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David Arellano Gault

MEXICAN PUBLIC SECTOR REFORM:
PATRIMONIALIST VALUES AND GOVERNMENTAL
ORGANISATIONAL CULTURE IN MEXICO

Abstract

The transformation of public or governmental organisations has become a strategic issue for the "modernisation" of Mexico, according to country's authorities. However, this "modernisation" project in public sector based on ideas stemming from the so-called New Public Management (NPM), is facing several dilemmas to be implemented successfully.

There is a cultural side of this story. A story where the historical understanding of power, control, and use of authority explains why, even if Mexico evolves towards a more institutionalised democracy, some of the managerial reforms would also fail to generate behavioural changes in public sector.

The main argument here is that in Mexico, the concepts of control and power are different from those embraced by countries that have generated the basic ideas of today's managerial reforms (USA and Commonwealth countries). Following the track of an old Mexican institution, as old as at least Colonial times, patrimonialism, we can understand the necessity of control of local or particular powers through a centralised one. In addition, patrimonialism generates a permanent tension between central and local powers. The paper defends that these are the basic platform for individual and group behaviour in countries like Mexico, generating particular organisational cultural and political behaviours.

Resumen

La transformación de las organizaciones gubernamentales es uno asunto estratégico del proceso de "modernización" del país. Sin embargo, este proyecto de "modernización" (con diversos supuestos ideológicos), basado en teorías en boga tales como la Nueva Gerencia Pública (NGP), está enfrentando diversos dilemas: simulación de cambio de comportamientos por parte de la burocracia en las organizaciones gubernamentales, escepticismo de la población respecto de la capacidad real de cambiar el sector público, y pérdida sistemática del *momentum* de la reforma.

Existe una arista cultural en esta historia. Una historia donde los mecanismos de comprensión del poder y el control, del uso de la autoridad explican porqué, aun si México evoluciona hacia una democracia institucionalizada, algunas de las reformas gerencialistas fallarían de todas maneras en generar cambios de comportamiento en el sector público.

Dando seguimiento a una vieja institución Mexicana (tan antigua como la Colonia), el patrimonialismo, podemos entender que la necesidad del control sobre realidades locales o poderes particulares a través de una lógica de poder centralizado, y la permanente tensión de éstas dos, son la plataforma básica del comportamiento individual y de grupo.

Public Modernisation: a Matter of Good Techniques? *

Several Mexican organisations have gone through an intense process of modernisation since 1982. Country's elite has bet for an open economy, competing and negotiating our incorporation to a "modern" global world using and advocating market rules as the bases for modernisation. However, this reform wave has not affected exclusively private organisations. The transformation of public or governmental organisations also has become a strategic issue for the "modernisation" of the country.

Public administration reform at federal, state, and sometimes municipal level, introduces re-engineering and TQM techniques, client–oriented procedures, and other managerial "avant garde" techniques (at the federal level there is a general reform project: Promap, 1995).

This "modernisation" project in the public sector has been clearly based on ideas stemming from the so-called New Public Management. As such, it has faced several challenges: simulation of behavioural changes by bureaucracy within governmental organisations, scepticism from the population regarding the capacity for real change in the public sector, and the systematic loss of momentum.

In other words, the initiative generates high hopes among the population and very rapidly became a boring and non-legitimate issue due to the lack of performance and then difficulty in showing results or impacts in the short term.

There is an institutional argument to explain this effect: Mexico lacks the strong institutions that control bureaucracy, normal in other democratic countries, such as the ones that have generated and implemented the New Public Management ideas. Thus, this institutional argument continues, without checks and balances, a strong Congress that monitors public administration's agencies, and systematic public information systems, it is hard to implement New Public Management Reforms successfully.

These managerial reforms induce behavioural changes on bureaucracy, making them more responsible. The general idea is to make them able to use more discretion and to be more innovative, client and market oriented, things hard to do if the political system fails to control its bureaucracy through diverse institutional mechanisms.

We have explored this argument recently in other spaces, developing case studies in diverse Mexican governmental organisations (Arellano, 1998, Cabrero, 1995).

