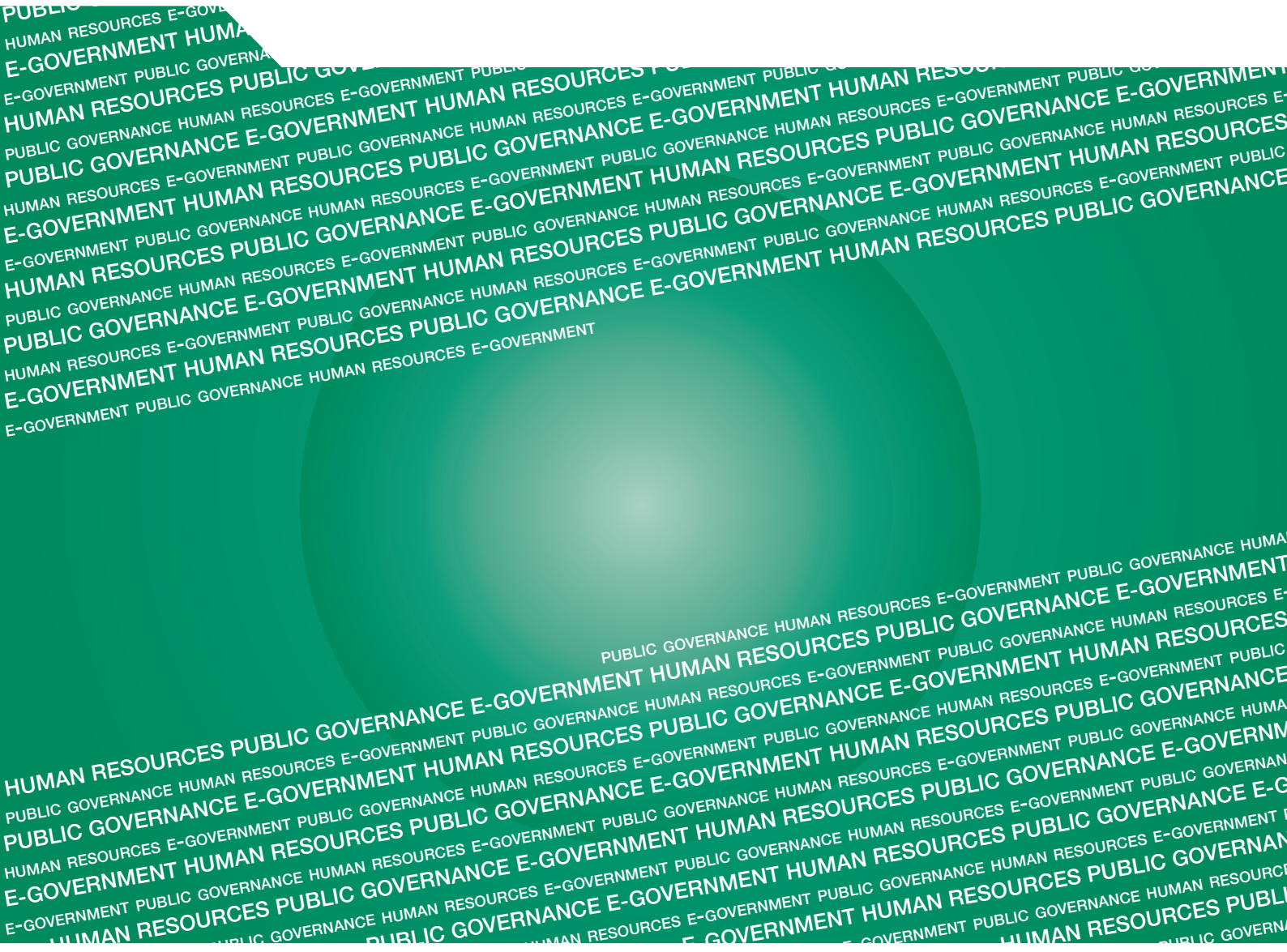
OECD Public Governance Reviews

Towards More Effective and Dynamic Public Management in Mexico



OECD

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Foreword

This report is part of a series of country reviews undertaken by the OECD to help countries assess their public management arrangements from an international comparative perspective in terms of their ability to deliver on government objectives across the whole-of-government, and their preparedness to meet current and future challenges.

In undertaking a public governance review of Mexico, the OECD analysed the process to streamline regulations applicable to government operations, the impact of e-government policies and the operation of the Mexican civil service.

This report builds on OECD experience in conducting peer reviews. It draws on an extensive review of information about public management and the operations of the public administration in Mexico, and a series of interviews with Mexican public officials, as well as with other stakeholders of public management reform.

The report was completed in April 2011 under the auspices of the OECD Public Governance Committee and the Regulatory Policy Committee as part of the work programme of the Public Governance and Territorial Development Director ate (GOV). It was financed by the Mexican Government.

This review was conducted under the leadership of Rolf Alter, Director of GOV; Christian Vergez, Head of the Reform of the Public Sector Division; and Josef Konvitz, Head of the Regulatory Policy Division. The executive summary was drafted by Jacobo Pastor García Villarreal; Chapter 1 was written by Manuel Gerardo Flores Romero, Mirian Amaro Lopez and Jacobo Pastor García Villarreal; Chapter 2 was drafted by Barbara-Chiara Ubaldi; and Chapter 3 was prepared by Oscar Huerta Melchor. They were assisted by Gustavo Mendoza and Jacob Arturo Rivera Pérez. The report also benefited from consultant contributions by Luis Vázquez Cano and, at the initial stage of the project, Peter Bathmaker. Editorial assistance was provided by Jennifer Stein. Administrative assistance was provided by Lia Beyeler, Laure Disario and Sara Kincaid.

The Secretariat is thankful to the members of the Public Employment and Management Network, the Network on E-Government and the Regulatory Policy Committee for their comments and feedback to support the conclusions and recommendations of this report.

Special thanks to Salvador Vega Casillas, Minister of Public Administration; Rogelio Carbajal Tejada, Vice Minister of Public Administration; and Ambassador Agustín Garcia-Lopez, Permanent Representative of Mexico to the OECD, for their help and support to complete this review. We are also thankful to staff of the Mexican Ministry of Public Administration (SFP) for their assistance in providing information and co-ordinating and facilitating interviews with the relevant stakeholders, in particular: Uriel Márquez Carrazco, Head of the Policy Management Improvement Unit; Carlos Viniegra Beltran, Head of the E-Government Unit; Raul Arceo Alonso, Head of the Federal Human Resources Policy Unit; Javier Gonzalez Gomez, Head of the Public Performance Evaluation Unit; Joel Salas Suarez, Head of Transparency and International Cooperation Unit; Julia Ortiz Rios, Chief of Staff of the Vice Minister of Public Administration; and Priscila Flores Gonzalez, Adviser of the Vice Minister of Public Administration.

Likewise, we are thankful to the staff of the OECD Mexico Centre, especially José Antonio Ardavin, Director, and the staff in charge of publications, notably Alejandro Camacho and José Antonio García, who were instrumental in co-ordinating the editorial process for the Spanish publication.

Table of contents

Acronyms **9**

Country factsheet: Mexico **14**

Executive summary **17**

Principal elements of good public governance 19
Contribution of the three public administration levers to good governance 20
General conclusions on public administration reform in Mexico 24
Bibliography 28

Country factsheet and Executive summary in French **29**

Chapter 1 **Regulation inside government in Mexico: policies and framework** **47**

Introduction 48
Regulatory policy, their key elements and instruments, within the context of the OECD 48
Development of regulatory reform in Mexico 52
Evaluation of the Guillotine of Administrative Regulations 60
Performance indicators of the administrative handbooks 67
Conclusions and key recommendations 84
Notes 88
Bibliography 89

Chapter 2 **Leveraging e-government to find new approaches to old challenges** **91**

Background 92
The e-government context 93
E-government: objectives and achievements 96
E-government institutional and governance framework 99
Strengthening co-ordination and collaboration across levels of government 101
The National Interoperability Scheme 108
Measuring the government's digital maturity 113
Strategic development of e-government 116
The National System e-México 2010-2015 121
The digital economy strategy 123
Main e-government projects and initiatives 123
Maximising e-government projects' benefits 135
Reduction of administrative and substantive internal regulations 139
Looking ahead: leveraging new e-government services 142
Conclusions and key recommendations 151
Notes 156
Bibliography 159

Chapter 3 **The challenges of professionalising public servants in Mexico.....161**

Introduction 162
The Mexican federal public administration.....162
The Professional Career Service System (SPC).....173
Towards a dynamic and fair Professional Career Service.....178
Towards a successful HRM reform.....245
Towards the dissemination of best HR practices 267
Conclusion and key recommendations.....272
Notes 279
Bibliography.....281

Tables

Table 1.1. Expected improvements in international indicators derived from PMG.....58
Table 1.2. Performance indicators of the administrative handbooks 67
Table 1.3. Collaboration with regulators, integration of working teams for the creation of handbooks 72
Table 1.4. Consultation periods for the handbooks.....74
Table 1.5. Number of agencies and internal control bodies (ICB) that provided feedback on each handbook 75
Table 1.6. Update plan for the nine administrative handbooks.....82
Table 2.1. Digital maturity of the Mexican public administration.....116
Table 2.2 Agencies' reporting to the PETIC 120
Table 2.3. Key info-structure projects 124
Table 2.4. Public and common goods 143
Table 3.1. Ministries of the federal public administration 163
Table 3.2. Public servants in the federal public administration (2005).....163
Table 3.3. Employment under the General Employment Framework (GEF) in the central federal public administration (2006 and 2009) 166
Table 3.4. Occupied posts under the SPC by rank.....177
Table 3.5. Open competitions in the career service 196
Table 3.6. France: RIME jobs in the *études et évaluation des politiques publiques* domain.....210
Table 3.7. Levels of work applicable to the SPC.....212
Table 3.8. Examples of fixed-term appointments or fixed-term duration of mandates in selected OECD member countries 240
Table 3.9. HR professional standards in the UK Cabinet Office 262
Table 3.10. Public administration reform challenges and possible policy tools 263
Table 3.11. Towards a new paradigm for the Professional Career Service 268

Figures

Figure 2.1. OECD broadband penetration and GDP per capita....94
Figure 2.2. OECD fixed (wired) broadband penetration (per 100 inhabitants), net increase (June 2009-2010), by country....95
Figure 2.3. OECD fixed (including fixed wireless and satellite) broadband subscriptions per 100 inhabitants, by technology....95
Figure 2.4. Households with access to telephone, Internet and computers in OECD member countries....96
Figure 2.5. Korea's agenda of key e-government initiatives....99
Figure 2.6. E-government institutional and governance framework in Spain....108
Figure 2.7. Korea's interoperability results....113
Figure 2.8. M-government objectives in Korea....149
Figure 3.1. Employment in general government as a % of the labour force (2000 and 2008)....164
Figure 3.2. Employment in general government and public corporations as a % of the labour force (2000 and 2008)....165
Figure 3.3. Production costs as a % of GDP (2000 and 2009)....167
Figure 3.4. Percentage of central government employees aged 50 years or older (2000, 2005 and 2009)....168
Figure 3.5. Percentage of employees aged 50 years or older in central government and the total labour force (2009)....169
Figure 3.6. Percentage of senior positions in central government filled by women (2005)....170
Figure 3.7. Extent of delegation of human resources management practices to line ministries in central government (2010)....171
Figure 3.8. Distribution of employment between the central and sub-central levels of government (2008)....172
Figure 3.9. Change in the % of government staff employed at the central level (2000 and 2008)....173
Figure 3.10. Type of recruitment system used in central government (2005)....192
Figure 3.11. Relationship between type of recruitment system and delegation in HRM in central government (2005)....193
Figure 3.12. Compensation of career public servants, 2010 (MXN)....217
Figure 3.13. Frequently stated core public service values in OECD member countries, 2008 and 2009....247

Acronyms

AMIPCI	*Asociación Mexicana de Internet* Mexican Internet Association
ACSI	*Índice Americano de Satisfacción del Cliente* American Index for Customer Satisfaction
ADAE	*Acuerdo para la Desregulación de la Actividad Empresarial* Agreement to Deregulate the Economic Activity
ADP	*Sistema de Alta Dirección Pública* Senior civil service
AMITI	*Asociación Mexicana de la Industria de Tecnologías de Información* Mexican Association of the ICT Industry
CANIETI	*Cámara Nacional de la Industria Electrónica, de Telecomunicaciones y Tecnologías* National Chamber of Electronic, Telecommunications and Technologies Industries
CENEVAL	*Centro Nacional de Evaluación* National Centre for Evaluation
CIAPEM	*Comité de Informática de la Administración Pública Estatal y Municipal* Committee for Informatics of the State and Municipal Public Administration
CIDGE	*Comisión Intersecretarial para el Desarrollo del Gobierno Electrónico* Interministerial Commission for the Development of Electronic Government
CIO	Chief information officer *Responsables de las áreas TIC*
CMOD	Centre for Management and Organisation Development *Centro para la Gestión y Desarrollo Organizacional*
COFEMER	*Comisión Federal de Mejora Regulatoria* Federal Commission for Regulatory Improvement
CompraNet	*Sistema Electrónico de Contrataciones Gubernamentales* Electronic System for Government Procurement
CONSAR	*Comisión Nacional del Sistema de Ahorro para el Retiro* National Commission for the Retirement Savings System
CSIC	*Coordinación de la Sociedad de la Información y el Conocimiento* Co-ordination of the Information and Knowledge Society

