, Costa Rica, Uruguay, Mexico, and Venezuela. Their bureaucracies are relatively well structured. In some posts a high percentage of officials have achieved job security, so there is a certain permanence to the bureaucracy. However, some of the guarantees of merit or management tools that permit effective utilization of the competences of employees, groups, and institutions have not been consolidated.

A third group of countries has bureaucracies with minimal development: the civil service system either cannot guarantee the selection and retention of competent personnel or does not possess management mechanisms that effectively influence the behavior of officials. This group includes the Dominican Republic, Nicaragua, Guatemala, Bolivia, Ecuador, Panama, Peru, El Salvador, Paraguay, and Honduras. Here, politicization is so strong that it hinders the development of a professional civil service.

Aside from these general comments on the comparison between different countries, civil service systems do not exist as homogeneous and uniform structures. For this reason this study proposes a typology that reflects the bureaucratic configurations that coexist in the systems of public employment in the region.

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6 New Public Management is a broad term used to describe the new management philosophy that has accompanied the institutional reforms since the 1980s, which tried to bring about both greater cost-efficiency and organizational flexibility.
Bureaucratic Configurations Combining Autonomy and Technical Capacity

Bureaucracies even in the same country are far from being homogeneous actors. A civil service is set of complex and interdependent organizations with differences with respect to the use of merit and functional capacity. Admitting the possibility of this heterogeneity can provide some clues to understanding the internal dynamic of the state apparatus and the degree to which different parts of the bureaucracy can play different (and even contradictory) roles in the public policy cycle, even in the same country.

Such heterogeneity is better observed from a public policy approach rather than a self-contained bureaucratic analysis approach. The emphasis on trying to understand bureaucracies from the point of view of the design and execution of public policies means that merit becomes relevant insofar as it strengthens the autonomy of bureaucracies and helps them develop their own prestige and institutional culture. Functional capacity also takes on renewed importance from the point of view of public policies because such policies require increasing technical skills for execution.

Taking the existence of this heterogeneity as starting point, and using individual public organizations (or sets of them) as unit of analysis, a typology is created that is appropriate for the different types of bureaucracies found in the countries of the region. Bureaucracies are mapped onto two axes: autonomy and technical capacity. Four distinctive categories result from the intersection of two axes: variables that relate to merit and functional capacity.

What does autonomy mean? Autonomy means the degree of isolation from political manipulation and from rent-seeking interests outside the state. This variable is one of the central aspects considered in the merit index presented in the previous section.

Bureaucracies protected from political interference can act more professionally without being captured by external special interests. Autonomy means that a bureaucratic body is governed by its own regulations and rules. Nevertheless, extreme degrees of autonomy—or its exercise not subject to norms—can lead to bureaucrats becoming corporative actors that favor their own interests over the public interest.

What does technical capacity mean? The bureaucracy is partly a system for doing a job: delivering goods and services to citizens. The production processes of these goods and services, together with the use of technology, require that the competences of officials be developed so that they have the skills needed to solve the problems that arise during their work efficiently.

Technical capacity thus does not only depend on whether the officials have the credentials to support a position, but also the work skills they need to perform their task, whether acquired through formal education or on the job. The bureaucracy must also offer the incentives to put these competences to work. At this point, aspects of the "merit" variable come into play that go beyond a simple guarantee of political noninterference, in combination with aspects of the "functional capacity" variable, which has an impact on the motivation and commitment of officials.

By crossing these two variables, a typology emerges that results in four categories of bureaucracy: administrative, parallel, patronage, and meritocratic. Figure 6.4 summarizes

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7 This typology is based on the one in Zuvanic and Iacoviello (2005)
8 This definition of autonomy is similar to that presented by Peter Evans and called embedded autonomy (1992). The difference is that this study puts more emphasis on autonomy in relation to the use of public posts as resources for exchange by the political parties.
these four categories. How are these categories related to national civil services? First, different types of bureaucracy can coexist in one country. For example, some organizations in the civil service in Argentina are patronage bureaucracies (some of the provincial or even municipal bureaucracies). Others are administrative bureaucracies (the segment of administrative posts in national government ministries). There are also parallel bureaucracies (those of international programs), and meritocratic bureaucracies (the central bank).

