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This is Rushda Majeed on Sept. 18, 2010 in Brasilia, Brazil. I am with Humberto Falcao Martins, who is the managing director of the Instituto Publix. He was involved in the civil service reform of the 1990s, and we will get his perspective on some of the reform efforts of that time.

Humberto, can you tell me a little bit about what you do now and the experiences that brought you to this position?

Now I run an institute which does research and consulting and corporate education on public management, particularly related to results-oriented management. We have developed some specific models where we have been testing and implementing this is many public organizations at the federal level, state level, and municipalities in Brazil and also abroad. My role as the managing director is to lead the team to develop some solutions regarding research and learning and consulting and also supervising some consulting projects, research projects and learning and education programs. That's basically what I do.

How were you involved in the reform efforts in 1995 under the first (Fernando Henrique) Cardoso administration?

I'd say I had two involvements. First, when the reform began, when the Cardoso administration began, I was working at the presidency, in the Secretariat for Strategic Affairs. There was an undersecretariat devoted to trying to make some strategic management at the highest governmental level. That was an attempt to substitute the traditional competence of the Ministry of Planning, which had decayed over the years. This undersecretariat was devoted to trying to rescue the concept of strategic planning in the government, because the so-called strategic management under the planning ministry had become very bureaucratized because of budgeting issues. So that was an attempt to try to look ahead to the future and try to make something like a national strategic plan. I was working on that team.

I was a kind of sectoral specialist on state and institutional issues. So the secretary of strategic affairs had the status of minister and was part of the first group of ministers which was invited to react to the first draft of the state reform plan. So the minister asked me for an analysis of that document.

The minister's name was?

The minister at that time is now the director-manager of the telecommunications regulatory agency in Brazil. He had to have a meeting with the president and other ministers to show his reactions, and he asked me for an analysis of that document. So I read it. I became very much impressed with the propositions.

This was coming out of which ministry, that particular document?

The ministry of state reform.

You weren't involved directly in the ministry at that time?

I wasn't involved directly. That was my first contact with that ministry. Like everyone else, at first glance I was very skeptical about the proposition. There were rumors of propositions through the media and through informal communications inside the bureaucracy. So when I got the draft and read it and made an analysis of the document, I was both very impressed, surely, and at the same time fascinated—and at the same time horrified with some specific issues.
MAJEED: What were the details? Can you give me a little bit of what was in the plan?

MARTINS: I was very enchanted about the propositions, because there were specific good propositions. The state reform movement in Brazil—I think you must know the background of this specific reform. There were very cyclical movements of trying to build up a bureaucratic order, bureaucratic organizations, as a means to set up the very genuine concept of a legal state and also a social state, mainly after the 1988 constitution.

That was cyclical, because the relationship between politics and administration were very disappointing. We only got to develop the bureaucratic order in a very Weberian way, as in rules that are impersonal, general rules, or management led by rules. But only in nondemocratic regimes. When Brazil experienced some democratization periods, all this bureaucratic rationality came down. So the challenging thing at that moment was to try to rescue this bureaucratic rationality in a democratic regime.

Suddenly, the document was somehow saying it is not the bureaucratic order anymore, it is the post-bureaucratic order. So what is it? Is it really post-bureaucratic? Or is it neo-bureaucratic? What is it going to be, with the continuation of the process of nation building, state building in Brazil? So I had a lot of questions about that.

But at the same time, in 1995, all this new public-management talk was just emerging. There were a lot of reactions, mainly in the United States for example—the academy reacted very, very strongly against the new public management. I remember very well I had just finished my master's dissertation at that time and I had access to a lot of American literature about state reform and public administration. The reaction was enormous, and perhaps a conservative reaction from the old politics-and-administration dichotomy perspective.

I thought that the proposition, the state reform plan, was very challenging. The first question was: Yes, all this new management technology is very important and may help, but it depends on how it is going to be used. It should not be used in a way to deny or oppose the very bureaucratic ideal of setting up a public administration which is based on the rule—. Not on spoil systems, patronage or other kinds of dangerous interferences from the politics.

MAJEED: What were some of the proposals in that context?

MARTINS: The main proposal was the classic as Minister (Luiz Carlos) Bresser-Pereira had set it up in the state reform plan—the division of the state activities into four groups. As you must know, the first one is the classic—the strategic core. The second one is the exclusive activities which should be performed by public organizations, state organizations. Then the nonexclusive activities that should be performed through partnerships with NGOs (nongovernment organizations) and social organizations. And the fourth group: the market-oriented production of goods and services, which should be performed by state-owned enterprises. That was very interesting, this model of trying to imagine or propose different organizational arrangements to different kinds of state’s activities. That was really very interesting.

