

## THE 1995 PUBLIC MANAGEMENT REFORM IN BRAZIL REFLECTIONS OF A REFORMER

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*In Ben Ross Schneider and Blanca Heredia, eds.,  
Reinventing Leviathan. Miami: North-South  
Center Press, 2003: 89-109.*

After the first Fernando Henrique Cardoso administration (1995-1999) was inaugurated in 1995, constitutional amendments designed to reform the state became major items on the agenda of the new government. Besides first amendment eliminating the state monopolies in energy and communications, approved quickly by Congress in the first months of the new administration, the Cardoso government sent three major constitutional amendments to Congress to reform taxation, social security, and public administration. By 1999, only administrative reform had really progressed.<sup>1</sup>

As I was the minister in charge of administrative reform during the first Cardoso government, in this chapter, I will reflect on the progress of the reform during that administration. First, I will briefly define the form of the proposed reforms, and second, I will attempt to answer some of the major questions regarding those changes. For example, why did the Cardoso government decide to propose to Congress a full-fledged administrative reform, when this issue was not high on the political agenda of the country and had not been an issue in the 1994 presidential campaign? Why was public opinion ultimately receptive to the general ideas of a public management or managerial reform of the civil service? Why did the senior civil service endorse the more specific proposals contained in the 1995 *Plan for the Reform of the State Apparatus (Plano Diretor da Reforma do Aparelho do Estado)*? Why did Congress approve the constitutional amendments necessary to implement the Plan? How important was the existence of a previous social demand to administrative reform? In what way did the public management reform's specific design set it apart from the other reforms? Again, did the democratic character of the national debate produced by the amendment favor public management reform? What were the strategies used by the Cardoso administration to identify and neutralize opponents while seeking out political allies?

As I learned from my experience in Brazil, the approval of major reforms depends on four factors: need, policy design, democratic persuasion, and alliances. First the reform must respond to an existing need or social demand. Second, the correct design of a reform – whether the new proposed institutions give an effective and clear answer to the existing demand – is essential to the reform's approval. Third, in democracies, reforms depend on national debates that shape and persuade public opinion. And four, to obtain the support of the politicians in Parliament, besides public opinion approval, it is necessary to establish strategic alliances.

## PUBLIC MANAGEMENT REFORM

The 1995 administrative reform in Brazil may be characterized as a public management reform. Designed to replace the existing mix of bureaucratic public administration and clientelist or patrimonialist practices in Brazil, the new managerial public administration reform broadly follows the principles of the “new public management” model. It is also a “democratizing reform”, as defined by the editors of this volume, since it assumes the existence of a democratic regime and includes, as an essential element in its structure, public managers who can be made accountable through social control mechanisms. Yet, often, so-called “administrative reforms” in Latin America are only ad hoc changes in the government organization chart that are undertaken when new administrations take office. In fact, these superficial administrative changes usually do not involve significant institutional changes. There have been only two real types of administrative reforms since the creation of the modern nation-states: bureaucratic or civil service reform and managerial reform. Bureaucratic reform, analyzed by Max Weber,<sup>2</sup> involved the formation of a professional civil service and took place in the mid-nineteenth century in Western Europe, in the early twentieth century in the United States, and in the 1930s in Brazil. Public management reform, the second type of real reform, makes bureaucratic procedures and regulations more flexible and confers a higher degree of autonomy and accountability on government agencies and their managers – a degree of autonomy and accountability only possible in democracies. Managerial reform is a new historical phenomenon that gained momentum as government reformers began to realize that one of the reasons behind the current fiscal crisis of the state was the structural inefficiency of bureaucratic public administration.

The Brazilian 1995 public management reform was originally defined in the *Plano Diretor da Reforma do Aparelho do Estado* of the same year.<sup>3</sup> After assessing Brazil’s highly inefficient civil service, the *Plano* (and related documents) developed a theoretical framework for the reform, a framework initially inspired by the managerial reforms begun in the 1980s in some member countries of the Organisation for Economic Cooperation and Development (OECD), particularly Great Britain. The major elements of the *Plano* include:

1. Decentralizing social services to subnational units;
2. Delimiting the area of action of the state more precisely by distinguishing three areas of state activity: first, the “exclusive” activities of the state (those involving the use of state power that will remain within the central executive); second, the social and scientific activities that are not exclusive state responsibilities and that should be transferred to the nonprofit sector; and third, the production of goods and services for the market;
3. Distinguishing core activities that have to be performed by politicians and **senior** officials from support activities that may be outsourced;
4. Separating policy formulation from policy execution;
5. Granting more autonomy and accountability to services performed by the state, which will take the form of either “executive agencies” (when their activity involves the use of state power) or that of “social organizations,” that is a special type of nonprofit

service organization that receives government funding but does not require state power, as is the case for hospitals, schools, research centers, and museums, among others; and

6. Assuring accountability through management by objectives and managed competition as well as through several mechanisms of direct democracy or social control, combined with increased transparency in civil service, rather than through detailed definition of procedures, cross-checking and auditing – the classical forms of bureaucratic control – which are not eliminated but reduced by the reform.

A crucial characteristic of The Brazilian public management reform, besides the decisions to privatize state-owned enterprises that produce goods and services for the market and to outsource support activities to the private sector, was to transfer to the nonprofit sector the social and scientific activities that are completely or partially financed by public funding instead of maintaining them under direct state ownership. Another feature of the reform was the emphasis given to strengthening the strategic core of the state, where major policy decisions are made by politicians and senior civil servants (such as stabilization programs designed in economic ministries).

## **PROGRESS TO DATE**

There are several reasons to consider the Brazilian public management reform a success so far. First, the basic institutions required for a public management reform of public administration were set up as a result of the process. The constitutional amendment (what the press and public opinion considered the key to administrative reform) was approved by the Congress with minor changes to the original government proposal. This amendment made tenure rights for civil servants more flexible and established a cap for high, sometimes very high, salaries in the public sector. The amendment also produced two other changes: 1) it eliminated the constitutional requirement for a single labor standard (*regime jurídico único*), created for all civil servants regardless of the functions they performed, and 2) it stopped the judicial and legislative branches from increasing salaries without a previous law or incorporating temporary gratifications as permanent salary.