**Figure 6.4 Bureaucratic Configurations and Prevailing Roles**

<table>
<thead>
<tr>
<th>High</th>
<th>Administrative bureaucracy</th>
<th>Meritocratic bureaucracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td><strong>Limited ability for policymaking and implementing</strong></td>
<td><strong>Expresses opinions and acts, contributes to stability of policies.</strong></td>
</tr>
<tr>
<td><strong>Administrative bureaucracy</strong></td>
<td><strong>Formal merit criteria, not always utilized</strong></td>
<td><strong>Permanent public officials, recruited on basis of merit and incorporated into professional careers; incentives favor professional performance</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Recruitment on political grounds, but job security</strong></td>
<td><strong>Specific tasks</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Partial reflection of frustrated attempts to develop a Weberian bureaucracy</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Patronage bureaucracy</strong></td>
<td><strong>Temporary public officials</strong></td>
<td><strong>Senior personnel with flexible contracts, not integrated into the permanent body</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Entry based on party loyalty/membership</strong></td>
<td><strong>Occasionally important in design and execution of policies and projects</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Political resource</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Parallel bureaucracy</strong></td>
<td><strong>Senior personnel with flexible contracts, not integrated into the permanent body</strong></td>
<td><strong>Participate in the process, but with a low contribution to the stability of policies and to strengthening of the capacities of the state.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Occasionally important in design and execution of policies and projects</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Low</strong></td>
<td><strong>Absent from the policymaking and implementation process, except in basic functions.</strong></td>
<td></td>
</tr>
</tbody>
</table>


Second, a national civil service can be characterized as administrative, parallel, patronage, or meritocratic if one of these four categories is the dominant type among its public organizations. If a broad majority of the organizations of a given civil service fall into one specific type of bureaucracy, then by aggregation, it can be said that a national civil service is a specific bureaucratic type. But it is highly plausible that a national civil service will be hybrid, combining two or more of the four categories of bureaucracies.

The typology presented has heuristic purposes, which are intended to introduce a more complex level of analysis into the evaluation protocols of civil services. This approach is also useful because each type of bureaucracy is related to a different performance of public
policies, which will theoretically permit bureaucratic forms to be associated with the performance of public policies in future work.

Administrative Bureaucracy

This type of bureaucracy is characterized by a high level of autonomy backed by strong protection against "capricious" political interference and special interests—mainly because of the job security that officials enjoy. However, it has a low level of technical capacity since its tasks are related to standardized procedures. This is the bureaucracy that typically executes the classic administrative functions, especially in the ministries.

This type of bureaucracy is observed in central government bodies subject to a general statute that regulates public employment and establishes a formal administrative career; however, these statutes acquire a uniquely ceremonial value without any great consequence for day-to-day activity. This category includes the cases of Ecuador, Peru, and Venezuela, along with the unionized segment in Mexico, as well as the central administrations of Argentina, Costa Rica, and Uruguay—although with a somewhat higher degree of technical capacity.

In these countries, the administrative bureaucracy displays some singular characteristics. Traditionally, officials have been appointed on the basis of more political or particularistic criteria than exclusively meritocratic ones, but in general tend to have stability. It is precisely the job security clause (very often with constitutional status) that gives this bureaucracy its autonomy, even against the vicissitudes of political change.

The history of these organizations suggests that administrative bureaucracies, at least in the form in which they exist in the countries of the region, represent truncated or halfway attempts to develop rational, hierarchical, merit-based bureaucracies that could strengthen their technical capacity. Recently, these have been the bureaucracies most affected by budgetary cuts and vacancy freezes (in Argentina, Peru and, Uruguay), including retirement incentive packages in the attempts at state reform during the 1990s.

Their low levels of technical competence and of orientation toward adding value have been difficult to transform. By way of illustration, the training programs implemented do not necessarily lead to an increase in technical competence. An important structural limit that these bureaucracies face is the fact that their tasks are generally routine and standardized in public policy environments of low uncertainty.

What is the role of this type of bureaucracy in relation to public policy? In general, administrative bureaucracy has little capacity to play an active role in the different stages of the public policy cycle. With respect to policy design and crafting, its scant technical capacity prevents it from having any real influence in the decisionmaking phase. Moreover, policy design, crafting, and decisionmaking take place in the ministries, reinforcing the isolation of the administrative bureaucracy, which is perceived by the political leadership as a mere operational body or even as an obstacle to implementation.