MAJEED: Based on your experience, where were some of these motivations for reform coming from? Was there public demand at that time? What was the impetus for public administration reform of Brazil at that time?
MARTINS: No public demand. What happened is—history is very curious. Why did Bresser-Pereira become a minister? He wanted to be the foreign-relations minister. He is a very close friend to the president, an old, very well-reputed partisan friend to the president. In the last minute of the formation of the top government team, the president said, “Look, I can offer you the ministry of—.” Actually, it was not a ministry at that time, it was a secretariat, which means some kind of second-class minister. “I can offer you the Secretariat of Federal Administration.” Bresser—I don’t know if he told you all this story—said, “OK, that’s fine. Let’s make it a ministry; let’s upgrade the Secretariat of Federal Administration into a Ministry of State Reform and Public Administration.” It’s more pompous, you know. The president agreed, and he became this minister of state reform.

Now you had to have an agenda, you have to work, you have to do something. Bresser is an incredible human being. He is—how can I put it?—he is anxious all the time. He is a factory of ideas. He said to me many times, “What am I going to do now? What am I going to invent now?” He had been the minister of finance many years before, in the (José) Sarney government. Curiously, he was one of the first ministers of finance who not only had management knowledge, but had managerial imagination—if I can try to steal the concept from social-arts imagination to managerial imagination. He was, I think, the only minister of finance who said that macroeconomics and microeconomics will not solve the problem of public finance; we have to have a managerial approach. Many years ago he said that, and he felt that. But he didn’t know exactly what that meant at the time.

So now he had the concrete opportunity to try to set up what that was and put it into practice. So he started looking for the state-of-the-art literature, the discussion, etc. He, as a professor, hired very interesting people to be part of his team. He tried to be wired with the current literature. He went to seminars. Perhaps at that time he went to England to look for help. I know, he read the (Ted) Gaebler and (David) Osborne Reinventing the State, (Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector).

He became very impressed, and he said, “I want to talk to these guys.” And he did it. They came here to talk to Bresser, to do some consulting. As he realized that the United Kingdom was the benchmark case, he went there and asked for help with the British corporations and he got some aid on that. He set up an agreement with the British Council here. They sent consultants here. Kate Jenkins, who worked with Margaret Thatcher, came down here to assist him and his team. That’s how the thing had begun. I forgot your question.

MAJEED: I was asking about the impetus for reform, the motivation.

MARTINS: Yes, the motivation. The government didn’t have any vision about public-management reform. I interviewed the President myself when I was writing my Ph.D. dissertation. Angela Santana and I—she must have mentioned this to you yesterday, didn’t she? We interviewed the president, many years ago. At the end of the Cardoso era, at the end of his second term, he said, “That was not an issue; I was not worried about that. For me, the state building was almost done. There should be some differentiation to the public enterprises, because they had to produce goods and services almost just like the private enterprises. The rest should be treated the same way as traditional public bureaucracy, subject to the same rules, procedures, standards, etc.”
He didn’t envisage the need for public-management reform. For him, what should perform better in the bureaucracy was the Central Bank, the Ministry of Finance—and that was traditionally some kind of excellence island in the public bureaucracy. So there was nothing to worry about that.

Well, Bresser came up with this story of public management—managerial revolution, public-management plan. “OK, he’s my friend. If he wants to carry on these things, let him do his job. I will not oppose, but I will not raise the flag of managerial reform.” That was the president’s point of view. Well, let’s not mention the Congress. The Congress was not at all interested in any kind of public-management reform, because a Brazilian coalition presidency, as you must know, is based on the predation of the formation of government coalition.

But what does it mean in very practical terms as far as public management is concerned? It means the possibility of all these allied parties, part of the coalition, occupying their part, their tranche of the federal administration to do whatever they want. The last thing they want is bureaucratic rationality. They want to get appropriated—we’re talking about predation, that’s all. They wouldn’t be interested in any kind of public-management reform.