Beyond the constitutional amendment, the government enacted laws defining the two central organizational institutions of the public management reform – the so-called executive agencies and social organizations. Similarly, the government also established the norms on management contracts that defined the performance indicators each organization was to achieve in exchange for enhanced autonomy. The law on the single labor standard of federal civil servants that previously granted a series of privileges to civil servants also was thoroughly amended. In addition, the Ministry of Federal Administration and Reform of the State (Ministério da Administração Federal e Reforma do Estado – MARE) defined a new human resources policy that established that only those with state careers (employed exclusively in state activities) should continue to be recruited, because support activities are supposed to be outsourced and social and scientific activities should be transferred to the nonprofit sector. MARE also required that the remaining civil servants to be recruited should be highly trained and well paid.

A second indication of the managerial reform's success in Brazil is the establishment of total quality management (TQM) and its acceptance as the major management strategy for state organizations throughout the country. TQM is a business strategy that fits public management well, as it adopts many other criteria of excellence besides the bottom-line rate of profit that is, by definition, absent in government. In the early 1990s, government reformers first attempted to introduce quality management in Brazil's federal administration. Despite the efforts of a group of strong believers in quality management, the attempt failed because the differences between private and public administration were not well-defined. Another reason for the failure was that TQM was not inserted in an overall reform model. The lack of an overall model meant that senior civil servants lacked the autonomy required to adopt more adequate means to achieve the desired management outcomes.

In the late 1990s, TQM gained new life in the context of overall public management reform. The differences were clear: while private management is an economic activity controlled by the market, public administration is a political endeavor, and it is politically controlled. Success in private enterprise means profit; in public organization, it is measured by public interest. One can transfer private management tools to the public sector but only to a limited extent. It is possible to decentralize, control by outcomes, foster managed competition, and focus on the client, but decentralization involves democratic control. Desired outcomes have to be decided politically. Moreover, quasi-markets are not markets, and the client is not only a client but a client-citizen empowered with rights that go beyond customers' rights. By clarifying these differences and increasing the autonomy and responsibility granted senior officials, quality control in public administration gained legitimacy and became the official management strategy to implement the reform.

A third positive sign of the reform's success is found in the fact that public opinion, political elites, and, particularly, senior civil servants overwhelmingly supported the reform. According to several public opinion polls, around 75 percent of the population approved the constitutional amendment to promote administrative reform, and approximately 80 percent of the senior civil service approved not only the amendment but, more specifically, the proposals of the *Plano Diretor*. A survey conducted in late 1977 confirmed the opinion polls that showed the senior civil service to be the second most supportive group (the first were businesspeople, followed by journalists, intellectuals, and finally union leaders, who were still supportive but by a smaller majority). The survey targeted 311 opinion makers residing in Brazil's 11 largest state capitals and selected participants according to the reputation method, whereby well-known opinion makers choose the other members of the sample. The interviewees were divided into eight professional groups, including journalists, businesspeople, politicians, public managers, community leaders, union leaders, and intellectuals. When asked a more general question (for example, whether the reform of the state apparatus should be considered a priority), interviewees approved by 84 percent. This answer was consistent with responses regarding the level of satisfaction with federal, state, and municipal services: The rates of approval were only 30 percent for federal, 26 percent for state, and 20 percent for municipal services.<sup>4</sup> In relation to other, more specific questions regarding

the constitutional amendment or the managerial reform, the 1997 survey showed that 66 percent agreed that the government must dismiss the civil servants when the payroll is over 60 percent of the revenue; 71 percent approved the elimination of the *regime único*; 67 percent approved the creation of a new labor standard for employees working in nonexclusive state activities performed by state organizations and 70 percent supported the creation of nonprofit, public, nonstate entities (called “social organizations” by the reform) to execute whatever nonexclusive state activities, particularly scientific and social services, that the government decides to fund.

In 1998, a survey on the reform conducted among intermediate civil servants holding commissioned jobs as directors or staff in the federal administration (called DAS-4 in the Brazilian administrative system) showed similar support.<sup>5</sup> This survey was conducted by the National School of Public Administration (Escola Nacional de Administração Pública – ENAP) with the aim of obtaining subsidies to prepare a managerial administration course (see Diniz 1998). There are 1,500 civil servants with DAS-4 in the federal government; 1,000 of whom live in Brasilia. The questionnaire was sent to all DAS-4 civil servants working in Brasilia, 50 percent of whom had been in public service for over 17 years. According to the survey results, support for the 1995 public management reform was impressive: 78 percent agreed or tended to agree with the idea of increasing the flexibility and stability or constitutional tenure benefiting public servants. Moreover, 69 percent agreed that it was time to end the bureaucratic management of the state; 74 percent agreed that it was more important to control for results instead of controlling procedures; 73 percent agreed with the reform’s new institutions (executive agencies and social organizations); 72 percent agreed with the outsourcing of auxiliary or support activities; and 65 percent approved the termination of the constitutional requirement of a single labor standard law regulating employment for all of Brazil.<sup>6</sup> In other words, most intermediate civil servants in Brasilia approved the fundamental points of the managerial reform exactly as the senior civil servants did, as cited in the previously mentioned survey.

Only one important sector of the senior civil service, the judiciary, did not support the reform, though it did not oppose it openly. I made several unsuccessful attempts to speak to the Supreme Court and the Public Prosecutor’s main body. In fact, I was able to talk to the jurists specialized in administrative law in Brazil, but their reactions were more negative than positive. However, they read with great interest my study of the juridical foundation of the reform, “Citizenship and *Res Pública*: The Emergence of Republican Rights”.<sup>7</sup>

A fourth indication of the reform’s positive impact is evident in the way that states and major cities began adopting the new institutions and practices of the public management reform. The separation between exclusive activities of the state and social and scientific services funded by the state is being adopted more and more in Brazil. Several states and some major local governments set up social organizations – nonprofit organizations created by the reform to perform social and scientific services mostly financed by the state. In the state of São Paulo, for instance, 12 new hospitals built by the government were placed under the administration of nonprofit organizations, and the

results have been highly successful. Total quality programs have spread to many other states in Brazil as well. One such positive influence of the managerial reform is the state of Pernambuco. In January 2000, the new govern approved the *Plano Diretor da Reforma do Estado* (Governo do Estado de Pernambuco 2000), which follows closely the original *Plano Diretor da Reforma do Aparelho do Estado* (MARE 1995). In 2001, moreover, the states of Sergipe and Goias created the career of “state manager”, following the lead established by the public management reform.<sup>8</sup> In the federal government, the creation of social organizations also continued, although slowly.