Nevertheless, here I would like to go further, explaining one important issue the institutional argument cannot fully understand. There is a cultural side of the

story. A story where the historical perspective for power, control, and the use of authority, explains why, even if Mexico evolves towards a more institutionalised democracy, some of the managerial reforms would still fail to generate behavioural changes in the public sector.

In other words, Mexican concept of organising and organisation is rooted in a particular conception of power and control.

The main argument here is that in Mexico, the conception of control and power is different from some of the countries that have generated the managerial reforms, USA and Commonwealth countries for example.

Following the track of an old Mexican institution, as old as at least Colonial times[1], patrimonialism, we can understand the tough necessity of central power to control local or particular powers. It also allows us to understand that the permanent tension between these powers, is the basic platform for individual and group behaviour not only at the political, but at organisational level as well.

Values and attitudes as collective necessities, more than individual rationality, network (familiar, political, economical) influence, more than work performance, informal agreement, more than contractual rules and objectives, simulation of behaviour rather than direct and honest behaviour, and strong personal leadership, rather than impersonal legal leadership, are the bases for understanding the Mexican way of organising.

Our argument is that these cultural and historical values are not only the expression of a traditional (in the sense of non-modern) society but specific cultural ways to define social relations, to resolve historic problems in particular settings. These mechanisms then are embedded on the social way of understanding organisation and power, allowing persons to interpret and understand reality. Even a more democratic Mexico will rely on a concept of order based on leadership and control through a central power able to manage diverse local realities. In this logic, networks, informal agreements, and a difference between what people feel and how people act, are crucial. Any modernisation effort should take in consideration these variables and the particular cultural mechanisms that trigger specific behaviours on people within societies and organisations.

Mexican Colonial Values and their Organisational Impacts

Important analytical approaches appear to imply that only Western rational and instrumental values can be considered efficient mechanisms for achieving social, economic, and organisational success. These ideas are not new (as we can see with Parsons discussion regarding imperative values of "modern" and "traditional" societies Parsons, 1964).

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[1] There is an argument that advocates that the Aztec way of controlling their vast Empire (dominating several other ethnic Indians through an important mass of territory) might be classified also as a patrimonial form of domination. (Carrasco, 1976), (Noriega, 1988).

Several studies suggest a different position, like Clegg (1989) arguing for the possibility of observing rationality in different cultural ways. Nevertheless, wide known and used approaches like the so called new economic institutionalism (North, 1990; Williamson, 1975) are generating tools and theories that explicitly recuperate the idea that traditional societies are in trouble due to their "failed" set of institutions that are an obstacle to rational behaviour.

Moreover, organisational analysis like those classified within the New Public Management (Osborne and Gaebler, 1990; Barzelay, 1992) are proposing a wide cross cultural death of bureaucracy as a form of organisation, more acute for industrial times rather than the information age. They advocate a new organisational reform project. One that looks to generate the "right" incentives for obtaining the "right" behaviours: client oriented bureaucracies, incentives for innovation, and transforming public sector activities in order to be capable of generating value, not only spending money.

In countries like Mexico, well known to embrace traditional values stemming from our pre colonial and colonial times, political and economical elite has enforced and induced several modernisation policies. The idea has been to open the economy, and beginning the transition towards a formal democratic system.

The use of new institutionalism and New Public Management ideas in governmental organisations are now common and normally accepted by diverse parts of society (government officials, businessmen, and sometimes even political analysts) as legitimate mechanisms for the "transition" to democracy.

However, some studies (Arellano, 1998, 1999; Cabrero, 1995) suggest that the implementation of these ideas (for simplification we will call them New Public Management or NPM[2]) are facing more resistance than expected. Moreover, they are not generating a more modern bureaucracy, but a bureaucracy able to simulate change in their behaviour and therefore the adaptation of "modern" ideas within "traditional" systems.

It is easy to observe that NPM was created thinking to be applied on "modern" democracies, where bureaucracies are already controlled and institutionally supervised by a solid framework of surveillance. To talk within these democracies of giving bureaucracies discretion over decision-making, in order to allow them to generate innovative ideas, and more freedom to take decisions, sounds logical. However, to apply these ideas in a country like Mexico with weak institutional systems of control and surveillance over bureaucracies, is simply awkward.