Society? Well, very few voices saying very few things, with very low volume and transparency. At the time, it was very weak—it is weak today also, but it is a little stronger than 10, 15 years ago. But at that time, no voices were heard about that. The citizens are unsatisfied with the standards of public services—that was not the case in Brazil. What happens? Two things. Very curious. First, the population that doesn’t have access to basic public services—I’m talking about health services, education basically—escape to the private market. They contract with private health plans and also private education. They give up; they don’t fight for their rights. Those who can pay, they pay. Those who cannot pay become curiously very satisfied with the little these services give to them or increase.

In the Cardoso era, there was research on public-service satisfaction as perceived by citizens. And 71 or 76 percent. I don’t remember, were very satisfied with a very low, very poor standard of public service. What does that mean? They didn’t have anything. When the state began to increase—and to give them a very poor standard of public service—they became very satisfied. So that’s how the citizen is dealing with this quality thing. Perhaps for the future I think this is going to change because the C class in Brazil is growing and they will demand more from the state in the near future, but that’s not the case until now.

No president, no Congress, no public opinion or society—so who? Bresser himself. What has he done? He was, I think, fantastically quick to set up a plan, to set up a team. The Ministry of State Reform became operational very, very quickly.

MAJEEED: What was the time frame?

MARTINS: I think two or three months. That was very quick. He had some basic persons he trusted a lot, Angela and Claudia Costin—did you talk to Claudia? You should. Claudia was the vice minister, the executive secretary as we call it here. And Regina—did you talk to Regina Pacheco? Yes, Regina was the president of ENAP. She was a scholar at the same school as Bresser in Sao Paulo.
He knew people. He could hire these people very, very quickly and bring these people to Brasilia and start working; he was very quick with that. Well, that was in 1995.

MAJEED: How big was the team?

MARTINS: The main managerial positions—10, 12 people, a very small team but a very good one. What happened then? Well, he succeeded in drafting the plan. When I first saw the plan, I became very concerned about these things. In the broader perspective of state building, a lot of concerns arose. But in the perspective of the near future, and all these new improvements and new managerial technology, I became very enchanted with that plan. I made a decision when I read that: I’m going to work with Bresser. And I quit my job in the presidency and I went to work with him in MARE (Ministry of Administration and (State) Reform). It took me a whole year to move to MARE, because I went there to bring my CV and nobody talked to me. I became very disappointed.

Then I took an exam. One of the things Bresser was doing was revitalizing this career of public managers, specialists in public management and public policy. The same year they opened a public exam for this career. I took that and passed and I became one of them. My rank allowed me to choose where I wanted to work, and I decided I’m going to work at the Ministry of Federal Reform.

MAJEED: Were the examinations something that was started by Bresser-Pereira or had they happened before?

MARTINS: They had happened before, but a very interesting thing happened with this specific career. It was created in the Sâneý government with almost the same spirit. It’s a more horizontal career—people are not linked specifically to one kind of activity or public administration; there is a lot of mobility inside the federal government. The first people recruited to this career had a lot of trouble because the career was extinguished in the (Fernando) Collor government, and then was joined to another career like planning and budgeting specialists. After that, it became again a specific career.

When Bresser knew about these people, their stories, he became very interested in trying to work with them. He had recruited a lot of them to work; he liked the idea and revitalized it. He changed some specific rules of the career and put it forward to develop. He created a lot of exams during his administration at MARE.

After the turbulent initial period of this career, I took the first exam—actually it was the second exam of the career but the first of the new era of this career. That’s how I went to work. That was 1996, with Angela at the Secretariat of State Reform. That was preferred by Bresser, because the ministry had a lot of jokes about that, something like Jekyll and Hyde. There were two sides to this ministry.

The conservative one was the remains of the former federal administration secretariat, which is in fact, the remains of the old department of civil services back to the ’30s. There was a heritage of conservatism, formalism, etc. At the same time the Ministry of State Reform had another side that was the Secretariat of the State of the Reform—which was the opposite. It was the innovation, open-minded people. And of course the combination of these two different elements was very problematic in a lot of instances.

MAJEED: What were some of your responsibilities when you joined MARE?
MARTINS: When I joined, I went to work with the social-organizations team. Well, as I mentioned, the Secretariat of the Reform was, for Bresser, the essential of the ministry. And social organizations were the essential of the essential—were the minister’s favorite project. When I got there, the organizational climate was very bad, very tense, because things didn’t happen as they thought they would happen, they should happen. First of all, what Bresser had in mind was the general conception of social organizations. Nobody knew how to make it happen, what the implementation should be. It involved a lot of tricky and very difficult implementation issues—like “You should deactivate some public organizations and then you should transfer these activities to an NGO. And at the same time you should create an NGO and this creation should not be led by the state but by the people involved in these activities.”