A fifth impact of Brazil’s public management reform was in the new ideas and terms that were introduced or emphasized by the reform, which became part of the reform’s language. For example, “public management reform,” “exclusive activities of the state,” “strategic core of the state,” “executive agencies,” “social organizations,” “management contracts,” and “performance indicators” became common parlance in Brasilia’s senior civil service as well as a major theme in Brazilian schools of government and public administration.

The Brazilian 1995 public management reform of public administration advanced in the three directions proposed by the *Plano Diretor*: institutional, cultural, and managerial. New institutions were established, a new view of public administration emerged, and new management practices are beginning to be adopted. However, several years ago, World Bank economist Indermit Gill (1998) presented a paper at a London seminar with a suggestive title: “Some Determinants of Sustainable Public Administration Reform. Or, Why I Am Optimistic about Administrative Reforms in Brazil” According to Gill, the two other reforms (tax reform and social security reform) that were in Brazil’s political agenda for a long time did not progress as far as the managerial reform. Moreover, the constitutional amendment for social security that Congress eventually approved in late 1998 was only a shadow of the original government project. In addition, the tax reform presented in 1995 was finally abandoned until late 1998, when the administration presented a new amendment project. Why were there such different outcomes of the Brazilian reform? As noted at the outset of this chapter, there are four major factors that determine the success of administrative reform: need (or an effective social demand for reform); a reform proposal well-designed to meet the society’s specific needs; the society’s democratic persuasion; and coalition building. Each of these factors will be elaborated upon in this chapter.

## **RESPONDING TO A LATENT CONSTITUENCY**

The first requirement for a successful reform is that it responds to an effective although possibly hidden social demand. This was the case with the public management reform in Brazil in 1995, when the first Fernando Henrique Cardoso administration began. The demand for a reform existed, but it was hidden: it was not clear to anybody, it was not a priority in the nation’s political agenda, and it was not one of the issues in the 1994 presidential campaign. In the political platforms of the two major candidates, there were

scarce references to public administration reform. What existed was only the conventional wisdom referring to the need to decentralize social services to the states (something that had been taking place since the 1980s), strengthening professional bureaucracy, and fighting clientelism.

In fact, Brazil lived a paradox. The state and its bureaucracy had come to a major economic and political crisis in the early 1980s. The state-led, capitalist-bureaucratic model of development entered into a political crisis, given the bankruptcy of the military regime, and it also experienced an economic and financial crisis that started as a debt crisis and high inflation but soon revealed its inner cause to be the fiscal crisis of the state and the exhaustion of national-developmental strategy for growth. In this context of crisis, the state bureaucracy would be expected to lose prestige and influence, but in the case of Brazil, it did not. With the transition to democracy in 1985, the policies of the opposition parties, assumed to be leftist and democratic, once in government revealed a mixture of populism and bureaucratism. A bureaucratic ideology was reborn from the ashes of crisis in the second part of the 1980s, underlining the presence of what Eli Diniz called a paradox: “the presence of a strong bureaucratic power in a devastated bureaucracy” (1998, 33). But at that moment, as state bureaucrats lacked a minimum national project, they engaged in successful rent-seeking. The major institutions that facilitated rent-seeking were the tenure article and the pension system in the 1988 Constitution and the 1991 *Regime Jurídico Único* (Single Labor Standard Law). These entitlements created privileges in pay and pensions to civil servants and granted them full tenure, early retirement with full salary, and in practical terms made these state employees unaccountable to society.

In January 1995, when I presented the first goals of the reform of public administration – lessening the full tenure the Constitution granted to all civil servants, nearing state and private labor markets, and using public non-state (nonprofit) organizations to perform the social and scientific services supported by public money – the news created an uproar. The reform’s aims were new and, thus, threatening or apparently threatening. The negative reaction was almost unanimous. People did not have time yet to understand my proposals, as the press conveyed them in a fragmented and generally negative way. “This minister talks too much; he should act not speak” was a common (and authoritarian) form of criticism leveled at me, as if it were possible to reform the Constitution and the laws of a nation without speaking, without first debating the issues.

Yet, after a few months, when I presented the ideas of a public management reform in a more structured way to the senior civil service, their reaction was extremely positive. Many of these civil servants said that, at last, we had a meaningful public administration reform in Brazil, and this showed that the country’s best civil servants were, in fact, expecting and asking for a reform of that type. Along with the approval from top bureaucrats, the subsequent support in public opinion demonstrated that there was a strong, though latent, demand for a reform of the type I was proposing in Brazilian society. This demand, as stressed by the editors of this book in their introductory chapter, was related to the fiscal crisis of the state and to the changes that were taking place on an international level, leading to market-oriented reforms and to what was being described as a “new public administration.”

## A NATIONAL DEBATE

In 1995, I felt that what I was proposing made sense and that it responded to a real demand by Brazilian society, which was unhappy with the services provided by civil servants. Despite the lack of formal presidential support for a constitutional reform of public administration (Cardoso had only authorized me to discuss the issue with the public in general and politicians), I decided to persevere. I reflected on the fact that Brazilian democracy is new and perhaps incomplete as a process, because it is characterized by elitism and poor accountability, but it is a real democracy, where major political changes only take place if they have the support of public opinion. Therefore, public debate was essential to me in order to present my case in public, to hear reactions to my ideas, and to profit from some ideas that would necessarily come from such an open debate. In other words, I had a good idea of what I wanted, but I realized that these ideas could be improved upon by debate.

The national debate on the reform of public administration definitely did take place. Members of my staff and I presented our plan throughout Brazil. My name was in the press almost every day; in fact, eventually, the press contributed greatly to the debate. In the beginning, journalists distorted the ideas, especially by consistently limiting the issues to a few points of contention, particularly regarding the tenure of civil servants. However, the media eventually played its part in providing a national debate, and most journalists came to support the proposals, as public opinion also begun to support the reform.