The flip side is that these bureaucracies have little potential for transforming themselves into a resource for political exchange because of the stability of officials and their lack of importance for public policy, especially in strategic cases. Paradoxically, this lack of political attractiveness has made them irrelevant for several of the region’s governments: they have nothing to gain and nothing to lose from them.
Despite this situation, administrative bureaucracies occasionally assume an important role in implementation, although with a bias toward formalism and control of bureaucratic procedures rather than effective and substantive management of services.

**Patronage Bureaucracy**

This type of bureaucracy is formed by public officials who enter the administration—usually temporarily—because of certain criteria of political loyalty or party membership, with no consideration of their technical capacity. These bureaucracies are fragile because a change in the government party or even simple shuffling of authorities in a ministry can result in mass changes of officials.

This type of bureaucracy has no autonomy in the political system—which manages it arbitrarily, even in relation to dismissals. It does not develop technical capacity because what is at stake is political favor rather than interest in recruiting officials with the competences needed to implement complex public policies.

The most severe cases are in the Central American countries (except Costa Rica), and in the Dominican Republic, Paraguay, and Bolivia (except in some meritocratic enclaves). Some of these characteristics also exist in specific bureaucracies in certain countries, such as Argentina, Colombia, and Peru, under transitory or special employment regimes that give the government increased flexibility in appointments and dismissals.

The role that patronage bureaucracy can come to exercise in public policy is linked to its primary character as a political resource of the governing party. This type of bureaucracy is an extension of the partisan political actor, and it can exercise a certain veto power over professional or meritocratic bureaucratic segments with which it comes into conflict. Its role in policymaking or implementation is almost irrelevant, except on the operative plane of the most simple and routine tasks. It has a strong presence in delivery of social services.

**Parallel Bureaucracy**

This type—also known as "technical team" or "project team" bureaucracy—is formed by technocrats or professionals whose special mode of entry into the state is through flexible and fixed-term contractual forms, a practice especially prevalent in the region during the 1990s under the "management by project" system (Martínez Nogueira, 2002). Their salaries are usually higher than those of the rest of the personnel in the public administration.

Although these bureaucracies have developed in practically all countries in the region, they are much more frequent in those with less developed civil services. The intention is to cover the lack of qualified human resources in the permanent workforce with external experts, as happens in the Central American countries.

Because of their system of recruitment and the temporary nature of their positions, this bureaucracy is characterized by a very low level of autonomy with respect to the executive branch: the employment relationship clearly depends on the political will of the executive to hire personnel and renew their contracts. This employment regime is usually governed by regulations on service contracts or other extraordinary legal forms. The personnel hired are not part of the permanent structures of the public administration, although renewal of these contracts has become routine in various countries.
These groups of officials do not necessarily respond to a political party, even though their entry is through these mechanisms. Bambaci, Spiller, and Tommasi (2007) argue that, in the case of Argentina, these “temporary bureaucrats” tend to respond to the individual political patron who brings them to the post.

Their technical capacity is high, precisely because their recruitment is based on the expert knowledge needed to implement sectoral public policies and specific programs. They have specialized knowledge in some specific policy area. In most cases they have been hired to cover specific technical needs, and in some cases have developed technical-political aptitudes. They usually form parallel institutions—or what have been called “parallel ministries”—inside and outside the ordinary departments, as in Argentina and Mexico. These structures can be more or less successful, and more or less resisted by the other internal bureaucratic actors, because they form areas that are differentiated and not complementary to the regular administrative apparatus (Martínez Nogueira, 2002).

Technocratic bureaucracies can take different forms. Some versions have teams of technical advisers who perform key roles in designing policy alternatives. These technocrats are close to the head of the executive branch or have important contacts with international cooperation organizations, which means that their voice is heard at the time of policy design.

At other times, this bureaucracy focuses on guaranteeing execution of policies or projects, or effective delivery of certain public services. The category includes the organizations that negotiate projects with international financing or social funds.

What is the relation between this type of bureaucracy and public policies? These technical teams take on extraordinary challenges in the design and execution of public policy. They are hired for new work schemes that require increased coordination between the state and civil society, closer relations with international credit organizations, and technical abilities not usually associated with the permanent administrative workforce. These parallel bureaucracies have promoted new public policy schemes, such as those that involve implementation in public–private institutional networks.

