

Implementing the new public management: problems and challenges to public ethics. The Chilean case

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Abstract: This article analyzes the impact of the implementation of New Public Management doctrines in Chilean public administration. In this work, three administrative doctrines are presented and linked with three corruption scandals that took place in Chile. The research strategy is qualitative, using a case study approach for data gathering. This paper is aimed at exploring the potential connection between the implementation of these new administrative doctrines and the emergence of deeds that are at odds with public ethics. After presenting these three cases, three alternative solutions to those newly adapted doctrines are presented, which are a better prescription regarding public agencies' performance in the region.

Key words: New Public Management, public management modernization, corruption, Chile, case studies.

Resumen: El presente documento analiza el impacto de la implementación de algunas doctrinas administrativas propias de la Nueva Gestión Pública (NGP) en la administración pública chilena. En este trabajo se exponen tres doctrinas dominantes de la NGP, relacionándolas con tres hechos de corrupción acaecidos en Chile, por lo cual la estrategia de investigación es cualitativa, utilizando el método del estudio de casos como recurso metodológico. Al hacer esto, se pretende tratar de explorar si pudiese existir una relación entre la aplicación de estas nuevas doctrinas y el surgimiento de actos reñidos con la ética pública. Luego de la descripción de los tres casos, se plantea la relación que éstos tienen con alguno de los modelos teóricos alternativos a la NGP que pudiesen abordar de mejor forma el funcionamiento de la administración pública en la región.

Palabras clave: Nueva Gestión Pública, modernización de la gestión pública, corrupción, Chile, estudio de casos.

Introduction¹

There has been plenty of academic production as of 1991 when the concept of New Public Management (NPM) was coined and began to be used in the classic Hood's (1991) text and Aucoin's (1990) work. The arrival of the new way of understanding public management has been globally revised by a large number of authors and from diverse standpoints (Lane, 2000; Kettl, 2000; Ventriss, 2000; McLaughlin *et al.*, 2002; Lynn, 2006). In this review, it has been stated there are new ideas that have determined how public institutions are managed or administrated, the aggiornamento of public administrations, thus accomplishing, allegedly, better conduction. In like manner, the conditions for its implementation and potential costs are presented.

In the case of Latin America, academic literature has delivered a series of works that range from a sort of death certificate for this paradigm (Guerrero, 2009) to other works that put forward that many of the changes generated in our public administrations, in recent times, do not necessarily are justified or related to the NPM "fad" (Cejudo, 2008). The contribution from these perspectives is that they have evinced there cannot be a naïve attitude regarding a paradigm, essentially generated in developed countries with administrative histories and cultures utterly different.

What is interesting for someone concerned by the topics proper to public management is that notwithstanding the apprehensions in relation to the actual expression of NPM in Latin America, many of the administrative doctrines proper to this current have been implemented in our public administrations (Atrio and Piccone, 2008; Manning and Shepherd, 2009; Dussauge, 2009). This occurs partly because academic times are not exactly the same as those of policymakers or decision-makers in the government. Critical visions on the modifications are not necessarily accounted for by those who seek to improve public administrations' performance; these are also called "practitioners".

We notice that many of the concepts proper to this new paradigm are present on the day-to-day State management. The legitimacy of these changes is supported on the need to modify the way things are made in public management, adapting these practices to the new social, economic and cultural reality (Barzelay, 1992). As stated by Arellano (2002: 58) "NPM is in reality a proposal that is explained in the light of the consequences of the

1 The present document accounts for a part of the results obtained in the context of the research project Fondecyt Iniciación no. 11110207 carried out by the author.

evolution and crisis of the specific forms of acting of public administration and its relation with the political system". A more efficient State is sought, closer to the users' needs, which are seen as clients looking for better attention.

But in this promise of a better State, from better public administration, one notices the imposition of ideas that can be very complex in weak administrative contexts or scantily consolidated administrative cultures, prone to bad administrative practices and even corruption. Ramió (2001) puts forward a schema regarding the potential implications conveyed by the adoption of these new ideas in various administrative contexts. This can lead us to think of the potential relation there may be between the adoption of these new administrative doctrines and the occurrence of management vices and problems.