That is why, at least in Mexico, NPM ideas have been applied more as an instrument to disrupt inertia, as a tool for change behaviours in order to change step by step other institutions, like those that should control bureaucracies. In other

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[2] It is obvious that NPM is a set of diverse ideas rather than a congruent approach. We are aware that to classify New Economical Institutionalism within NPM might be erroneous. However, they are not so far away from each other, assuming rational behaviors and structures of incentives as main mechanisms for change.

words, the reformers might think that as the country heads towards a real democracy, the formal institutions would change also.

From the organisational point of view, the behavioural change has begun with the implementation of these managerial ideas, having also the advantage of to be presented as non-political, neutral, strictly technical devices to generate change without creating major conflicts.

These optimistic ideas might have a point regarding how to reform a traditional country to make it more acute with modern rationality. They argue for systematically behavioural change in order to reach the desired institutional transformation. However, our argument is that there are some important issues at loose. One of the most important is the cultural and historical driven perception of power and organisational control that a country like Mexico has built for hundreds of years.

Unfortunately for the NPM advocators, Mexico is a country with strong attachments to their historical values. Values that rather than embracing the individual rationality logic, embrace a collective, *patrimonialist* logic. In other words, in the implementation of NPM we can assume that individuals are rational subjects that look forward to maximise their benefit. Moreover, we can say they acte in consequence to obtain a strategic advantage over other's uncertainties, where the order stems from clear and legitimate framework of rules.

However, in a *patrimonialist* setting, there is an assumption that collective order is very hard to obtain due to the diversity of local powers, unless a central and powerful actor (individual, group or institutional) is able to make an agreement with local powers. Order and not performance is the essential objective. Agreement and not only individual calculus or rules are the basis for behaviour.

Lets explain these political and organisational arrangement that we call patrimonialism, explaining why is the base for the perception of power and control, since Colonial times (1521-1821) and initial years of independent life (1821-1870) in Mexico. These elements, we think, are fundamental in order to understand the challenges faced by analysts and practitioners when talking about reforming governmental organisations in countries like Mexico.

Colonial Values and the Perception of Power and Control

Mexico (New Spain) colonisation had always faced one big challenge: to control the private enterprise of colonists in a far away, diverse, and huge territory (Capdequi, 1941).

The general legal framework of the Kingdom of Castilla was allowed to accept adaptations of the diverse customs of the aborigines. This decision was logical at the light of the strong political and social organisations Indian groups had. Moreover, the colonists were seen as private individuals that were allowed by the

Crown to expand Spain kingdom, thus accepting some necessary decentralisation and obviously discretion from the colonists[3].

The characteristics of this process are crucial to understand the institutional and cultural framework built. A far away Crown was forced to control two important diversities: the diversity of interests of the colonists and the diversity of local powers (at the beginning only Indian, after some years also Spaniard's and Mestizo's[4] local powers). In other words, the actual social and organisational order was generated by the day to day relation developed between the colonists and the Indians. Laws and regulations were always behind reality, where legislators just reacted to solve particular problems they encountered day to day. A huge amount of legislation and detailed regulations were created but reality usually endures over regulations that took time to be really enforced. An important saying of the time, still alive today, express: the law is incorporated and accepted but not effective.

A second important characteristic of the cultural relationship between authority and individual is the fact that, being the colonisation a private enterprise, public and private authorities could normally be transferred or sold. The property rights (Capdequi, 1941, 16) were defined in a particularistic way, depending on persons and situations, generating again the necessity to control diverse and specific interests in a particular way.

The conquest of Mexico was in fact the transmission of semi-feudal institutions into a strange environment. For example, the "encomienda" is the expression of one of the most important institutions to understand the Mexican way of "living" power and control. The "encomienda" (Weckman, 1984, 83-87) was a concession, where the Crown invested colonists with power over a territory and ambiguously its inhabitants. The territory was always considered Crown's territory, and its inhabitants were considered subjects, even though Indians had an ambiguous status. The *encomienda* began the eternal Mexican dilemma between a strong central power, always afraid of loosing its grip over the parts, and the always-particular local power (Zavala, 1935; Simpson, 1950). The problems of the Crown and the Viceroy to control the *encomenderos* were permanent and substantial. Rules, laws, regulations and organisations, like the *Consejo de Indias,* were created to assure the prominence of the power of the Crown. However, in reality, the *encomenderos,* that might sometimes sell and buy *encomiendas,* negotiated their way, if necessary, against the law, in order to keep their high discretion capacity over the territories and the persons they controlled.

