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Public management reform in Portugal: successes and failures

Public
management
reform

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Abstract

Purpose – The purpose of the paper is to address the question of the influence of the administrative tradition and the politico-administrative context on the formulation and implementation of public management reform in Portugal.

Design/methodology/approach – The paper is based on empirical evidence collected from various sources. It reflects the personal experience of the author, who was personally involved in the reform process, and is also the result of a wide-ranging review of literature on public administration and public management reform in Portugal and other European countries.

Findings – The paper identifies different phases of reform, and acknowledges the existence of a recurrent problem with public expenditure and increasing public employment. It concludes that there has been no lack of great reforms, and suggests a different approach – one that does not require special speeches or special doctrine, but is based on discreet work by politicians and managers seeking to fulfil the traditional values of the public service.

Research limitations/implications – Mainly due to a lack of both studies and evaluation practices – make it difficult to assess the actual impact of the different waves of reforms. However, administration has managed to cope with the process of change while maintaining a key orientation towards the citizen and society.

Originality/value – The value of the paper is that it is the first time the whole cycle of reforms, from 1974 until 2007, has been covered and also related to the politico-administrative tradition. It contains summarised but complete information and suggests a new approach based on the ethical values of the public service.

Keywords Business administration, Public sector reform, Portugal, Ethics

Paper type Research paper

1. Introduction

The presence of Napoleon's armies in Portugal was short-lived and intermittent, while the influence of Portugal's British allies on economic and social life was strong. The first issue examined in this paper is thus whether there really has been a Napoleonic influence on the Portuguese public administration.

More generally, the paper addresses the question of the influence of the administrative tradition and the politico-administrative context at large on the

Though in a sense unusual, the author of the present paper would like to make explicit to the reader her background that, different from the authors of the other papers of this Special Issue, is that of a practitioner. The author was personally involved in the Portuguese reform process until 1995, first as a manager and afterwards in politics, as Secretary of State for Administrative Modernisation (1989-1995). The author later could observe, though more from the outside, the evolution of the reform trajectory of Portugal. The paper thus extensively reflects the author's own experience and analysis (and, of course, perception), as well as being the result of a wide review of literature on public management reform in Portugal and more broadly in European countries.



formulation and implementation of public management reform in Portugal over the last three decades. As it is emphasised at different points in the text, the research on public management reform in Portugal seems to be limited – indeed scarce; it is the aim of this paper to provide a contribution for filling this gap[1].

In examining and identifying key features of the Napoleonic legacy in our administrative system, we follow the framework provided by Peters (2008), who develops a set of dimensions that are useful for understanding a range of administrative systems: the relationship between state and society, the fundamental choice as to whether it is management or the law that defines the fundamental tasks of administration, and the concept of a civil service career that is distinct not only from political careers, but also from private sector careers. These three dimensions are particularly helpful in identifying the three main features of the Napoleonic influence that can be seen in the Portuguese case: a unitary state and a centralised style of governance; an administrative law that is an autonomous body within our legal system; and a civil service anchored in a career system.

Another key issue is that in the Portuguese case, since 25 April, 1974 – the year of the Carnation revolution – different governments and political parties have made an intensive and continuous effort in relation to public management reform. It is worth examining both whether the Napoleonic influence played a role in this respect, and whether the reforms have had a “real” impact (process and system changes, see Pollit and Bouckaert, 2004a).

Subject to the inherent limitations of a shortage of research on this field, and also the absence of an evaluation culture in Portugal, these main questions are addressed in the remainder of the paper.

2. The political/administrative context and the Napoleonic administrative tradition

2.1 The French invasions, the historical background and the Napoleonic legacy

Has there been a Napoleonic influence in Portugal? The kingdom of Portugal actually witnessed three Napoleonic invasions: the first in 1808 (Junot), the second in 1809 (Soult), and the third in 1810 (Massena). It was in 1811, with the support of Portugal’s British allies and under the command of the future Duke of Wellington, that Massena’s army was expelled and the country’s territorial integrity restored. For Portugal the defeat of Massena’s army meant the end of three and a half years of intermittent French occupation, during which King Dom João VI and the court moved to Brazil (they actually ended up staying there for longer, from 1808 to 1821). Rio de Janeiro became the capital of the empire, but at home the Portuguese society itself was subjected to a strong British influence. Whatever the interpretations, it is a historical fact that Dom João VI was one of the few monarchs who managed to rule without interruption throughout the Napoleonic era – the only ruler who played a trick on me, as Napoleon put it during his exile on Santa Helena.

These historical facts bring us to the initial question: has there been a Napoleonic influence in Portugal? All in all, an analysis of the Portuguese political process and administrative tradition recommends a positive answer to this question. In Portugal, as in other European countries, the Napoleonic heritage inspired a new, more democratic Europe. The French influence on the process of building up a new liberal and constitutional state is a well-established fact and is acknowledged by Portuguese

constitutionalists and administrative law professors, such as Jorge Miranda (1996) and Freitas do Amaral (1996).

Following the liberal revolution (1820), in 1821 the King was forced to return from Brazil and (against his will) to swear to uphold the new constitution (1822), which was inspired by the liberal ideals that French influences had introduced all over Europe. In the interpretation elaborated by Sousa (1999), a well known professor of law, “with the 1820 revolution, the framework principles of the constitutional state reached Portugal, in a version that was French rather than English” (Sousa, 1995).

The reign of Dom João VI was followed by a civil war between his two sons – the former Emperor of Brazil, Dom Pedro, who returned to lead the Liberals in 1831, and Dom Miguel, who led the Conservative faction. Later, Dom Pedro and then his daughter, Dona Maria II (1834/1853), became rulers of a constitutional monarchy, which lasted until the creation of the Republic in 1910. Our administrative law clearly emerged from this period. The Portuguese author Oliveira Ascensão says that modern legal codes reveal either enlightened despotism or a demo-liberal ideology. The progress of liberalism led to the passage of several codes in different countries, including Portugal, Spain and Italy, thus testifying to a French influence (Ascensão, 1997).

The supremacy of law in our administrative system was subsequently clearly established with the passage of our first administrative code (1836).

At the same time, Portugal adopted a rather centralised Napoleonic administrative organisation and style of governance. Mouzinho da Silveira was the author of this influential reform[2].

Mouzinho da Silveira’s reform generated opposition throughout the country, both from the municipalities, whose powers were reduced, and from society in general, due to the high degree of politicisation of the new appointments. Over the time, the organisational structure evolved. The position of Prefect was later abolished and no longer forms part of the Portuguese administrative structure. However, two elements ought to be underlined: the trend towards a centralised concept of governance prevailed; and the politicisation and clientelism of the public administration persisted in different forms.

2.2 The legal aspect: a separate administrative law

Despite the French influence, Portugal’s probably most influential writer on administrative legal studies, Caetano (1996, 1999) argues that the Portuguese case is a special one. In France, the centralisation of the state after the French revolution and under Napoleon was dictated by the need for a unitary command and a central nervous system. These had to be able to impose the new system and the new provisions that were to be enforced everywhere, to the benefit of a unified and protected nation. However, in Portugal the administrative law had a different focus: it was mainly intended to discipline the powers of the municipalities. Most public activities were in fact carried out at the municipal level (Caetano, 1996). Even more important, under the liberal doctrine the central government was controlled by the *Cortes* (parliament). After a short period of centralism inspired by the French experience, the liberal revolution sought its legitimacy in the traditional freedoms of the municipalities (Caetano, 1996). This is why a number of Portuguese authors see the administrative law of the nineteenth century as a sort of municipal legislation (Caetano, 1996).

