

MANAGERIAL REFORM FOR 21ST CENTURY GOVERNANCE

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I expect that two assumptions fall behind this II Global Forum now beginning its first plenary session: first, that a major objective will be strengthening state capacity, so that the state, in each country, together with the respective government and civil society, achieve more efficient and more democratic governance second, that good governance – understood as the joint outcome of effective state institutions, competent politicians, and a cohesive civil society – be viewed as a strategic ingredient in economic development.

The state has been victim of two kinds of enemies: on one hand, social actors: clientelist politicians, inefficient bureaucrats, and eager businessmen, all involved in rent seeking on the other, ideologies: populist ideologies, that led the fiscal crisis of the state, and neoliberal ideology, that preaches downsizing as the only way out of the crisis.

It is against these enemies that a managerial reform of the state is being defined and implemented in many countries. Against them government are being reinvented, new public management ideas are being developed in many countries.

In Brazil, the 1995 Managerial Reform had its major institutions approved between 1995 and 1998, and is now gradually being implemented. This reform may be defined by the following

characteristics:

First, it intended to be a step ahead the conquests of the 1936 Bureaucratic Reform in fighting patrimonialism and rent seeking, or in protecting republican rights.

Second, it sought to turn the state more effective and efficient: (a) by making executive and regulatory agencies more autonomous and more accountable (b) by strengthening the strategic core of the state with well trained and well paid officials (c) by taking profit of all opportunities deriving from the new information technologies (d) by transferring to public non-state the social and scientific services, while maintaining their public financing and (e) by promoting new forms of social partnership and social control.

Third, it aimed a more democratic state, on one side, as its services become more citizen-oriented and more transparent on the other, as forms of direct democracy or social control are an essential part of a reform whose counterpart for devolution is accountability. In relation to this objective it is convenient to underline that it implies a two-ways movement. Managerial reform contributes to turn the state more democratic, as it preaches transparency, accountability, and citizens orientation, but it is only consistent with democracy since enhanced agencies' autonomy is only sound if it is accompanied by new and more effective forms of social and political control.

Managerial reform is advancing in Latin America. In October 1998 the ministers of public administration of the Latin American countries, who met in the Third International Congress of the Latin America Council for Public Administration for the Development (CLAD), approved the document "[A New Public Management for Latin America](#)". In that moment Latin America gave a major step toward the managerial reform of the state. Civil service reform had not been completed, but it was now clear that the best way of achieving it was to go ahead with the managerial ideas.

I hope this II Global Forum will represent a new step in the same direction.