The present document analyzes the implementation of NPM in Latin America and its relation with corruption, taking the Chilean administrative reality as an analysis framework. This way, we follow Maesschalck (2004), who analyzes the impact of NPM on the public functionaries' ethical frameworks from the adoption of new administrative doctrines, alien to the bureaucratic paradigm. A group of corruption cases were chosen due to their relation with some administrative doctrines of this public administration philosophy. Once this analysis is carried out, we will present some reflections on the theoretical dilemmas and the approximations proposed to give an account of them.

New public management in Chile

As a part of the analysis undertaken to give an account of this document's objectives, it is necessary to reflect on the affirmation whether NPM has been implemented in Chile. Even if this can be matter of debate, product of the complex recognition of the bureaucratic paradigm that prevails in the country, it is necessary to recognize that the process to modernize public administration, which started in the mid 1990's, has features essentially proper to the NPM discourse, as it is noticed in a number of researches in this regard (Ramírez, 2004; Waissbluth and Inostroza, 2006; Araya and Cerpa, 2009; Pliscoff, 2009b; Olavarría, 2010; Olavarría et al., 2011; Figueroa-Huencho *et al.*, 2011; Morales, 2014).

Three milestones have to be specially mentioned as they clearly express the "discourse" of NPM in Chile. The first one is related to a Strategic Plan for the Modernization of Public Management, implemented between 1997 and 2000, in which an agenda for changes in various spheres of public

administration is defined, namely: improvement of planning systems, installation of better mechanisms to control management and measurement of public institutions' activities.

This initial endeavor is supplemented and reinforced by two central milestones in the modernization process, the installation of a system to assess and control management by the Direction of Budgets (DIBUD) of the Ministry of Finance, which is set into motion in 2001, and the creation of the System of High Public Management in 2003, which starts operations in 2004 in the context of the creation of the National Direction of Civil Service.

Taking Hood's (1991) administrative doctrines proper to NPM, it can be clearly recognized that in Chile changes in public administrative practices have been effected in the following entries: firstly, in the face of the idea of "letting managers manage", proposed by Hood, in the Chilean case, a System of High Public Administration was implemented; it seeks to reinforce the public manager's central role in development, installing a discourse on the topic.

Secondly, explicit administrative measures have been taken in order to evaluate performance and control the acting of public institutions, with various mechanisms such as the system to assess and control management, set up by DIBUD. Together with these doctrines, the intensive use of technology is crystal clear as well as a reference to private management techniques, for instance with the implementation of the Programs for Management Improvement (PMI) in 1998, which installed the logic of performance-based variable remuneration, proper to private management (Plissock, 2005).

Some prevailing doctrines in NPM

In view of deepening into the analysis of the doctrines prevailing in NPM in Chile, Hood's (1991) work will be taken as a referent to recognize three that are particularly proper to this paradigm and which, as previously exposed, have been implemented in the context of the modernization process of Chilean public management. Indeed, these doctrines are quite different from the previous approximations of progressive or bureaucratic public administration.

The first is the assignment of contracts as a tool to manage the provision of services or tasks previously carried out by public entities or functionaries. The second is the idea of "letting managers manage", which in practical terms translates into an increase in public managers' discretion levels. Finally,

another central aspect of NPM is pressure for results, being one of the favorite management instruments the use of incentives to reach goals.

Contract assignment

Over the 1980's, a decrease in incomes and high cost of productive services encouraged the governments to implement measures to use resources. Among these innovations one finds the figure of outsourcing. In which public organisms enter into a contract with a private enterprise to deliver a product or public service and it has the function of supervising the delivery.

This figure is widely used, for example, in waste management, transport, administrative services, etc. The spirit of this NPM device is saving in the cost structure of public services, besides it would allow improving technical knowledge and providing quicker responses to the citizens' needs (Hood, 1991).

However, the figure of NPM has stirred a series of questionings; from the academia it is stated that not every single sphere of public management can be subject to outsourcing (Meier and Hill, 2005). Several actors suggest that competence can be generated from the delivery of a service, creating a process tending to efficacy in the use of resources (Savas, 2000). The detractors of contract assignment, nevertheless, state that outsourcing tends to separate the design of public policies (political stage) from their implementation (administrative stage), with which there is margin for a reduction in the control of the delivery of services the citizenry receives (Johnston and Seidenstat, 2007; Arellano, 2002).