Administrative law has evolved and is no longer exclusively legislation about the municipalities. It is also a separate legal body. Portuguese historical and legal studies have clearly established that the emergence of a separate administrative law was enhanced by the liberal movement, which was in turn embedded in the French and Napoleonic tradition. Professors of administrative law, such as Caetano, Freitas do Amaral and Rebelo de Sousa, share a view of the influence that France had on our executive administrative system[3], as it did on that of other European continental countries and its former colonies[4].

2.3 State and society: a unitary state and centralised style of governance

In the previous section I have attempted to collect some historical elements that confirm the existence a Napoleonic tradition in our administrative law. However, the tradition of Portugal as a unitary nation state is fundamentally derived from the very origins and foundation of the Portuguese nation (1143)[5].

In the Middle Ages the municipalities were the basic local authority in Portugal. Authors argue about their origin. Some claim that they arose during the Roman colonisation, while others say that Roman institutions were abolished during the period of Arab rule, and that in fact the municipalities resulted from self-governance initiatives taken by the population after the Christian reconquest. For the purposes of our analysis, what counts is not how they came about, but rather that they played an influential role in the Middle Ages. The predominant view is that there really was no feudalism in Portugal, and the political system that the absolute monarchs created after the era of discovery did away with the powers and privileges of the local authorities (Corte-Real, 1999). What is more, centralisation has been a recurrent feature of Portugal's political tradition, reinforced by powerful policies pursued by a number of absolute monarchs and enlightened despots (such as the Marquis of Pombal). Some authors even argue that this same distinctive feature influenced Brazil's political structure, suggesting that both the Portuguese court's removal to Brazil in 1808-1821 and the political solutions for the creation of a co-regnum between Portugal and Brazil spared the latter the violence that followed the independence of some of its neighbours, and had a substantial influence on that giant and united nation (Wilcken, 2004).

The nineteenth century witnessed the development of a scenario in which there was a never-ending succession of discredited administrative reforms. Some were based on centralisation and some on decentralisation, but there was no clear progress towards the latter. In a certain sense we could state that the organic conception of the state – seen as a means of integrating society – prevailed for different reasons that involved either the liberal influence, or the unitary Portuguese tradition of the nation. Some qualifications are required – in two different ways: on the one hand we have a concept of a unitary nation state which also emerged from earlier Portuguese history and tradition; on the other, a concept of a centralised and uniform style of governance, in which the central power and authority is in charge of the overall administrative activity within the country, and seldom uses decentralisation mechanisms (for example, in Portugal the provision of services in sectors such as health, social security and education is the central administration's responsibility).

In the Portuguese case these features were enhanced by subsequent events. After the military coup that imposed the Salazar regime in 1926, there was a move towards the centralisation of the state. For almost 50 years the municipalities continued to exist,

but mayors (Presidentes de Câmara) were appointed by the central government, acted as the delegates of central authority, and possessed quite limited powers and responsibilities.

After the 1974 Carnation revolution there was a strong push towards the enhancement of local powers at the municipal level. The new constitution also provided for setting up administrative regions. However, unlike the Spanish autonomous communities (Parrado, 2008), which are embedded in the Spanish tradition and culture, setting up regions was not something that reflected the desires of the majority of Portuguese people – in a 1998 referendum 63.5 per cent of the votes cast opposed going ahead and actually creating them, and, at the time of writing, the subject is currently not high on the governing Socialist party's political agenda. Thus, notwithstanding the existence of the well established autonomous political and administrative regions in the Azores and Madeira, and of local authorities (municipalities) with their own powers and competences, since its foundation in the twelfth century Portugal has been a unitary state with the same boundaries and language. What is more, it continues to be a rather centralised state, as we can see from the data on the different levels of government[6].

2.4 *The career: the civil service statute*

In human resource management terms the Portuguese state has always opted for a career system. Since Salazar's time this clear choice has been enforced by legislation (1935) that actually formed the main framework for the Portuguese administration until the post-revolutionary reforms after 25 April 1974.

Neutrality and professionalism of the civil servants are a major concern of the tenured career system. As a consequence, stability is usually guaranteed, training is provided, and careers and promotion are mapped out in advance.

Personnel management is entirely governed by rules and regulations, which are approved by the Assembly of the Republic (parliament) in the form of laws, or by the government in the form of executive laws (the latter are subject to control and scrutiny by the assembly). Most of these laws are in general applicable to the whole civil service (central administration, local administration, and Azores and Madeira autonomous regions). However, there is no single codified statute for the civil service, but rather a large number of dispersed laws and regulations.

On the other hand, some groups of staff – the so-called *corpos especiais* (literally special groups, e.g. university professors, teachers, doctors, nurses, the armed forces, policemen, firemen, senior inspectors) possess specific career and remuneration rules. Generally those groups defend their interests vigorously, with powerful trade unions and easy access to the media.

It is worth mentioning that the rigidity of the civil service system has been softened by consecutive measures aimed at adapting it to the new circumstances and needs.

Finally, we should mention the increasing politicisation of the civil service, especially in the appointment of managers, whom the politicians in office are now freer to select than in the past.

2.5 *How to interpret the Napoleonic legacy?*

Wrapping things up, we can argue that the Portuguese system displays the following evolving dimensions:

- a unitary central State that possesses a uniform and centralised style of governance without an intermediate level of government;
- an administrative law that represents an autonomous *corpus* within the legal system; and
- a human resource management that is anchored in a career system and employs professional civil servants, albeit evolving in different directions.

Although these three dimensions were inherited from the French legacy, we might question whether they fitted within the Portugal's previous political culture and institutional organisation? The question cannot be fully answered without further research. However, a first tentative answer can be that, in particular, the unitary feature of the state as a means of integrating society can be seen also as a legacy of the foundation of Portugal as a united nation – in this respect, there has been a fit between the “imported” French model and pre-existing structures.

As to the question of administrative law as a separate legal body, this was certainly born in France, but probably subjected to influences of the enlightenment, which were already working towards a certain codification and rationalisation of the Portuguese legal system before the French invasions. Finally, the third element – the concept of a professional civil service career – is also part of the Weberian administrative paradigm, elaborated in the twentieth century.

This kind of discussion will probably not lead us to new conclusions or assumptions that might offer a different explanation of the Portuguese administrative tradition. By definition, administrative tradition is anchored in the past but also involves dynamic elements (Peters, 2008), some of which emerged from the liberal influence and French tradition, as is acknowledged in our literature and especially the legal studies. What can be interesting at this stage is to see how a current outline of our political administrative model can be drawn. Pollit and Bouckaert (2004a) identify a number of key features of politico-administrative regimes (Pollit and Bouckaert, 2004a). According to that model, the Portuguese case encompasses the following five features:

- (1) A unitary centralised state structure, which has remained throughout the different periods of Portugal's evolving political regimes.
- (2) A majoritarian executive government, at least since 1985. Between 1974 and 1985 Portugal had mainly coalition solutions (16 governments within a period of 11 years). Since 1985, a majoritarian government formula has been adopted. A series of election results (1995, 2000, 2002, and 2004) made it possible to set up majority governments. The electoral majority suggested that stability was a political value to be preserved and pursued.
- (3) A politicised relationship between ministers and senior managers. Actually, senior managers are appointed politically. As we will see later, the politicisation of management appointments was not new. However, in the past, it was more a question of practice than law. At the time of writing, it is no longer a question of preferences or practices and the new law on the subject clearly opts for such a solution.
- (4) A legalistic administrative culture: most of the reforms or changes in economy and society occur within a specific legal and centralised framework. Intentions and even programs tend to be pre-announced by new laws, rules and

regulations. The implementation of such rules is sometimes slow, and there is often a gap between law and reality. However the formula is a recurrent one: studies begin at the level of the cabinet, committees or the administration; conclusions are reached at the political level; new laws are drafted and passed. Implementation is a task for administrators and sometimes not entirely successful. Having said this, some implementation difficulties are derived from a legislative preparation and drafting process that does not include a real regulatory impact assessment and does not always take the actual problems which are supposed to be solved into account.