CURP	*Clave Única de Registro de Población* Unique Code for Population Registration
ENI	*Esquema Nacional de Interoperabilidad* National Interoperability Scheme
EU	European Union *Unión Europea*
FIEL	*Firma electrónica avanzada* Advanced digital signature
FMD	*Fundación Digital México* Foundation Digital Mexico
FR	Financial resources *Recursos financieros*
GPEEC	*Gestion Prévisionnelle des Effectifs, des Emplois et des Compétences* *Proyección de Efectivos, Empleos y Competencias*
HR	Human resources *Recursos humanos*
HRM	Human resource management *Administración de recursos humanos*
ICAR	*Interoperabilità e Cooperazione Applicativa tra le Regioni e le Province Autonome* *Interoperabilidad y Cooperación Aplicada entre las regiones y las Provincias Autónomas*
ICB	Internal control bodies *Órganos internos de control*
ICT (TIC)	Information and communication technologies *Tecnologías de la información y las comunicaciones*
IFAI	Federal Institute for Freedom of Information *Instituto Federal de Acceso a la Información Pública*
IFE	Federal Electoral Institute *Instituto Federal Electoral*
IMCO	Mexican Institute for Competitiveness *Instituto Mexicano para la Competitividad*
INAMI	*Instituto Nacional de Migración* National Immigration Institute
INEGI	*Instituto Nacional de Estadística y Geografía* National Institute for Statistics and Geography
INFONAVIT	*Instituto del Fondo Nacional de la Vivienda para los Trabajadores* Institute of the National Housing Fund for Workers
LFPA	*Ley Federal de Procedimiento Administrativo* Federal Law of Administrative Procedure

LOLF	*Loi organique relative aux lois de finances* *Ley orgánica relativa a la ley de finanzas*
MAAGTIC	*Manual Administrativo de Aplicación General en Materia de Tecnologías de la Información y Comunicaciones* Administrative Manual of General Application in the ICT Domain
MAC	(Australian) Management Advisory Committee *Comité Consultivo de Administración de Australia*
MAF	Management Accountability Framework *Marco de Rendición de Cuentas en Gestión*
MDGs	Millennium development goals *Metas de desarrollo del milenio*
METER	Measurement and Evaluation Tool for E-Government Readiness *Herramienta de Medición y Evaluación de la Madurez Digital de las Entidades Públicas*
MR	Material resources *Recursos materiales*
NDIR	National Digital Identity Registry *Registro Nacional de Identidad Digital*
OECD	Organisation for Economic Co-operation and Development *Organización para la Cooperación y el Desarrollo Económicos*
OPM	United States Office of Personnel Management *Oficina de Gestión de Personal de los Estados Unidos*
PAN	*Partido Acción Nacional* National Action Party
PDM	Performance development and management *Desarrollo y manejo de gestión*
PEMEX	*Petróleos Mexicanos* Mexican state-owned oil company
PEMG	*Programa Especial de Mejora de la Gestión* Special Programme for Management Improvement
PETIC	*Planes Estratégicos para las Tecnologías de la Información y de la Comunicación* Strategic Plans for Information and Communication Technologies
PND	*Plan Nacional de Desarrollo* National Development Plan
PRD	*Partido de la Revolución Democrática* Democratic Revolution Party
PRI	*Partido Revolucionario Institucional* Institutional Revolutionary Party
RABC	Regulations applied to businesses and citizens *Regulaciones para empresas y ciudadanos*

RFC	*Registro Federal de Contribuyentes* Register of Taxpayers
RIA	Regulatory impact analysis *Evaluación de impacto regulatorio*
RIG	Regulation inside government *Regulaciones en el gobierno*
ROI	Return on investment *Retorno de la inversión*
RUPA	*Registro Único de Personas Acreditadas* Single Registry of Accredited Persons
RUSP	*Registro Único del Servicio Profesional* Unified Professional Civil Service Registry
RUV	*Registro Único de Vivienda* Housing Register
SAPMG	*Sistema de Administración del Programa de Mejora de la Gestión* Administration System of the Programme for Management Improvement
SARE	*Sistema de Apertura Rápida de Empresas* System for Quick Business Start-Up
SAT	*Servicio de Administración Tributaria* Tax Administration Service
SCT	*Secretaría de Comunicaciones y Transportes* Ministry of Communications and Transport
SECODAM	*Secretaría de Contraloría y Desarrollo Administrativo* Ministry for Control and Management Development
SED	*Sistema de Evaluación del Desempeño* Performance Evaluation System
SFP	*Secretaría de la Función Pública* Ministry of Public Administration
SMEs	Small and medium size enterprises *Pequeñas y medianas empresas (PYMES)*
SMI	Strategic Management Initiative *Iniciativa de Gestión Estratégica*
SMS	Short messaging system *Mensajes de texto cortos*
SOA	Service oriented architecture *Arquitectura orientada a servicios*
SPC	*Servicio Profesional de Carrera* Professional Career Service
SRE	*Secretaría de Relaciones Exteriores* Ministry of Foreign Affairs

SSP	*Secretaría de Seguridad Pública* Ministry of Public Security
UDE	*Unidad de Desregulación Económica* Economic Deregulation Unit
UGD	*Unidad para el Gobierno Digital* Unit for Digital Government
UNECLAC	Economic Commission for Latin America and the Caribbean *Comisión Económica para América Latina y el Caribe*
UYAP	*Sistema Nacional Judicial de Informática* National Judiciary Information System
XML	Extensible mark-up language *Lenguaje de marcas extensible*

Mexico

Country highlights[i]

Joined OECD: 1994
Population: 112 336 528[1]
Territory (km^2)**:** 1 959 247[2]
Capital: Mexico City

Economy (2010)

GDP PPP[ii] (USD): 1 560 billion[3]
GDP per capita PPP (USD): 13 800[3]
GDP growth (annual growth in %): 5.5[4]
Public sector total debt[iii] (2009): (% of GDP): 35.6
Inflation rate (%): 4.4[4]

Globalisation (2010)[4]

Exports (USD): 297.78 billion
Imports (USD): 300.77 billion
FDI (USD): 17.72 billion

Labour (2010)[4]

Labour force (% of population): 58.9
Labour force: 79.8 million
Employment rate (% of labour force): 94.37
Unemployment rate (% of labour force): 5.63

Science and Technology (2008)[5]

R&D expenditure (2007) (% of GDP): 0.37
Households with access to home computers (%): 26.1
Households with access to the Internet (%): 13.7

Energy (2010)[6]

Electricity generation (TWh): 241.5
Total production of energy (2008) (Mtoe): 234.6[7]
Oil production (barrels daily) (thousands): 2575.86

Public Finance (2009)

Total tax revenue (% of GDP): 17.5[8]
Public sector budget balance (% of GDP): -2.29[9]

i Data from 2010 or most recent available.
ii Purchasing power parities (PPPs) are currency conversion rates that both convert to a common currency and equalise the purchasing power of different currencies. In other words, they eliminate the differences in price levels between countries in the process of conversion.
iii Includes net economic debt (external + internal) and other liabilities. *Source:* Central Bank (Banco de Mexico).



Following a deep recession, Mexico is experiencing a robust recovery, with GDP growth of about 5% in 2010 and at least 3.5% in 2011.

Export growth is expected to slow after the exceptional rebound in 2010, but stronger domestic demand should keep the recovery on track.

According to studies commissioned by the federal tax administration, VAT evasion declined from 23% of potential revenues to 18% between 2000 and 2008.

Fiscal consolidation is already underway. After conducting a fiscal stimulus in 2009, the government quickly tightened its fiscal policy stance, raising taxes and cutting expenditure. This reduced the public sector net borrowing requirement, a measure of the combined deficit of the federal government and its public enterprises, from about 5% of GDP in 2009 to 3% of GDP in 2010.

Source: OECD (2011), *OECD Economic Surveys: Mexico 2011*, OECD Publishing, Paris.

Quick facts about the Mexican public administration

Number of departments and ministries (2011): 18 (*plus the Office of the Legal Counsel of the Executive and the Attorney General's Office,* PGR).[10]

Production costs in general government (% of GDP) (2008): 10.6

Employment in general government (% of the labour force) (2007): 8.8

Workers older than 50 years in the central government (%) (2009): 26.7

Central government positions held by women (%) (2005): 45.5

Senior positions in the central government held by women (%) (2005): 35.2

Extent of delegation of human resource management practices to line ministries in central government (2010): 0.53[iv]

Source: OECD (2009), *Government at a Glance 2009*, OECD Publishing, Paris and OECD (2011), *Government at a Glance 2011*, OECD Publishing, Paris.

iv Index comprised between 0 (no delegation) and 1 (high delegation level). This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.

Mexico's deregulation effort is among the best cases documented by the OECD. The impact of this strategy will be reflected in increases in government efficiency and transparency, in Mexico's competitiveness and economic growth, and in its capacity to provide citizens with better public services and more agile procedures.[11]

In line with the practices of most advanced OECD member countries, the Mexican Government has a forward-looking approach to using opportunities brought about by new technologies and technological phenomena to connect ICT investments in the public sector to creating social value and to multiplying the value generated by newly developed ICT systems, applications and platforms.[12]

Although Mexico has taken the right steps towards the professionalisation of the middle and top management levels in the federal public administration, the Professional Career Service System needs to address technical and normative gaps and revise its implementation strategy to restore trust in its merit-based system and ensure that it functions well. Trust is an intangible asset necessary for the functioning of the public service.[12]

(…) there seems to be consensus that there is a case to improve RIG. RIG may lead public servants to concentrate on complying with burdensome requirements, instead of effectively delivering public programmes and services. In this sense it may render public administration unable to react timely to specific events (…) or to adapt to changing circumstances (…).

However, it is also clear that RIG, when properly designed, is needed to advance accountability and transparency, limit the discretion of public servants, and prevent the incidence of corruption. (…). In other words, it is not about "deregulation" per se*, but about "regulatory governance".*

(...) in order to maximise its impact it is necessary to establish a governance framework that facilitates in-depth consultation among major stakeholders of e-government policies to ensure synergies, avoid waste of resources and make sure that the various initiatives respond to different needs and common objectives. This is critical to ensure that new reform proposals not only go in the right direction, but are successful in the long run. In this sense the efforts of the Mexican Government continue in order to strengthen co-ordination (...) co-operation across levels of government. Likewise (...) is trying to ensure consistency and foster synergies among the various initiatives and strategies that aim to further improve digital government and information society in Mexico.

A well-functioning civil service helps to foster good policy-making and implementation, effective service delivery, accountability and responsibility in utilising public resources which are characteristics of good governance. Thus, the achievement of government's aims largely depends on improvements in the broader environment within which bureaucracy operates. Efficiency and effectiveness in government's performance depend on the talent of public employees and the quality of their knowledge and skills. Improving the efficiency of the public service is one of the most important structural reforms needed to sustain economic growth and enhance the country's competitiveness.

Extracted from the text of the three thematic chapters of this report.

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1 National Institute of Statistics and Geography (INEGI). Data refers to the 2010 population census of Mexico.
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3 United States Central Intelligence Agency (2011), *The World Factbook 2011*, Washington, DC.
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7 OECD (2010), *Factbook 2010: Economic, Environmental and Social Statistic.* OECD Publishing, Paris.
8 OECD (2010), *Revenue Statistics 2010 – Special feature: Environmental Related Taxation*, OECD Publishing, Paris.
9 Ministry of Finance (SHCP), *www.shcp.gob.mx*, Mexico. The economic or public balance reflects the net financial position of the public sector and is used to evaluate the level of commitment with the budgetary goals of the federal public administration.
10 Organic Law of the Federal Public Administration. Mexico.
11 Ministry of Public Administration (2010), *Fewer Rules, Better Results*, Federal Government. Mexico.
12 Extracted from the text of this report.

Executive summary

Mexico needs a more efficient government to face fiscal challenges and effectively tackle social problems such as poverty, access to basic quality services, and infrastructure. In this context, the Mexican government has advanced in implementing structural reforms concerning a professional civil service, streamlining the norms that regulate the operations of the federal government, and e-government. This section explains the contributions of these reforms to good public governance and argues in favour of their continuity to ensure long-lasting positive effects. Furthermore, it outlines horizontal conclusions and recommendations to advance public administration reform in Mexico, concluding that a professional workforce, with clear rules to carry out its functions in an efficient and honest environment – which incorporates state-of-the-art technologies – will be better suited to tackle the challenge of doing more with less, while addressing the demand for more and better public services.

Mexico has seen a major change in the role of its government in the last few decades. During the 1980's Mexico moved from an import-substitution economy to an export-led growth strategy. Reforms opened up the economy to foreign trade and investment and decreased the size of the public sector by privatising industries that had been dominated by state ownership (such as banking, telephone services and airports). Despite this downsizing, economic crises (both internal, as in 1994-95, and global, as in 2009-10) and the dependence on revenues from oil exports have required the Mexican public administration to do more with less. But the recent global crisis also demanded an effective and quick governmental reaction to compensate for a decrease in private consumption; this once again raised the challenge of ensuring government capacity and flexibility to respond to unexpected events (an economic crisis, a natural disaster, etc.). Since there is limited room to manoeuvre on fiscal policy, the alternative is a more effective and efficient government.

It is clear that Mexico needs a more efficient government. More than one-third of tax revenues depend on oil production; in the five years leading to 2009 oil production decreased by more than 20%, and the future is quite uncertain (Mexican Ministry of Finance and Public Credit, 2011). Hence, Mexico must improve government capacity to ensure the efficient use of public resources. Furthermore, government effectiveness may facilitate the implementation of public policies and investments to address social and economic problems, such as poverty, access to basic quality services (e.g. health, education), the informal economy and infrastructure.

In this context, the Mexican Government has advanced in implementing structural reforms and put in place initiatives to establish a professional civil service (2003), streamline the norms that regulate the operations of the federal government (2010), and advance e-government development. Despite some limitations, these reforms have made important contributions to good public governance and should be continued to ensure long-lasting positive effects.