What is contradictory at this point is that the assignment of contracts might be a paradox, where trying to limit the bureaucrats' capability of acting with neither control nor *accountability* becomes a situation in which the private parties are those who do not respond to any sort of control or have responsibility for their action or inaction (Meier and Hill, 2005: 56)

Discretion

Under the motto "let managers manage", NPM sought to release the public manager from unnecessary bureaucratic barriers and broaden the administrators' scope of management. As Ingraham (2005: 528) explains, the public personnel system was built inside a complex world of rules, and legal and bureaucratic processes, which became heavy restrictions for public managers, to overcome this, in NPM there appeared policies for both the

personnel and public management in general with the intention of making room for greater discretionary decision-making.

This discretion can be exercised in the hiring of a new functionary, offering a new service or simply to facilitate the administration of a senior manager. In this line of argument, Moore (1998) focused his analysis on the need of providing public managers with the capability to adjust the use of organizational resources and generate “public value”. In his schema, three limits are proposed for this creation of value in public organizations: that the decisions are legally and administratively substantiated, that they are politically supported and are appreciated by the citizenry. Providing the public manager with wider discretionary scope might express as an updating of mandates, thereby they define the orientation of a company.

The strategies aimed at increasing the discretion of public sector personnel, particularly public managers, have not been without criticism; one such criticism outlines that increasing discretion can leave important things for the organization aside, namely historic memory, specific *know-hows* and all those that have something to do with the institutional capacity developed over time (Terry, 1995; Frederickson, 1997).

Certainly, another problem generated by increasing public functionaries’ discretion is the possibility that fewer controls lead to higher possibilities of corruption or poor management; since increasing discretion can give rise to a potential context for the erosion of public values (Moynihan, 2008); which makes those who possess discretionary attributions not exercise it according to the values or ethos that should prevail in public service.

Works by Gregory (1999) and Norman (2003), which refer to the results of years of reforms in New Zealand, help justify these fears for increasing discretion in the public system. The paradox is structured from the fact that by releasing managers from constraints and controls, their tasks are disconnected from the space where their management is exercised. Efficiency or efficacy in themselves are not useful if there is no adherence to a public service standard.

Result-based management

Following the NPM administrative doctrines’ base text, Hood (1991) indicates that this new vision of public organization management focuses on greater control of results over the procedures that justify a determinate task. In this same argumentative line, Barzelay (1992) points out that the task

of public administration cannot be supported on the procedures it carries out, but on the services or products intended to be supplied with a group of available resources.

The processes' centrality proposed by Weber (1992) was justified by the recognition of the so called instrumental rationality, which stressed the procedures as means to accomplish certain ends. However, as indicated by Merton (1999) in their analysis of bureaucracy's dysfunctions, owing to characteristics proper to the bureaucratic model there is a displacement of goals, which makes the means, this is to say the procedures, turn into ends in themselves.

The primacy of results in NPM takes us to other aspects conveyed by the new management of public entities. As pointed out by Echevarria and Mendoza (1999: 35-36), "(...)in the new framework of relationships, agencies, centers or autonomous entities are delegated, according to their circumstances, power to manage resources and activities, which are controlled with objective standardization and performance measurement, usually by means of quantitative indicators". Not only is the centrality of resources a driving force for public management, but also a means to control those with greater discretionary levels. The problem appears in the agencies whose tasks are not easily quantifiable.

Presenting thus the debate makes it difficult to apply this doctrine in public contexts. The need to recognize and validate results of a determinate public service conveys pressure because of the measurement, as it allows securing the achievement of promised results. The interest of academicians and *practitioners* moves toward the quantifiable, displacing other aspects difficult to notice by means of a value or rate.

What the literature has presented together with the pressure to quantify is the pressure to reach the goal. A new vice appears, not of bureaucracy, à la Merton, but of NPM, as the centrality of results is stated as the meaning of public administrations. In this line, Dobel (2005) points out that the core of the public administrative *ethos* shall focus on the ethics of policy, recognizing the meaning of the public in professional performance before focusing on obtaining economic incentives such as the objective of the *ethos*. For the Chilean case, Pliscoff (2005) points out there is a divergent vision on the value of the incentives in public management, a product of the spaces they leave for cases of corruption to appear.

This is explained by the blurry structure in which incentives are established, mainly from the technical-administrative complexity entailed in the design, making *accountability* complex. Moreover, there might be a

problem with the structure of incentives, as it would not be in line with the aim of improving the internal management of public services.