- (5) A diversity of sources of policy advice, which is taken from a broad mixture of civil servants, academics and other experts. No studies have been conducted in this field. The impression is that during the first stages of our democracy (1974-1985) most of the advisers had an administrative background. This formula is evolving, and nowadays advice is taken from experts with rather different backgrounds. Ministerial cabinets have an influential role on policy formulation and legal drafting, thereby undervaluing the role of the public administration and increasing the gap between policy formulation and its implementation.

3. Recent historical events that influenced the reform process(s)

In the previous sections, we have attempted to identify and interpret what we can call the “Napoleonic legacy”. We can now turn to the question of how that legacy influenced the reform process.

To address this question we need to look at some particular facts in our recent history that are relevant to an analysis of our evolving public management reform process(es). It is not possible to describe the initiatives that have been taken without mentioning a number of events which followed the revolution on 25 April 1974, and without describing the political, social and economic environment which evolved out of Portugal’s democratic revolution.

Portugal has experienced an astonishing process of political and system-level change (at least if compared with the largest number of OECD countries, apart probably from the central-Eastern former “transition” countries) over the last 30 years. Any attempt to draw up a political calendar must bear in mind:

- A dictatorship, which lasted from 1928 to 1974.
- A revolution in 1974.
- A short period of political domination by extreme left-wing parties, during which the economy was nationalised overnight on 11 March 1975.
- The establishment of democracy despite this turbulence, with the holding of the first parliamentary, presidential and local elections in 1976.
- The setting up of the Azores and Madeira autonomous regions and of new local authorities (redesigning the powers of the municipalities and parishes).
- The reform and stabilisation of the constitution and the introduction of new political, social and economic rights. Freedom of expression, labour rights and the general availability of healthcare and education became new realities.
- The privatisation of the economy, which began in 1989 and is still ongoing.

- A difficult decolonisation process, with 600,000 people returning from the former colonies.
- The integration of 40,000 civil servants from the civil services of the former colonies.
- Membership of the European Union, which Portugal joined on 1 January 1986.
- Portugal's accession to the Eurozone (1999/2002).

Portugal witnessed many of the most far-reaching changes in its political, economic and social environment in the late 1970s. The 25 April revolution was a real watershed in the country's recent history (Corte-Real *et al.*, 2000).

4. Public management reforms: a new and evolving agenda

In coping with these new circumstances, the first reform tasks were dictated by emergencies, such as the need to integrate the 40,000 redundant civil servants who returned from the African colonies into the system. A series of legal and institutional reforms of the Portuguese public administration were launched in response to problems that were real and urgent. At the time, these reforms were seen as unsystematic but urgent answers to sensitive and demanding issues that arose from the new democratic and revolutionary process.

In the hindsight, these initiatives seem to make sense and it is possible to outline a clearer picture of a reform process that, in the interpretation we provide, can be seen as having taken place in five phases. The remainder of the paper provides an attempt to give an overview that covers the following areas of public management reform: citizen-orientation, organisation and structures, the civil service, decentralisation and management processes (not necessarily in that order). As the different reform waves placed different emphases on the different fields, the presentation will follow the interpretation given by the author of the present paper of the priorities adopted by the various decision-makers.

4.1 Phase one (1974-1979)

This first phase is identified with a capacity-building period, dominated by the pressures to cope with the new democratic order.

Intensive and urgent action was demanded. There was a general feeling that the new opportunities had to be grasped, and civil servants seemed to be willing to respond effectively to the new demands posed by democracy.

Broadly speaking, the main initiatives went in three directions:

4.1.1 Structures. Government had to deal with people's new social, labour and political rights. A number of new institutions were thus needed:

- The Directorate-General of the Civil Service was created (1974) in order to manage the civil service, conduct civil service reform, and maintain dialogue with the new emerging trade unions (civil service trade unions had previously been forbidden).
- The office of Ombudsman was created (1975), in line with the Nordic tradition of openness and transparency.
- The National Institute for Public Administration (INA) was also established (1979) to train civil servants.

4.1.2 Civil service. Civil service rules and regulations were revised in order to improve the career system (1979). An incremental approach was adopted. The existing system dated from the time of Salazar and Caetano (the *Presidente do Conselho* after Salazar). Civil servants remained in the same positions for several years, without any promotion or other rewards. Salaries were generally low and civil service morale was very poor. The new governments had to manage new hopes and expectations – in dialogue with the trade unions.

There was a need to discipline the appointment of top civil servants to management positions. After 1974 all the existing directors-general were replaced. Some situations inherited from the past (certain directors-general had been appointed for life) had to be solved in labour rights terms.

The new system (1979) was a mixture of career and position systems. The positions of director-general and deputy director-general were considered to require both technical and political confidence, and appointees could come from outside or inside the civil service. The intermediate level (departmental directors and heads of division) had to be career civil servants. Flexibility was thus possible at the top, while more stability was ensured at the intermediate level. This management position matrix is still in place today, albeit with some changes, as we will see later.

A new legislation on cabinet staff was also brought in. Members of government could also appoint their personal advisers freely. At the cabinet level a clear boundary was drawn between the civil service and positions that were exclusively subject to political confidence. However, political advisers were often recruited from within the civil service, thereby testifying to the important role that civil servants played as policy advisers.

4.1.3 Decentralisation. Local level (municipalities and parishes) elections were held in 1976. Local power emerged as a new and established reality. In the hindsight, we can observe that this was the main decentralisation-related reform of the last thirty years and the only successful effort to decentralise power and administration in continental Portugal since 1974.

In a nutshell: a giant capacity-building operation took place quickly and quietly – actually more or less the same kind of thing as is taking place in the latest European Union member-states (central eastern European countries) at the time of writing.

Although no formal systematic evaluation has been carried out, I would argue that the reformers achieved their objectives. A more organised civil service, which took the new democratic order into account, emerged.

4.2 Phase two (1980-1985)

This phase concerned the primacy of “technical” reforms, which were introduced from a global and systemic perspective. Once the basic institutional building tasks had been performed, the reformers directed their attention to the elaboration of system-wide reforms. It was a period when a number of technical studies were conducted and the Portuguese public administration witnessed the emergence of a well-prepared generation of reformers in both politics and public administration.

At the time, the initiatives that were taken did not differ greatly from the contemporary experiences of other countries, which were inspired by new doctrines as well as technical developments. What is more, every area was considered to be of equal importance and thus all of them had to be addressed. This global perspective was also

based on the assumption that once the appropriate technical tools were used, the right outcomes would simply blossom.

It is possible to identify four main domains:

4.2.1 Management process. This period saw the introduction of zero budget systems, job analysis and evaluation, staff assessment (1983), planning, budgeting, auditing and control systems (1984)[7].

4.2.2 Structures. Several technical attempts were made to reformulate the global structure of the central administration (1982/1984)[8].