In fact, these reforms are in line with the agenda set by OECD member countries at the October 2010 Conference on Regulatory Policy; this meeting highlighted the importance of regulatory management and governance throughout the policy cycle: design, enforcement, monitoring and performance evaluation. The regulations inside government (RIG) review of Mexico addresses the entire cycle, both ensuring the relevance and justification of norms regulating the federal public administration, and leading to measures to prevent re-building the stock of regulations and to set strict standards for issuing new rules. Furthermore, by streamlining the stock of RIG, the review facilitates enforcement by regulators and compliance by regulated agencies.

The current focus on fiscal consolidation is testing public sector management capacity, in particular the ability to effectively mobilise people and resources to address existing and new challenges and to share risks. This direction certainly emerged from the 38 ministers who met in Venice in November 2010 for the Ministerial Meeting of the OECD Public Governance Committee, which was organised to assist OECD member countries in identifying and assessing the main challenges in the aftermath of the financial crisis and in appropriately allocating human and financial resources.

Ministers affirmed that public sector reform, which will play a crucial role in the economic recovery, should be a priority. The global economic and financial crisis raised questions as to how flexible governments really are when it comes to being able to do more with less; from this perspective, the crisis has provided an opportunity for real progress. Ministers set out a wide-ranging agenda for reforms designed to make

governments more open, innovative and strategically agile. The conclusions of the meeting underlined the importance of fostering efficiency and effectiveness in the public sector through: technological innovation (as highlighted in October 2010 by the senior e-government officials who attended the OECD E-Leaders Meeting in Brussels); improved human resource management; partnering with citizens, civil society and the private sector; and developing evaluation frameworks to measure government performance. The main recommendations of the ministerial meeting are already being implemented in Mexico as part of its structural reforms (as highlighted in this report). Mexico has asked the OECD to evaluate the professional civil service system and the generalised review of regulations inside government (RIG) carried out in 2010, in light of international experience, as well as to review its e-government policies and initiatives. This report focuses particularly on the impact of these reforms on government performance to emphasise how they contribute to making the public administration a positive factor to enhance growth and competitiveness.

Principal elements of good public governance

Governance refers to the formal and informal arrangements that determine how public decisions are made and how public actions are carried out from the perspective of maintaining a country's constitutional values. Public administration is one of the main pillars of governance (UN Department of Economic and Social Affairs, 2007: iii).

In its work on public governance, the OECD focuses on the following elements of good governance:

- Accountability: the government is able and willing to show the extent to which its actions and decisions are consistent with clearly defined and agreed-upon objectives.
- Transparency: government actions, decisions and decision-making processes are open to an appropriate level of scrutiny by other parts of government, civil society and, in some instances, outside institutions.
- Efficiency and effectiveness: the government strives to produce quality public outputs, including services delivered to citizens, at the best cost, and ensures that outputs meet the original intentions of policy makers.
- Responsiveness: the government has the capacity and flexibility to respond rapidly to societal changes, takes into account the expectations of civil society in identifying the general public interest and is willing to critically re-examine its role.
- Forward-looking vision: the government is able to anticipate future problems and issues based on current data and trends and to develop policies that take into account future costs and anticipated changes (e.g. demographic, economic, environmental).
- Rule of law: the government enforces equally transparent laws, regulations and codes.

In addition to these elements, good public governance must consider strategic agility, which is the government's ability to anticipate and flexibly respond to increasingly complex policy challenges. It requires frameworks to enable fast and high-quality decisions, and to ensure their effective implementation in order to generate public value

(OECD, 2010). Finally, good governance involves an efficient public service, an independent judicial system, accountable administration of public funds, a pluralistic institutional structure and respect for the law.

Contribution of the three public administration levers to good governance

The three broad themes reviewed in this report – civil service reform, regulation inside government and e-government – have contributed to good public governance in Mexico. The opportunities and recommendations highlighted in this report can assist the Mexican Government in securing an even more significant contribution.

Better rules for better governance

A key component of good governance is a government that is both effective and efficient. An effective government is one which creates outputs, namely the delivery of public services or the design and implementation of public policies that meet their intended objectives. At the same time, an efficient government is one which produces these outputs at the lowest cost, using the minimum necessary resources from society, and particularly, from taxpayers.

For a government to be effective and efficient, it needs to work within a framework of guidelines and rules. Regulation inside government can provide incentives for public officials to adhere to the intended objectives of public policy, in order to ensure that outputs are aligned with the expectations of society. Similarly, internal norms can set standards for the delivery of public services to meet the demands of increasingly informed individuals. In general, internal regulation can also guarantee that government actions take place within the legal framework. Moreover, regulation inside government can establish mechanisms to promote a culture of resource saving and efficiency, for instance, through government procurement.

However, an abundance of rules inside government can have the opposite effect: rendering a government inefficient and ineffective. Duplicate or overlapping internal rules confuse public officials and inhibit proactive attitudes, stifling the functioning of the government as a whole and deviating their efforts away from the delivery of quality outputs. Similarly, an excessive number of internal regulations obliges public officials to spend unnecessary amounts of time addressing rules, wasting valuable resources that can be employed to produce quality government outputs.

The federal Government of Mexico as a whole has the immediate challenge to become more effective and efficient. The significant pressure to increase the allocation of resources to programmes to alleviate poverty and to improve social conditions makes it imperative to channel resources towards these policy objectives. Similarly, due to political diversity and a more active role for the legislature, citizens and business associations, the government needs to ensure more effective delivery of its public outputs. In this context, the Mexican federal Government has recognised that it needs to reform the regulatory framework that governs its actions. Hence, it undertook a review of RIG that resulted in the elimination of 67% of all rules, and in the publication of nine general handbooks in the areas of procurement, public works, human resources, financial resources, material resources, information and communication technologies, transparency, auditing and control. Each of the subject-specific handbooks includes unique and standardised internal rules with which the entire federal government must comply.

The elimination of internal rules and the establishment of the handbooks should make the Mexican federal Government more accountable and transparent. The handbooks establish a unique and clear framework to steer the efforts of public officials towards actions that are easily identifiable and more transparent.

The RIG review of Mexico has also contributed significantly to the policy debate; it led to an important reduction of regulations and moves Mexico towards most of the good practices drawn from international experience. On the other hand, OECD member countries' experience with RIG reviews is limited, so the results from Mexico will provide insight concerning the planning and organisation of this kind of regulatory review.

The challenge for Mexico now is to ensure that the handbooks become the tools that effectively guide and determine the internal regulatory framework of the government and become a pillar for good governance. Ensuring that new internal rules are not issued, coupled with periodic reviews of the stock of regulations – as well as an effective implementation programme for the nine handbooks – are key future actions for Mexico. The federal government is showing its commitment to take on and follow these recommendations. Nonetheless, this is a long-term agenda that must transcend administrations (and political party lines) to continue delivering results. It is important to stress that regulatory reviews should not be one-off exercises but a permanent element of good public governance.

A well-managed and professionalised public workforce fosters good governance practices

One of the messages learned from experiences in modernising government across OECD member countries is that successful public administration reform must be accompanied by improvements to the broader bureaucratic environment. Indeed, a well-functioning civil service helps to foster good policy making and implementation, effective service delivery, accountability, responsiveness and transparency in utilising public resources. The Professional Career Service (SPC) has not only been a key factor in the efforts to install merit-based management of the public workforce, but it has the potential to significantly contribute to the promotion of good governance principles across the public service.

Good governance requires forward-looking governments with a clear strategic vision. By creating a medium- and long-term plan, the SPC would send a message regarding the future direction of government and the priorities that need to be addressed. But more importantly, it would define the type of civil service that is needed for the future and its role in society.

In addition, the SPC would contribute to strengthening accountability to manage organisations effectively, serve ministries and government in a more efficient and effective manner, and above all, deliver on results to the Mexican people. Managers would be required to ensure compliance with regulations, as well as with directions or instructions given by their political superiors. The focus on performance would make managers accountable for the administration of the public workforce and hold every career public servant accountable for the decisions and actions taken in official capacity and for the use of public resources. Accountability for results would have to be clearly assigned and consistent with the allocation of resources. Prudent use of human capital should be a well-established principle for the evaluation of the SPC, embracing both efficacy and efficiency.

The SPC can make a significant contribution to enhancing a culture of transparency in the public sector by reforming the recruitment process to make it both more dynamic and fairer. Addressing concerns about appointments made without open competition, or clearly justifying when they are necessary, would be a key step towards promoting transparency in human resources management. By recognising good performance, the SPC is in a position to reward responsiveness, which creates a public service that reacts quickly in aligning policy actions with political priorities.

The SPC, by its nature, has the potential to promote the rule of law. By making commitment to the rule of law one of the core values of the SPC, Mexico would promote a culture of honesty and effective government. Determining whether it fosters, maintains or undermines the rule of law – and to what extent it promotes honesty – should be key criteria for evaluating the SPC.

Strategic e-government supports public sector reforms and enhances good governance

Governments need to maximise the impact of their policy tools to produce desired changes and to design and implement public sector reforms that make them more strategically open, responsive, innovative and agile. E-government is a critical element of future public sector changes, and the key question for all OECD member countries is how to ensure the ongoing optimisation of their use of information and communication technologies (ICTs) within the public sector, and to interact with citizens and businesses.

Developments brought about by the economic and financial crisis and other issues – globalisation, new fiscal demands, changing societies and increasing customer expectations – require a continuous reform process. ICTs have underpinned reforms in many areas, by improving transparency, facilitating information sharing and highlighting internal inconsistencies. In fact, e-government supports all aspects of good governance including rule of law, transparency and responsibility, efficiency and accountability of the public sector, tackling corruption, and fostering consensus-oriented, participatory, equitable and inclusive governance.

Building trust between governments and citizens is fundamental to good governance. ICTs can help by enabling citizen engagement in the policy-making process, promoting open and accountable government and helping to prevent corruption. E-government can help individual voices to be heard in mass debates, by harnessing ICT to encourage citizens to think constructively about public issues, applying technology to open the policy process and adopting policies on information quality and accountability. However, significant barriers must be overcome.

Governments are encouraged to put in place open and transparent communication and information society policies, which create public value and increase users' welfare while enabling a clear and predictable business environment. Additionally, governments have tried to embed good governance principles into solutions that exploit 21st century ICTs to achieve public policy goals within a context of changing social, economic and political circumstances. The global financial crisis secured e-government's place at the core of public sector reforms, because policy makers consider it a pivotal policy tool to enable governments to do more with less. As such, it may enable new efficiencies, create new job opportunities and enhance productivity within the public sector.

Mexico has a long-standing commitment to using ICTs to support public sector reforms and foster good governance by improving transparency, quality and efficiency of government. Across administrations, the Mexican Government has exploited technology to continually innovate and improve its operations to best meet citizens' needs, as highlighted in the *OECD E-Government Review of Mexico* (OECD, 2005). This review draws attention to the government's efforts to better integrate, simplify and implement processes in order to rationalise the use of resources in times of economic constraints; deliver services more coherently across the federal public administration; strategically maximise the benefits of previous e-government investments and plan for new ones. The interoperability scheme and the adoption of the "Administrative Manual of General ICT Application" (*Manual Administrativo de Aplicación General en Materia de TIC*) are excellent examples of the government's efforts.

Moreover, as society increasingly operates in an e-world that moves beyond the Internet and online application processes, governments need to increase their use of new technologies to change the way the public sector operates internally and interacts with citizens and business. The rising use of new technologies (e.g. smart phones, social networks) in a 24/7 consumer-driven society demands products and availability outside "traditional" working hours. This review highlights the forward-looking approach adopted by the Mexican Government in designing systems that embed innovative responses to the demand for more efficient and effective service delivery. The use of mobile government and, particularly, the adoption of a cloud-building approach are excellent examples of the Mexican Government's pioneering intention to use opportunities brought about by new technologies (e.g. Web 2.0) and technological phenomena (e.g. social networks) to create social value through ICT investments – i.e. the return on investment citizens and business demand – and to multiply the value generated by newly developed ICT systems, applications and platforms.

This requires improving the institutional and governance framework for e-government. Adopting a centralised or decentralised model is a political choice, but the leadership must support the national strategy. The Mexican Government is thus rightfully putting in place a number of measures that aim to increase the effectiveness of the bodies in charge of designing and pushing forward further e-government development. Moreover, e-government is a horizontal policy area which cuts across the entire public administration; in order to maximise its impact it is therefore necessary to establish a governance framework that facilitates in-depth consultations among major stakeholders of e-government policies to ensure synergies, avoid wasting resources and make sure that the various initiatives respond to different needs and common objectives. This is critical to ensure that new reform proposals not only go in the right direction, but are successful in the long run. The Mexican Government's efforts to strengthen co-ordination within the federal level, as well as co-operation across levels of government, are ongoing.

Likewise, the federal government is trying to ensure consistency and foster synergies among the various initiatives and strategies that aim to improve digital government and foster the information society in Mexico. Finally, in the search for new efficiencies, governments need to show they are using e-government to perform better and to prove their results. Measuring outputs and outcomes, and appraising citizens' and business' satisfaction with the new opportunities provided through e-government, is essential. In the face of this challenge, the Mexican Government has conceived a new e-government evaluation model to be applied in all federal institutions. The model is based on a new methodology focused on measuring value creation, which is very innovative among OECD member countries.

General conclusions on public administration reform in Mexico

Administrative reforms should have a strategic direction and be based on an integrated governance approach

Public administration reforms must not be isolated efforts; they must be integrated with the strategic orientation of government. In other words, reforms should be aligned to broader good governance principles and objectives. Mexico's public administration system is part of its wider governance and constitutional structures. Public administration practice reflects and influences the values of governance. For example, the Austerity Decree establishes the need to rationalise government spending, so RIG reviews, the SPC and e-government initiatives should be aligned to the principle of rationalising public spending and increasing efficiency.