An effective debater needs to be prudent and avoid direct confrontation whenever possible, but one also needs to be clear and straightforward and have the courage and determination to attack problems directly in a debate. However, such prudence, directness, and determination can be dangerous. An alternative strategy might be to wait until the problems become so serious that the reform design emerges spontaneously from some of the suggestions made by the reformer. This delaying tactic may be a good strategy when time is not an issue, but this was not my approach. Public administration reform in Brazil was something that had to be tackled head-on, and the problem called for immediate action. It was time to criticize the existing situation, denounce privileges, and demand change. “But you may lose your job if you insist on these proposals”, people often warned me during my first months in the new position. In fact, they were simply repeating the same warnings I had heard eight years earlier, in 1987, when I was finance minister of Brazil (immediately after the collapse of the 1986 Cruzado Plan and my predecessor’s unilateral moratorium declaration on the country’s foreign debt).<sup>9</sup> At that time, the country faced a deep financial crisis, and besides implementing a stabilization plan, I decided to propose an innovative (and risky, according to many) solution for the debt crisis: securitization of the debt with a discount, therefore, in the 1990s, I gave the same answer I had given in the late 1980s, “What is the value of a job in government if you are not doing what you are supposed to do?”<sup>10</sup> When a country faces difficult times, such as a deep economic crisis, ministers cannot be merely prudent; they also have to have the courage to assume risks.

The risk of failure would diminish considerably, however, if people were first informed and persuaded about the issues. In democracies, reforms depend on supportive public opinion that can only be generated through a national debate. Many observers in



Brazilians still believe that the fate of reform depends on the political strength of the administration or on the rationality of the reform. Both variables are no doubt important, but the weightiest factors are the support from public opinion and from the political elites. Public support is essential when the reform deals with the everyday life of people. When this is not the case, a technical debate plus the required, narrow political alliances may be enough to advance reform. But when a reform deals with basic institutions, public opinion support is crucial. This support is more likely to emerge if the ideas are explained in a simple and straightforward manner and if reformers are ready to repeat their arguments time and time again.

## **A CLEAR DESIGN FROM A PRECISE DIAGNOSIS**

Competent reform design requires imagination and an accurate diagnosis of the problem. The basic assessment of Brazil's situation was clear to me from the beginning: the 1988 constitutional attempt to restore or, rather, fully establish classical bureaucratic public administration had been a disaster. With the excuse that the biggest enemy was clientelism, public administration was made rigid and inefficient. The country's bureaucracy lacked a system of incentives and punishments and was overly constrained by redundant regulations and strict procedures. Privileges of all sorts were created that benefited bureaucrats who excelled in rent-seeking at this time. In a country like Brazil, which faced a deep crisis of the state but where bureaucracy had actually been able to adopt a successful managerial strategy to promote economic growth some years before, this backward movement toward a classical bureaucratic system meant a serious reversal, resulting in unsustainable increases in personnel costs, deterioration of public services, and a demoralized civil service. Instead of correcting the statist and protectionist distortions of the previous growth strategy — a movement that began later in the early 1990s — bureaucratization and rent-seeking mixed together during the first five years of the new democratic government, and this had terrible consequences for the prestige of a civil service that had contributed very positively so far to the spirit of the country. Yet, starting from this basic assessment of the situation, my team immediately began to diagnose the complex situation of Brazil's federal public administration. The lack of data of all sorts was startling. There were no organized data on numbers of civil servants and on the cost and evolution of the number of employee salaries. Only general cost information was available.<sup>11</sup>

However, despite these obstacles, I knew that there was no time to lose. In fact, the history of the reform's design must be divided into two phases: The definition of a constitutional amendment, which was sent to Congress in July 1995, and the design of the public management reform proper, as defined in the *Plano Diretor da Reforma do Aparelho do Estado*, approved by the Committee of the Reform of the State (Câmara da Reforma de Estado) and by The President of the Republic, Fernando Henrique Cardoso, in September 1995. The *Plano Diretor* included a detailed assessment of Brazil's civil service, a theoretical framework for a public management reform, and specific proposals that substantiated and completed the constitutional amendment.

When I came to office in January 1995, the only work I had read about the subject of administrative reform was *Reinventing Government*, by David Osborne and Ted Gaebler (1992). My visit to Great Britain, following Osborne's suggestion, was essential to the design of the *Plano Diretor*, as Britain is probably the country that has furthest developed and most effectively implemented new public management ideas in the world. Brazil's cooperation agreement with the British government and the support of a very competent consulting group of retired senior civil servants played a major role in giving managerial thrust to the ideas and institutions in the *Plano Diretor*.<sup>12</sup> The general design of the reform, contained in the *Plano Diretor* and in the papers and documents that were published subsequently, was well-received from the beginning by the senior civil service, the consultants, and the political scientists specializing in public management.

In relation to the constitutional amendment, the problem of design was also decisive, particularly when comparing the administrative reform with social security and tax reforms in Brazil at that time. When the new administration took office in January 1995, two beliefs were widespread, even among ministers. First, since The Brazilian Constitution was extremely detailed in many areas, reform meant "de-constitutionalizing The Constitution," that is, eliminating articles and paragraphs from the constitutional text. The second main belief was that the basic design of each reform was already known: The only thing left to do was writing it. I never shared the second belief, which was biased by the arrogant attitudes so common among new people suddenly in power, but the first idea sounded reasonable to me. If a constitution is extremely detailed, the best way to amend it is to eliminate specific provisions, replacing them, if necessary, with general principles. This was the approach adopted by the writers of the social security amendment. It was also the approach I took when I first set down with three staff persons to start the job of amending the chapter on public administration of the 1988 Constitution.

I started the revision with Article 37 in that chapter – its items and paragraphs. During the first session, my procedure was simple: cut one item, leave the next, cut another item, and omit another. This process went on for about one hour. De-constitutionalizing was a simple and straightforward task. In fact, it would have been easier still to eliminate the entire public administration chapter from the Constitution, because most constitutions do not have a chapter on this subject. However, it suddenly dawned on me, "De-constitutionalization is easy, but it will not work. People in Brazil criticized the detailed contents of the 1988 Constitution, but, as a matter of fact, they like detailed constitutions. They want to have all their rights clearly spelled out. If I continue this de-constitutionalizing process, congressmen will say that the Cardoso government is asking for a blank check. And they simply will not approve the reform."