4.2.3 Civil service. The main initiatives included:

- The creation of a new career system (1985).
- The passage of the first law on industrial relations with public administration trade unions (1984).
- The emergence and development of the new social rights (social security, health and education) demanded a natural increase of staff in social sectors. As a consequence, governments also began to be seriously concerned about the increases in public employment and staff, which is a recurrent problem of our Administration. A law was passed to control those increases and also to facilitate staff mobility, thereby avoiding the existence of redundant staff (1984). If we look at the OECD data on public employment (OECD, 2002), we can see that the Portuguese public Administration is the only one in Europe to have experienced a steady increase in staff numbers in recent years. We will come back to this issue.

4.2.4 Decentralisation. Laws were also passed in relation to local authorities, their structure, and financing and human resource management (1984).

This period also witnessed several governments, but the most important measures were taken by those from the so-called *Bloco Central* (“Central Block” – Socialist Party and Social Democrats).

Two things in this phase should be underlined: the organisation of the relationship with the trade unions was improved; as was the civil service system (1984/1985), including careers, albeit along the lines of the previous matrix.

However, apart from these two reforms succinctly recalled, the reform process seems not to have been conducive to substantial process and system changes. One of the reasons was probably political instability (between 1980 and 1986 – the next phase – five governments alternated in power). The conditions for the implementation of more ambitious reforms did not seem to exist.

4.3 Phase three (1986-1995)

The government in office was supported by the Social Democratic Party. The Prime Minister, Cavaco Silva, who at the time of writing is the President of the Republic, led the reform process personally. The public management reform policy was thus high on the governmental agenda.

The main concern was with quality of service and the response to the needs of individual citizens and enterprises, partly with an eye to the competitive environment introduced by accession to the European Union (1986).

The modernisation process was strongly influenced by the need to reach out to the citizen and society by bridging the gap between political discourse and concrete

achievements, and by breaking with the experiences of the previous phase, which had been conducted in a professional from a technical point of view, but, in the face of that, the perception of some “distance” between the public sector and society was evident, with the former not (enough) at the service of society and the economic environment. Within this context the word client was used for the first time, thus signifying a new relationship between the citizen and the state[9].

4.3.1 *Citizen orientation*. Several goals were set, with emphasis on the following areas:

- Procedural simplifications were implemented with measures such as opening services at lunchtime to facilitate client contact, payment of services and costs via bank cards and ATM's, the issue of instructions on how to deal with the public, and the availability of suggestion boxes and complaint books (1987/1989).
- A Code of Administrative Procedures was passed in 1991 and revised in 1995, with the aim of introducing openness in the public administration. It reinforced practices related to the principles of access to information, law enforcement and participation in the decision-making process.
- INFOCID (short for Information for Citizens) was created; Infocid was an organised flow of information to citizens, using a database that was accessible throughout the country from multimedia kiosks and later on from the Internet. It evolved and is now known as the *Portal do Cidadão* (citizen's website).
- A Business Administration Commission was set up (1987/1995), again with a client-oriented approach (also as a response to the needs of the business sector, which had to operate within the new European single market)[10].

Finally, a Charter of Public Service Ethics setting out the fundamental values of public service was approved by the Council of Ministers. It represented a way of translating the “citizen-orientation” goal and the public service mission onto the level of public officials.

4.3.2 *Structures*. In this phase no major changes were made to the central administration structure. The assumption that structural changes often demands a major effort without producing real benefit was shared by top policy-makers. The instability that usually emerges from reforms of the organisational structure of the state was considered to be something of inconvenient for the public – who might feel confused about which service or department to turn to – as well as a cause of low morale among managers and civil servants. Although some structural changes were made, they were conducted with a rather selective and surgical approach. Only at the very end of this period (1993/1994) were there some more wide-ranging changes, mainly with a view to downsizing the civil service in response to concerns about staff numbers. The year 1994 was the only one when public employment fell (OECD, 2002).

4.3.3 *Civil service*. A number of reforms were carried out. First, the pay reform (1988/1989): the pay scheme set up by Salazar was seen as a major problem – a kind of sleeping giant that complicated the implementation of public policies, lowering the morale of civil servants and generating unfairness within the public administration. The reform also coincided with the implementation of a new tax law (1988): government officials, who had previously not paid taxes, now had to do so.

The reform had two major objectives: to achieve external competitiveness (compared to pay in the private sector) and internal equity (by reducing huge differentiations within the civil service). Pay reform was a major process that was carried out to a very tight schedule, with short deadlines and strong coordinating efforts. Managing relationships, dialogue and conflict with the different trade unions demanded an intensive effort.

A second initiative concerns the pension rules governing new recruitments that were moved closer to the general pension system (1992).

Another reform program is labelled PROFAP – the vocational training program (1991/1995) – and targeted the administrative modernisation and also some of the demands of the European accession process. It was financed by both the Portuguese government and EU structural funds. Its creation was associated with other initiatives, such as the approval of principles for training and the redefinition of the bodies in charge of it. Training was seen as a major investment with which to support the management of change and development among civil servants.

4.3.4 Management process. A number of reforms were launched. A system of planning and reporting became compulsory (1987). A Quality Charter (1993) was launched by the Prime Minister himself. It lent an impulse to quality policies and measures. A National Competitive Call for Tenders for Public Services is still being held every year.

Financial management initiatives were also taken. As in other fields of the political, economic and administrative system, solutions adopted before 1974 were considered by the politico-administrative elite inappropriate to the new situation[11].

A more general set of reforms can be discussed under the label of “The quest for efficiency”. Under this heading we will begin to look at the questions of new public management in Portugal. It is worth recalling Pollit and Bouckaert’s views on reform trends and patterns. Pollit and Bouckaert place reformers in two groupings: the first and best known is the NPM marketisers – i.e. the Anglo Saxon countries (Australia, New Zealand, the UK and in a certain sense the USA); and the second grouping is the continental European modernisers, with a distinctive reform model which the authors decided to call the neo-Weberian state (on this topic, see also the Introduction to this special issue). In the second group they include countries like Germany, Belgium, Finland, France, Italy, The Netherlands and Sweden. I would say that in this third reform phase, Portugal ought to join this second grouping. In fact, at the time, government “continued to place greater emphasis on the state as the irreplaceable integrative force in society” that could not be reduced “to private sector discourse of efficiency, competitiveness and consumer satisfaction” (Pollit and Bouckaert, 2004a).

The pressures and constraints on public expenditure, particularly due to an ageing population, and the scarcity of resources in the light of the new European requirements and convergence criteria were acknowledged in Portugal as in other European countries. The need for efficiency and value for money thus pushed the Portuguese authorities to set up a kind of a think tank, to conduct an in-depth examination of the role of the state and the public administration and also of possible privatisation measures. At first glance one might see this as a typical “new public management marketing” operation, but from the very beginning it was not meant as such. The question was not ideological. The ideal state was not seen as a market-oriented sector. No prescriptive approach was intended. The commission that was set up was called the

Commission for Quality and Rationalisation, and sought to further the quest for quality and efficiency.

The commission issued a report under the title “Renewing the administration – A challenge. A commitment”. Although not denying the usefulness of market-type mechanisms, its recommendations enhanced the role of the state and the need for a gradual and cautious approach to privatisation measures and mechanisms. The report was published at the end of the legislature, and it was not possible to monitor its implementation.

During this phase most of the initiatives were actually implemented, not just announced. What is more, this period was the longest one (almost ten years), so some evaluations of the operational results of programs, management processes and system improvements do exist (Corte-Real, 1995). Like coins, there were two different sides to the reforms: the pay reform generated a lot of tensions and conflict; although in line with budgetary provisions allocated to the program, the investment in public service was a major one. Nevertheless, the different public administration groups – especially the *corpos especiais* – were not content and continued to make major demands for better pay and special career conditions. On the other hand, initiatives intended to improve the relationship with citizens and society were perceived as “friendly” approaches. The studies that were conducted with an eye to future developments (see the abovementioned report on “renewing the administration”) were also perceived as a valuable contribution to improving the efficiency of the public service and even inspired the reform programme of the next phase.