General good governance principles must provide the basis for public administration reforms. In particular, they should anticipate future needs and changes, so that the public administration is prepared for the challenges of tomorrow instead of having to react quickly to overwhelming demands. Strategies aimed at modernising government must be aligned with the nature and dynamics of the public administration system as a whole and take into account how it functions as part of society. The Mexican Government needs to understand the dynamics of its own system and to design reform strategies that are calibrated to the risks and specificities of its public administration system.

Administrative reforms require a whole-of-government approach sustained by co-ordination and communication across government organisations

Understanding and viewing both public administration and governance structures as part of an interconnected whole is critical for better policy making. To be effective, reforms must be designed to change the behaviour of a variety of actors. As a government makes changes to one part of the system, other parts will be forced to respond. A whole-of-government approach is needed to understand the behavioural changes required and the incentives available, both formal and informal, to achieve these changes. Therefore, consideration should be given to the potential impact of reforms on the wider national governance arrangements and the underlying values that they promote.

In this sense, it is critical to consider that effective and efficient policy making is not the responsibility of a single institution – but emerges from the interaction of several. To hold one single institution to account for how it has operated is to disregard the key characteristics of the differentiated polity (Rhodes, 1988: 404). Thus, adopting a "whole-of-government approach" requires co-ordination and co-operation among the institutions involved. The whole-of-government approach also refers to policies that are adopted and applied consistently throughout the public administration. Developing consistency calls for a normative framework, planning, evaluation, oversight and control. In the case of RIG, for example, inconsistent and overlapping rules led to calls for a generalised review.

Ensuring effective e-government co-ordination and collaboration within and across levels of government may secure concrete progress in the development and implementation of e-government projects and related initiatives. As the Government of Mexico moves towards increased system integration and interoperability, having a clear vision will not suffice to guarantee good results. Likewise, effective policy making in this

area requires an alignment of the digital government agenda with other relevant strategies.

Mexico's Ministry of Public Administration (SFP) is in charge of policies on e-government, human resources management and RIG rationalisation; it is crucial to guarantee fluid communication between the SFP and the public administration institutions that have to internalise these policies. A collaborative approach would facilitate the exchange of best practices and solutions to common problems.

Implementation capacity is key to successful administrative reform

Good policy design is not sufficient to achieve desired outcomes. Implementation plays a critical role in making a reform successful or hindering its scope. Implementation capacity refers to the mechanisms used by reformers to shape and influence strategy/policy implementation and to inform the behaviour of other stakeholders in the organisational network. Implementation capacity recognises the importance of skills and resources (i.e. financial, material, human, knowledge, and even time) within the organisation and their utilisation by policy actors. Closing normative gaps, facilitating change, building capacity, and providing the right incentives (e.g. economic, visibility, recognition) are all strategies that help successful implementation.

In the case of the SPC, normative gaps have, to a certain extent, allowed deviations from a merit-based system. Capacity building, in the form of training for public officials, is considered key for the implementation of the nine handbooks derived from the RIG review. In the case of e-government, in order to maximise projects' benefits, it is crucial to ensure the right level of skills and competencies, the use of a number of complementary tools (e.g. business case models, interoperability frameworks) and the adoption of adequate financial arrangements in order to avoid duplication and waste of resources and leverage investments already made. In conclusion, implementation cannot be taken for granted and must be a carefully planned and controlled process.

A culture of continuous improvement, monitoring and evaluation of administrative reforms' results must be developed

The Mexican Government, like its counterparts in other OECD member countries, must keep adapting to a continually changing society. Mexican public organisations should strive continually to become better at serving citizens and at managing their workforce and other resources. Organisations should become self-adjusting, monitoring their own performance, and deliberately strive to do their work better. Such continually adapting organisations should no longer be subject to demands for reform; reform becomes their normal state. Continuous improvement should be the goal at both the organisational and individual levels. It is not a matter of one-off reforms, but of having a whole-of-government public management policy capability that enables government to make adjustments with the complete system in mind.

Leadership is a critical component for successful policy implementation and change management. Open-minded leadership is essential to establish a culture of continuous improvement. Leaders must be prepared and able to listen to those they lead, as well as those they serve. They need to be able to influence people to focus on a common vision of what is valued, believed in or aimed for.

Monitoring and evaluating reform is needed to build on good practices and correct deviations, as well as to facilitate successful implementation. When possible, evaluation should include standard quantitative methodologies and technical criteria. For example, the review of RIG would benefit from measuring and monetising the burdens eliminated by the development of the manuals and the removal of unnecessary regulations on each topic. Qualitative evaluations may complement quantitative ones.

In addition, monitoring and evaluation allow governments to communicate the results of reform to the general public and, in so doing, build "reform constituencies". These constituencies are important to support the continuity of reforms and avoid a backlash. This is particularly relevant given that there is no re-election in Mexico and that political agendas change quickly in response to fluctuations in political power. Even though some reforms have been institutionalised by a law, such as the SPC, they could be weakened *de jure* (by reforming the law) or *de facto* (by weak enforcement). Despite their limitations, reforms in the three realms covered in this report are on the right path and, hence, the effort should be maintained beyond this administration to accumulate further benefits.

Mexico has many good examples of measuring and monitoring e-government results to improve public sector performance. The government has adopted an innovative evaluation model to measure the digital maturity of public agencies. This tool allows appraisal of agencies' capacity to use ICTs to enhance their performance and create public value. Thanks to the wealth of information and data it may provide, the tool can allow the government to monitor performance and drive systematic change.

Sub-national government reforms should complement efforts at the national level to generate an effective framework for multi-level governance

Managing relations between levels of government is crucial, particularly as governments learn to do more with less. Thus, Mexico should look for ways to facilitate co-ordination; this would help to solve capacity-building issues and bridge the information, fiscal, administrative and policy gaps in the three public management disciplines addressed in this report. Multi-level governance depends on relationships between the central and sub-national levels of government, as well as among peer-level agencies (e.g. among ministries, across regions, between municipalities). Relationships between levels of government must be characterised by mutual dependence, since policy responsibilities and outcomes often span multiple levels.

Even though some Mexican states have adopted e-government policies and developed e-government projects and systems, as well as human resources management practices that take some features from the policies applied at the federal level, there is a need to increase co-ordination both within each level of government and across levels. For example, in Mexico, like in other OECD member countries, there is a tendency to have the same type of employment arrangements at the national and sub-national levels, either position-based or career-based. The potential for problems lies in having parallel, but different, civil service systems. Co-ordinating the systems would create more possibilities for a career public servant to move between levels of government under the framework of the SPC; even though the law allows this possibility, it rarely happens. The one-stop shop for start-up businesses, *tuempresa.gob.mx*, offers another opportunity to increase co-ordination by the potential to interconnect it with state and municipal business portals.

Reforms at the sub-national levels require much more depth and a more systematic approach. Furthermore, the level of commitment varies widely from one state or municipality to the others. There have been no efforts to conduct reviews of RIG in Mexico's sub-national governments. This report, along with full documentation of follow-up efforts, should serve to illustrate to sub-national units how to successfully undertake a review of RIG. The results from the review at the federal level can be magnified by more flexible and capable sub-national governments.

Even though the federal government cannot oblige sub-national governments to adopt a career civil service or perform a RIG review, it can provide the incentives for them to do so, including financial support, performance lists to motivate competition, awards and so on.

In the case of e-government, collaboration and co-ordination between the federal government and the local authorities is crucial to truly integrate efforts, realise synergies, achieve economies of scale, produce real benefits for citizens and ensure an overall more balanced e-government development across the whole public sector. The federal government can play a significant role in assisting municipalities and states with less advanced levels of e-government development to access and adopt national or international good practices.

Improving the management and performance of the public service underpins efforts to sustain economic growth and social development

A better-functioning government represents a positive factor for economic growth and competitiveness and can more effectively implement policies to address the urgent problems Mexico faces (e.g. poverty alleviation, inequality, environmental concerns, job creation). A good, functioning government matters for development. A professional workforce, with clear rules to carry out its functions in an efficient and honest environment – which incorporates state-of-the-art technologies – will be better suited to tackle the challenge of doing more with less, while addressing the demand for more and better public services.

Mexico is on the right track of designing and implementing public administration reforms. The key challenge for Mexico is to improve the performance of the public service by balancing flexibility and control, and integrating performance measurement systems into the government's accountability framework. Too much flexibility could lead to abuse and mismanagement; too little flexibility risks an inefficient and unresponsive public service. However, careful implementation and ongoing evaluation can help to build on good practices and correct deviations and ensure long-term sustainability of changes and results. Special attention must be paid to keeping performance transaction costs in check. Continuity is crucial to achieve a better government that serves the needs of its citizens.

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Country factsheet and Executive summary in French

Mexique

Repères[i]

Adhésion à l'OCDE : 1994
Population : 112 336 528 habitants[1]
Superficie (km^2) : 1 959 247[2]
Capitale : Mexico

Économie (2010)

PIB PPA[ii] (USD) : 1 560 milliards[3]
PIB PPA par habitant (USD) : 13 800[3]
Croissance du PIB (taux annuel en %) : 5.5[4]
Dette publique totale[iii] (2009) (% du PIB) : 35.6
Taux d'inflation (%) : 4.4[4]

Mondialisation (2010)[4]

Exportations (USD) : 297.78 milliards
Importations (USD) : 300.77 milliards
IDI (USD) : 17.72 milliards

Travail (2010)[4]

Population active (% de la population) : 58.9
Population active : 79.8 millions de personnes
Taux d'emploi (% de la population active) : 94.37
Taux de chômage (% de la population active) : 5.63

Sciences et technologies (2008)[5]

Dépenses de R-D (2007) (% du PIB) : 0.37
Ménages disposant d'un ordinateur (%) : 26.1
Ménages disposant d'une connexion Internet (%) : 13.7

Énergie (2010)[6]

Production d'électricité (TWh) : 241.5
Production totale d'énergie (2008) (Mtep) : 234.6[7]
Production pétrolière (milliers de barils par jour) : 2 575.86

Finances publiques (2009)

Recettes fiscales totales (% du PIB) : 17.5[8]
Solde budgétaire public (% du PIB) : -2.29[9]

i Chiffres de 2010 ou, lorsqu'ils n'étaient pas disponibles, chiffres les plus récents.

ii Les parités de pouvoir d'achat (PPA) sont des taux de conversion monétaire qui permettent à la fois de convertir dans une monnaie commune et d'égaliser les pouvoirs d'achat associés aux différentes monnaies. En d'autres termes, les PPA éliminent les différences de prix entre les pays lors du processus de conversion.

iii Comprend la dette économique nette (extérieure + intérieure) et d'autres éléments de dette. *Source* : Banque centrale (*Banco de México*).



À l'issue d'une profonde récession, le Mexique connaît une reprise robuste, avec une croissance du PIB d'environ 5 % en 2010 et d'au moins 3.5 % en 2011.

La croissance des exportations devrait se ralentir après le redressement exceptionnel en 2010, mais une demande intérieure plus forte devrait permettre la poursuite de la reprise.

Selon des études commandées par l'administration fiscale fédérale, la fraude sur la TVA a reculé, passant de 23 % des recettes potentielles à 18 % entre 2000 et 2008.

L'assainissement des finances publiques est déjà en cours. Après avoir procédé à une relance budgétaire en 2009, le gouvernement a rapidement resserré l'orientation de sa politique budgétaire, en augmentant les impôts et en réduisant les dépenses. Cela a eu pour effet de ramener le besoin net de financement des administrations publiques, un indicateur du déficit combiné du gouvernement fédéral et de ses entreprises publiques, d'environ 5 % du PIB en 2009 à 3 % du PIB en 2010.

Source : OCDE (2011), *Études économiques de l'OCDE : Mexique*, Éditions OCDE, Paris.

L'administration publique mexicaine en bref

Nombre de départements et de ministères (2011) : 18 (*plus l'Office du Conseiller juridique du pouvoir exécutif fédéral et le Bureau du Procureur général de la République* [PGR])[10].

Coûts de production de l'administration générale (% du PIB) (2008) : 10.6

Emploi dans les administrations publiques (% de la population active) (2007) : 8.8

Part des effectifs de plus de 50 ans dans les administrations centrales (2009) : 26.7 %

Part des effectifs féminins dans les administrations centrales (2005) : 45.5 %

Part des effectifs féminins dans la haute administration (2005) : 35.2 %

Délégation de la gestion de l'emploi public dans les administrations centrales (2010) : 0.53 [iv]

Source: OCDE (2009), *Panorama des administrations publiques 2009*, Éditions OCDE, Paris et OCDE (2011), *Panorama des administrations publiques 2011*, Éditions OCDE, Paris.

iv Indice compris entre 0 (aucune délégation) et 1 (haut niveau de délégation). Cet indice donne une idée de la marge de manœuvre relative accordée aux ministères d'exécution s'agissant de prendre des décisions en matière de gestion des ressources humaines. Il ne renseigne pas sur la manière dont les ministères d'exécution s'acquittent de cette tâche.

Les mesures de déréglementation du Mexique sont parmi les mieux documentées par l'OCDE. L'impact de cette stratégie se traduira par des améliorations de l'efficacité et de la transparence de l'administration, de la compétitivité et de la croissance économique du Mexique, et de sa capacité de fournir aux citoyens de meilleurs services publics et des procédures plus rapides[11].

Conformément aux pratiques des pays membres de l'OCDE les plus avancés, le gouvernement mexicain a adopté une approche axée sur l'avenir en ce qui concerne l'exploitation des possibilités offertes par les nouvelles technologies et les phénomènes technologiques pour lier les investissements dans les TIC dans le secteur public à la création de valeur sociale et à la multiplication de la valeur engendrée par les nouveaux systèmes, applications et plateformes de TIC[12].