The central authority was always looking for new ways (basically writing new legal regulations) to control those local powers that often found a way to skip regulations keeping their discretionary power. A good example to understand the

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[3] Even public officials were able to develop private business in order to accept their public position. It has been studied how this business affect their decision-making as bureaucrats (Ruiz Medrano, 1998)

[4] The Mestizo is the person born from Spaniard and Indian. It is also a cultural category to define the Mexican particularity as a nation.

Mexican way of observing law and regulations is that even though the *encomiendas* formally and legally were terminated by 1542, the Spaniards and often the *mestizos* were able to maintain it alive in some sense through all colonial domination and even transform it in the 19th Century Mexican organisation known as "haciendas" which survived until the Mexican revolution of 1910.[5]

In sum, the organisation of power and control was based on a central authority. Its principal challenge was to keep control and order among local diverse and heterogeneous powers. This organisation was different from feudal domination where the knights had autonomy regarding the Lord's authority (Poggi, 1978). The basic formal instrument for control has always been rules and regulations (sometimes as particular as the situation itself). However, informal agreements, generated through the continuos efforts of the local powers to negotiate and interpret the rule were the last word in this relationship of domination.

The organisational and authoritarian central power, always worried to maintain control over local groups, created continuous negotiation logic, both at political and organisational level. Here, local powers due to their dispersion among a huge bad communicated territory always were willing to keep their particularity in order to keep discretion. For this, they had immense resources of adaptation and simulation to avoid those rules and laws that may limit their power. When these local powers are able to keep a good control over a territory and its inhabitants, the reproduction of central authoritarian ways of domination are necessary, arriving to the figure of the "cacique". *Caciques* are an institution still present in Mexico and represents a political figure which always enjoys high discretion over persons and resources within his sphere of domination. Those capabilities allow him/her to use illegal ways and enjoying high capacities for manipulation of laws and formal authorities in order to achieve his objectives. The *cacique* is the Mexican expression of patrimonial values at political and organisational level[6].

This type of domination has also the other side of the coin: those people being dominated. The members of the organisations, the *encomienda*, the *hacienda*, the territory controlled by the *cacique*, were almost a property of those that rule the organisations. Formally free, they needed first the "caring" from the colonist in order to embrace the "true" religion because by law Indians were as equal in rationality as children (Capdqeui, 1941, 24-27). Obviuosly, this was the base to then oblige them to work for a kind of salary known as "repartimiento" in the lands of the lord.

Although this scheme of domination is far from slavery, it generated a power relationship where subordinates obeyed formally because a legitimate moral capacity of the lords. However, obedience also was due to the force and power to

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[5] Some authors even consider that an Aztec institution, the Altépetl, was the origin of the *encomienda*. The Altépetl was a territory shared by diverse groups ruled by a Tlatoani (or strong man). The basic characteristic of the Altépetl was its collective logic of organisation and authority, a characteristic the *encomienda* and the hacienda share in some sense. (Florescano, 1996, 318).

[6] Once again, caciques had also an Indian root. (Gibson, 1967).

impose the lord's will. This allows behaviour where obedience is also part of a resistance strategy, because members obey simulating loyalty, but actually calculating the limits of this loyalty over time. Obviously, they always look for a way to make the minimum necessary of their imposed and sometimes seen as illegitimate duties. Authority then, has been seen in Mexico (including obviously government authority) as an imposition of dominant and authoritarian groups, where a struggle for resistance to that power is seen legitimate since authority is often an external imposition (Florescano, 1987, 460-461).

Even in the early independent days, the project of forming a strong nation state was confronted with the urgency and extreme difficulty to control and keep order within the territory. Patrimonial mechanisms were essential instruments to achieve this control. Paradoxically, these patrimonialist mechanisms were often critical for the development of the legal and formal framework of a modern state, because it gave the power and the strength to particular actors to impose those legal institutions. However, the high difficulties found to transform the power relationships learnt from the colony made necessary to keep the traditional and unstructured concept of power and domination that allowed the duality between what law mandates and what people actually makes.