However, when it comes to long-term execution of public policies, these parallel bureaucracies are of little use for building lasting institutions because of their temporary nature and special relationship with the executive branch. In general, at the end of the project little is left of the institutions set up for its execution and the learning process ends with the departure of the technical personnel. Martínez Nogueira (2002) cautions that a close association between the public policies implemented in the framework of these parallel bureaucracies and the ministerial action of a specific government can create important political vulnerabilities and uncertainties with respect to continuity of the efforts.

**Meritocratic Bureaucracy**

This category represents the Weberian classical ideal: this body of officials is recruited by open mechanisms in which their credentials and merits have priority. After selection, they execute the tasks in the framework of structured professional careers with good opportunities for mobility and learning, and with a series of incentives for the professional performance of the work.

This type of bureaucracy is characterized by a combination of high level of autonomy and technical capacity. First, the autonomy is based on the stability of the officials and on development of a career where political interests respect organizational hierarchies. Second, technical capacity is based on the relevance of the credentials and competencies, and the
training and learning on the job that takes place in the framework of structured professional careers where promotion and advance are tied to a higher degree of complexity of tasks and exercise of responsibility.

Meritocratic bureaucracies form a specific culture, although sometimes an isolated one, with strong group cohesion, which can produce institutional bias. They also claim autonomous decisionmaking spaces, which in many cases create conflicts for them with other government departments. They can form alliances with other departments and even with external social interests, which grants them capacity to mediate between these different interests, but also opens them to capture.

Meritocratic bureaucracies predominate in the civil services of Brazil and Chile. They are also observed in various countries among the special bodies linked to the fiscal or economic bureaucracy. Central banks, regulatory agencies, and tax administrations tend to be meritocratic bureaucracies. Examples include the National Tax Administration Superintendency (SUNAT) in Peru, and the Internal Tax Service in Chile. These meritocratic bureaucracies also exist in the professional career segment in Mexico, and among diplomatic corps in various countries of the region (the most outstanding case being Itamaratí in Brazil). In Argentina, a paradigmatic case of this type of bureaucracy is the so-called Government Administrators, a cross-cutting body of officials recruited on the basis of merit, who have highly technical careers.

In general, these bureaucracies are very active in the execution of public policy, and influence their design, if not directly at least indirectly. They are bureaucracies with specific obligations related to sectoral policies. They respond to thematic areas of public policy that require a degree of training or specialized knowledge. This gives them the opinions and capacity to influence the area in which they act, and makes them important actors for sustaining the stability and public interest orientation of policies.

**Hybrid Forms**

The empirical reality of the region goes beyond the categories that can be theoretically derived. Some hybrids or bureaucratic configurations are half way between the categories mentioned and cannot be clearly classified in one or other type. One of the most readily identified hybrids is the social sector bureaucracies such as education and health personnel. These are situated halfway between administrative and meritocratic bureaucracies, with important national variations.

Health and education personnel are recruited on the basis of merit criteria, to some extent. Doctors and teachers must have credentials for accessing a public post where these specific profiles are required, which is an attribute of meritocratic bureaucracies. This minimal criterion—possession of the relevant credentials—is accompanied in some countries by public competition; in these cases, these bureaucracies show more mixed characteristics.

The degree of professional structuring of careers varies considerably. Thus there are important shortcomings in the use of criteria based on performance and on-the-job learning as mechanisms for selecting and rewarding personnel. Very often length of service has replaced other factors in promotion—especially in careers in education—which moves this bureaucracy away from meritocratic characteristics and brings it closer to the processes of more classic administrations.

The relation between these hybrid bureaucracies and public policies is complex and goes beyond the theoretical associations that this chapter aims to establish. However, their
high capacity for lobbying or at least blocking initiatives to reform public policies, and their unionization, should be mentioned. In recent experiences in the region—such as in the administrations of Lula da Silva in Brazil and Tabaré Vázquez in Uruguay—these bodies and their professional associations have been invited to take part in dialogues on the design and formulation of the sectoral public policies that concern them.