4.4 Phase four (1996-2001)

This phase bore in mind the criticism of the previous one – especially about tensions with trade unions. The government in office was supported by the Socialist Party. The issues of dialogue with trade unions and society were considered essential. The so-called *corpos especiais* continued to make major demands that had not been met by the previous government. One can say that dialogue with trade unions and consensus became an objective in itself, rather than a means of managing change. This resulted in improved pay conditions and other career benefits, which in turn had an even greater impact on public expenditure. On the other hand, citizen-friendly policies were reinforced.

The main initiatives were taken in five primary domains.

4.4.1 *Citizen orientation*. A law creating a “citizen administration forum” was passed, but not actually implemented.

Several “citizens’ shops” (*Lojas do Cidadão*) were set up (1997/2006). They were (and still are) one-stop contact points designed to concentrate formalities under the same roof and thus facilitate people’s lives. One-stop shops for business were also set up (1997/2006).

4.4.2 *Civil service*. Several laws were passed on the status of civil servants, revised careers, remuneration and the employment relationship, particularly for the so-called *corpos especiais*.

Employment relations based on contractual and term contract formulas were revised, and staff whose tenure had previously been unstable became career civil servants.

Postgraduate studies for high civil servants – *Curso de Estudos Avançados em Gestão Pública* (CEAGP) – were created, in order to prepare new senior civil servants for selection as future managers.

4.4.3 Structures. The *Instituto Público* formula – the concept is close to that of state agencies[12], which had already been practiced earlier[13], although in rather limited situations – became more and more widely used. In the new *Institutos* the recruitment process is more flexible, either in terms of the number of admissions or in terms of procedures; remunerations can be higher, along the lines of public enterprises; and financial management is subject to less control. Much like the Greek experience (Spanou, 2008), we can consider that the new *Institutos* did not really affect the Portuguese administration, or even downsize the public sector. Formally intended to rationalise public organisations, they probably did not fulfil their aims. We can also state, in line with findings on the dynamics of public management reform in another of the countries investigated, that in Portugal the creation of new agencies with new responsibilities and resources appeared much easier, since it did not challenge but rather by-passed existing structures (Spanou, 2008). In fact, the *Institutos* were not so much a way of replacing previous structures, but rather a process of adding new, parallel solutions to the previous administrative organisation.

The *Institutos Públicos* are intended to increase efficiency by enhancing the devolution of authority and allowing for greater flexibility in the allocation of resources. The new *Institutos* could be a process of layering institutions (a concept that involves the partial renegotiation of some elements of a given set of institutions while leaving others in place, according to Schikler, quoted by Parrado (2008)) and a way of achieving incremental changes by diffusion and other mechanisms. However it seems that in practice a certain paradox arises, and unlike other experiences (like that described for Spain by Parrado (2008)), it does not seem that this was the case in Portugal.

No financial data (nor efficiency or quality data) on the setting up of *Institutos* are, at least to the knowledge of the Author of the present paper, available. Nonetheless, it is commonly acknowledged that they had a serious impact in terms of increases in public expenditure, and they are probably one of the reasons for the modest success of the financial reforms.

4.4.4 Management process. Measures were taken to improve financial management by enhancing programme and activity budgeting. A new accounting system (*Plano Oficial de Contas da Administração Pública POC-P*) was approved, as were new public procurement rules. However, there was no major change, but rather an incremental improvement.

4.4.5 Decentralisation. As mentioned earlier, in 1998 a referendum was held on setting up Administrative Regions. The Portuguese constitution (1976) clearly opted to establish regions, and there was a general consensus among all the political parties during the first 15 years of Portuguese democracy in this respect. In fact, the framework law on the regions (1991) was unanimously approved by all the political parties. However, in the course of time different positions emerged, and in 1998 regionalisation was (and still is) an issue that divided the Portuguese society (Corte-Real, 1995, 1999); in every party it was possible to find influential people both in favour and against the so-called “regionalisation process”. The referendum rejected

this step, but studies on the implementation of a decentralisation policy were conducted during this phase.

Decentralisation efforts are currently based in municipalities and/or associations of municipalities (voluntarily set up by groups of local authorities in order to meet certain objectives in different fields, such as the environment or land use planning).

In summary, in this phase dialogue and consensus with trade unions and influential *corpos especiais* was of the essence, counterbalancing previous tensions and conflicts. The citizen-oriented initiatives were seen as beneficial, and continued to receive a new impetus. On the other hand, the end of this cycle led to a serious concern about the level of public expenditure, which dictated the reforms in the next phase.

4.5 Phase five (2002-present)

This last phase started with a Social Democratic government, particularly under Durão Barroso, and continued with the present (at the time this special issue is being published) government, which is supported by the Socialist Party.

Problems of efficiency, value for money and controlling public expenditure have been very high on the political agenda since then. Public expenditure is close to 50 per cent of GDP (2005). There had been a dramatic increase in public employment and some powerful groups had seen their pay system revised to levels that the state budget finds it difficult to afford[14]. But we cannot ignore the fact that the European Union stability pact requires Portugal to meet strict and demanding economic, financial and budgetary criteria.

In a nutshell: the need to control the public deficit forced government to take a number of unpopular initiatives, the most important of which (in place or still being carried out) are under way in three different directions:

4.5.1 *Citizen orientation.* The SIMPLEX (short for “simplification and *lex* (i.e. law)”) program was adopted. Several simplification measures have been announced, with a massive use of “new information technologies” (NITs) (SIMPLEX, 2006).

The one-stop shops for business received a new impetus: a procedure for setting up the so-called “on the spot firm” system (all the legal procedures for setting up an enterprise can be completed in one hour) was launched and implemented.

4.5.2 *Structures.* The launch of PRACE (short for Central Administration Restructuring Program) (PRACE, 2006) was announced. PRACE is an ambitious, global and centrally conducted program designed to revise the structure of all the ministries. Its strategy is defined as: restructuring and rationalising central and indirect administration; reinforcing strategic functions to support the formulation and evaluation of public policies; reinforcing the normative and regulatory role of the state, rationalising service and using market-type mechanisms for service provision; developing partnerships; improving horizontal communication; simplifying services and making them more flexible; and improving the decentralisation process at the regional level (Mendes, 2006)[15].

Two agencies were set up: one to manage public procurement activities; the other to centrally manage redundant staff from the estimated downsizing resulting from the reorganisation introduced by the PRACE.

4.5.3 *Civil service.* Several initiatives were taken. The appraisal system was revised and began to be seen as the lever of the reform process (2004). The implementation of the system was not entirely successful and is now being reviewed. Regular seniority

increases (subject to a positive assessment, automatic every three years within the same salary band) were frozen (2005). The civil service pension scheme was revised. It is now closer to the national social security system, rather than the previous, more generous one.

The senior civil service statute was also reviewed and a new law was passed (2005). Top managers are appointed politically. Their three-year terms end whenever a new government takes office. The politicisation of top management is now a clearer option. On the other hand the training of managers was enhanced and became compulsory for those who accept management responsibilities.

New legislation on staff mobility has been passed. It is intended to reduce public employment. Its impact has not been officially estimated, but the government program announced the redundancy of 75,000 civil servants.