As we notice, in this new paradigm each doctrine has produced “grey areas” or spaces that have sketched a potential relation between them and the occurrence of corruption cases. With this, we are not saying NPM generates corruption, but that the very doctrines that are claimed to produce a better State can be generating conditions for more cases of corruption to occur, to the extent that such conditions concur with individuals who lack solid ethics. The following section intends to enquire on that possible relation between NPM administrative doctrines and some corruption cases.

Corruption and public management in Latin America

Corruption has been an almost omnipresent topic in the public discussion in Latin America in recent decades (Weyland, 1998). Transparency International figures define the region, except for some particular cases, as one with the highest perception of corruption in society. Usually, the debate on corruption revolves around the relation of politics and corruption, an issue that immediately brings to mind the cases of Fujimori, Collor de Melo, Abdalá Bucaram and other high representatives involved in corruption cases. As pointed out by Morris and Blake (2009), ever since the return to democracy in the 1980’s, unfortunately the topic of corruption has been virtually present in all the region. Somehow, it was assumed that the wave of democratization and the alleged economic successes after the structural reforms must have generated lower corruption levels, something that with the review of the literature and the Latin American citizens’ experience is far from being so (Rehren, 2009).

However, beyond journalistic or even case-study analyses, it is interesting that researching on corruption, from an academic standpoint, is absent. Few are the scientific works on this respect, not only because of the complexity, but also because in these topics normative discourses mix with empirical or factual ones.

Along the same line, Morris and Blake (2009) order the academic literature that deals with this topic in three large blocks: institutional influence of corruption, the role of culture and public opinion, and efforts and measures against corruption. A review of the last twelve years of the most prestigious journals in our environment in the region: *Reforma y Democracia*, and *Gestión y Política Pública*, shows us that even if this academic interest is present, it is neither dominant nor proportionally majoritarian

(Gorrochategui, 2000; Caiden, 2004; Villoria, 2006; Merat and Deubel, 2006; Berthin, 2008; Martínez-Cousinou and Andersson, 2009; Heller, 2009; Pliscoff, 2009a; Peña-Mancillas, 2011; Vertiz, 2000; Mohabbat, 2001; Anechiarico, 2010).

The analysis becomes harder if we try to focalize our study on the existing relation between public administration and corruption; because somehow, it has been assumed, as stated in the presented literature, that one source of corruption is public administration itself. However, what occurs when the source of corruption is the very public administration? What circumstances have to take place for corruption to occur, not necessarily stimulated from the outside? In this analysis Thompson's (1999) classic statement is adopted, which accepts the ethical character of public functionaries, denying the so called ethics of neutrality and structure.

In like manner, Caiden (2004) underscores the individual character of the corrupt actor, who eventually will come into conflict with public ethics, due to any justification that derives from the punishment-benefit calculation, a learnt practice, the probability of being caught red-handed or to any of the explanatory theories of corruption (Fernández, 1999).

From the organizational viewpoint, the process that makes the organization be a generator of corruption is called "normalization of corruption in organizations", which according to Ashforth and Anand (2003: 3), responds to three processes they define as pillars: 1) institutionalization; 2) rationalization; and, 3) socialization. The first process keeps a relation with adopting practices opposed to morals as parts of the organizational routine. The second refers to use socially constructed justifications to engage in a corruption act. Thirdly, socialization is handing down these behaviors to the newly arrived. Such dimensions interrelate to generate "normalized corruption", as displayed in figure 1.²

In the following lines we will analyze some cases of corruption, which will help us ascertain the probable relation between administrative doctrines and corruption in Chile.

Three cases of Chilean reality

The problems of assigning contracts: the case of Wittman-Illustrious Municipality of Iquique

In 2003, the Regional Comptroller of Tarapacá (I Region), when performing a selective audit to the Unit of Cleansing and Embellishment

2 The figure is at the end of the article, in the Annex (Editors' note).

of the Municipality of de Iquique, found serious shortcomings in the fulfillment and execution of the contract entitled “Servicio de Mantenición a la Comunidad” [Maintenance Service for the Community] held between the municipal entity and the contractor company Ernesto Wittman Contreras. The relation between the Municipality and Wittman Enterprise is based on the figure widely proposed in NPM literature called contract assignment with private-sector entities to outsource the provision of public services.