There were a lot of legal issues and operational issues which were not at all clear at the moment. That caused a lot of stress in the team, and a lot of turnover also, because people simply didn’t know how to do it. At the same time, they had to make an operational plan—how to implement it—and had to run this plan, to effectively have some examples of this, to prove to the community that it works and it can be done and it can bring good results. And at the same time the one in charge of this program should also serve as a disseminator of the model, do a lot of conferences, and try to sell the model.

Which was very difficult, because the opposition of some bureaucratic cadres was very, very explicit and brave. That was not easy at all. When I got there, that was the situation.

MAJEED: You mentioned already some of the obstacles and challenges, but what were some of the specific challenges and who were the people opposing this? Which were the groups or the constituents that were opposing it?

MARTINS: It’s a very complex question. It has to do with some opposition in general and some opposition focused on social organizations’ implementation. So let’s go to the opposition in general. It is clear that this reform is the initiative of one minister trying to bring a new idea in and convince a lot of people. As a matter of fact, when the state reform plan was officially approved by the president, he said something very curious. He said, “OK, Minister Bresser, congratulations for this proposition. It’s pretty nice. But now you have to convince the government, the Congress and the society.” The president said that, clear and loud—almost literally as I’m saying.

Well, what do you do with such words? Should you leave, or should you stay? This is an example of the degree of difficulty that Bresser had, to convince the government, the Congress and the society. He worked and fought very hard to do that, in fact. The government was not convinced. We’re talking about barriers and impediments.

What happened? The most powerful ministers in the government were surely the minister of finance, Pedro Milan, and the minister of the civil cabinet, which now is involved with all the scandals. They are the most powerful ministers in Brazil. The minister of finance was concerned with only one thing: fiscal adjustment, nothing else. That’s curious, because when you take the United Kingdom, Australia—all the Westminster countries, like Canada, New Zealand etc.—their economists have a broadband mind. I don’t know why—perhaps they are not strictly neoclassical economists, monetarists, etc.; perhaps they are more institutionalist economists. But the case is that Brazilian economists—the top
economists of Brazil, who were in government at that time—didn’t have any concern at all about management, public-management issues.

Their model of fiscal adjustments was very limited: to cut down expenditures and put the fiscal demonstrations in the black, not in the red; to cut the deficit, cut the expenditures, whatever the social costs, whatever the cost related to benefits. If that involved a deterioration of public services or the loss of capacity of the whole administration to perform—well, that was not their problem. They were doing a very strictly focused, oriented work to cut down expenditures.

The public-management reform initiatives were seen by these economists with a lot of distrust, like “What do these guys want to do?” They want to press down the expenditures; all this performance talk should require some managerial investments. Also perhaps—the state should not be activist. They simply tried to boycott the initiatives of public-management reform.

The conversation was very hard, very difficult. Some occasions that I witnessed almost ended literally in fighting, with people screaming and offending each other. Very heavy; very disgusting conversations. Many, many times after some of these discussions, I intended to quit because it was not possible to carry out anything that way. Very heavy.

Some of the discussions involved secretaries and even the minister of finance. He didn’t believe in managerial reform—at all. For him that was rhetoric; that was not serious. All that mattered was fiscal adjustment. So they were against the reform. That was the first issue, first big obstacle. Well, abroad—in the United Kingdom, Australia, etc.—a lot of public-management reform happened for the sake of the fiscal adjustment, but our economists didn’t see it that way. The potential to gain efficiency and to improve public services, to cost less, to work better—they didn’t see it that way at all. And they dominated the president, because the president was all the time enchanted with his economic team. That was the first big obstacle.

The second big obstacle was inside the presidency. I mentioned the minister of the civil cabinet, but there was another minister inside the presidency, the general secretary of the presidency. Who were these men? The first one, the minister of the civil cabinet, was Clovis Carvalho. He is now in Sao Paulo—you should talk to him; he is a very interesting person. But he shared a very different vision about managerial reform. He came from the private sector—he was an executive—and to make some betterment of the public management, he had a microvision. Public-service improvement is at the micro level—remodeling, revising processes, at the level of the instruments, the managerial instruments, like project management, like process reviewing. He didn’t have a macro perspective, as Bresser had figured out—like the state and sectors of the state, different institutional levels.