At that point, I decided to stop my work and begin all over again, starting with a different approach. Instead of de-constitutionalizing, I would spell out, as clearly as possible, the changes that I wanted, specifying, for instance, how tenure for bureaucrats should be more flexible and under what precise circumstances civil servants would be subject to redundancy dismissal – whether due to overall fiscal effects or insufficient performance. Another question was how to protect civil servants from political instead of technical decisions for dismissals. The task of explaining these changes, therefore, was

entirely different and much more complex than the previous approach, and it took five months to complete. Moreover, it required creativity, the humility to accept the good criticism coming from the national debate, judicial competence to understand all the problems involved, and diligence to write a text that was precise.<sup>13</sup>

The decision to halt de-constitutionalization and opt for a quite detailed amendment was crucial. It did not permit the rapporteur of the administrative reform in Congress (rapporteurs have an enormous power in passing a constitutional amendment in Brazil) to do what the rapporteur of the social security reform did a few months later to that process. Since the social security reform opted for de-constitutionalization, the rapporteur charged that the administration was asking for a blank check from Congress, and he decided to do what was obvious to him and to most of his colleagues in Parliament: he “signed” the check, that is, he disfigured the reform, reintroducing into the constitutional text all the privileges that the reform had intended to eliminate. It was clear to me several months before that happened to the social security reform that the de-constitutionalization strategy in my reform process involved the same risk, a risk that I had no reason to incur. Since its initial conception, the amendment to reform the administration clearly was designed to be reasonable and gradual in producing change. Each paragraph of every article was tightly written, clear, and well-founded. This was probably a major reason why the Parliament introduced only minor changes in the original proposal. The substance of the amendment was kept intact, and eventually, after a long and difficult debate, it was approved.

In fact, the administrative reform’s initial design facilitated the sort of national debate that contributed to the design’s quality. As stated previously, Brazil is a democratic country. It is not the democracy of our dreams, but it is a democracy nonetheless. There are freedoms of speech and of the press, rule of law, an independent judiciary, and an active Parliament that is very responsive to public opinion and to pressure groups. Therefore, positive public opinion was essential for the success of our reforms. During the two and one-half years the amendment was discussed in Congress, I became the national advocate of the reform. I presented the *Plano Diretor* and the amendment everywhere, in all forums, and I actively debated and argued every part of the reform. In this debate process, I worked to present a clear and simple message, to convey the positive, not just the punitive, aspects of the reform.

The media played a pivotal role in the debate. Initially, journalists were interested only in the short-term and fiscal aspects of the reform: downsizing, the breakdown of stability or the tenure rule for civil servants, and the salary cap that would eliminate some extremely high salaries. Journalists had little interest in the more positive, medium-term objectives of the reform, such as the new role for the public non-state sector, the increase in efficiency, the client-citizen focus, the new human resources policies, and the yearly recruiting for state careers. But I was able to insert the new ideas, so that, little by little, it became evident that I was not, as my adversaries suggested, the “henchman of civil servants,” the “damned neo-liberal or the “market fundamentalist” who wanted to erase the state. On the contrary, my message involved rebuilding the state, increasing state capacity to perform its classical roles of protecting human rights, defending the national

interest, and assuring macroeconomic fundamentals as well as modern methods of promoting social welfare and international competitiveness. In the area of human rights, I defined a fourth set of rights (besides civil, political, and social rights) – republican rights – which I defined as the rights every citizen has to see that the public patrimony be used for public purposes or that the *res publica* be shielded from rent-seeking. This argument, which I fully developed in a previous study (see Bresser-Pereira 2002a), always had a powerful rhetorical or persuasive effect on senior bureaucrats.

## **MAKING ALLIANCES AND IDENTIFYING ADVERSARIES**

In the fight to change institutions, one is never alone; first, there are adversaries, who must be identified clearly, and there are allies, whose help must be sought as quickly as possible. The adversaries of reform in Congress and in society were clear to me: they were the representatives of the old patrimonialist and of the not-so-new corporatist interests surrounding Brazil's civil service. The alliance between these apparent extremes — the patrimonialists on the right and the corporatists on the left – was immediate, and it was not as surprising as one might think. After all, the patrimonialist old right always constituted a major part of the ruling classes in Brazil; this sector is as accustomed to the classical forms of rent-seeking (nepotism, clientelism, and so on) as the old corporatist left is familiar with the bureaucratic forms of rent-seeking, particularly involving pay not related to effective work and pensions unrelated to social security contributions. This alliance between patrimonialists and corporatists, which has in common with bureaucrats their authoritarian demand for greater autonomy without accountability, became clear in the first vote from the powerful Constitution and Justice Committee of the House of Representatives that decides on the constitutional “admissibility” of each amendment. In this instance, the old patrimonialist right and corporatist left voted together to try to defeat the reform.<sup>14</sup>

Once I had identified the adversaries, I did not hesitate to denounce them. In this case, compromise was not possible. Patrimonialist politicians defend personal or family interests, and corporatist politicians, group interests. The first are usually organized in local political groups, the second in unions. But they have in common rent-seeking: their endeavor is to capture the public patrimony to privatize the state. At first, I tried to persuade representatives of the old left, but dialogue soon proved unfeasible. My first action as appointed minister, in December 1994, before the inauguration of the new administration, was to invite for lunch the president of the National Workers' Union (Central Única dos Trabalhadores — CUT), Vicentinho da Silva, the invitation was refused, as were all the attempts I made to present my reform to the congressional deputies of the Workers' Party (Partido dos Trabalhadores – PT). When the amendment proposal was ready, around July 1995, I presented it to the deputies of all other major parties, but it was impossible to do this with the PT. Although some PT representatives privately agreed with most of the changes, the majority did not agree and even opposed discussing the proposal.

However, it should be emphasized that the political opposition is not the only group to blame for the lack of a real public debate in Brazil. The government's representatives committed the same error when they systematically disqualified the opposition's ideas instead of discussing them. Lack of common ground prevailed — a lack of common ground that is typical of new democracies like Brazil's, where a sort of intolerance prevails, based on the belief that the world is divided between the just and the unjust, the right and the wrong. When this kind of attitude prevails, debate is impossible. The only alternative to the reformer is to denounce the adversaries' inability to argue and debate, which was what I did. But it is also necessary to develop efforts to make the debate possible, never to turn down opportunities for discussion, make arguments instead of leveling accusations or personal observations or offering sociological or psychoanalytical explanations for the adversaries' opinions.

While defining the adversaries of the reform, I also had to establish alliances. I started with President Cardoso's authorization to propose the reform to the nation. Later, I secured his firm approval, coupled with the support of the country's economic ministers, who viewed the reform as a tool for fiscal adjustment. My obvious allies outside the administration were businesspeople, given their permanent conflict with the bureaucracy, but this support was not enough, since it eventually counted little in a country where the bureaucracy was always extremely strong. In the nineteenth century and during the First Republic (1889-1930), there was a patrimonialist bureaucracy; since the 1930s, Brazil has had an increasingly professional but always powerful bureaucracy. So, I needed much broader political support.