A commission was set up to revise payment and employment conditions (the civil service statute and career system will be restricted to those who perform typical state jobs, and will cohabit with a position system for groups which do not perform authority functions). The new principles that will be applicable to the new civil service are now being discussed with the trade unions.

Some main ideas can be underlined in relation to this phase: as public expenditure constraints were seriously envisaged, reformers moved closer to some NPM doctrines. The traditional structures of the civil service (Directorates-General) and the service itself are under strong criticism and pressure. The new agencies that were set up have adopted the public enterprise regime and thus some private sector and market-type mechanisms; the announced reforms in personnel management seek contractual labour approaches (permanent tenure will be restricted to a few positions), downsizing is of the essence, and resorting to outsourcing is becoming quite common.

5. The impact of the reforms

When looking back at the reform process, one of the things that can be observed is that most of the phases were conceived to counterbalance or even oppose previous reforming intentions. Except for the citizen orientation, it is not possible to see any real continuity, especially from the third phase onwards. We can now ask what results all these efforts have produced.

Evaluation[16] is a continued and serious effort, which requires independence, impartiality and balance (World Bank, 2007). Nothing which meets the demanding requirements of a sustained evaluation has been done, and the absence of an evaluation culture is clear. We do not have specific indicators for administrative reality and its assessment. Only in relation to the longest phase (phase three) has there been an evaluation of the operational results, processes and systems of some programs (see Pollit and Bouckaert, 2004a).

A tentative assessment (taking Pollit and Bouckaert's (2004b) taxonomy into account) would stress the elements reported in the following subsections.

5.1 Results in the form of improvement in trust in the public sector by the citizens

A number of studies and opinion polls were conducted in 1986/1995 and provided various indications: the public administration was heavily criticised, the bureaucracy was considered slow and cumbersome, inter-policy coordination was not always achieved, and more efficiency was needed. On the other hand, 51 per cent of the citizens

questioned in 1993 opinion polls said that they could see some progress in public services. However, this was a long time ago and this evaluation tool has not been repeated.

5.2 Results in the form of process improvements

5.2.1 Increasing client orientation. Citizen orientation, which was introduced early on in the reform process as an important issue, is a new reality that has now been consolidated by almost 20 years of continuous effort. Looking at the evolving agenda, we can see that a continuous flow of initiatives have been taken in this field by different actors, political parties and governments, and both citizens and society in general value the efforts that have been made.

5.2.2 Personnel management. Personnel management has evolved, either by becoming more suited to the new democratic process, or by making the rigid career system more flexible.

At the same time there has been an investment in the management of human resources and vocational training has received a special impetus. Management training – a most influential tool for the reform process – has become a reality, not just an intention. There has been an important pay reform. These areas can even be measured in terms of operational results

5.3 Results as outcomes and impact

If we examine the whole cycle we can make a tentative assessment of the different waves of reforms and their impact, although no systematic data are available at this level. Even with this limitation, it would not seem too daring to say that the Portuguese public administration has managed to cope with an incredible sequence of challenges over the last 30 years: a new democracy; new social, political and labour rights; the integration of returnees – including civil servants – from the African colonies; membership of the European Union . . .

One of the questions that can be asked is whether there were tensions between the administrative tradition and the different waves of reforms, some of which could be interpreted as more in the line of the neo-Weberian paradigm, others more oriented towards NPM ideology and mechanisms.

The views expressed by Peters (2008) – that a number of questions introduced by NPM are ideas in good currency – could also apply in the Portuguese case. There is no memory of a civil servant, citizen, trade union or enterprise saying that they are against cutting red tape, citizen orientation, quality management, effectiveness, or value for money. Adopting some of the NPM contributions was not incompatible with a “distant” politico-administrative regime. In the Portuguese case we can see that the most consistent innovations have precisely entailed a citizen orientation and that this line of policy has always been appreciated by the different stakeholders.

5.4 Inconsistency and failures

In spite of the different areas of progress, it is also possible to identify some inconsistencies and, as in Italy, an implementation gap (Ongaro and Valotti, 2008). A number of problems persist: excessive budgetary deficits (beyond the requirements of the European Union stability pact criteria); public employment has not stopped growing, and the remuneration and compensation awarded to certain (powerful)

groups has introduced inequities and turbulence in public expenditure; although legally legitimate, the political influence over the appointment of senior managers creates mistrust and a lack of confidence in the public administration and a lack of credibility on the part of the reform process. What are the causes of the implementation gap?

Over the last 30 years the political discourse has always been consistent with rationalistic approaches and logics of quality management for an effective and efficient administration. However, there is a gap between what is officially declared and what is actually put into effect. The persistent problems with the public administration correspond to political decisions that were made by different subsequent governments and political parties. In the Portuguese public administration there is a strong legalistic culture; the legal aspect prevails over management and most of the decisions related to the abovementioned issues have to be taken at the level of the Council of Ministers and even Parliament. We can thus see that politicians have, or have had, a major degree of responsibility for the present state of affairs.

Another line of observation that deserves attention concerns clientele. As I have said, there have not been many studies on the Portuguese public administration. But a recurrent fact is the constant increase in staff numbers. However, retirement is speeding up (around 63,909 civil servants in the last three years)[17], albeit without a major impact on the overall figures. Indeed, it seems rather inconsistent to announce new downsizings in parallel with new recruitment. In addition, term contracts and other forms of flexible recruitment have been used and abused. One of the possible interpretations is that these types of recruitment are not exempt from political and partisan influences. The increasing politicisation of senior managers also offers some indications in that direction. What is more, the pattern is the same for the different political parties: once in government, practices are similar.

A new wave of reforms is taking place and public management is indeed evolving, but it is still too early to see whether the current initiatives taken in the fifth phase of the evolving agenda will produce the necessary outcomes.

6. Do key features of the Napoleonic model persist or influence the cycle under examination?

The boundaries of a Napoleonic style are difficult to draw. We have identified three contextual elements: a unitary and centralised style of governance; an administrative law that acts as a framework for public activities and constitutes an autonomous corpus within the legal system, based on the French tradition; and a human resource management that is anchored in a statutory system. These features are evolving into a political and administrative regime which possesses the following features: a unitary centralised state structure; a majoritarian executive government; a politicised relationship between ministers and senior managers; a legalistic administrative culture; and a diversity of policy advice taken from a broad mixture of civil servants academics and other experts.

If we look back at the evolving agenda and the five phases we noted earlier, it is possible to see some continuity in the first three phases. Although undergoing continuous changes, three elements of the basic matrix (related to those identified in the Portuguese Napoleonic legacy) continued to form the backbone of most of the

initiatives: the civil service statute was improved and made more flexible, but without breaking with the tradition of a professional civil service (even given the solutions that were adopted for senior managers); administrative law evolved, adapting and renovating practices within the framework of the new Democracy and reinforcing citizens' rights; key features of the unitary state concept were respected, the powers of municipalities were actually enhanced, but no intermediate level of government was created.

In spite of this, some elements were entirely new: the key orientation towards the citizen (Alpöge and Dacier, 1996) was a watershed in the reform processes and is still inspiring reformers today, contrary to a conception, which might be considered in line with the heritage of the Napoleonic tradition, according to which interest groups are almost seen as illegitimate interventions in policy formulation (Peters, 2008).

The fourth phase was a transitional one: the civil service statute continued to form the backbone of the Civil Service, but managerial appointments became more political and the concept of the new *Institutos* was employed to an ever greater extent, adding new structures instead of rationalising the previous matrix.

In the fifth phase – since 2002 and still ongoing – we can say that the matrix is clearly changing: NPM doctrines are present in both political discourse and the initiatives that are being taken, such as PRACE and the new staff measures. The concept of a career civil service seems to be condemned to death.