In the Independent days, this organisational relationship was maintained, making social differentiation an essential element for control. In the Colony and in some sense also through early Independent days public officials represented explicitly ethnic and familiar interests within geographic semi-autonomous spaces (Florescano, 1996, 323; Menegus, 1993).

Taking in consideration the historic characteristics of organising in Mexico, the patrimonialism, as an ideal type explained by Weber (1982), is actually a good tool to understand some of the characteristics of the Mexican way of living order and power, thus organisation. Patrimonialism is the extension of a patriarchal way of domination. It is different from feudalism in the sense that the former is a contract between independent knights and its lord opening the space for the development of modern state (Poggi, 1978). In a patrimonialist setting, legitimacy is kept by tradition and the capacity of dominant groups to present themselves as advocators of a charity ethic (or welfare state) (Zabludovsky, 1993).

Formalism and a carefully developed framework of rules are necessary in order to resolve the main problem of patrimonialism: to keep order given the latent capacity of the local power to overcome the power of the centre, and the permanent tension between actual rules and the will of the dominant group.

In Europe, some defend, patrimonialism was a previous stage to get to bureaucratic form of domination. In Mexico, patrimonialism has been the real way of domination and organisation, within a system that formally needs to become modern, democratic and bureaucratic. In other words, both realities live together, the former to give legitimacy and civilised sense of development, the latter to deal with a reality extremely diverse and plural. Without patrimonialism, it has been hard to keep control, because thanks to the arrangements and negotiations, some agreements

are kept among diverse groups and local realities. However, without the modern and democratic discourse and institutional building, legitimacy and economic viability would also be hard to achieve. Patrimonialism has been our way to modernisation.

The ethnic differentiation, between Spaniards and Indian first, and later between *Criollos* (or born from Spaniards in Mexico) and *mestizos* (a mixture of Spaniards and Indians), linked with the development of patrimonialist formal organisations seem to be essential elements for the understanding of the Mexican view of organising.

The *encomienda* allowed an important and perhaps needed ambiguity. Due to the fact that Indians were considered infants, though formally there was no slavery and Indians were free persons, they ought to obey due to a social accepted superiority of the dominant groups. The organisational hierarchy defined the order formally among equal human beings. However, the social differentiation was enormous and had practical implications.

The distance between the head of the organisation and the bottom were not only formal but ethnic and social. The institutions generated by the Colony, allowed a domination based on two general characteristics. First, the existence of a complex social environment with almost infinite particular situations, all of them needed of regulation due to the tension between the formal arrangement and the will of dominant groups. Second, a permanent capacity of social actors to simulate obedience due to the ambiguity generated by the existence of a formal arrangement among free persons and real agreement based on the social distance that is found between the head and the bottom in the organisation. This social arrangement is the base for an opportunistic obedience, not a rational or legal one (Guerra, 1988).

It is our argument that these characteristics are still valid in order to understand the way organisation is seen in Mexico. These characteristics not only were true in Colonial times, but also early Independent governments continued the contradiction between the formal reality and the day to day behaviour.

In other words, the institutional fragility and the heterogeneity of the country keep the distance between formality and social differentiation as a way of keeping control and domination (Escalante, 1992). The differentiation or lack of congruency between real or actual behaviour and the one predicted by formal rules finds its explanation on the imposition of a form of domination formally rational but requiring the use of patrimonial mechanisms of organisation in order to keep social and organisational order.

The relationship between dominant groups and subordinates is expressed as a duality. On one hand, there is a formal equity and more or less clear rules, but on the other hand, the day to day action is based on an implicit and informal framework of relationship. The duality that began since Colonial times was alive in Independent times, and has evolved through all these centuries in Mexico.

In the 19th Century, the duality was expressed also at organisational level, for example, the *hacienda*. The hacienda was a sort of evolution from the *encomienda* where the owner kept control of important masses of land, giving peasants a place to

work and to live. The basic mechanism of control was to keep peasants always indebted with the owner. The relationship of domination was formally between free men and women, but it also has a moral ingredient where the *hacendado* had a religious and paternalistic presence (Chevalier, 1989). In economic terms, the hacienda was both a modern capitalist or at least mercantilist organisation, based on exchange, but driven not by capitalist accumulation but politic control of land and population (Lindley, R. 1983).