Si le Mexique a pris les bonnes mesures pour professionnaliser les échelons des cadres moyens et supérieurs dans l'administration publique fédérale, il faut remédier aux lacunes techniques et normatives du Système de fonction publique de carrière professionnelle et revoir sa stratégie de mise en œuvre pour rétablir la confiance dans son système fondé sur le mérite et veiller à ce qu'il fonctionne bien. La confiance est un actif incorporel nécessaire au fonctionnement de la fonction publique[12].

(…) il semble qu'il y ait un consensus pour améliorer la RAI. La RAI peut amener les fonctionnaires à se concentrer sur le respect d'exigences fastidieuses, au lieu d'assurer efficacement l'exécution des programmes et des services publics. En ce sens, elle peut rendre l'administration publique incapable de réagir en temps voulu à des événements spécifiques (…) ou de s'adapter à l'évolution des situations (…).

Toutefois, il est clair également que la RAI, lorsqu'elle est bien conçue, est nécessaire pour faire progresser la responsabilité et la transparence, limiter le pouvoir discrétionnaire des fonctionnaires, et prévenir la survenance de cas de corruption. (…) En d'autres termes, il ne s'agit pas de « déréglementation » au sens propre, mais de « gouvernance de la réglementation ».

(...)afin de maximiser son impact, il faut mettre en place un cadre de gouvernance qui facilite une concertation approfondie avec les principales parties prenantes des politiques de l'administration électronique pour assurer des effets de synergie, éviter le gaspillage des ressources et veiller à ce que les diverses mesures prises répondent aux différents besoins et aux objectifs communs. C'est capital pour s'assurer, non seulement que les nouvelles propositions de réforme vont dans la bonne direction, mais aussi qu'elles réussissent à terme. À cet effet, les autorités mexicaines poursuivent leurs efforts qui visent à resserrer la coordination fédérale (...) la coopération des différents niveaux d'administration. Dans le même ordre d'idées (...) essaient d'assurer la cohérence et de favoriser les effets de synergie des diverses mesures et stratégies destinées à faire progresser encore l'administration numérique et la société de l'information au Mexique.

L'efficacité de la fonction publique contribue à la qualité de l'élaboration et de la mise en œuvre des politiques, à l'efficacité de la prestation des services, à la responsabilité dans l'utilisation des ressources publiques qui caractérisent la bonne gouvernance. En conséquence, la réalisation des objectifs des pouvoirs publics dépend dans une large mesure des améliorations apportées à l'environnement plus large dans lequel l'administration opère. L'efficience et l'efficacité des performances de l'administration sont déterminées par le talent des agents publics et la qualité de leurs connaissances et de leurs compétences. Améliorer l'efficience de la fonction publique est l'une des réformes structurelle les plus importantes nécessaire pour soutenir la croissance économique et améliorer la compétitivité du pays.

Extrait du texte des trois chapitres thématiques du présent rapport.

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12 Extrait du texte du présent rapport.

Résumé

Le Mexique a besoin d'une administration plus efficiente pour faire face aux difficultés budgétaires et traiter efficacement les problèmes sociaux, dont la pauvreté, l'inégal accès à des services de base et les infrastructures. Dans ce contexte, le gouvernement du Mexique a progressé dans la mise en œuvre de réformes structurelles qui portent sur la professionnalisation de la fonction publique, la rationalisation des normes qui régissent les activités du gouvernement fédéral et l'administration électronique. Ce chapitre explique la contribution de ces réformes à la qualité de la gouvernance publique et préconise de les poursuivre afin de pérenniser leurs effets positifs. Il présente en outre des conclusions et recommandations horizontales pour faire avancer la réforme de l'administration publique au Mexique et en tire la conclusion générale que les professionnels, qui remplissent leurs fonctions suivant des règles précises dans un environnement efficient et objectif (avec des technologies de pointe) seront mieux armés pour relever le défi de faire plus avec moins, tout en répondant à la demande de services publics toujours plus nombreux et plus efficaces.

Le rôle des administrations publiques a profondément changé ces dernières décennies. Au cours des années 80, le Mexique, qui était une économie de remplacement des importations, a adopté une stratégie de croissance tirée par les exportations. Des réformes ont ouvert le pays aux échanges et aux investissements extérieurs et ont réduit les effectifs du secteur public par la privatisation de secteurs qui étaient principalement aux mains de l'État, notamment le secteur bancaire, les services téléphoniques et les aéroports. Malgré cette réduction des effectifs, les crises économiques (tant internes comme en 1994-95, que mondiales comme en 2009-10) et la dépendance des recettes à l'égard des exportations de pétrole obligent l'administration publique mexicaine à faire davantage avec des ressources moindres. Or, la crise mondiale récente a également exigé une réaction gouvernementale efficace et rapide pour compenser la baisse de la consommation privée ; cela pose à nouveau le problème de la flexibilité des pouvoirs publics face à des événements imprévus (crise économique, catastrophe naturelle, etc.). Comme il n'existe qu'une marge de manœuvre limitée en matière de politique budgétaire, la solution consiste à améliorer l'efficacité et l'efficience de l'administration.

II est clair que le Mexique a besoin d'une administration plus efficace. Les recettes fiscales dépendent pour plus d'un tiers de la production de pétrole ; au cours des cinq années qui ont précédé 2009, cette production a diminué de plus de 20 %, et l'avenir est très incertain (Ministère mexicain des finances et du crédit, 2011). En conséquence, le Mexique doit améliorer la capacité de l'administration d'assurer l'utilisation efficace des ressources publiques. En outre, l'efficacité de l'administration peut faciliter la mise en œuvre des politiques et des investissements publics pour s'attaquer à des problèmes sociaux et économiques, par exemple la pauvreté, l'accès inégal à des services élémentaires de qualité (santé, éducation), l'économie parallèle et les infrastructures.

Dans ce contexte, le gouvernement du Mexique a progressé dans la mise en œuvre des réformes structurelles et a pris des initiatives pour mettre en place une fonction publique professionnelle (2003), rationaliser les normes qui régissent les activités du gouvernement fédéral (2010) et faire avancer le développement de l'administration électronique. Malgré certaines limites, ces réformes ont beaucoup contribué à la qualité de la gouvernance publique et doivent être poursuivies pour assurer des effets positifs durables.

De fait, ces réformes sont conformes au programme défini par les pays membres de l'OCDE à la Conférence sur la politique de la réglementation d'octobre 2010 ; cette réunion a souligné l'importance de la gestion et de la gouvernance de la réglementation tout au long du cycle des politiques : conception, mise en œuvre, suivi et évaluation des résultats. L'examen de la réglementation administrative interne (RAI) du Mexique couvre l'ensemble du cycle, en vue de s'assurer de la pertinence et de la justification des normes régissant l'administration publique fédérale, et de déboucher sur des mesures visant à prévenir la reconstitution du stock de réglementations et à fixer des normes rigoureuses pour l'adoption de nouvelles règles. En outre, en rationalisant le stock de réglementations administratives internes, l'examen facilite leur application par les organismes de réglementation et leur respect par les organismes réglementés.

L'orientation actuelle sur l'assainissement des finances publiques met à l'épreuve les capacités de gestion du secteur public, en particulier l'aptitude à mobiliser efficacement les agents et les ressources pour s'attaquer aux problèmes existants et aux nouveaux problèmes, et partager les risques. Cette orientation est assurément celle des 38 ministres qui se sont rassemblés à Venise en novembre 2010 pour la Réunion ministérielle du Comité de la gouvernance publique de l'OCDE qui a été organisée pour aider les pays

membres de l'OCDE à recenser et évaluer les principaux problèmes qui se posent à la suite de la crise financière et à allouer de manière appropriée les ressources humaines et financières.

Les ministres ont déclaré que la réforme du secteur public, qui jouera un rôle considérable dans la reprise économique, devait constituer une priorité. La crise économique financière mondiale a conduit à s'interroger sur le degré de flexibilité réelle de l'administration lorsqu'il s'agit d'être capable de faire davantage avec des ressources moindres ; de ce point de vue, la crise offre l'occasion d'accomplir de réels progrès. Les ministres ont défini un programme de réformes de large portée qui vise à rendre l'administration plus ouverte, plus novatrice et stratégiquement plus agile. Les conclusions de la réunion ont souligné l'importance que revêtent les mesures propres à favoriser l'efficience et l'efficacité du secteur public : innovation technologique (comme l'ont souligné en octobre 2010 les hauts fonctionnaires chargés de l'administration électronique qui ont participé à la réunion de l'OCDE à Bruxelles) ; amélioration de la gestion des ressources humaines ; établissement de partenariats avec les citoyens, la société civile et le secteur privé ; et élaboration de cadres d'évaluation pour mesurer les performances de l'administration. Les principales recommandations de la réunion ministérielle sont déjà en cours de mise en œuvre au Mexique dans le cadre de ses réformes structurelles (comme souligné dans le présent rapport). Le Mexique a demandé à l'OCDE d'évaluer le régime de la fonction publique professionnelle et l'examen généralisé de la réglementation administrative interne (RAI) effectué en 2010 à la lumière de l'expérience internationale, ainsi que d'examiner les politiques et les initiatives en faveur de l'administration électronique. Ce rapport s'attache plus particulièrement à l'impact de ces réformes sur l'efficacité de l'administration pour montrer à quel point elles contribuent à faire des administrations publiques un facteur de stimulation de la croissance et de la compétitivité.

Principes de gouvernance publique

La gouvernance a trait aux modalités, institutionnalisées ou non, de la prise de décision publique et de la conduite de l'action publique en vue de sauvegarder les valeurs constitutionnelles nationales. Les administrations publiques sont l'un des principaux piliers de la gouvernance (Département des affaires économiques et sociales de l'ONU 2007 : iii).

Dans ses travaux sur la gouvernance publique, l'OCDE met l'accent sur les principes de gouvernance qui suivent :

- Responsabilité : les administrations sont capables et désireuses de montrer le degré de conformité de leurs actions et décisions à des objectifs précis et convenus.
- Transparence : les actions, les décisions et la prise de décision des administrations sont exposées à un degré suffisant de vigilance des autres secteurs des administrations, de la société civile et, dans certains cas, d'institutions extérieures.
- Efficience et efficacité : les administrations s'efforcent de livrer au meilleur coût des produits publics de qualité, notamment les services rendus aux citoyens, et elles s'assurent que ces produits répondent aux intentions initiales des décideurs.

- Réactivité : les administrations ont les moyens d'action et la flexibilité nécessaire pour répondre rapidement aux changements sociaux, elles tiennent compte des attentes de la société civile pour définir l'intérêt général et elles sont prêtes à réexaminer leur rôle de façon critique.
- Prospective : les administrations sont capables de prévoir les problèmes à partir des données et des tendances courantes et d'élaborer des politiques qui tiennent compte de l'évolution des coûts et des changements prévus (par exemple les évolutions démographique, économique, environnementale).
- Primauté du droit : les administrations veillent à l'égale transparence de la législation, de la réglementation et des codes.

Outre ces principes, la qualité de la gouvernance publique passe par l'agilité stratégique, c'est-à-dire la capacité des administrations d'anticiper et de répondre avec souplesse aux exigences de plus en plus complexes de l'action publique. Elle doit pouvoir s'appuyer sur des cadres qui lui permettent de prendre des décisions rapides et de grande qualité, et de veiller à leur application effective, source d'utilité publique (OCDE, 2010: 12). Enfin, la qualité de la gouvernance suppose un service public efficient, un système judiciaire indépendant, une gestion responsable des deniers publics, une organisation institutionnelle pluraliste et le respect de la loi.

Contribution des trois leviers des administrations publiques à la qualité de la gouvernance

Les trois grands thèmes étudiés dans le présent rapport, la réglementation administrative interne, l'administration électronique et la réforme de la fonction publique, ont contribué à la qualité de la gouvernance publique au Mexique. Les possibilités et les recommandations présentées dans ce rapport peuvent aider le gouvernement du Mexique à en tirer une contribution plus importante encore.

De meilleures règles pour une meilleure gouvernance

L'efficacité et l'efficience des administrations sont des facteurs essentiels de la qualité de la gouvernance. Une administration efficace est une administration qui obtient des résultats, à savoir la prestation de services publics ou la conception et la mise en œuvre des politiques publiques qui répondent aux objectifs visés. Parallèlement, une administration efficiente livre ces produits au moindre coût, ne prélevant sur la société et, en particulier, sur les contribuables, que les ressources strictement nécessaires.

Pour être efficace et efficiente, une administration doit exercer ses activités dans le cadre de lignes directrices et de règles. La réglementation administrative interne permet d'inciter les agents publics à adhérer aux objectifs visés par les autorités publiques, afin de s'assurer que les produits sont conformes aux attentes de la société. De même, les règles internes permettent de définir les normes de la prestation des services publics et de répondre ainsi aux exigences de particuliers toujours mieux informés. En général, la réglementation interne permet aussi de veiller à la légalité de l'action publique. Enfin, la réglementation administrative interne permet de mettre en place des mécanismes qui favorisent une culture d'économie des ressources et d'efficience, par exemple au moyen des marchés publics.

Cependant, l'abondance de la réglementation administrative interne peut avoir l'effet inverse : rendre une administration inefficiente et inefficace. Des règles internes qui se répètent ou se chevauchent induisent les agents publics en erreur et freinent l'initiative, ce qui pèse sur le fonctionnement de l'ensemble des administrations et détourne leurs efforts de la qualité des services rendus. De même, une réglementation interne excessive oblige les agents publics à consacrer trop de temps au respect des règles, d'où le gaspillage de précieuses ressources qui pourraient servir à la prestation de services publics de qualité.