In this particular case providing personnel for cleaning services, gardening, Ministry Regional Secretariats and general services was stated as the obligation of the contractor, while payments were in charge of the municipality. This sort of contracts between the local public sector and private sector organisms is frequent owing to the lack of economic and human resources of the municipalities to face public problems they have to solve.

Particularly, in this case there are irregularities between 2000 and 2001, such as the approval of payments for the enterprise calculated on workers it presented as if they were working, which in reality were not linked to the company and in some cases had already died. Furthermore, in the case of people actually in the payroll, the company only partially cancelled the wages of the employees. These and other facts, specified in the reports of the Comptroller General of the Republic, were ruled by the justice as fraud against the treasury and embezzlement.

In spite of the private company’s responsibility, the Comptroller General of the Republic objected the acting of the Municipality of Iquique, especially the functionaries of the Unit of Cleansing and Embellishment, for neglecting the municipal patrimony, because there were neither monitoring nor control to prevent these irregularities from occurring. It is plain to see that the municipality adopted the policy of contract assignment, but it did not define the necessary administrative mechanisms to invigilate the results of outsourcing services, which opens wide spaces to produce corruption.

Under the figure of contract assignment one finds the NPM suppositions that private enterprises solve more efficiently the citizens’ needs. This way, it would be more inexpensive for a municipality to outsource certain public services than having in its regular payroll personnel to address these problems; thus public value is created. However, entering into contracts with the public sector is a fertile ground for problems if the public service structure is not adapted to audit and strengthening *accountability* mechanisms. It must

be borne in mind that, according to theory, private sector actors seek to maximize their personal gains before maximizing common interests. Since these purposes diverge, it is necessary to set up ad hoc control mechanisms to face these new policies proposed by NPM.

Centrality of results: the case of Correos de Chile [Chile Postal Service]

On July 29th, 2005, in various media, Correos de Chile is accused of losses, abusive charges and even theft of letters or parcels. At first, the workers' responses to accusations took two sides: the large amount of dispatches (more than 500 thousand) and the large number of external functionaries. About a year later, correspondence losses reappear in various media and three functionaries are discovered destroying more than ten thousand letters.

One of the main reasons to explain the burning of letters underlays in the policy of monetary incentives in the enterprise, as it fixed a payment of 10 CLP per letter, generating a pernicious interest in obtaining more revenues. Months later, the general manager of Correos de Chile, Patricio Tapia, explained that an operative audit was undertaken to determine the responsibilities that go beyond the deplorable acting of the mailmen.

The process culminated with the demounting of three senior managers. There was an audit to clarify the facts, which ascertained important anomalies, Patricio Tapia³ indicated. Everything suggests that pertinent safeguards were not timely taken, nor controls were applied to meet the institutional mission at the right time and in the right manner. The general manager's declarations evince the deterioration of public function, a product of neglecting the processes and focusing the results on individuals as a result of the policy of economic incentives of the state enterprise.

Measures taken by the management were supported by the union of post workers, who in their declarations hinted the blame for the occurrences on functionaries external to the institution. "We understand that an enterprise with about 5 000 employees at a certain moment can have a problem, but we can't be to blame, people with career in this enterprise, we are people children of functionaries of Correos de Chile and we won't be responsible for what an external can do" asserted the president of the union.

Not only is the institution defended by Martínez's declarations, but also the dignity of the post of public functionary. Against this backdrop, the

3 Situation verified in newspaper La Estrella de Valparaíso, on October 4th, 2006, "Despidieron a tres ejecutivos de Correos" [Three Correos executives were dismissed], p. 9.

union of workers of Correos de Chile (which comprised 60% of the country's mailmen) proposed the creation of a superintendence to regulate the sector.

The case of Correos gives an account of how the concurrence of NPM base doctrines, in this instance, policies oriented to obtain specific results and in like manner give an account of an incentive policy disregarding public function as a central aspect of professional performance, can lay the ground for corruption.

Indubitably, achieving goals and results is fundamental to justify public organizations and most notably to give an account of the needs society has to meet. What this case delivers is that results cannot be ahead of the basic reason to be an entity: the delivery of a public service. In this case, this basic notion was violated.