Given these historical evolution mechanisms for control and order, it is not surprising that some of these organisational values are still alive in today's Mexico. Stemming from these historical characteristics, the following part systematise some of today's organisational values in Mexican organisations, looking to enhance the historical characteristics we have analysed early (some of them developed in Arellano and Cabrero, 1999).

1. THE ORGANISATION IS SEEN AS A SOCIAL SETTING RULED BY A PRIVILEGED GROUP. This group is closed and clearly separated from the other members of the organisation, due to their socio-cultural characteristics (income, membership to some specific social networks, and sometimes even racial). The possibilities of belonging to this group coming from a different social or cultural setting are very low.

The functional and hierarchical relationships in the organisation are strongly affected by the linkages and networks that the individuals have. Hierarchies then, are not only an expression of implicit calculus individuals make regarding their convenience or not of obedience and loyalty, but an understanding of the fact that some kind of obedience is crucial in order to keep order and peace among groups.

Responsibility for running an organisation is seen and lived by its members, not as a position of legal or ethical responsibility, but as a position for domination, a privileged position to achieve individual or group objectives. By definition, discretion margins are very high and the limits for exercising authority are unclear, due to the decision-making freedom the elite enjoys. Subordination of members is seen as obligatory and total. A weak exercise of power is also seen as a reason for anguish and uncertainty by the members of the organisation due to the lack of direction (Dealy, 1977).

In other words, dominant group and leaders are authoritarian, but members of the organisation expect "strong" men (and women) as normal and necessary in order to keep the organisation running.

2. THE ORGANISATION IS AN ARENA TO RESOLVE POWER STRUGGLES AMONG GROUPS. For some Anglo-Saxons analysts (Argyris, 1964; Arrow, 1963, Herzberg, 1966), the organisation is the natural space of individual action due to their necessity of working together in order to achieve their goals. The identity between individual and group goals is a process of communication and co-operation, something natural among human beings. Despite these assumptions typical of management best sellers, there are other organisation dynamics in reality (like those explained by Crozier, 1964), where the organisation is an arena where groups and individuals struggle for power. Individuals normally look for conservation of power spaces. Functions, responsibilities, and decisions would be necessarily related to this power rationality, substantial for motivation and action.

In this way, organisations in a country like Mexico function within a contract of domination between the dominant groups and those below them. Power struggles are dependent on the networks and the strategic calculus individuals make.

Formal authority is then just a reference. The struggle for power and domination has two basic informal referents: social position and membership in networks, within the capacity of interpretation actors might have regarding formal structure and rules.

3. THE SYSTEM OF RELATIONSHIP IS AN EXCHANGE SYSTEM. The "Sprit de corps" or the identity feeling that holds together an organisation (in words of some analysts from the human relations school), makes the conflict an accident, a kind of pathology. However, there are organisational cultures where conflict is a basic piece for the generation of organisational action. In the case of Mexican way of organising, the struggle among diverse networks makes the exchange of resources and influences a basic mechanism to resolve problems. Symbols, resources, friends, are elements of particular arrangements groups and individuals look to share and exchange in order to create the basic organisational framework that would allow predictability and order within the organisation. In this way, the calculus and diagnosis regarding the possibilities each group has within the network and the organisation, is quite rational: calculus about how close or far are groups from other influent groups in or out the organisation, for example. Also quite intuitive: evolution of the agreements different groups have made in the past. Obviously, the relationship might become merely emotive for love, hate, and sympathy.

To understand this organisational dynamic, one needs to be capable of multidimensional analysis, and not a mere study of the evident relationship among groups and networks. In other words, networks are not a systematic

"organisation of an organisation", due to the implicit and informal symbols that are at stake in the game or struggle for power, where diverse groups and individual exchange diverse influences and not only resources.