Looking back at the Portuguese experience, one can say that there have been both successes and failures. Managerial contributions, mainly introduced by the NPM, cohabited with the administrative tradition in which and were implemented, in some cases with seemingly positive results, like the citizen orientation initiatives, for example. However, questions like those identified by Samier (2005) deserve to be reflected upon by the current Portuguese reformers:

The main negative results of NPM have been: significant and sometimes continuous reorganisation of government leading to administrative instability, a proliferation of agencies and increased managerial staff, sometimes at greater financial cost, and a human cost in low morale, job insecurity, increased rates of stress-related illness, a widening gap between public and private sector salaries, fewer university students pursuing careers in government, and high levels of resignation. New Public Managers have often pursued their entrepreneurialism to the detriment of public service standards, or have acted so independently of each other that they compromise unity in the civil service.

Having been personally involved in the reform process until 1995, it would not be wise or even fair for me to make conclusive judgments on the Portuguese process. However, one can see that the Portuguese public administration has been fertile in the conduct of different waves of reforms, even if some of them have actually counterbalanced or opposed the previous ones. Portugal was not a latecomer to the European public management reform movement, and intensive work to formulate and implement the reforms has been done.

The Napoleonic administrative tradition, which encompasses a number of dynamic and evolving elements, has not prevented different experiences and initiatives. Some reforms have been closer to the “continental European modernisers”; others to the “NPM grouping” of Anglo-Saxon countries (Pollit and Bouckaert, 2004a). Some argue that Portugal should be considered in the neo-Weberian grouping of states (Mendes, 2006). In the end one could ask: what is missing? Why has such an intensive search not

produced the right outcomes that might have been expected? The answer is probably simpler than it seems. In the Portuguese case there is no absence of great reforms in search of an ideal state (although this archetype is moving, and is now closer to a more liberal and market-oriented idea of the state). Nevertheless, a more modest level of approach seems to be lacking. Doing what has to be done, every day, in a simple, quiet and discreet manner, paying tribute to the traditional values of public service, in combination with a quest for efficiency and value for money, can also be an answer. When it comes down to it, providing what “the state can offer best: the classic virtues of security, honour, stability, and fulfilment” (Drechsler, 2005).

It also seems that reformers ought to refrain from doing what they seem to be perfectly conscious to be wrong: expanding the public employment, especially at the senior management level, where political influences are particularly strong; it should be avoided. Putting an end to clientelism, which seems to be an atavism of Portuguese society, is also a major challenge for would-be reformers of the Portuguese public sector.

Both things are crystal clear. They can be pursued as part of the daily work of politicians and managers. They can cohabit with the Portuguese administrative tradition, in which the Napoleonic influence does play a role. They do not need a new doctrine, or new speeches. They need discreet reformers and continuous effort.

7. Conclusion

In an analysis of Portuguese public management reform movement it is possible to identify the key features of the Napoleonic administrative tradition of governance. Some of these features fit within Portuguese history and tradition and are anchored in the past. However, if we accept the idea that administrative tradition can involve dynamic elements, it is clear that the Napoleonic influence played a decisive role – a stance that is shared by a number of Portuguese legal studies.

Three key aspects can be identified: a unitary state and centralised style of governance; an administrative law that constitutes an autonomous body within our legal and court system and a legalistic culture; and finally a civil service anchored in a career and statutory regime.

Analyses of the cycle of reforms in Portugal since 1974 – the year of the Carnation revolution – shows that these elements have evolved. Having said this, we continue to have a rather centralised style of management and governance; and the existence of administrative law is still a point of reference, albeit evolving towards new private law formulas.

However, the Napoleonic pattern has been the object of several novelties. All in all, it seems that the Portuguese public administration has managed to cope with the process of change in Portuguese society, and has responded to the new democratic challenges, new social and economic rights, decolonisation and finally European accession. The key orientation towards the citizen and society can also be looked on as a new policy that has received continued support from both those in power and society as a whole. Personnel management rules and regulations have become more flexible and closer to the contractual approaches employed in the private sector.

Another tentative conclusion that can be reached when examining the whole cycle of reforms is that from the third phase onwards, each phase was followed by counterbalancing or even opposing policies. It is thus not easy to put the Portuguese

public management reform process into typical groupings: while until a certain point in time (the end of the third phase), the attempts that were made could be considered close to Pollit and Bouckaet's neo-Weberian paradigm, today the official discourse of reform seeks inspiration in NPM approaches. Thus, some quite different approaches and reform doctrines have occurred and have cohabited with the Napoleonic tradition.

Finally, public management reform in Portugal is confronted with a recurrent problem of excessive public expenditure and increasing public employment – a major source of pressures to reform, but not a result that public management reform seem to have actually achieved.

It would seem valid to pose a question on this subject: if in the Portuguese case there has been no lack of great reforms, and if the expected outcomes have not been achieved, should a more modest approach have been adopted? An approach that does not require special speeches or special doctrine, and is based on the discreet and daily work of politicians and managers in a way that seeks to fulfil the traditional values of the public service.

Notes

1. It is worth mentioning that most of the literature on the theme administrative tradition which has been published in Portugal has been produced by historians or professors of law.
2. In broad terms, the structures of the Napoleonic system were closely related to the way in which the territory was divided up: departments, arrondissements and communes. In each circonscription, the task of administration was assigned to an agent, who was appointed by the government: in each department a *prefêt* (prefect); in each arrondissement, a *sous prefêt* (deputy prefect); in each commune, a *maire* (mayor). In Portugal a similar territorial organisation was put into place. Mouzinho da Silveira, divided the territory into *provincias*, *comarcas* and *concelhos*. A *provincia* came under a prefect, a *comarca* under a deputy prefect, and a *concelho* under an official called a *provedor*. None of these positions were elected – all were royal appointments (Sousa, 1995). Almeida Garret (1799-1854), who was an important Portuguese writer and also an outstanding politician and member of parliament, interpreted the spirit of the French formula as follows: administration belongs to the central authority. At most, the people can only be consulted about their needs, wishes and contributions (Caetano, 1994; Caupers, 2003).
3. The concept of executive administrative system encompasses the following elements: public administration has its own legal framework, and gives rise to a separate legal body – administrative law; public administration has the power to take decisions in areas that have an impact on the lives of third parties, without requiring prior court rulings; and unlike the Anglo-Saxon tradition, it is controlled by special administrative courts (Caupers, 2003; Caupers, 2003). Taking this conceptual approach into account, when talking about a separate administrative legal body we are thus actually referring to the Portuguese administrative executive system.
4. Caetano (1999), Freitas do Amaral (1996), and Rebelo de Sousa (1995) acknowledge the French influence in the administrative system in several editions of their lessons of administrative law, op. cit. below in references.
5. It is worth mentioning that some authors argue that there was no state during the Middle Ages. Miranda (1996) says that during this period there was no state displaying the features that are usually attributed to the concept. Freitas do Amaral (1984), on the other hand, has a different view – that, at least in Portugal, where real feudalism was absent, it is necessary and possible to talk about the state.