The problems of discretion: the case of Chiledeportes

The National Institute of Sports was created with the decree of Law no. 19712 in the year 2001. In such law its ordination as a public service functionally decentralized is established; it comprised a National Direction with seat in Santiago, and by Regional Directions of Sports, it was provided with legal personality and own capital, linked to the President of the Republic through the General Secretary Minister of Government.

As regards its mission, article 11 of the aforementioned law points out: "it will be the Institute's responsibility to propose the national sports policy. In like manner, it will be their duties to promote sports culture among the population, allot resources to develop sports and invigilate the sports organizations in the terms established in the present law".

The case of Chiledeportes originates in an investigation of the Comptroller General of the Republic (asked by Senator José García Ruminot, on January 5th, 2006), which supposed an alleged diversion of resources motivated by the last presidential and parliamentary elections in 2005. In such research an audit on the projects financed by the National Fund for Sports Fomentation (FONDEPORTE) was carried out.

This audit found irregularities in 70 out of 77 projects, committed by the end of 2005, whose amount reached 417 million CLP. Among the observations of the research expenses were noticeable: no supportive documents, undue or that did not correspond to the projects' goals, with no specification or no beneficiaries, supported on invoices with irregular status in the Service of Internal Taxes, among others.

Once the fact was disclosed, a series of lawsuits began. On October 23rd, 2006, a group of six parliamentarians of National Renovation (NR) (Alberto Espina, José García Ruminot and Nicolás Monckeberg) and the Independent Democratic Union (IDU) (Andrés Chadwick, Marcelo Forni and Julio Dittborn) pressed charges under “fraud against the treasury”, “embezzlement of public funds” and “malicious use of a private instrument”.

This lawsuit is added by that pressed by the Council of Defense of the State in November 2006, which includes the unlawful acts of: “forgery of public instrument” and “misappropriation of money”. The main defendants were ex-Metropolitan Regional Director of Chiledeportes, Juan Michel Salazar, who was detained under the accusation of “fraud against the treasury”, and his chief of staff, David Navarro, was also accused of fraud; moreover, the functionary of the Services of Internal Taxes, Luis Jofré, was subject to process under charges of “reiterated fraud against the treasury” and Mario Salazar (cousin of Juan Michel), found guilty on “reiterated fraud against the treasury”. Among the main consequences of the case, there appeared some modifications to the Law of Sport no. 19712 and the Organic Law of the National Institute of Sports.

NPM advocates to increase public managers’ discretion margins, supposing that they could perform their tasks more efficiently. However, when there is not a public *ethos* internalized in the public functionaries, there might be cases of corruption. In the case of Chiledeportes, public functionaries had to choose projects to promote sports infrastructure, however, a large number of projects was assigned without the supportive documentation required for technical aspects.

Along with this, the assignation of resources to projects which budgeted expenses that did not match the objectives or the allotment of resources to projects which did not stated the beneficiaries were detected. From the above, it can be stated that the public functionary having broad discretionary powers, in this case to allot resources, can be part of corruption, as there are no mechanisms to control these behaviors inside the organization. Since there are spaces non-regulated for aspects on which the functionary shall decide, if there is no public ethics clearly internalized, it is likely that the functionary tends to show corrupt behavior.

Reflections on the cases

As observed in each of the three cases, the paradoxes exposed in the previous section are noticeable. Trying to give an account of a specific goal, proper to

a new normative framework, the prevailing administrative doctrine can take us to a situation in which good intentions generate larger problems.

In the case of contract assignment, it is noticed that an action that intends to make the use of public resources more efficient generates higher costs and can produce management and relevant problems with the community. Especially interesting is in the case of Iquique one of the largest problems of contract assignment: the difficulty of having perfect contracts. Public management issues are so complex that it is very difficult to incorporate all their exceptions and potential-risk situations into a single document.

In the case of building concessions and road administration in Chile, for example, we have noticed that the contracts had to be modified because of the imponderables and the characteristics proper to the services it provides. The case of Iquique shows us that as simple as the outsourced functions may be, there is always a space for indetermination, which eventually can be utilized by one or the other party of the contract.

The second of great problem of outsourcing refers to the private actors' degree of *accountability*. Journalistic literature has showed, as in the case of the past war in Iraq, the most privatized of all wars, that the private actors who were fulfilling public functions were virtually free from responsibility of their actions (Scahill, 2008). Those who fulfill a public function, but have a private worker contract, whom are accountable to?