4.   AUTHORITY IS A PRIVILEGE. Participation and rational legal domination are just part of group and individual discourse. In *patrimonialist* societies, authority has a dual source of power: "possession" of resources (control over uncertainties, Crozier and Friedberg, 1977), and the relationships and membership among networks. An authority exists due to its capacity to mobilise other networks, joining the organisational objective with a major project based on other networks. This is its basic strength. Authority is a symbol, hierarchy is then a rigid arrangement of individual status within the network, all post becoming a privilege. In this sense, when an authority falls, there are implication not only for the individual, but for the networks and the group she/he belongs to.

5.   DECISION-MAKING   PROCEDURES   ARE   PROCEDURES   OF NEGOTIATION. Due to the complex interpretation an organisational actor has to make in order to avoid uncertainty, negotiation is quite important. The negotiation is complex, because negotiation does not mean that formal objectives and rules are not taken in consideration. As we have discussed with the historical revision, patrimonial societies are quite careful in producing rules (due to the necessity of controlling particular situations from a central power). However, rules and regulations are just the bases for negotiation. How a group is able to impose an interpretation over the rule is the clue. Organisational order comes from an agreement among the most important groups, regarding how individuals must interpret rules, thus giving space to necessary negotiate in order to adjust obedience and the continuous definition of "correct" or organisationally accepted discretion. Thus, groups and individual are not passive, and struggle permanently to adjust and change incrementally that hegemonic interpretation.

Organisational objectives are defined through a complicated arrangement, where strategic and particular calculi over capacity and evolution of networks are substantial instruments. This is why symbols might become specialised from organisation to organisation, or from government in one place to another, because "correct" behaviour depends on particular arrangements over how and when a rule applies.

6.   RIGID AND UNDER USED FORMAL STRUCTURE. The organisational structure is the formal framework that shapes individual and groups behaviour. This structure is taken in consideration, not as the guide for decision-making, but as the minimal rule over which decisions are negotiated

and interpreted. Groups and networks do not exist in a vacuum. Their power and strength are based on material and formal resources they have access and control.

Regardless what can be thought, more for people used to live in "modern" societies, these "traditional" societies usually are able to keep order in their societies and organisations. However, the order does not come from the acceptance of the formal structure. This is just a base, an original contract, a contract able to be changed in the future, over which some groups always fight to maintain as it is, and other groups fight permanently to change it (incrementally).

Rules and formal structure are then weapons in the game for power. Dominant groups look for control of these formal structures in order to impose their interpretation over the other members, knowing that there is always a capacity of resistance and negotiation, depending on the uncertainty areas they control. Then, rules are not entirely managed with absolute discretion, it is a tactic instrument for negotiation and understanding among the groups.

7. INDIVIDUAL RELATIONS ARE *CLIENTELISTIC* RELATIONS. Positions and hierarchies are part of the symbolism that send messages to other groups and networks. Commitments are the bases for agreements and for definition of hierarchies. Hierarchies are the expression of these commitments and arrangements, functioning also as a symbol for the communication among groups, sending messages over other groups, regarding membership of and belonging of particular individual to specific networks.

A basic strategy is to make the group larger, in order to increase the space of power, although the order is made more complex. To be able to introduce a member of a group within the space of power of other group is seen as a basic instrument of influence. Co-operation, in this reality, is then a negotiated and conditioned project defined among diverse groups and their networks.

Conclusions: Mexican Public Sector, between Managerialism and Patrimonialism

There are different approaches of seeing a modernisation process in underdeveloped countries. One is to observing it as a process of "adaptation" and "learning" of "modern" values: individuality, legal rationality, market and client oriented organisations, building the institutions necessary for the individuals to behave rationally. Another, with important different consequences for the analysis, is to

understand the pattern of adaptation a culture makes in order to assure order, giving historical and symbolic bases of collective and individual behaviour.

The first approach would look to impose and "educate" society in order to change radically "non rational" traditions, assumed as inefficient and non-logical ways of behaviour. Wherever resistance come from individual or organisations, they must be read as resistance coming from "old" and wrong ways of thinking (as if "new" by definition is better than "old"). The second way of interpreting the phenomenon would look to understand how modernity is generated through traditional mechanisms, adapted by it and if necessary, created by it. Resistance to change is not only the expression of irrational ways of organising that resists to die, but also the necessary adaptation of historical values and symbols necessary to keep order in social and organisational settings.