**Figure 6.5 Examples of Bureaucratic Configurations**

<table>
<thead>
<tr>
<th>Autonomy</th>
<th>High</th>
<th>Administrative bureaucracy</th>
<th>Meritocratic bureaucracy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>National administration</strong></td>
<td><strong>Central banks</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Ecuador, Peru, Venezuela)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Operating levels</strong></td>
<td><strong>Tax administration</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(unionized in Mexico)</td>
<td>(Argentina, Chile, Mexico, Peru)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>National administration</strong></td>
<td><strong>External service</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Argentina, Costa Rica, Ecuador)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>National administration</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Brazil, Chile)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Senior Level</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Government administrators (AG) body in Argentina, civil service in Chile, Professional Service in Mexico)</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td><strong>Patronage bureaucracy</strong></td>
<td><strong>Parallel bureaucracy</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>National administration</strong></td>
<td><strong>Groups of technical advisors</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Bolivia except for meritocratic enclaves, Central American countries, Paraguay)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Transitory appointments</strong></td>
<td><strong>Execution units of international cooperation projects</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Argentina, Colombia, Peru)</td>
<td>(especially in Central America)</td>
</tr>
</tbody>
</table>

**Source:** Zuvanic and Iacoviello (2005).

The strategies that have been developed in relation to reforming bureaucracy in Latin America have included attempts to generate merit-based career systems for the administration as a whole, as well as efforts to professionalize some specific areas, such as health and education services or tax administration. In other cases, efforts have concentrated on upgrading the professionalism of the managerial segment, as recently occurred in Chile and Mexico. This range of processes has coexisted with patronage practices and with the increasingly pronounced trend, since the 1990s, toward adopting flexible mechanisms to incorporate technical staff. In short, bureaucracy in Latin America presents a mosaic of options, which this study has attempted to systematize in the proposed typology (see Figure 6.5).
Conclusion

This chapter began by proposing that the bureaucracy has a potential role as guarantor of the democratic system and the rule of law. As an independent and professional body, the bureaucracy can guarantee the continuity and coherence of policies and prevent discretionary actions in the exercise of political power. However, in Latin America, bureaucracies usually do not play this role because they lack professionalization and stability.

The region’s civil services are characterized by a low level of development, which suggests negligible capacity in most of the region’s bureaucracies for taking an active role in the policymaking process. In addition, in the constitutions and statutes of the countries of the region, the expected role of the bureaucracy is defined in excessively generic terms, emphasizing compliance with norms, established procedures, and respect for hierarchical authority as central tenants.

This chapter has shown that the performance levels of the region’s bureaucracies vary according to the degree in which regulations and work practices promote merit and the effective capacity of officials, along with the level of professionalism and neutrality of the various groups of officials. To come closer to a characterization of the bureaucracies in the region, the study began by analyzing the bureaucracies of each country in broad terms by comparing 18 national civil services in the region with a strategic integrated human resources management model. This exercise confirmed the general weakness of the civil service systems in the region in terms of the level of merit put into practice and the capacity of the system to manage personnel performance. Both the merit and functional capacity indexes show regional averages of around 30 percent of the scale.

Since both indexes yield a broad dispersion of results, it is possible to analyze these two indexes together, and thereby distinguish different degrees of development and integration of the human resources management systems among the states in the region.

Brazil and Chile are the two cases that stand out because of the higher level of development of their civil services. Costa Rica is a special case among the Central American countries. At the other extreme, the most critical situation occurs in the other Central American countries, and in the cases of Bolivia, Ecuador, Paraguay, and Peru. In these countries, politicization is so strong that it is impossible to create a professional civil service, or guarantee recruitment and retention of competent personnel, or implement management mechanisms to influence the working conduct of officials. The rest of the countries (Argentina Colombia, Mexico, Uruguay, and Venezuela) have partially formed civil service systems, which have not achieved consolidation in terms of guarantees of merit or efficient tools to manage the human resources of the state.

Apart from these general trends in national civil services, it is clear that the "bureaucracy" is not homogeneous, but that different types of bureaucracies coexist in each country, each with its own logic, criteria, and roles. These varieties coexist because it has not been possible to fully develop the traditional Weberian model in the region. In many countries, to supplement their own bureaucracies, a strategy of hiring technical teams under more flexible employment schemes has been pursued.