All in all, as pointed out by Meier and Hill (2005, 56), in the attempt to detach from inefficient bureaucracies, with their own agendas, we are creating private actors who in function of a supposed inefficacy can be even harder to hold responsibility for their actions. The case of New Zealand, already mentioned, is interesting as it is one of the countries with the largest number of NPM reforms.

For the case of result-based management and the need to measure these results, which can be generated from the application of incentives, we can state that the paradox shows a sort of continuity line between what Merton (1999) stated, regarding bureaucracy with what occurs in NPM, from the case of Correos de Chile. The author pointed out there was a displacement of goals in bureaucracy, product of the interests of bureaucrats in following the procedures, changing to a situation to meet the results of the indicator, and to the extreme, meeting the goals regardless of the procedures.

The fact of burning letters in a company that substantiates its efforts in communicating all the Chileans, independently from where they are, is not only a topic of daftness and disinterest, it is problem that relates to the institution's backbone, its essence as public service.

Finally, the case of Chiledeportes makes us analyze the implications of increasing discretion in a context of allocation of funds for projects. Thus, it is sought to empower the directive to, in function of certain discretion level, easily allot resources. Weber (1992), in the democratic model, intended to limit by means of observing determinate procedures public managers' discretion, as it was assumed that such margin allowed erroneous or harmful actions for the most.

In the context of the current NPM administrative doctrine, regarding "let managers manage", it is rethought and somehow it becomes a stage in which the manager defines what to do and not to do. The problem of increasing discretion, beyond the controls there may be, refers the fact that contexts as dissimilar as the Latin American prevent everyone from having the same opportunity to be taken into account when defining that to do or not. Positive discretion stops being so if there is not a connection with the environment with high levels of transparency and citizen control.

Conclusions

Once the proposed analysis has concluded, we noticed that three NPM essential doctrines produce, from a conceptual or theoretical standpoint, a set of paradoxes or dilemmas, which intending to accomplish a goal end up generating new realities as complex or more than those intended to prevent.

But, in which way are these dilemmas being approached in new theoretical frameworks? Or, what are they stating, a new vision in respect to the gaps or grey areas that appear from NPM doctrines? In this context it is interesting to consider three theoretical models that have been proposed mainly in the academia, and which are conceived as reflection spaces to produce a new public management model.

According to the model proposed by Kooiman (2004), governance is understood as a social phenomenon in which government and the private sector participate. This way, interactive government is understood as "the agreements with which both public and private actors try to solve social problems or create social opportunities (Kooiman, 2004: 2). This way, the division lines between public and private sectors are becoming increasingly blurry.

Therefore, there would be a change in the relation between the State and private sector, going from a unidirectional model (governors-governed) to a bidirectional one, in which aspects, problems and opportunities of the government system as well as the system to govern are considered. In

praxis, the participation of the private sector together with public sector has experienced a noticeable growth in recent decades.

Nowadays, we witness a conspicuous paradigm shift, from a vision that classified the solution of public problems by the State, the rationale that maximizes profits for the private sector and charity works or philanthropy by non-profit private-sector organizations. However, more often than not there appear new ways that challenge the rigidity of these typologies in the figure of organizational arrangements, in which the private sector solves public problems and the public sector noticeably influences the function of private firms.

In addition to this, non-profit private organizations or NGO's that perform different actions in each stage of the cycle of specific public policies, beginning to configure the sphere of social society. From this model, vices, for example, of contract assignment are put aside since the private actor is seen as an active actor for the solution of public problems. This way, governance will allow developing institutional devices such as evolution in favor of a higher participation in public affairs, enabling timely accountability, reducing spaces for opacity that can be caused by NPM guidelines.

Another theory recently stated and which helps account for one of the weakest aspects of NPM is the New Public Service (NPS). This theoretical approximation, developed by Denhardt and Denhardt (2000), is proposed as a different vision for two ends, traditional or progressive public administration and NPM. For the authors, NPS seeks to evince that public functionaries are not defined as servants of a hierarchical boss, nor do they have to concern to offer a determinate service to the "clients" of public management, but have to act as articulators of the various interests of a society. They do not leave the bureaucratic model aside, nor do they discard it for NPM, they focus on the ethical framework of political tasks to justify the administrative doctrines to be considered by public actors (Maesschalck, 2004).