Sometimes it appears clear that organisational modernisation process in Mexico has embraced what can be called *managerialism*. In other words a trust in technical management to generate not only organisational rational behaviours, but doing that, generating social efficient behaviours as well.

The incorporation of NPM ideas in Mexican public organisations began just some years ago. However, empirical research (Arellano, 1998, Cabrero, 1995) yields a common factor: managerial ideas, assuming rational legal behaviour, are being imposed over a patrimonialist culture, with mixed results.

The most evident, behaviour change is being simulated by actors. It is observable in diverse case studies we have analysed that some actors are adapting some new rules of the game, without changing completely the network dynamic among groups. Also, the concept of authority and power actors understand as valid, linking personal and particular factors, appears still intact (see Arellano, 1998).

In this sense, Mexican governmental organisations are still managed in terms of networks, groups relationships, now having some new words in the vocabulary as efficiency and client oriented behaviour.

The importance of making particular arrangements and keeping the "door open" for further negotiation is still very high. Managerial ideas only have become part of the arrangement: there are some new ways to access to resources, where using words as client satisfaction or having the technical expertise to monitor it allows to control new uncertainty areas.

Authority is still seen vertically, keeping the tension between the formal rules and the will of the boss (i.e. using now emphatically team work in the discourse and adapting team stiles to authoritarian mechanisms of control).

In any case, the worst scenario would be that reformers begin to believe their own rhetoric. Mexican organisational culture is strong and have centuries of evolution. It is naive to think that new managerial techniques would be able to change rapidly these cultural characteristics.

The resistance for reform and change that we are observing in the implementation of NPM ideas in Mexico should not be seen just as the resistance of powerful groups that are struggling to keep their privileges. This is one part, an

important part, of the story. However, a reform that might open organisations and society to develop more equitable and transparent relations would fail if only one strategy is stressed. This strategy, as been used until now, assumes that organisational (and even social) members are rational individual calculators. Then they just require "right" and "correct" incentives in order to modify their calculus, as well as political will to impose new values and mechanisms of relationship.

This strategy, failing to observe and understand the values and organisational arrangements we have studied in this paper, is only generating an apparent solution and a new conflict. This strategy is not taking in consideration the importance of networking and the priority of order over efficiency. It does not understand also the priority in the relationship system to keep local groups under control. In this sense, the reforms are entitled to suffer two effects: to be captured by closed, technocratic, authoritarian groups and to be taken as a political driven reform by diverse groups in society.

The first consequence is already happening. Governmental reformers are developing the managerial part of the reform (re-engineering, team work, client information systems) but not the re-constructive (even de-constructive) part of the reform (accountability systems, institutional surveillance over bureaucracy, strengthening check and balances, democratisation of public policy).
Without this second part, patrimonial mechanisms of control will endure, enduring also simulation and resistance to authority, reproducing again the duality between the actual behaviour (now involved in a discourse of *managerialism*) and the formal one.

The central authority, always worried to keep control and willing to negotiate with groups the necessary arrangements to keep organisational and social order, is having a new mechanism of central authoritarian control: the technical managerial discourse. In this discourse, a constant evaluation and permanent monitoring over performance defines (without transparent mechanisms to evaluate it) new weapons for negotiation and restriction of diverse groups to participate in decision-making.

The second effect can be observed on the simulation of organisational behavioural change from bureaucracy. Again, an authoritarian, external power is imposing without any other justification, beyond a technocratic unilateral argumentation, new mechanisms of organisation.

These mechanisms talk about high standards of personnel qualifications and performance in order to be evaluated favourably. Again, it all depends on the capacity of resistance from those groups, in order to negotiate the diverse "degrees of freedom", the exceptions to the rules they might obtain resisting and negotiating. The institutional equilibrium depends again on negotiations and "quite" resistance and not necessarily on transparent permanent agreements.

The understanding of particular cultural characteristics of Mexican organisations appears to be important in a context of change and reform. Perhaps the road is larger, but more human and effective. Organisational and national cultures cannot be seen as instruments, as "things" that can be manipulated or change at will, or doing so exclusively using technical devices. Reformers should not forget that we

are talking of changing human behaviour, persons, and attitudes stemming from historical solutions to particular problems. This minimum respect shall be expected from organisational reforms projects.

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