

# ***Toward a Civil Service in Mexico: Advantages and Perils of the Current Proposal under Discussion*** \*\*\*

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Last September, the Mexican Chamber of Senators discussed two civil service projects: one from the PRI (Institutional Revolutionary Party) and the other from the party currently in power, the PAN (National Action Party). These projects have enjoyed support from the Presidency and the Civil Service Unit of the Finance (SHCP) and the Comptroller (SECODAM) secretaries.

In past weeks, this chamber unanimously approved a combination of these two proposals, and sent it to the Lower Chamber for discussion and approval.

For a country in democratic transformation, the creation of a civil service is a major change, as well as a major development for the management of its administrative apparatus. In other words, this should be good news for the Mexican society that at last it will have a professional and accountable bureaucracy. This might be true. However, I am personally not so optimistic about this. I'll try to explain why.

The project under discussion does not clarify the reason for creating the civil service. The assumption seems to be that a meritocratic system, centralized and based on performance evaluation will transform Mexican bureaucracy. I won't discuss the reasons Mexico needs a better bureaucracy. However, it is unclear why we really need a civil service and how we must be prepared to pay its costs. A civil service is basically a political institution created to avoid a spoils system. It is a political institution that is not free of social costs.

A civil service then is a political institution created to protect bureaucracies from being manipulated by elected politicians. The need for neutral bureaucracies is important since a democratic system might suffer from bureaucracies that only respond to the political agendas of the politicians in turn. To legislators and society in a democratic setting, assuring that bureaucracies respond not only to elected politicians while protecting long term policies is essential. However, this system, created to avoid systems of spoils, creates a centralized and political institution, usually very attached to rigid rules (for hiring, for promoting, for separating a civil servant). The system is not created to make government automatically more efficient. Actually it is created to avoid the social costs of having politicians manipulating with impunity the bureaucratic structure.

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The Mexican administrative system was not exactly a spoils system. Actually, it was a semi-formal process of professionalization of bureaucracies, while at the same time kept them very attached and loyal to the executive power. Since there was only one party in power for 70 years, Mexican bureaucracy was manipulated by the same political group for decades.

A typical bureaucrat was either a "base" bureaucrat or one of "confidence." The first one attached to lower levels in offices, while belonging to powerful unions. They enjoy permanent contracts and are very hard to fire. The "confidence" group might be part of higher levels of decision-making, with better salaries, but without a "labor" contract, just an "administrative" one. Having a very peculiar interpretation of Mexican labor laws, they can be fired at will without costs for the apparatus.

Usually, once fired, they were able to find another position within bureaucracies rather quickly. This kept Mexican bureaucracies hardly accountable to society and Congress (also dominated by the PRI), but was a strange and somewhat effective and flexible way of professionalization of the administrative apparatus. It kept this part of bureaucracy (the medium and high levels) highly controlled, flexibly managed and very loyal to the policy in turn.

I want to be clear now: I'm not defending the old system of administration, related to an undemocratic party and an authoritarian political system. But I want to make clear the historical evolution of Mexican bureaucracy in order to understand the kind of civil service we should be building.

The lack of clear definition in the current project of civil service discussed in Congress regarding the costs and benefits of implementing a centralized, rigid and meritocratic system of managing public resources might endanger the creation of an effective civil service for the conditions of our country. This project, having an unclear definition for its conception, will possibly create a new problem: a very rigid, protected and enormous bureaucracy, able to protect their own agenda from influence, not only by Congress and society, but even by the executive.

In this sense, the current project under discussion presumes two ideas that deserve to be carefully analyzed. The first is that a meritocratic system will automatically create stable bureaucracies that will quickly endorse the evaluation of performance as the basic mechanism for people keeping their jobs. The second is that a centralized system of management for the civil service system is the only alternative to create and control it.

People seem overconfident in the meritocratic system. The project under discussion creates a system where a civil servant, once evaluated positively, gets a position in bureaucracy and cannot be fired except for legal reasons, some of which are based on systematic evaluations of performance. It also defines a series of processes to be followed to move to other positions (vertically or horizontally).

There are no reasons to assume that this complex process for hiring, moving and firing people in a system composed of about 500,000 people (only in federal central government) will need rigid structures and rules in order to be manageable, transparent and legal. The most probable outcome, as has happened in almost any country, is that the civil service system will create a powerful shield for bureaucracy as a group. We will win a more autonomous bureaucracy, more stable, and perhaps a bit more professional. But we need to be aware that we are creating a new political institution, one that will protect bureaucracies, generating a very complex and expensive system that will be slow and hard to change once in motion.