For him, that was not serious, that was not important—that was typical stuff from a minister like Bresser, an academic minister with all this academic talk. That was rhetoric. One should take some instruments and apply those instruments, and that’s all—that was his perspective. And he had a very difficult personal relationship with Bresser; he offended him many times, publicly. I don’t know why—now he regrets it. I talked to him recently. But at that time their relationship was not good at all; it was very tense. There were fights, discussions—terrible.

The other very powerful minister inside the presidency was Eduardo Jorge. He was responsible for the political negotiations. He was a Ph.D. in public
administration, from Maxwell School, Syracuse. He had a square mind; he had a very narrow vision. He was a traditional bureaucrat. He didn’t believe in all this talk and evidence about post-bureaucratic administration. He said no, the bureaucratic model is all right—it is not exhausted; it should somehow be strengthened. This Bresser-Pereira talk about the post-bureaucratic is not serious. It’s things from the academic point of view.

So Bresser was isolated. How about the other ministers? Two very important ministers—the education minister and the health minister—shared some distrust, especially the education minister. Because I think initially Bresser made some mistakes when he announced the state reform plan. He was excessively loud and perhaps excessively imposing, like “Look, now we have a government plan on public management, and you have to adhere. So let me transform the public universities into social organizations.” And then the minister of education said, “Of course not. You don’t understand what a public university is. It is not going to become a social—forget it, good-bye. I have a lot of work to do.”

That’s what happened: reaction. I think that the way that he had related to a lot of ministers generated a lot of reaction instead of collaboration. There were exceptions, obviously, but in general that’s what happened. So the climate inside the government was not good at all. The government didn’t accept this plan. This was the major general barrier.

The Parliament didn’t accept, didn’t understand, was not interested in it. But as you know, in Brazil if you have good negotiations between the executive and the legislative, the legislative is very passive. It approves whatever is negotiated with the executive. So that was not a problem—convincing the legislature, because if there should be some important legal issues, as in the case of Constitutional Amendment 19, it was a negotiation between the executive and the legislature. It was not due to convincing the representatives or senators.

MAJEED: What about outside the government? Was there an effort, for example, to include civil servants or unions in some of the planning?

MARTINS: Oh yes—that was disastrous, because of the communication of the plan. It generated a lot of reaction. I think that the way Bresser addressed some important social segments, like unions and employment associations, etc.—I have witnessed some very tense debates on that. In one instance I was with Bresser, and we feared for our physical integrity—we had to run because the situation was getting very difficult.

This was in Sao Paulo during a kind of a Congress. The unions entered the room very aggressively; it was very terrible. They didn’t understand. They were opposed, because it was not clear for them whether their rights should be decreased or not.

In my view, there was a major problem of communication at the beginning of the reform. Bresser knows. He is aware of that today. I think, because since he left the ministry, he has spent the last 10 years trying to do that—trying to write, trying to talk, to go to the media to explain, to convince, etc. That is crucial, and that just was not well done at the beginning. One of the things that horrified me when I read the document was, it was almost technocratic. The first question I asked myself was, “Who wrote this?” Why wasn’t it an open discussion? I would have very much appreciated talking to these people and exchanging ideas and talking about these fascinating things. How did the government come up with this ready thing instantaneously?
If he had involved some more people in discussions, perhaps he would have had more acceptance of this.

MAJEED: Who should he have involved?

MARTINS: Senior managers at the public unions, I think. There is a line between participation and leadership which is very hard to see sometimes. If he had tried to draw a plan on a very wide discussion basis, it would never end. But the way it was done, I think, generated a lot of unnecessary reactions.

MAJEED: You mentioned a little bit about the legal complexities and operational difficulties.

MARTINS: Yes. That was another kind of difficulty. Brazil suffers a fatal disease called administrative law. It is a disgrace. Its very tenets are very antiquated, reactionary, old. It reminds of the time that administrative law was born to protect the state against the citizen and to protect the citizen against the state. We now live in an age of integration and very complex governance arrangements comprising multi-institutional networks, people, many different kinds of institutions like government, nonprofits, international organizations, etc. Administrative law has not evolved. It is traditional, it is the past, but it is law and it is very strong in Brazil.