After the first month in office, I discovered my two major allies: mayors and governors who knew better than anyone how bureaucratic administration created obstacles in Brazil. Governors and mayors directly suffered the problems of redundancy; the impossibility of firing incompetent and redundant personnel; the constitutional requirement of a unique labor contract for all people working for the state, making them all statutory civil servants; the capacity the local legislative and particularly judiciary branches had of increasing their salaries autonomously; the abusive salaries of some civil servants whom the Brazilians call *marajás* (from the Indian word *maharaja*, for a local and rich potentate, applied here to civil servants receiving abusive salaries); and, particularly, the difficulty in demanding work from civil servants, given the constitutional tenure rule. I traveled all over Brazil, visiting governors and participating in countless meetings and congresses of mayors (Brazil has more than 5,000 mayors) to debate the reform with them. These individuals' support was crucial.

The outcome was rewarding. During one of the governors' meetings with the president in July 1995, in the Planalto Palace, one of them said, speaking on behalf of the entire group, "The administrative reform is the most important reform being proposed by the administration." In fact, the social security reform was more important in fiscal terms, as the privileges that civil servants enjoy related to early retirement and full pension, independent of contribution, were covered in that reform. But a statement like the governors' was politically a victory, especially considering that the administrative reform had received a strongly negative reception elsewhere in the country during those first few months.

In the case of the governors, however, the alliance was not limited to words; it also involved effective action. Each state in Brazil has a secretary of public administration. I invited all of these officials to Brasilia to participate in the writing of the amendment. These public administration secretaries brought their jurists, participated in many endless meetings, and made effective contributions to the process. Later on, in the two and one-half years it took the amendment to obtain the congressional vote, the public administration secretaries' participation remained constant, helping to persuade the deputies from their respective states to ratify the amendment.

## **OBTAINING THE SUPPORT OF SENIOR CIVIL SERVANTS**

At that point, however, my problem was not only obtaining legislative approval. I also needed the ideas in the *Plano Diretor* to be endorsed by the senior civil service that would ultimately be in charge of implementing the reforms. Thus, the support of senior civil service was crucial both for the approval of the constitutional amendment and the implementation of the *Plano Diretor*. From the start, I received help from several top administrators in the design of the reform. We formed a highly qualified team that included a number of my own former students of economics and public administration at the Getulio Vargas Foundation in São Paulo, some of whom were already settled in Brasilia and working in government, and a group of outstanding civil servants I came to know after arriving in the capital in January 1995.

First, however, to win the support of the senior civil service, I had to overcome a prejudice that threatened to make my job impossible. According to the opponents of the reforms, I was “against” civil servants, and I would be their “henchman”. Since I was not “one of them,” as they claimed, and since I argued against bureaucratic public administration in favor of managerial public administration, I would, therefore, presumably, also scorn bureaucrats. Thus, I often heard the statement that the support of the bureaucracy was impossible. At first, even friends such as Health Minister Adib Jatene, who later was one of the most active advocates of the reform, shared some of those views. In the first week of the new administration, he told journalists, in reference to my proposal of modifying the constitutional full-tenure rule, that I knew little about public administration because I was not a civil servant myself.

My answer to this kind of remark was always as follows, “This support is possible, and I will obtain it. Public management reform does not go against bureaucrats but against bureaucratic public administration and its tendency to prevent senior civil servants from managing, taking decisions, and choosing the best means to achieve their objectives.” In fact, as usual, I knew that my actions and my words often confused people. They wondered, how could someone be against bureaucratic public administration and in favor of a state bureaucracy? But my answer was again very direct: “In the state, I need to have managers who will manage, and these managers are the civil servants, the bureaucrats. These individuals have to have more freedom to make decisions. They cannot be constrained by unnecessary rules and regulations, and they

must be given more powers as they also are made more accountable to society. Civil servants need to learn new skills to be able to make decisions that will motivate people. But they will always remain state bureaucrats exercising monopolistic power in the name of the state.”

As to my personal view for or against bureaucrats, my position has always been clear. Both my father and mother came from families of bureaucrats. I thoroughly understand the strategic role bureaucrats play in the formation and development of nation-states. I have no doubts about the crucial importance of the state, not only in securing property rights but also in protecting civil and social rights and in promoting economic growth and international competitiveness. I would never have been appointed to the position of minister of Federal Administration if I thought differently. In fact, even though I am a critic of capitalism and market failures, this does not mean that I am against business or business managers themselves. By the same token, although I may be a critic of bureaucracy and many forms of state intervention, this does not mean I am against state officials as such. Both business managers and state officials perform necessary roles in society. At any rate, there was much questioning of my position during the first year of the reform, given my personal experience in the business sector and the permanent accusation of neoliberalism made by the opposition parties against the Cardoso administration. However, I had no difficulty in debating this question candidly with everybody, anywhere. And although my answers did not always persuade my audience, I know I always surprised them.

My most powerful persuasion tool was the *Plano Diretor* itself. Every time I was able to present it — and I did this as many times as I could — the response from civil servants was positive if not enthusiastic. I remember when I first presented the Plan in the Câmara da Reforma do Estado. Martus Tavares, one of the more respected civil servants working for the Planning Ministry in Brazil, said then that this was the first fully integrated and modern proposal for reforming public administration in the country. Antonio Anastasia, executive-secretary in the Labor Ministry, reacted similarly and became deeply involved in the reform’s design, particularly in judicial aspects of the law responsible for creating social organizations, despite the enormous responsibilities he had in his own ministry.

Besides debating and striving to persuade senior civil servants, however, I took concrete measures to obtain their support. As previously mentioned, I gave special treatment to the issue of state careers involving the use of state power, including legal defense, tax collection, auditing, law enforcement, diplomacy, and policymaking. Officials in these careers were poorly paid compared with rank and file civil servants who receive around 50-percent above market salaries. Salaries for most state careers were lower than the pay for similar jobs in the private sector. Thus, although general pay raises were suspended in 1995, I obtained several salary increases for specific careers. These increases were smaller than I expected, given the fiscal constraints, but the increases at least signaled an alliance. In addition, I realized that entrance examinations for state careers were irregular and ad hoc. Some state careers had not been recruiting new members for several years. When an entrance examination was held, the names of

many candidates who passed simply were placed on a long waiting list for several years. I completely changed all those practices. Instead, we scheduled entrance examinations for all state careers for the next three years, providing precise dates, exam contents, and number of vacancies available. As a result, state careers count more now, and these new recruitment procedures provide a steady supply of new members to replace retirees. The reform package thus demonstrated the value of the civil service in concrete and visible terms.