In any case, the system should be implemented only after there is a very deliberate process of defining what positions, persons and capacities are really needed. A deliberate process of downsizing should be part of the process if we want to avoid higher costs of the

rigidity attached to any civil service system. Until now, it is unclear that this process of downsizing and clear definition of the reasons to implement the civil service is going to be part of the process. It seems like we are too optimistic regarding the rhetoric that comes with meritocratic civil services. We need to identify how we are going to reduce the inevitable costs attached to civil service's rigid procedures, over protection of bureaucracies, incapacity for change and evolve rapidly to the organizational need of public administration.

Centralization is a problem. The project under discussion will attach the civil service to the Comptroller secretary (SECODAM), with a change of name: the Secretary of the Public Function. SECODAM is famous (infamous actually) for being a rigid secretary more aware of controlling by rigid procedures than creating systems for efficient public administration. Created originally to fight against corruption in the 80s, this secretary has been in charge of creating an impressive set of detailed rules that tie the hands of any decision-maker in order to avoid corruption.

Within the public sector, SECODAM is a synonym for rigid (and sometimes Kafkaesque) rules that destroy any possibility of being innovative or making smart decisions. The general structure of the civil service defined in the project assumes the creation of a centralized system to design, control and supervise the whole system. This secretary with a new name will have in its hand the decision of which positions are needed, now and in the future, in the entire federal public sector. Any other secretary will need the approval of this new secretary in order to define its personnel needs or to define its technical and professional needs. Secretaries will also need approval to change any policy regarding its personnel according to the evolution of its needs. We can expect that the new secretary will use its current organizational culture, creating an enormous set of rules to manage the civil service.

It is unclear that the only option we have to create a civil service needs to be a centralized system. It is unclear that the only option we have is to naively assume that a meritocratic system is enough protection to avoid the creation of a rigid and overprotected bureaucracy. I am not sure that the current project calculates the importance of first shaking the current system, downsizing it, analyzing the different needs of different secretaries, assuming that it would be foolish to create a system just embedding it in the current apparatus.

It is easy to foresee that the system applied without these processes will rapidly become rigid, hard to manage and expensive. The centralization of the system in one secretary, a secretary famous for its rigidity, assuming that the needs of personnel management are the same in all secretaries is clearly dangerous. To think that a centralized system will be able to create flexible rules for developing solid personnel policies able to deal with the complex duties of a modern government is clearly erroneous.

In practice, given the current conditions of the Mexican public apparatus, the probabilities are high that this will be a very expensive system, where evaluations hardly permit the firing of inefficient bureaucrats, where the movements of bureaucrats to better positions are permanent and fast, where the system creates rights for better positions and salaries without having clear evidence that the public organizations perform better and more productively.

The creation of the civil service is a political cost any democracy needs to pay in order to avoid the spoils system. I agree with that. I am sure also that in organizational terms, the civil service is an anachronism. In a world where decentralization of decision-making is fundamental to deal with complexity, to create centralized sets of rules that will define the organizational dynamics of huge parts of government is clearly against the organizational trends for more flexibility, multiple centers of power, devolving faculties to decision-makers, and decentralization.

However it is true also that we do not have a clear alternative: to have unaccountable bureaucracies, trapped by political interests and organized through a spoils system would be

very costly, more costly than enduring a rigid civil service system. However, this does not mean we have to accept that the only option is to create a rigid, centralized, over protected and expensive system.

First, we need to accept that a civil service is costly, politically and socially. We need to be aware we are creating a political institution, created to be rigid in order to avoid a major cost: a spoils system. The civil service is organizationally an anachronism, but we do not have another option... yet. It is good news that Mexico will have a civil service. It is very probable that the Lower Chamber will approve the current law project. The law defines a 6-month period to create the particular and procedural rules to implement the system. These 6 months beginning probably in January 2003 will be critical to redefine some important things and avoid the building of a rigid and protected bureaucracy.

We need to think practically how to create a credible, stable, legal, civil service that at the same time might be more decentralized, less rigid, able to evolve and change, highly supervised by society. Impossible? It is worth the effort.