It was very difficult to set up the mechanisms that allowed activities being performed by state organizations to be transferred to NGOs. There were a lot of details, like the assets, the people, the operational rules concerning procurement, human resources, financial management. A lot of discussions. To what extent should the management rules that apply to the state organization apply to the same activities that would run under nonprofits. A lot of discussion, a lot of critical issues. It took a lot of time and it should be part of an operational plan. How are we going to do it, which kinds of rules will we apply in each situation?

That’s what I did when I arrived there. So we succeeded in defining all these things and effectively creating the first social organizations.

MAJEED: Were there social organizations, the executive agencies, were there private projects that were implemented or was it targeted or was it a proposal to transform—?

MARTINS: Initially, the goals were very ambitious. At the beginning. We were talking about in one or two years to set up some 80 social organizations. When I arrived and saw the difficulties, I said, if we set up half a dozen that’s fantastic. That’s the new rule. I had a lot of support from the consultants, Kate Jenkins in particular. She was a good friend and adviser. She agreed with me.

MAJEED: She was a consultant to the ministry?

MARTINS: To the ministry, yes. She agreed. “It is more complicated than we thought at the beginning, so we’ve got to revise this goal. Six or seven, that’s OK.”

MAJEED: These were international consultants?

MARTINS: Yes.

MAJEED: From which countries?
MARTINS: From the U.K. She was quite prestigious and Bresser was very concerned with what Kate Jenkins was thinking about, the whole process. We worked together very closely and she agreed. So actually we did six—at that time we did three; the other three were created when Bresser was the minister of science and technology. But we succeeded in proving the concept—it works, it can be done. That was a very good thing.

MAJEED: What were some of the other proposals at that time? What were some of the other goals or some of the other targets?

MARTINS: The targets or the other projects?

MAJEED: The other projects.

MARTINS: There were projects that we called the strengthening of the executive core, which was to redesign the structures and to improve the process of all ministries. Very problematic, with some achievements—but at that time we were talking about perhaps 20 ministries, and I think it succeeded in two or three. But that was all right.

Another one was to gather some organizational information concerning managerial positions, structures, human resources, etc. That succeeded also, and became a system of organizational information. I think that’s all—in the secretariat of state reform, that’s all. There were other projects related to procurement, to human resource and information, and related to the payroll and other secretariats.

MAJEED: You had mentioned the constitutional amendment. What was the need for the constitutional amendment and how did that play out?

MARTINS: There was a discussion, at that time, because a lot of people thought we should not change the constitution, because it would raise a lot of dust and perhaps it would not be possible. But mainly the need to change the constitution was related to very structural issues in the civil service regime. First of all, trying to end up with the unique regime. You know the constitution, now it is back because the Supreme Court has actually understood that only one civil service regime has prevailed; there’s understanding. But that was an attempt to make possible that the federal government could have some different labor regimes, as the private sector has, which does not involve some issues regarding stability and some legal guarantees for not being fired, tenure rights and also regarding the retirement. The constitution should be changed for that.

Also, to allow people to be fired in the case of underperformance and in the case of what we call “excess of expenditure”—if the payroll exceeded some 60% of the government expenditure. But as I said, the Supreme Court has impeded this amendment’s full effect on the civil service regimes, and the possibility of firing people because of underperformance and this limit of expenditures have never become regulamentos.

MAJEED: During the 1998 constitutional revision, some of the proposals were passed, weren’t they?

MARTINS: No, I don’t think so.

MAJEED: So what were the proposals for the constitutional revision in terms of public administration?
MARTINS: There was another interesting thing—a very vague device in the constitution, Paragraph 8 of Article 37—that allowed public organizations to extend their range of autonomy in cases of signing management contracts with the public administration. But after all these years, what does this mean? Absolutely nothing, absolutely nothing. Or everything—it means anything that you want. It has never become a regulamento. It has been tried once in a while, here and there at state levels, but has had no effect on what was in mind at that moment. The proposition was to make possible the setting up of management contracts within government organizations. That was done in many states, but not at the federal level—except in the case of some regulatory agencies, which have something called management contract. But it has no effect in practice; it is just a rhetoric document. It doesn’t serve the purposes of managing by results.

MAJEED: Between 1995 and 1998, during the first Cardoso mandate, what do you think was accomplished by the ministry, by your team?