L'ensemble des administrations fédérales du Mexique doivent dans l'immédiat répondre à l'objectif de gains d'efficacité et d'efficience. Du fait des pressions qui s'exercent aux fins d'augmenter les ressources consacrées aux programmes de réduction de la pauvreté et d'action en faveur des conditions sociales, il est impératif de mobiliser les ressources vers ces objectifs des autorités publiques. De même, en raison de la diversité politique et d'un rôle plus actif du Parlement, des citoyens et des associations professionnelles, les administrations doivent veiller de plus près encore à l'efficacité de la prestation des services publics. Dans ce contexte, le gouvernement fédéral du Mexique a reconnu qu'il lui fallait réformer le cadre réglementaire de son action. C'est pourquoi il a procédé à un examen de la RAI qui s'est traduit par l'élimination de 67 % de l'ensemble des règles, et par la publication de neuf manuels généraux dans les domaines des marchés publics, des travaux publics, des ressources humaines, financières et matérielles, des technologies de l'information et des communications, de la transparence, de l'audit et du contrôle. Chacun des manuels thématiques comprend des règles internes uniques et normalisées auxquelles l'ensemble des administrations fédérales doivent se conformer.

L'élimination de règles internes et l'adoption des manuels devraient contribuer à la responsabilité et à la transparence des administrations fédérales mexicaines. Les manuels définissent un cadre précis, seul en son genre, qui mobilise les efforts des agents publics vers des actions faciles à définir et plus transparentes.

L'examen de la RAI du Mexique a également apporté une contribution importante aux débats sur les politiques. Il s'est soldé par une réduction importante des réglementations et rapproche le Mexique de la plupart des bonnes pratiques qui se dégagent de l'expérience internationale. Par ailleurs, l'expérience des pays membres de l'OCDE concernant les examens de la RAI étant limitée, les résultats du Mexique aideront à mieux cerner la planification et l'organisation de ce type d'examen de la réglementation.

Le défi lancé au Mexique aujourd'hui est de s'assurer que les manuels deviennent l'instrument qui guide et détermine effectivement le cadre réglementaire interne des administrations, à l'appui de la qualité de la gouvernance. Le Mexique doit s'attacher principalement à ce que de nouvelles règles internes ne soient pas édictées, tout en procédant à un examen périodique de l'ensemble de la réglementation en vigueur, et à ce qu'un programme permette l'application effective des neuf manuels – ce sont là des actions futures clés pour le Mexique. Le gouvernement fédéral montre sa volonté d'adopter et de suivre ces recommandations. Néanmoins, il s'agit d'un programme à long terme qui doit transcender les administrations (et les clivages politiques) pour continuer à produire des résultats. Il est important de souligner que les examens de la réglementation ne doivent pas être des opérations ponctuelles mais un élément permanent d'une gouvernance publique de qualité.

Une fonction publique professionnelle bien gérée favorise les bonnes pratiques de gouvernance

L'un des messages qui se dégage des expériences de modernisation de l'administration dans les pays membres de l'OCDE est qu'une réforme de l'administration publique couronnée de succès doit s'accompagner d'améliorations du cadre administratif plus large. Le fait est que l'efficacité de la fonction publique contribue à la qualité de l'élaboration et de la mise en œuvre des politiques, à l'efficacité de la prestation des services, à la responsabilité, à la faculté d'adaptation et à la transparence dans l'utilisation des ressources publiques. Le Service professionnel de carrière (SPC) est non seulement un acteur essentiel dans les efforts visant à mettre en place la gestion du personnel du secteur public fondée sur le mérite, mais il peut aussi contribuer de manière importante à la promotion des principes de gouvernance dans la fonction publique tout entière.

Une gouvernance de qualité nécessite des administrations tournées vers l'avenir qui sont dotées d'une vision stratégique claire. En élaborant un plan à moyen et à long terme, le SPC enverra un message concernant l'orientation future de l'administration et les priorités auxquelles il faut répondre. Mais, et c'est encore plus important, cela définirait le type de fonction publique qui est requis pour l'avenir et son rôle dans la société.

De plus, le SPC contribuerait à renforcer la responsabilité de gérer efficacement les organisations, de servir les ministères et les administrations avec plus d'efficience et d'efficacité, et surtout, de livrer les résultats voulus à la population mexicaine. Il faudra des gestionnaires pour veiller au respect de la réglementation, ainsi que des orientations ou des instructions données par leurs supérieurs politiques. Du fait de l'accent mis sur les résultats obtenus, les cadres seraient responsables de l'administration des personnels du secteur public et tiendrait chaque fonctionnaire responsable des décisions et mesures prises à titre officiel et de l'utilisation de ressources publiques. La responsabilité des résultats devra être clairement établie et correspondre à l'affectation des ressources. L'utilisation avisée du capital humain doit être un principe établi de l'évaluation du SPC, tant du point de vue de l'efficacité que du point de vue de l'efficience.

Le SPC peut apporter une contribution importante au renforcement d'une culture de la transparence dans le secteur public en réformant le processus de recrutement pour le rendre à la fois plus dynamique et plus équitable. Régler les questions que soulèvent les nominations sans concours, ou motiver ces nominations clairement lorsqu'elles sont nécessaires, serait une étape décisive sur la voie de la transparence dans la gestion des ressources humaines. En reconnaissant les bonnes performances, le SPC est en mesure de récompenser la réceptivité, ce qui crée une fonction publique qui réagit rapidement en harmonisant les mesures prises avec les priorités politiques.

Le SPC, de par sa nature, peut promouvoir l'état de droit. En déclarant son attachement à la primauté du droit (l'une des valeurs fondamentales du SPC), le Mexique favoriserait une culture de l'honnêteté et de l'efficacité des administrations. Les critères essentiels pour évaluer le SPC devraient consister à déterminer s'il favorise, maintient ou sape la primauté du droit – et dans quelle mesure il favorise l'honnêteté.

Une stratégie de l'administration électronique sert les réformes du secteur public et la gouvernance

Les pouvoirs publics doivent maximiser l'impact de leurs instruments d'action pour produire les changements souhaités, et pour concevoir et mettre en œuvre des réformes du secteur public qui le rende stratégiquement plus ouvert, réactif, novateur et agile. L'administration électronique est un élément fondamental des changements futurs du secteur public et la question clé pour tous les pays membres de l'OCDE est de déterminer comment assurer l'optimisation continue de leur utilisation des technologies de l'information et des communications (TIC) au sein du secteur public et interagir avec les citoyens et les entreprises.

Les suites de la crise économique et financière et d'autres questions (la mondialisation, l'augmentation des charges budgétaires, l'évolution des sociétés et les attentes croissantes des clients) font que la réforme doit se dérouler en continu. Dans de nombreux domaines, les réformes se sont appuyées sur les TIC, renforcent la transparence, facilitent l'échange d'informations et font apparaître les incohérences internes. En fait, l'administration électronique sert la qualité de la gouvernance à tous égards par exemple la primauté du droit, la transparence et la responsabilité, l'efficience du secteur public et son obligation de rendre compte, la lutte contre la corruption, l'action en faveur d'une gouvernance consensuelle, participative, équitable et plurielle.

Pour la qualité de la gouvernance, il est fondamental d'établir la confiance entre les administrations et les citoyens. Les TIC peuvent y contribuer car elles permettent d'associer les citoyens à l'élaboration des politiques, de promouvoir l'ouverture et la responsabilité des administrations et de contribuer à la lutte contre la corruption. L'administration électronique peut aider les particuliers à se faire entendre dans le débat public en utilisant les TIC pour encourager les citoyens à réfléchir de manière constructive sur les questions d'intérêt général, en appliquant cette technologie pour ouvrir l'élaboration des politiques et en prenant des mesures en faveur de la qualité de l'information et de l'obligation de rendre compte. Toutefois, il faut surmonter des obstacles importants.

Les administrations sont encouragées à mettre en place une politique ouverte et transparente, digne de la société de la communication et de l'information, qui serve les objectifs d'intérêt général et l'intérêt des utilisateurs, tout en assurant aux entreprises un environnement lisible et prévisible. De plus, les administrations ont essayé d'incorporer les principes de gouvernance dans les solutions qui exploitent les TIC du 21ème siècle pour atteindre les objectifs de l'action publique dans un contexte social, économique et politique en évolution. La crise financière mondiale a placé l'administration électronique au cœur des réformes du secteur public parce que les décideurs y voient un instrument d'action essentiel pour permettre aux administrations de faire plus avec moins. De ce fait, elle peut être source de nouveaux gains d'efficience, créer des emplois et renforcer la productivité du secteur public.

Le Mexique s'est engagé de longue date à utiliser les TIC pour appuyer les réformes du secteur public et favoriser la bonne gouvernance en améliorant la transparence, la qualité et l'efficacité de l'administration. Dans l'ensemble de l'administration, le gouvernement mexicain exploite la technologie pour innover sans cesse à l'appui des activités des administrations afin de mieux répondre aux besoins des citoyens, comme le souligne *l'Étude de l'OCDE sur l'administration électronique au Mexique* (OCDE, 2005). Cette étude appelle l'attention sur les efforts des autorités pour mieux

intégrer, simplifier et appliquer les méthodes visant à rationaliser l'utilisation des ressources en période de contraintes économiques ; fournir des services de manière plus cohérente dans l'ensemble de l'administration publique fédérale ; maximiser stratégiquement les avantages tirés des précédents investissements dans l'administration électronique et planifier les nouveaux investissements. Le système de l'interopérabilité et l'adoption du *Manuel administratif d'application générale dans le domaine des TIC* (*Manuel administrativo de aplicación general en materia de TIC*) sont d'excellents exemples des efforts déployés par les administrations.

Par ailleurs, la société fonctionnant de plus en plus dans un monde virtuel qui s'étend bien au-delà de l'Internet et des applications en ligne, les administrations doivent développer l'utilisation des nouvelles technologies pour changer le fonctionnement interne du secteur public et ses rapports avec les particuliers et les entreprises. L'utilisation croissante des nouvelles technologies (par exemple les « ordiphones », les réseaux sociaux) dans une société de consommation qui fonctionne 24 h/24 et 7 jours/7 suppose l'accès aux produits et services en dehors des heures de travail « habituelles ». Cet examen met en relief la démarche prospective adoptée par les autorités mexicaines pour concevoir des systèmes qui intègrent des réponses innovantes à l'exigence d'efficience et d'efficacité de la prestation des services. Le recours à l'administration mobile et, en particulier, l'adoption d'une stratégie d'externalisation « dans les nuages » témoignent de l'intention novatrice des autorités mexicaines d'utiliser les possibilités offertes par les nouvelles technologies (par exemple Web 2.0) et les phénomènes technologiques (par exemple les réseaux sociaux) pour créer de la valeur sociale par le biais de ces investissements dans les TIC (c'est-à-dire la rentabilité des investissements qu'attendent les particuliers et les entreprises) et pour multiplier la valeur ajoutée par les systèmes de TIC, les applications et les plateformes de dernière génération.

Il faut améliorer le cadre institutionnel et la gouvernance de l'administration électronique. Adopter un modèle centralisé ou décentralisé relève d'un choix politique, mais les dirigeants doivent soutenir la stratégie nationale. Le gouvernement mexicain s'emploie donc judicieusement à mettre en place plusieurs mesures qui visent à renforcer l'efficacité des organismes chargés de concevoir et faire avancer le développement de l'administration électronique. De plus, l'administration électronique est un domaine d'intervention transversal qui porte sur l'ensemble des administrations publiques ; afin de maximiser son impact, il faut mettre en place un cadre de gouvernance qui facilite une concertation approfondie avec les principales parties prenantes des politiques de l'administration électronique pour assurer des effets de synergie, éviter le gaspillage des ressources et veiller à ce que les diverses mesures prises répondent aux différents besoins et aux objectifs communs. C'est capital pour s'assurer, non seulement que les nouvelles propositions de réforme vont dans la bonne direction, mais aussi qu'elles réussissent à terme. Le gouvernement mexicain s'efforce en permanence de renforcer la coordination au niveau fédéral ainsi que la coopération entre les différents niveaux d'administration.

Dans le même ordre d'idées, les administrations fédérales essaient d'assurer la cohérence et de favoriser les effets de synergie des diverses mesures et stratégies destinées à faire progresser l'administration numérique et favoriser la société de l'information au Mexique. Enfin, à la recherche de gains d'efficience, les administrations doivent montrer qu'elles se servent de l'administration électronique pour être plus efficaces et prouver leurs résultats. Il est essentiel de mesurer les résultats obtenus, leurs effets, et d'évaluer la satisfaction que tirent les citoyens et les entreprises des nouvelles possibilités offertes par l'administration électronique. Face à ce défi, les autorités mexicaines ont conçu un nouveau modèle d'évaluation de l'administration électronique

applicable à tous les organes des administrations fédérales. Ce modèle, application d'une nouvelle méthode centrée sur la mesure de la création de valeur, est une innovation dans les pays membres de l'OCDE.

Conclusions générales sur la réforme des administrations publiques au Mexique

Les réformes administratives doivent avoir une orientation stratégique et reposer sur une conception globale de la gouvernance

Les réformes des administrations publiques ne doivent pas rester des efforts isolés mais s'intégrer dans l'orientation stratégique des pouvoirs publics. En d'autres termes, les réformes doivent s'accorder avec des principes et objectifs généraux de la gouvernance. L'appareil administratif du Mexique s'inscrit dans sa gouvernance et son organisation constitutionnelle générales. La pratique des administrations publiques reflète et influence les valeurs de la gouvernance. Ainsi, le Décret d'austérité établit la nécessité de rationaliser les dépenses publiques, si bien que les examens de la RAI, le SPC et les mesures en faveur de l'administration électronique doivent s'accorder avec le principe de la rationalisation des dépenses publiques et de l'effort d'efficience.