6. Actually the Portuguese administrative structure currently encompasses:
 - A central administration with 15 ministries and 568,384 civil servants. The civil service system is composed of three main subsystems: the general career subsystem, the special career subsystem (groups that follow the general guidelines, but with a special career pattern, such as the staff of the *Direcção Geral das Contribuições e Impostos* – tax and income – or the *Alfândegas* – customs authority), and the subsystem of the so-called *corpos especiais* (literally special bodies), which encompass groups such as the armed forces, police, firemen, ambassadors, teachers, university professors, doctors, and nurses. All of them belong to the central administration.
 - Portugal is divided into 18 administrative districts, each headed by a central government representative (civil governor), albeit with rather limited powers.
 - Five regional coordinating committees are also part of the administration's structural organisation at the regional level. In fact they are five decentralised bodies whose geographical responsibilities correspond to five regions. They are also an extension of central government and answer directly to the Minister of the Environment, Planning and Regional Development, who appoints their chairmen. They provide assistance to local authorities, help formulate local and regional plans and monitor their implementation, manage structural funds, and coordinate the activities of certain ministries at regional level (e.g. land-use planning, regional development and the environment).
 - Several decentralised regional bodies provide services and represent the central administration at the regional level (education, health, social security, employment, agriculture, industry, environment, fiscal administration, transport etc.).
 - On the mainland there is no elected intermediate level of government.
 - The elected local authorities are the 305 *municípios* (municipalities) and 4,220 *freguesias* (parishes).
 - Local authorities control 130,650 civil servants.
 - The Azores and Madeira autonomous regions control 38,740 civil servants between them.
 - Public employment represents 14.6 per cent of total employment (source: *Caracterização dos Recursos humanos da Administração Pública*, 2005).
 - The salary bill represents 14.5 per cent of GDP.
 - Health and education (including state universities) represent 66.7 per cent of the total salary bill (source: *Vínculos, Carreiras e Remunerações na Administração Pública. Diagnóstico e Perspectivas de evolução*, 2006).
7. Actually the central services in charge of administrative reform process developed a number of technical tools, for use by the different individual departments and services of Portuguese public administration. However the use of the new methodologies was not compulsory – they were introduced, but in reality progress with them was modest.
8. Again, it was a global and systemic organisational approach, conducted by experts. The studies were carried out, but not implemented.
9. The OECD's PUMA committee published a study (Alpöge and Dacier, 1996) focusing on the Portuguese experience, under the title "Putting citizens first", which provides a detailed description of this phase.
10. The commission was chaired by the Secretary of State for Administrative Modernisation and composed of members appointed by business associations and representatives from the Directorates-General with responsibility for departments and services that most frequently come into contact with companies. The commission had three main roles: to ensure dialogue; to prevent new bureaucracies by examining draft legislation prior to its approval; and to propose simplification measures and cut red tape in order to eliminate unnecessary bureaucracies. It was a way of legitimising the advisory role of the private sector and its interests.

11. In 1985, some studies on financial management reform were launched by the Secretary of State for the Budget and by the Directorate-General of Public Accounts. The ensuing reform did not consist of a one shot change, but rather an extensive and continuous range of reform initiatives. It was based on one model unit – service with administrative autonomy – while the use of other models, which gave services and managers more autonomy, was quite limited. Expenditure authorisation was simplified, in parallel with the full computerisation of financial management. Programme budgeting was also introduced, but financial management systems remained quite centralised. Later, decisions to set up new forms of indirect administration, such as the *institutos públicos* (public agencies) (see Corte-Real, 1995), bypassed the system and its control mechanisms.
12. The definition from Pollit *et al.* quoted by Parrado, in the *IJPSM* special issue on public management reform in Mediterranean countries, is consistent with in the concept of *institutos*, that can be understood as state agencies: an agency implies that the status of agency is basically defined in public law; is functionally disaggregated from the parent ministry; enjoys a certain degree of autonomy over management of resources which is not enjoyed by general directions of the parent ministry; and is linked to the ministry as budget and main operational goals can be altered, i.e. the agency has not full independence. In sum, a semi-autonomous body is characterised by certain degree of autonomy and by functional disaggregation from parent ministry.
13. The formula was used in 1986 to set up the *Instituto de Apoio às Pequenas e Médias Empresas, IAPMEI*.
14. Between 1989 (the implementation year of the new pay system) and 2005, minimum levels of pay increased between 75.5 and 174.7 per cent, and maximum levels between 76.6 and 182.9 per cent (op. cit. report of the commission (CRSCR, 2006, p. 135)).
15. About PRACE and related reforms see Mendes (2006), *La reforme du système administratif Portugais: new public management ou Etat néo-wébérien? Revue Française d'administration publique*, 2006/3, No. 119, pp. 533-553. Without considering 2007 developments, Mendes places the Portuguese reform process in the first grouping of countries.
16. The concept of evaluation set up by IEG. World Bank is recalled: evaluation – the systematic and objective assessment of an ongoing or completed policy program, or project, its design, implementation and results. The aim is to determine the relevance and achievement of its objectives and its developments effectiveness, efficiency, impact and sustainability (World Bank, 2007).
17. *Sindicato dos Quadros Técnicos do Estado*, 2007, *Infoquadros* no. 1/2007, Data from Caixa Geral das Aposentações (CGA).

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About the author

Isabel Corte-Real graduated in social and political sciences in 1969 and developed her career in the Portuguese public administration, where she held different positions. In public administration, Isabel Corte-Real worked particularly in the areas of organisation, management, and human resources management. Director-General of the Centre for Scientific and Technical Information on Administrative Reform in 1984, she was appointed, two years later, Director of the Secretariat for Administrative Modernisation, reporting directly to the Prime Minister. She was appointed Sub-Secretary of State in 1988 and Secretary of State for Administrative Modernisation in 1989. She remained in Professor Cavaco Silva's Governments, until October 1995. Earlier positions in the area of Administrative Modernisation include Director of the Public Administration Review from 1986 to 1988 and Governor of the European Institute of Public Administration in Maastricht, representing Portugal, in 1987. In the same year, she becomes Chairwoman of the Committee on Business and Administration – a body created with the purpose of furthering the dialogue between the Administration and the main confederations as well as business associations regarding modernisation and debureaucratisation – and she held office until 1995. She was Chairwoman of the Commission for Quality and Rationalisation of the Public Administration – which produced a report on "Renovating the public administration: a challenge and commitment" in 1994 – and also responsible for the political and institutional management of programmes of administrative modernisation (1988-1995) and for the wage reform of 600,000 civil servants (1988-1989). From 1996 to April 2000, Isabel Corte-Real was Director-General of the European Institute of Public Administration in Maastricht. Until the end of 2001, she was invited professor of Administration Science at the Instituto Superior de Ciências Sociais e Políticas – Higher Institute of Social and Political Sciences of the Technical University of Lisbon (ISCSIP). She was also invited professor of postgraduate studies in public policies and local administration at the Instituto Superior de Ciências do Trabalho e Empresa (Higher Institute for Labour and Business Studies). From April 2000 to April 2002, she was Advisor of the Instituto Nacional de Administração (National Administration Institute of Portugal) and Director of the Post-Graduate Studies in Public Management. From May 2002 to June 2005 Isabel Corte-Real was Secretary-General of the Assembly of the Republic of Portugal. Presently she retired in that capacity. Isabel Corte-Real was awarded as Knight of the Order of Orange-Nassau by the Queen of The Netherlands. Isabel Corte-Real is Honorary Professor of the China National School of Administration. Grand Cross of the Order of merit awarded by the President of the Republic of Portugal. Isabel Corte-Real can be contacted at: i.cortereal@netcabo.pt

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And public management reform is still an area marked by very strong national autonomy, and only a very limited competence on the part of EU institutions. This is not trade or agriculture. One can write a perfectly good history of public management reform in France or the UK whilst only making minor and occasional mention of the EU. It is true, however, that that autonomy may be less marked in the transitional states of central eastern Europe, where the Commission was able to insist on the installation of certain institutions and procedures as part of the price of membership, but in those cas