MARTINS: I think that a lot was accomplished. The main ingredient of the whole proposition of the management—as Bresser likes to refer to this, as the 1995 managerial reform—was its value as a proposition. At the beginning, we thought the implementation of this would occur in the same administration—in a few years. But at the end, we realized that it is a much more complex process. But it has to begin with one kind of proposition, in terms of paradigm shift. What Bresser has done is much more in terms of saying that the winds are blowing in another direction and you should listen to this and eventually go follow the wind in that direction. Then specifically we have come up with the concrete results at the period of time.

What happened after that? A lot of governments—state governments, municipalities—have heard this proposition and have been trying to implement that ever since. That was very important. The main indicators of the degree of the success of the managerial reform are definitely not the quantity of social organizations or executive agencies set up—definitely not. The achievement is of having made a proposition which makes sense, which is good and important for democracy and for the country. It took a lot of time for many stakeholders to hear that this way—stakeholders like politicians, bureaucrats, and civil society also.

Now I would say that there is a relative consensus that this is the direction to go. But a lot of people are trying to follow this—with a lot of success, also. The case of Minas Gerais is paradigmatic, fantastic.

MAJEED: How has it played out at the state level?

MARTINS: Very poorly, but Minas Gerais is an exception. Everybody is trying to do things here and there, but Minas was a fantastic case. It is interesting to say that after Bresser—. You know what happened, that the Ministry of Reform was extinguished, was joined to the Ministry of Planning. What did that finalize? Failure. Why? Because it is very common to find in the literature what happens to the teams when you merge organizations. The syndrome of conquerors, of losers and winners. So the Bresser team without Bresser—he became the minister of science and technology, but the team that remained in the ministry of state reform was the losers. And the team of the ministry of planning and budgeting was the winner. So the initiative, the proposal, was humiliated.

The person who was occupying the place of Angela, the equivalent to the Secretary of Reform, has changed its name to the Secretariat of Management.
The minister, Claudia Costin, who was against the state reform plan has nominated someone for that position.

What happened in the second Cardoso administration: The public-management proposal was defeated—at the federal level. Then the fiscal adjustment was fully implemented, because there were some very important turbulences at that time. There was the crisis in Asia, in Russia, etc. So what was expected to happen? It is going to die, but it didn’t die. What happened?

A lot of states became impressed with these concepts and tried to implement them. A movement was born, I’d say, of increasing the awareness, the need for this reform. Bresser fought very hard to make it more visible, this reform. I myself did the same thing, and many others also, to try to overcome this distrustful environment. Part of this distrustful environment was the feeling that we have passed the era of great reforms, so the best we can do is very fragmented things. The best we can do is very topical, almost surgical, very minimalistic—an incrementalist conception. Minas Gerais proved the opposite, that it is possible to implement Big Bang public-management reforms—a lot of different issues and programs and components of these reforms integrated together towards a more activist state, towards development results, etc.

Why did that happen? Executive leadership; the governor had managerial mind. Antonio [Indecipherable], who will now hopefully become the next governor of Minas Gerais. An exceptional man with exceptional managerial vision, an exceptional executive. Vision matters, you know; it’s essential. They were capable of bringing all kinds of different things together in an integrated model to set up a big movement of public-management reform—which succeeded.

That was essential to overcoming this “failure moment,” with a lot of people writing about permanent failure and distrust. It was depressing, the second Cardoso term, in terms of public-management reform.

MAJEEED: Was anything tried during the second Cardoso mandate in terms of public administrative reform? Was there any continuity from the first mandate?

MARTINS: Some continuity, but very little. Overall what I think happened was a fragmentation situation. I have written a lot about that. It is curious to say that Bresser’s public-management plan was not the only public-management reform movement in the Cardoso era. There were some more, at least five more.

In the realm of the public-management plan, actually I can see two different movements. One of them is very innovative, and it has to with the restructuring of the states, new models, social organizations, etc. The other component is a conservative one; it has to do with the management of support activities inside the state, which is pretty much different from the other one. One is to change the state profile of actuation, and the other one is more like traditional management or the provision of administrative services like human-resource management systems, like procurement and more instrumental things. They’re different visions inside the state-reform master plan.

Another movement, from another public-management policy jurisdiction technically speaking, was government planning. It involves the elaboration of the PPA (Plano Plurianual), the pluri-annual plan in Brazil. There were a lot of managerial innovations regarding the actualization of project-management approaches to this, trying to design the plan in the form of a portfolio of governmental programs and projects, and monitoring and evaluation and so on.
There was another component of public-management reform related to the setting up of regulatory agencies. It is another rationale; it is another dynamic of this component, totally different. It involves different reasons, different people. Another one was related to social management with a whole new different rationale from the first lady, Mrs. Cardoso, and some important managerial innovations like a model of partnership derived from the OS, the social organizations, named OSIP. It is almost equal to the social organizations, but it has not the weight of the state or the participation of the state in its councils, in its corporate governance structures as the social organizations.