As noticed in the case of Correos de Chile, insisting on locating the results of the changes in public management with excessive centrality in the results can take to disconnect this performance from the values that should be sought and observed by State management. Reinforcing the ethical frames in order to reinforce a new relation between citizens and public managers places the debate on changes and modernization at a different level, more aligned with what is required at present.

Postmodern Public Administration appears as the antithesis of positivism rejecting main epistemological suppositions on behavior in social sciences. The trend of Postmodern Public Administration bases upon differences between modernity, where knowledge was based on reason, and postmodernity itself, the logic reason, loses supremacy. Postmodernists describe life as hyper-reality, in which a process of meaning destruction takes place. According to Baudrillard (1984), the ideals of truth, rationality, certainty and coherence have lost centrality. Farmer (1995) takes the suppositions of postmodernity to public administration, pointing out that precepts proper to modernity permeate the bureaucratic scaffolding, thus changing such precepts necessarily modifies public administration.

Postmodernists are closer to an open criticism to the pyramidal State, reject the Nation-State as a theoretical construct, and thereby deny that public administrators are agents of the State and public interest and underscore their necessary relation with citizenry. According to Frederickson and Smith (2003: 152-153), postmodern public administration points out that public managers as well as the agencies will never be able to be neutral or objective. Therefore, postmodern public administration emphasizes work teams and networks, in view of reducing the structures' hierarchies.

This is related with which Fox and Miller (1995) propose by pointing out that the focus has changed from bureaucracy to citizenry. Modern bureaucracy's opacity modifies in postmodern administration governed by means of dialogues and transparency that allow fusing the functionary and citizen in the same amalgamation. The manager's discretion in this theoretical frame is thought not from what the manager considers pertinent, but what comes from the relation between the manager and citizens.

In this context, as political recommendations to account for potential problems conveyed by implementing any of the prevailing NPM doctrines, some actions in the following three spheres can be proposed. Firstly, at the time of assigning contracts, it is fundamental that public offices reinforce the teams that act as counterpart of the private entities that provide the community with services.

This implies reinforcing the monitoring capabilities, either with better professionals or procedures in order to verify that the acting of privates fits to the public needs intended to be solved. Secondly, and in a very similar line, it is key that governments reinforce staff in charge of management control to produce useful relevant and pertinent information to reach the intended goals. Without management control, public institutions will be adrift in terms of the actual impact of their actuation.

Finally, it is fundamental that governments articulate a public policy on the functionaries' ethical reinforcement. This implies an induction, training and reinforcing process for all public functionaries in aspects related to public ethics. Together with this, regulations and procedures have to be updated regularly so that they work to prevent behaviors against public ethics and to reinforce the ethical references of those who exercise public function.

It is essential to give continuity to this work to approach with greater accuracy to the dynamics proper to NPM in terms of other administrative doctrines and so, of other spheres of administrative reforms that can also generate a propitious environment for corruption. It would be fundamental in this way to deepen into other cases of corruption that might reveal if changes in the ways of public management are product of new theoretical frameworks, or else are the expression of individuals who because of their training or circumstances will be corrupt, regardless of the organizational public frames where they are.

In like manner, it would be interesting as a future research topic to compare the cases studied in this document with similar cases in other public administrative contexts. With this, it might be disclosed if indeed the new administrative doctrines help setting up practices harmful to common good, or if there are other factors that explain the existence of functionaries that stray from righteous acting.

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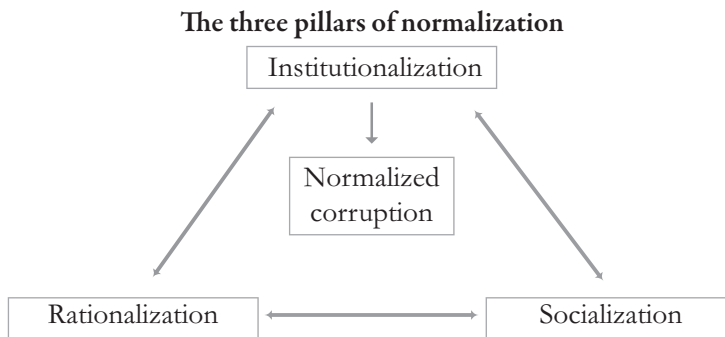
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Annex

Figure 1



Source: Ashford and Anand (2003: 3).

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