The typology described captures this diversity by crossing two variables: the autonomy of each bureaucratic group with respect to political power, particularly in terms of guarantees against possible arbitrariness; and the technical capacity to solve problems related to management efficiently. Four bureaucratic types emerge from this interaction: administrative, patronage, parallel, and meritocratic bureaucracies. Each has different
characteristics in relation to its possible role in the policymaking process. According to the predominance of the types in each country, the role of the bureaucracy can vary considerably. At one end of the spectrum is the informal veto, either through specific actions to block the design or implementation of a policy or passive resistance by way of organizational culture. At the other end is an active role that can result not only in stimulus for a specific policy, but also in collaboration and cooperation to sustain or improve that policy.

Although the main objective of this typology is descriptive, it implies a preference for the meritocratic model, since that model maximizes the capacity of the bureaucracy and provides the necessary autonomy that protects it from arbitrariness. But this implicit preference does not mean that one can simply extrapolate a lesson about how to develop a reasonably strong, capable, and neutral bureaucracy in Latin America. The typology opens the discussion to explore the complex institutional framework and the deep social, political, and economic patterns that have generated these diverse “configurations”; it does not intend to establish what should be done.

With this consideration in mind, and given the differing levels of development of civil services and the complex variations in each national case, what are the prospects for strengthening Latin American civil service systems?

The cases of Brazil and Chile are exceptional in terms of the consistency of the state human resources policy and the level of institutionalization of personnel management. Both these aspects result in a positive evaluation of their possibilities of consolidation as meritocratic bureaucracies. In Central America, Costa Rica is an exception; even without reform initiatives it has had a consistent record of progressive advances in introducing merit criteria into the system, and strong institutionalization of human resources management. Thus the system now characterized as administrative bureaucracy has possibilities of moving toward a meritocratic bureaucracy.

In the group with intermediate development of civil services, Argentina, Uruguay, and Venezuela do not have initiatives to stimulate consolidation of their systems, so the possibility of consolidation is low despite the existence of meritocratic enclaves. These three countries have introduced some level of professionalization into personnel management, and have begun to institutionalize some areas of human resources. Thus there is a base on which to anchor a reform project.

Colombia and Mexico have also achieved some development of their civil services and have meritocratic structures in certain areas, and have better prospects for their consolidation based on reform initiatives in progress. The reasons are different in each case: the strong institutionalization of the human resources function in Colombia, and the political stimulus given to the reform in Mexico, which reverses the weakness of the previous norms and institutions in relation to the civil service.

The countries with the weakest bureaucracies, which feature elements of patronage and strong dependence on parallel structures, include Bolivia, the Dominican Republic El Salvador, Honduras, Panama, and Paraguay. These countries have no reform initiatives underway, while there are reform movements in Guatemala and Nicaragua. Reform initiatives are also taking place in Ecuador and Peru, which this study identifies as administrative bureaucracies, although they are also affected by elements of patronage. However, the reforms in the countries of this group are considered to have little prospect for success.

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9 The interest in the institutional determinants of public policies is increasing, and the perspective of the political economy is particularly interesting in analyzing civil service reforms in Latin America. Some efforts along these lines can be found in Geddes (1994); Heredia (2002); Scartascini (2008); Heredia and Ross Schneider (2003); Spiller and Tommasi (2003); IDB (2005); Iacoviello and Zuvanic (2006); and Bambaci, Spiller, and Tommasi (2007).
because they are not backed by a certain preexisting normative consistency or by the institutionalization of areas that could lead the way.

The countries of the region have stated their intention to develop meritocratic systems for their personnel management, as established by the Ibero-American Civil Service Charter. There are many starting points for each country, and the priority areas differ according to the level of development of the norms and practices of the civil service.

However, a key aspect to be considered for all the countries of the region is that institutions do not operate in a vacuum. The transformation of civil service systems requires consensus building, above all. The multiplicity of actors involved must be willing to and interested in laying the base for a real civil service system in these countries. The only way to guarantee a certain level of legitimacy for civil service systems is to generate a consensus-based strategy that establishes clear rules and is accepted by all actors.

There is a wide gap between the normative view of the expected role of bureaucracies and the existing situation in Latin American countries. However, the stakes for closing that gap, and for improving bureaucracies, are high. As argued, the bureaucracy is a central institution for the democratic system and for governance. Efforts aimed at promoting highly capable and neutral bureaucracies oriented to serving the public interest are critically important to improving the quality of governance and the quality of life of Latin American citizens.