And, last but not least, fiscal management. Some interesting improvements. So when we look to the Cardoso era I can see six different trajectories of public management, reforms or innovations. So what is the point? Fragmentation. They don’t talk to each other and to some extent they fight with each other. They all innovated, but in different, very separate compartments.

MAJEED: On that point, what do you think was accomplished in public administration after both the Cardoso mandates?

MARTINS: Well, a lot of innovation, I think. Regarding the master plan, a lot of innovations on human-resources management, on civil service, on the concept of civil service management, procurement—a lot of good things related to procurement. Some good things related to information technology. The experimental setting up of social organizations and executive agencies didn’t succeed at all. There was only one—and even at that time Bresser declared the project extinguished. It didn’t succeed at all, because it should have shifted to the conceptions of contractualization but it didn’t. And it didn’t, because it didn’t talk to the government-planning initiatives. It should be very closely tied to new conceptions of government planning, like identification, management by results, etc. It didn’t succeed.

Regarding some things related to project management, and monitoring and evaluation of governmental planning programs and what else? In the social-management trajectory led by the first lady, a lot of initiatives—which now the Lula administration has spread out as a lot of forms of participation and the creation of councils and lots of forums, etc.—began in the Cardoso era, but now it has been magnified.

And what else? On the fiscal-management level, some instruments of control in expenditures have been increased. But the point is, it should have been a lot more. Many more things should have been done.

MAJEED: Going back to the beginning, and I’ll come to that point later as well, the beginning of 1995, one of the things that we’re heard is that the ministry was able to produce massive amounts of data within the first few months. How was that accomplished in such a short amount of time?

MARTINS: I think the team was very much motivated with this new challenge of inventing some new things. The first months of all governments, people get more excited than at the end.

MAJEED: Right. Were there, in terms of training you had mentioned earlier that there were collaborations within some of the other schools to get training for public servants?
MARTINS: Yes, and I played an important role in that trying to disseminate the new tenets of the managerial reform, no doubt about that.

MAJEED: Considering how the reforms have gone and what you just said—that a lot could have been accomplished—do you think the right decisions were made? Or looking back, what could have been done differently?

MARTINS: It’s very difficult to comment on that, because I think there’s, frankly, the vision thing. When you don’t have it at the top—by the president, the main ministers—everything is very hard. It’s much harder because you have to deal with tactical and operational problems all the time, and a lot of successive difficulties and stumbling blocks which appear every day. When you don’t have the full understanding and support, it’s very hard.

All of that happened, in my opinion, because Bresser is a great man. And he decided to stay and to try hard to make all these ideas become real things. It’s a simple explanation; it’s an oversimplified explanation and even a subjective point of view because he is my friend, I like him, I admire him very much.

I have witnessed many moments when he was distressed and he was maltreated—and he decided to stay and to prove that this can be done. Somehow and somewhere in the future, it may happen and it should happen for the good of Brazil. He made a great stake with that.

MAJEED: On the same point, looking back, what went particularly well?

MARTINS: What worked well. There are many things that I have mentioned that have somehow continued. He gave an example, used by many states and now to be followed. The persistence to follow this direction, that’s the main thing I suppose.

MAJEED: Are there any aspects in the Brazilian context that relate to culture or traditions that you think are not transferable to other countries and other places in terms of civil-service reforms?

MARTINS: It’s a great discussion, you know. Perhaps. But most of all, I think that culture changes with experience, and it has been changing in Brazil. Somehow it must change more, in more different ways. But there are some characteristics, some values which make some implementations harder to do.

MAJEED: I have one final question, which is: If you were to write a handbook on civil-service reform, what are some of the topics you would consider most important. What would help you as a reformer?

MARTINS: That’s a good one. Well, I think that the alignment between the civil-service conception or framework and human-resource management to the strategic agenda of the government—I would shine a light on this. I would really pay more attention on it. To which extent is the whole human-resource management system aligned with the strategy? That is one of my current concerns.

MAJEED: Is there anything else you’d like to add?

MARTINS: No, I think that’s it. I wish you good luck. I am very curious about this research that you are carrying on.