## **THE BATTLE IN CONGRESS**

Although we had a good design for the reform, had been successful in persuading public opinion and the political elites, and had been able to make alliances with governors, mayors, businesspeople, and senior civil servants, I knew that the real challenge would come in Congress. As mentioned previously, it took two and one-half years in Congress for the reform to be approved. Administrative reform stalled initially because the social security reform, which was presented earlier, took precedence. In 1997, only when it became clear that there was much more of a consensus on public administration reform than on social security reform, was administrative reform given the go-ahead. Delays also resulted from the formal process of obtaining approval for a constitutional amendment, which in Brazil is extremely complex and time-consuming. The most time-consuming part of the process, though, was to convert the persuasion process and the alliances that were taking shape in society into effective support of politicians in Congress.

Generating support in Congress was not an easy task. Among political scientists in Brazil, there is an intellectual debate that is as interesting as it is misleading. On one side is the dominant view that governability is obstructed by the party system and the electoral system (proportional vote with open lists), which do not produce clear majorities. Add to this a detailed constitution and a three-eighths majority required to reform each article, and it becomes even clearer how difficult it is to reform basic institutions in Brazil. On the other side, Argelina Figueiredo and Fernando Limongi (1994 and 1995) recently challenged this view and presented an impressive amount of data demonstrating, first, that presidents are usually successful in passing in Congress the legislation they need, and, second, that the political system is not as fragmented as it is said to be, because the voting follows party lines reasonably well, and party lines, in turn, correspond broadly to left-right ideological cleavages.

When considering the great number of laws before Congress, most of them ordinary, probably Figueiredo and Limongi are correct. But when it is a question of a constitutional amendment that affects the interests of many, eliminates privileges, and allows for transferences of resources, the fragmentation theory applies. Public management reform was institutionalized in Britain through a few “white papers” and only one piece of legislation that easily passed in the British Parliament. In contrast, in Brazil, where the government may have, as Cardoso’s had, a comfortable majority, approving a controversial constitutional amendment is extremely difficult. The majority comprises a heterogeneous and undisciplined coalition of parties, so that, besides the work required to gain public approval, it is also necessary to make compromises and to establish internal alliances within the Congress. We did both of these things.



The major compromise we had to make was on redundancy dismissals. I preferred a more open mandate on this issue for all the executive branches of the three levels of government (federal, state, and municipal), but this proved unfeasible. I had to concede in the reform legislation that redundancy dismissals would only occur when expenditures on personnel exceeded 60 percent of total revenues. There was already a constitutional provision establishing this limit, but the executive branch did not dispose of the means to comply because tenure was fully guaranteed. With the approval of the administrative reform, this unrestricted right to tenure was broken down, but redundancy was defined as an excess of expenditures (the 60 percent figure) instead of an excess of personnel.

The most significant internal alliance I made in Congress was with the representatives from those states that were previously federal territories. These states have a large, disproportionate number of representatives in Congress, and, since 1988, some of these new states have civil servants who are paid by the federal government. According to the 1988 Constitution, all civil servants of the former territories who were active employees on the day the Constitution was promulgated (October 3, 1988) should become statutory federal employees paid by the federal government, even though they may be working in the new state governments. Implementing this provision proved difficult, especially determining exactly who was active on that day. Around 1,000 employees were left in a gray area and were permanently threatened with dismissal.

Auditors at the Tribunal de Contas, the external control body of Congress, often asked for such dismissals, but they never happened, either because the civil servants were necessary or because the opposition in the legislatures of the new states to such a move was strong. When I came to office in January 1995, a chronic conflict characterized relations between my ministry (responsible for controlling and firing civil servants in the former federal territories) and the respective members of the House of Representatives from the new states. Bureaucratic officials in my ministry wanted to fire people only for legal reasons, not because they were convinced that the employees were clearly redundant. I decided to change all this by regularizing the legal situation of the civil servants who were in the gray area. Thus, an agreement was reached on the matter, and from then on I could count on additional votes in Congress.

## CONCLUSION

The passage of the constitutional amendment reforming Brazil's public administration, combined with the support of public opinion and the senior bureaucracy for the main institutions and policies in the *Plano Diretor da Reforma do Aparelho do Estado*, add up to a success story. The success resulted from a clear and innovative design, a national democratic debate through which public opinion was persuaded and additional inputs for reform design were secured. Support was secured from the public and members of the senior civil service. Strategic political alliances were made with governors and mayors, and agreements and compromises were made with members of Congress.<sup>15</sup>

The successful passage of the amendment coincides with two rules I have established for myself when working in government: first, when you have a good cause, do not be afraid but work for it even if it means risking your political future, and, second, when you have a clear argument, never give up, regardless of the obstacles and difficulties. My experience in the Ministry of Federal Administration and Reform of the State in the first Cardoso administration was the most rewarding public experience I have ever had. While in this position, I was able to introduce a new theme in the political agenda of the country. I also was able to present a project — public management reform — and have it approved by Congress and by the more relevant group that would implement it: senior civil service. In addition, I was able to give a thrust to these new ideas at a regional level. After three years as president of the Latin American Center of Administration for Development (Centro Latinoamericano de Administración para el Desarrollo — CLAD), a small multilateral organization based in Caracas and devoted to public administration issues, I was able to persuade its board of directors, formed by the member countries' ministers of administration, to approve a document formally recommending the adoption of public management reform (CLAD 1998).

I know that there is much yet to be done in the area of administrative reform, but as re-elected President Cardoso told me in December 1998, when he was forming his new cabinet and invited me to be his minister of Science and Technology, “All of the essential work that needed to be done in administrative reform already has been done.” I welcomed President Cardoso's comment, but one should not take lightly the problem of implementing the reform. This process of implementation had merely begun in 1998. Much remains to be done in this area, and the president was well aware of this. In fact, to make this implementation more effective and following a recommendation I strongly supported, the Ministry of Federal Administration and Reform of the State has been merged with the Planning Ministry. The new ministry is now called the Budget and Management Ministry (Ministério do Orçamento e Gestão). This merger will tie the budget to the public management reform and make it more effective and rapid, which is already happening. The government's overall Multiyear Plan (*Plano Plurianual* — PPA) adopted a strongly managerial orientation. In the first four years of the Cardoso administration, the implementation of the reform depended solely on persuasion; in the second four years, persuasion will be coupled with executive authority.