Les principes généraux de bonne gouvernance doivent constituer la base pour les réformes de l'administration publique. Ils doivent en particulier anticiper les besoins et les changements à venir, de telle sorte que les administrations publiques soient prêtes à relever les défis de demain, au lieu de devoir répondre à des urgences sur tous les fronts. Les stratégies visant à moderniser l'administration doivent être compatibles avec la nature et la dynamique de l'appareil administratif tout entier, et tenir compte de la manière dont celui-ci fonctionne dans le cadre de la société. Les pouvoirs publics mexicains doivent pouvoir comprendre la dynamique de leur propre organisation et concevoir des stratégies de réforme adaptées aux risques et particularités de l'appareil administratif.

Les réformes administratives nécessitent une démarche mobilisant l'ensemble du secteur public par la coordination et le dialogue entre les différents organismes publics

Pour l'efficacité de l'élaboration des politiques, il est essentiel de comprendre et de considérer l'organisation administrative et la gouvernance comme deux éléments interdépendants d'un ensemble. Afin d'être efficaces, les réformes doivent être conçues pour modifier le comportement de multiples acteurs. Lorsque les autorités réformeront un secteur de l'appareil, les autres secteurs seront obligés de réagir. Il faut une démarche mobilisant l'ensemble des administrations pour comprendre les changements de comportement nécessaires et les mesures d'incitation, institutionnalisées ou non, qui permettraient de réaliser ces changements. Il faut donc tenir compte des effets potentiels des réformes sur l'ensemble des mécanismes de gouvernance à l'échelle nationale ainsi que les valeurs fondamentales qui les sous-tendent.

En ce sens, il est essentiel de considérer que l'efficacité et l'efficience de l'élaboration des politiques ne sont pas l'affaire d'une seule institution, mais résultent de l'interaction de plusieurs institutions. Demander à une seule institution des comptes sur son fonctionnement, c'est négliger les caractéristiques fondamentales de l'organisation nationale différenciée (Rhodes, 1988 : 404). Ainsi, l'adoption d'une « démarche mobilisant l'ensemble des administrations » nécessite la coordination et la coopération des institutions concernées. Cette démarche vise aussi les mesures adoptées et appliquées

systématiquement à l'ensemble des administrations publiques. Établir cette cohérence suppose un cadre normatif, une planification, une évaluation, une surveillance et un contrôle. Dans le cas de la RAI, par exemple, des règles incohérentes et qui se chevauchent ont conduit à demander un examen généralisé.

Assurer la coordination de l'administration électronique et la collaboration au sein des différents niveaux d'administration et entre eux permet d'avancer concrètement dans l'élaboration et la mise en œuvre des projets d'administration électronique et des mesures connexes. À mesure que le gouvernement mexicain s'oriente vers une intégration et une interopérabilité accrues des systèmes, un projet bien arrêté ne suffira pas à garantir les résultats. Dans le même ordre d'idées, l'efficacité de l'élaboration des politiques dans ce domaine exige une harmonisation du programme numérique des autorités avec les autres stratégies en jeu.

Le ministère de la Fonction publique (SFP) mexicain est chargé des politiques de l'administration électronique, de la gestion des ressources humaines et de la rationalisation de la RAI ; il est particulièrement important d'assurer la fluidité de la communication entre le SFP et le reste des administrations publiques qui doivent appliquer ces politiques. Une stratégie de collaboration pourrait faciliter l'échange des meilleures pratiques et la solution des problèmes communs.

La capacité de mettre la politique en œuvre conditionne la réussite de la réforme administrative

La qualité de la conception des politiques n'est pas suffisante pour atteindre les résultats souhaités. La mise en œuvre joue un rôle essentiel pour assurer le succès d'une réforme ou en limiter la portée. On entend par capacité de mise en œuvre les mécanismes utilisés par les réformateurs pour orienter et influencer la mise en œuvre de la stratégie ou des politiques et éclairer le comportement des autres parties prenantes dans le réseau de l'organisation. Être capable de mettre en œuvre, c'est aussi mesurer l'importance des compétences et des ressources (financières, matérielles, humaines, techniques, voire en temps) au sein de l'organisation et de connaître l'usage qu'en font les intervenants de l'action publique. Combler les lacunes normatives, faciliter le changement, renforcer les capacités et prévoir les mesures d'incitation appropriées (par exemple économique, la visibilité, la reconnaissance) sont autant de stratégies qui contribuent à la réussite de la mise en œuvre.

Dans le cas du SPC des lacunes normatives ont, dans une certaine mesure, laissé se produire des manquements au principe du recrutement et de la promotion reposant sur la compétence. Le renforcement des capacités, au moyen de la formation des agents publics, est considéré comme essentiel pour la mise en œuvre des neuf manuels issus de l'examen de la RAI. Dans le cas de l'administration électronique, afin de maximiser les retombées favorables des projets, il est capital d'assurer le bon niveau des qualifications et compétences, l'utilisation d'un certain nombre d'instruments complémentaires (par exemple des modèles de rentabilité, des cadres d'interopérabilité) et l'adoption de modalités de financement appropriées afin d'éviter les doubles emplois et le gaspillage des ressources et exploiter au mieux les investissements déjà réalisés. En conclusion, la mise en œuvre n'est pas gagnée d'avance : elle doit être considérée comme une suite d'opérations soigneusement programmées et contrôlées.

Il faut mettre en place une culture du progrès, du contrôle et de l'évaluation continus des résultats des réformes administratives

Les administrations mexicaines doivent, comme leurs homologues des autres pays membres de l'OCDE, s'adapter sans cesse à une société en évolution continuelle. Les organisations publiques du Mexique doivent s'efforcer sans relâche de mieux servir les citoyens et de mieux gérer leurs effectifs et leurs autres ressources. Les organisations doivent se donner les moyens de s'adapter d'elles-mêmes, par le contrôle de leurs propres performances, et s'attacher volontairement à mieux faire leur travail. Ces organisations qui s'adaptent continuellement ne devraient plus faire l'objet de demande de réformes ; devient leur état normal. Une amélioration continue devrait être l'objectif tant au niveau de l'organisation qu'au niveau individuel. Il ne s'agit pas de procéder à des réformes isolées, mais d'être capable de mener une politique de gestion publique qui mobilise l'ensemble des administrations et leur permette de s'adapter en tenant compte de l'appareil administratif tout entier.

L'art de conduire est un facteur essentiel de réussite dans l'application des politiques et la gestion du changement. Une conduite sans idées préconçues est indispensable à l'instauration d'une culture du progrès continu. Les responsables doivent être disposés et aptes à écouter ceux qu'ils dirigent, ainsi que ceux qu'ils servent. Ils doivent être capables d'influencer les personnes concernées afin qu'elles se concentrent sur une vision commune s'agissant de leurs valeurs, de leurs convictions ou de leurs objectifs.

Le suivi et l'évaluation de la réforme sont nécessaires pour s'appuyer sur les bonnes pratiques et corriger les dérives, ainsi que pour faciliter la réussite de la mise en œuvre. Lorsque c'est possible, l'évaluation doit passer par les méthodes quantitatives et les critères techniques classiques. Par exemple, l'examen de la RAI gagnerait à la mesure et à l'évaluation monétaire des charges éliminées par l'élaboration des manuels et la suppression des règles superflues dans chaque domaine. Des évaluations qualitatives pourraient compléter les évaluations quantitatives.

Le suivi et l'évaluation permettent aux gouvernements de faire connaître les résultats de la réforme au grand public et, ce faisant, de constituer des « groupes d'appui à la réforme ». Ces groupes comptent beaucoup pour soutenir la continuité des réformes et éviter des réactions brutales. C'est d'autant plus important qu'il n'y a pas de réélection au Mexique et que les programmes politiques changent rapidement au gré des fluctuations du pouvoir politique. Même si certaines réformes ont été institutionnalisées par une loi, comme le SPC, elles peuvent se trouver affaiblies *de jure* (par une révision de la loi) ou *de facto* (par une application faible). En dépit de leurs limites, les réformes appliquées aux trois grands domaines étudiés dans le présent rapport sont en bonne voie et l'effort doit donc se poursuivre au-delà de l'administration en place pour qu'il produise tous ses fruits.

Le Mexique offre de nombreux bons exemples de mesure et de suivi de l'administration électronique pour améliorer les performances du secteur public. Le gouvernement a adopté un modèle d'évaluation innovant pour mesurer la maturité numérique des administrations publiques. Cet instrument permet d'évaluer les moyens d'action des administrations d'exploiter les TIC pour améliorer leurs performances et servir des objectifs d'intérêt général. Du fait de la richesse des informations et des données qu'il peut fournir, l'instrument permet au gouvernement de suivre les performances et d'entraîner le changement systématique.

Les réformes des collectivités territoriales doivent venir compléter les efforts déployés au niveau national pour produire un cadre efficace de gouvernance à plusieurs niveaux

La gestion des relations entre les différents niveaux d'administration est décisive, en particulier à un moment où les pouvoirs publics apprennent à faire davantage avec des ressources moindres. Le Mexique doit donc trouver comment faciliter la coordination ; cela contribuerait à régler les questions que soulève le renforcement des capacités pour combler les insuffisances de l'information, des budgets, de l'organisation administrative et de l'action publique dans les trois domaines de la gestion publique traités dans le présent rapport. La gouvernance à plusieurs niveaux doit tenir compte des relations qui unissent les autorités centrales et les collectivités territoriales, ainsi que de celles qui lient les entités de même niveau (par exemple les ministères, les régions, les communes). Les relations entre les différents niveaux d'administration doivent se caractériser par une dépendance mutuelle, du fait que les attributions et les résultats couvrent souvent de multiples niveaux.

Même si certains états du Mexique ont adopté une politique de l'administration électronique et élaboré des projets et des systèmes dans ce domaine, ainsi qu'une pratique de la gestion des ressources humaines qui emprunte certaines caractéristiques à la politique appliquée au niveau fédéral, il faut resserrer la coordination à chaque niveau d'administration et entre les différents niveaux. Ainsi, au Mexique comme dans d'autres pays membres de l'OCDE, le même type de conditions d'emploi s'applique en général aux niveaux national et infranational, qu'il s'agisse d'engagements fondés sur le poste ou d'engagements de carrière. Les risques naissent de la coexistence de régimes de fonction publique parallèles mais différents. La coordination des systèmes créent davantage de possibilités pour un fonctionnaire de carrière de passer d'un niveau d'administration à un autre dans le cadre du SPC ; bien que la loi prévoie cette possibilité, cela arrive rarement. Le Guichet unique pour la création d'entreprises, *tuempresa.gob.mx*, offre une autre possibilité d'accroître la coordination car il peut être interconnecté avec les portails destinés aux entreprises à l'échelon des états et des municipalités.

Les réformes applicables au niveau infranational doivent être beaucoup approfondies et appellent une démarche plus systématique. De plus, la volonté d'agir varie très sensiblement d'un état ou d'une municipalité à l'autre. On n'a pas cherché à effectuer des examens de la RAI dans les administrations infranationales du Mexique. Ce rapport, ainsi que l'ensemble des documents sur les mesures de suivi, devraient servir à montrer aux entités infranationales comment mener à bien un examen de la RAI. Les résultats de l'examen au niveau fédéral peuvent être amplifiés par des administrations territoriales plus souples et plus efficaces.

Même si l'administration fédérale ne peut pas obliger les administrations territoriales à adopter une fonction publique de carrière, ni à réaliser un examen de leur RAI, elle peut prendre des mesures les incitant à le faire, notamment un soutien financier, publier des palmarès pour stimuler l'émulation, décerner des prix, etc.

Dans le cadre de l'administration électronique, la collaboration et la coordination entre le gouvernement fédéral et les autorités locales est essentielle pour intégrer véritablement les efforts, concrétiser des effets de synergie, réaliser des économies d'échelle, produire de véritables retombées pour les particuliers et assurer un développement général plus équilibré de l'administration électronique dans l'ensemble du secteur public. L'administration fédérale peut beaucoup pour aider les communes et les

états les moins avancés dans le domaine de l'administration électronique à connaître et adopter les bonnes pratiques nationales ou internationales.

Renforcer la gestion et les performances du service public sous-tend les efforts qui visent à soutenir la croissance économique et le développement social.

Des administrations publiques qui fonctionnent mieux sont un facteur de croissance économique et de compétitivité et peuvent mettre en œuvre plus efficacement les politiques en réponse aux problèmes urgents que le Mexique devra régler (par exemple la réduction de la pauvreté, la lutte contre les inégalités, les préoccupations d'environnement, la création d'emplois). De bonnes administrations qui fonctionnent bien comptent beaucoup pour le développement. Des personnels professionnels, qui remplissent leurs fonctions suivant des règles précises dans un environnement efficient et objectif – comprenant des technologies de pointe – seront mieux armés pour relever le défi de faire plus avec moins, et, en même temps, de répondre à la demande de services publics plus nombreux et plus efficaces.

Le Mexique est en bonne voie pour concevoir et mettre en œuvre les réformes des administrations publiques. La tâche primordiale du Mexique est de renforcer l'efficacité de la fonction publique en équilibrant flexibilité et contrôle, et en intégrant des systèmes de mesure des performances dans l'organisation nationale des responsabilités. Une flexibilité excessive peut entraîner des abus et des irrégularités de gestion ; le manque de flexibilité risque de priver le service public d'efficience et de réactivité. Toutefois, une mise en œuvre rigoureuse et une évaluation permanente peuvent aider à s'appuyer sur de bonnes pratiques et corriger les dérives, et assurer la viabilité à long terme des changements et des résultats obtenus. Une attention particulière doit être accordée à la maîtrise des coûts de transaction relatifs aux performances. La continuité est essentielle pour assurer le progrès des administrations au service des citoyens.