In the implementation process, one major challenge is to involve rank and file civil servants. In this area, I faced enormous difficulties from my first day in office, when CUT's president refused my invitation to talk. The union that represents these civil servants in Brasilia, the Union of Federal Civil Servants (Sindicato dos Servidores Públicos Federais — SINDISEP), adopted from the start an extremely aggressive attitude. In July 1995, the union paid for billboard and TV commercials saying: “Bresser wants to erase the civil service. He wants to abolish public health and public education and transform the state into a police state.” I was indignant. Nothing was further from my convictions and personal history. I spoke several times with CUT representatives in an effort to establish a dialogue. I candidly discussed my ideas and constraints, but there was obviously no common ground. Yet, I did not give up. And, to my surprise, the mood

was entirely different when, in December 1998, in one of my last audiences in the Ministry of Federal Administration and Reform of the State, I received the newly elected directors of the union (CUT members, but representing internal opposition). This time, the conversation was more than courteous: although marking their differences, union members demonstrated interest in knowing more about managerial reform. I left the meeting contented because there was finally common ground shared by the rank and file civil service unions. Jürgen Habermas' proposal of a communicative action or a deliberative democracy started to be a possibility, and there is nothing more important to the advance of democracy than that.<sup>16</sup> There is now a possibility that civil servants will also participate in the reform.

In conclusion, public management reform is only beginning in Brazil. The reform was begun because the basic institutions necessary for it were approved. Yet, implementation of the reform process will take years. It was my privilege to lead this reform between 1995 and 1998, as a member of the Cardoso administration – a fascinating experience, reforming the state and particularly public administration in my country. It is my hope that in writing this chapter, my reflections will help future reformers increase state capacity and make civil servants autonomous as well as more accountable and effective in securing the public interest.

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## NOTES

<sup>1</sup>Administrative reform was part of the second generation of reforms, together with social security and tax reform. Trade liberalization and privatization, which received momentum in the early 1990s, constituted the first generation of reforms. Trade liberalization was completed in 1993. While privatization of competitive industries was completed in 1996, already under the Cardoso administration, privatization reforms of monopolistic or quasi-monopolistic utilities (energy, communications, railroads, and ports) continued throughout the 1990s.

<sup>2</sup>For a brief summary of Max Weber's work, see Note 2, Chapter Two, in this volume.

<sup>3</sup>The *Plano Diretor* (MARE 4995) was published as a *White Paper on the Reform of the State Apparatus* by the Ministry of Federal Administration and Reform of the State (Ministério da Administração Federal e Reforma do Estado – MARE) in Portuguese, Spanish, and English. For more on the 1995 Managerial Reform, see also, in English, Luiz Carlos Bresser-Pereira (1997, 1998, 1999b, 2000, and 2001). In Portuguese and Spanish, the main references are *Reforma do Estado para a Cidadania* (Bresser-Pereira 1998), and Luiz Carlos Bresser-Pereira and Nuria Cunill Grau, eds. (1999). In Portuguese, see Vera Petrucci and Letícia Schwarz, eds, 1999. In addition, substantial information and documents are available at <<http://www.bresserpereira.org.br>>.

<sup>4</sup>For more on the study of opinion leaders, see Instituto de Estudos Políticos, 1997, *Os Formadores de opinião no país e a Reforma do Estado* (Brasília: Instituto Brasileiro de Estudos Políticos).

<sup>5</sup>For more on the survey of intermediate officials, see ENAP 1998. There are seven levels of “commissioned positions” and correspondent bonus pay levels in the federal government, starting from DAS- 110 DAS-6 and DAS Special. Senior civil servants in Brazil usually have at least a DAS-5. The DAS Special is reserved for vice-ministers. Civil servants with a DAS-4 position constitute the intermediate civil service in Brazil.

<sup>6</sup>According to the *Plano Diretor*, exclusive state activities involving the use of state power should be performed by the policy-making secretaries and the executive agencies, while the social and scientific services, particularly education and health care, increasingly should be the responsibility of a social organization – a special type of nonprofit or third sector organization whose funds come mostly from the state.

<sup>7</sup>See Luiz Carlos Bresser-Pereira, 2002, “Citizenship and *Res Pública*: The Emergence of Republican Rights” *Citizenship Studies* 6 (2) July 2002.

<sup>8</sup>The career of *gestores* (state managers) was actually created in 1989, following a bureaucratic model. In 1995, I decided to reestablish yearly public competition for state managers and all other state careers. Actually, the new state managers formed by the ENAP gradually became the reform's most active defenders.

<sup>9</sup>The Cruzado Plan froze all prices in 1986. After one year of populist euphoria, the Plan ended in depleted foreign reserves, high inflation, and the bankruptcy of numerous business enterprises.

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<sup>10</sup> Regarding my time in the Finance Ministry, see Bresser-Pereira (1999a). I left the Finance Ministry some months after the crisis in December 1987, because I was not able to implement the fiscal adjustment that was so badly needed at the time. Yet, 14 months later, the Brady Plan adopted my two main proposals for the debt crisis: securitization and relative de-linkage in all of the negotiations between the International Monetary Fund (IMF) and commercial banks. The Brady Plan was created by United States Treasury Department Secretary Nicholas F. Brady in 1989 to deal with debt in developing countries. In order to help countries emerge from their debt crises, the strategy made debt and debt service reduction contingent on the willingness of those countries to implement substantial economic reform programs.

<sup>11</sup> All of this data is available in the monthly *Boletim Estatístico*, published since 1995 by the Secretaria de Recursos Humanos.

<sup>12</sup> The British consultant group was headed by Kate Jenkins. She and Secretary of State Reform, Angela Santana; who served with me, played a major role in the general design of the reform.

<sup>13</sup> Speaking of diligence, the sort of help I received from my law consultant, Paulo Modesto, during this writing process was priceless.

<sup>14</sup> I am using the expression “patrimonialist” to identify the political practices that mixed up the private and the public patrimony in an individual or family base, and I use the expression “corporatist” to name the same practice in an organized or associative group. I also distinguish corporatist from corporatist practices, in the sense that corporatist refers to the modern social-democratic state, whereas capital-labor relations are politically negotiated and involve active government intermediation.

<sup>15</sup> Regarding my role in this process, I share Marcus André Melo’s view, as expressed in Chapter Eight in this volume.

<sup>16</sup> See Jürgen Habermas, 1984, *The Theory of Communicative Action*, volumes I and II. (Boston: Beacon Press. Originally published in German, 1981).

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