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Chapter 1
Regulation inside government in Mexico: policies and framework

The regulatory framework that applies to internal government activities – regulation inside government – should promote efficiency and effectiveness in the delivery of public outputs and in the design and implementation of public policies. When properly designed, regulation inside government helps to advance accountability and transparency and prevent corruption. In contrast, when regulation inside government generates bureaucratic processes, scarce taxpayer funds are directed to complying with burdensome requirements. As part of its strategy to make the public administration more effective and efficient, the Mexican Government led an exercise to review the stock of internal regulations; by the beginning of 2011, this exercise had resulted in the elimination of 67% of the internal regulatory instruments and in the elaboration and publication of 9 administrative handbooks for general application to the internal activities of the government. This chapter explains and evaluates this exercise in light of international experiences and proposes recommendations to consolidate results and ensure a lasting impact.

Introduction

This chapter aims to review the policies applied over 2009-11 by the federal Government of Mexico to eliminate and simplify regulation inside government, evaluate this exercise in the light of international experiences, and propose recommendations to the Mexican Government to consolidate results and ensure lasting impact. Regulation inside government refers to regulations that apply to internal government activities.

In 2009 and 2010, the Ministry of Public Administration led an exercise to review the stock of internal regulations; by the beginning of 2011, it had resulted in the elimination of 67% of the internal regulatory instruments – from 14 374 to 4 774 – and in the elaboration and publication of 9 administrative handbooks for general application to the internal activities of the government. The handbooks cover: acquisitions, public works, human resources, financial resources, material resources, information and communication technologies, transparency, auditing, and control. They aim to provide a standardised and unique framework to guide the actions of public officials in each subject area.

The Mexican Government's elimination of internal regulations – referred to internally as the Guillotine of Administrative Regulations – and elaboration and publication of the nine handbooks, are instruments to implement its broader set of policies. Both the Programme to Improve Public Management and the regulatory reform programme *Base Cero* aim at improving economic efficiency and at promoting growth and economic development. Among other complementary objectives, these programmes aim to establish a regulatory framework inside government that promotes efficiency and effectiveness in the delivery of public outputs, defined as good quality public services, and in the design and implementation of public policies.

By eliminating duplicative and overlapping rules, and establishing a clear and unique internal regulatory framework, these programmes seek to minimise the use of resources for internal government activities while increasing the quality of public goods and services, as well as the effectiveness of federal public administration agencies.

This chapter is divided into three main sections. The first section provides background on the importance of regulatory policy, both regulation applied to business and citizens and regulation inside government, from a conceptual standpoint within the context of the OECD. It also presents and discusses regulatory policies and objectives promoted and implemented by the Mexican Government since the 1980's. The second section explains and evaluates the guillotine of administrative regulation and presents the nine administrative handbooks, using international experience as a guiding criterion. Conclusions and recommendations are presented in the last section.

Regulatory policy, their key elements and instruments, within the context of the OECD

In 1995, the OECD Council adopted the "Recommendation on Improving the Quality of Government Regulation", the first international standard on regulatory quality. In 1997, the OECD published the *OECD Report on Regulatory Reform* and its seven principles, which serve as the basis to evaluate progress in countries implementing a multi-disciplinary approach to regulatory policy (OECD, 2005).

The OECD conducted surveys on the regulatory management systems of its member countries in 1998, 2005 and 2008. The indicators used in these surveys show trends in the reform agenda for regulatory frameworks and identify the most advanced practices in regulatory management. In general, the 2008 survey results show that, while there has been progress in strengthening regulatory management systems across OECD member countries over the last decade, there are still significant differences in the focus and scope of regulatory management systems and in the application of practices. Most countries have basic processes to assess the impact of new regulations, to consider possible alternatives to regulation, and to discuss issues of rule application and compliance. Many have committed to comprehensive strategies for administrative simplification (OECD, 2008).

While the regulatory reform programme had its origins in the reduction of burdens for businesses, the results of the 2008 survey clearly show that citizens' interest and participation are also key elements to guide reform. About 25 OECD member countries identified citizens, and general public opinion, among the key drivers of the reform of the regulatory framework (compared with 18 countries in 2005). Thus, most OECD member countries reported in 2008 that some of their regulatory impact analysis included an assessment of the effect of the regulations on specific social groups.

OECD member countries increasingly consider citizens in their efforts to reduce administrative burdens. Because citizens contact public offices frequently (for example, for passport renewals and tax procedures), they spend considerable time performing activities to comply with administrative procedures (for example, identifying the responsible agency, filling out forms and delivering the same information to public entities several times). In general, regulatory reform efforts have become increasingly focused on citizens, although there are several pending issues that remain to be addressed (OECD, 2008).

Regulatory reform

Within the OECD, the term "regulatory reform" refers to changes and improvements in the quality of regulation, defined as those actions that facilitate the functioning of the regulation, generate a net positive gain under a cost-benefit analysis of the regulation, or improve the legal quality of the instrument and its procedures. Regulatory reform may refer to changes in a single regulatory instrument, the redesign of the whole regulatory framework and its institutions, or simply improvements in the process under which regulations are developed, updated and applied. Deregulation is also considered part of regulatory reform; this refers to the partial or total elimination of regulation in specific economic sectors in order to improve their performance.

In Mexico, the Federal Commission for Regulatory Improvement (COFEMER) defines regulatory reform as (COFEMER, 2003):

- deregulation (partial or total elimination of existing regulations in any economic sector or specific regulatory area);
- construction, reconstruction or reform of the regulatory framework in economic sectors or specific regulatory areas, and the design of the processes through which regulations are developed and applied.

Regulation

There is no generally accepted definition of "regulation" across OECD member countries. In OECD work, the term refers to a variety of instruments through which the government sets requirements for businesses and citizens. This may include laws, formal or informal provisions, regulations issued by any level of government, as well as agreements among specific organisations to which the government has delegated some regulatory powers. Three types of regulation are identified:

- economic regulations refer to those directly affecting market decisions such as price levels, competitive conditions and the entry and exit costs to the market;
- social regulations are directed to protect public interests such as health, safety, the environment and social cohesion;
- administrative regulations refer to documents and administrative obligations through which the government collects information and intervenes in individual economic decisions.

Regulations on businesses and citizens and regulation inside the government

Several OECD member countries have undertaken reviews of the stock of regulations that apply to internal government activities. Regulation inside government (RIG) usually builds over many years. In some cases, regulatory requirements are never appropriate; in others, they ceased to be appropriate as circumstances change. Whenever RIG generates excessively bureaucratic processes, scarce taxpayer funds are deviated from the provision of advice and the delivery of government programmes. Costs created by red tape include extra time, paperwork and capital outlays, deflecting management concentration from its core activities. Operationally, red tape can lead to confusion about objectives and processes, decrease productivity and innovation, and adversely affect employees' job satisfaction. The overall result is poor outcomes for public servants, the government, the taxpayer and the public. Furthermore, as the Australian Management Advisory Committee (MAC) states, "a public service that over-regulates itself will probably end up over-regulating citizens".

RIG reviews have received much less attention than reviews of regulations applied to businesses and citizens (RABC). As Hood et al. (1999: 3) acknowledge, "The regulation of business, and especially regulation of the privatised utilities, has attracted much attention from both policy makers and academics. Less commonly discussed are analogous processes of 'regulation' within the public sector". Not only have RIG reviews received less attention, but they are also less common than RABC reviews. In fact, it is fair to say that the state of RABC reviews is quite mature, while RIG reviews are still in an experimentation and documentation phase.

RIG and RABC have similarities, but also important differences. They start with the common fact that both businesses and public organisations are subject to regulations. "Just as a business firm is exposed to a set of different regulators – auditors, inspectors, licensing bodies, competition and fair-trading authorities – so a typical public organisation faces a collection of waste-watchers, quality police, sleaze-busters and other regulators". It is also widely recognised that poor regulation, either RIG or RABC, has negative consequences, while high-quality regulation creates positive spillovers. "Command and control styles of regulatory intervention can produce unintended effects or even reverse effects through functional disruption of the system being regulated".

Another similarity is that for both RIG and RABC reviews, continuous efforts must be made, as the impact of one-off exercises is incomplete and insufficient.

In terms of differences, the objectives of RIG and RABC reviews deserve special attention. Businesses have a clear motivation to perform: making money. In business, being competitive fundamentally means the ability to make money and gain market share. From the public policy point of view, businesses operating in market economies should be freed from excessive regulatory burdens so that they can be competitive and create jobs. In government, however, motivations are not as straightforward. It is clear that the objective of RIG reviews is not to free resources to create jobs in public administrations. "… For business regulation there are institutionalised pressures for the government to take a synoptic look across all types of regulators to assess the overall scale of activity and the burden it imposes on the private sector, to investigate best practice and suggest general guidelines for operation… But there has been no equivalent synoptic look at regulation inside government, in the form of either official or academic inquiries" (Hood et al., 1999: 12). As the cases referenced throughout this report show, RIG reviews may have many objectives, such as promoting agility, clarifying responsibilities, targeting resources, improving the efficiency and effectiveness of public programmes, maintaining fiscal sustainability, upgrading public service delivery, strengthening multi-level co-ordination and accountability, among others.

Another important difference lies in the methods to measure results of RABC and RIG reviews. The methodologies for RABC are quite mature, such as the Standard Cost Model. The most robust methodologies concentrate on measuring administrative costs and burdens imposed on businesses. For RIG reviews, countries have measured results based on the number of policy instruments and regulations eliminated, savings in terms of number of days and waiting time, reporting requirements and submissions, but burdens have been assessed only in a very few cases. Denmark, for example, employs an *ex ante* assessment that considers both quantitative and qualitative consequences.

Despite the widely varying objectives, there seems to be consensus that there is a case to improve RIG. RIG may lead public servants to concentrate on complying with burdensome requirements, instead of effectively delivering public programmes and services. Excessive RIG may render the public administration unable to react to specific events in a timely manner (e.g. a natural disaster, an economic crisis, etc.) or to adapt to changing circumstances (e.g. incorporating information and communication technologies into its processes). It may also create a risk-adverse culture among public servants, inhibiting innovation and productivity. In addition, excessive RIG may create confusion about procedures and formalities to follow for processes such as procurement or financial and human resource management. However, it is also clear that RIG, when properly designed, is needed to advance accountability and transparency, limit the discretion of public servants and prevent corruption. The goal is not to fully eliminate RIG, but to achieve the right balance between control and performance. In other words, it is not about "deregulation" *per se*, but about "regulatory governance".

As in the case of RABC, a special programme is needed to tackle problems related to RIG. The first step is to define the objectives of a RIG review and to communicate it to stakeholders. As mentioned, the objectives of RIG reviews may vary, and stakeholders should clearly understand the goals in order to push the initiative forward. Second, a special programme helps to define strategies, goals and evaluation mechanisms. In some countries, RIG reviews have not been fully documented because there was no strategic orientation for the exercise. Third, a special programme usually defines the scope and

fields in which RIG reviews take place. In some countries, these reviews have not been transversal, but focused on fields such as procurement and human resource management. In sum, a special programme provides strategic guidance and helps to systematise RIG reviews, avoiding *ad hoc* exercises whose benefits are not documented or maintained over the long term.

The difference between RIG and RABC exercises has been established within the Mexican Government. For example, the Ministry of Public Administration in its 2005 labour report defined the regulatory improvement exercise from three perspectives (SECODAM, 2005):

- economic regulation, which refers to treaties and provisions at the international level regulating trade and economic activity in the country;
- regulation directed at individuals, related to the formalities and services carried out by society before the government and that are the responsibility of the Ministry of Economy through the Federal Commission for Regulatory Improvement; and
- administrative regulation, which regulates the operation and functioning of the agencies and entities of the federal public administration.

Development of regulatory reform in Mexico

Policy during the 1980's and 1990's on regulation applied to businesses and citizens: sectoral reforms, trade liberalisation, the Economic Deregulation Unit (UDE), and the Agreement to Deregulate the Economic Activity (ADAE)

As a result of the transition from a model of import substitution to an "open economy" model in the mid-1980's, Mexico initiated the transformation of its institutional and regulatory framework. The privatisation of the majority of enterprises under control of the state, trade liberalisation, and the development of economic sectors were accompanied by the creation of a regulatory framework which established the rules for new processes. Amendments to the Law on Foreign Investment to enable private investment participation (domestic and foreign) in a higher number of economic sectors, the regulatory framework on economic competition and sectoral regulation, as well the establishment of regulatory bodies on these sectors, are evidence of the reform actions taken.

The new economic conditions within the country called for an effective regulatory framework. In 1989, the regulatory improvement programme started in Mexico with an agreement under which the Ministry of Trade and Industry set out to review the regulatory framework for the national economic activity. This agreement instructed the ministry "to carry out the review of the regulatory framework of the national economic activity in order to bring about free competition, encourage the efficient development of the economic activity and favour the creation of new jobs". Implementation was entrusted to the Economic Deregulation Unit (UDE) of the former Ministry of Trade and Industry. The first stage of the work focused on sectoral regulation, such as the case for the deregulation of federal transport of merchandises, and on the new regulatory framework developed to improve the regulation of sectors such as ports (COFEMER, 2000).

In 1995, there was a change of direction in the approach to regulatory reform. The federal government implemented the Agreement to Deregulate the Economic Activity (ADAE) as a part of its measures to overcome the crisis of 1994-95. The objective of the agreement was to reduce and simplify federal formalities. The resulting Federal Registry of Formalities increased legal certainty and lowered costs to allow micro-, small and medium-sized enterprises to participate in the country's economic recovery.

The 1995 Agreement required each agency, entity or body of the federal government to review its requirements and formalities to determine those that would be incorporated in the Federal Registry of Formalities. The formalities review was carried out in close collaboration with the business, academic and social sectors through the Economic Deregulation Council. The ADAE included best practices for improving regulatory quality recommended by the OECD in 1995 (OECD, 2010a).

In late 1996, the federal executive launched a review of the regulatory quality of draft regulation with reforms to the Federal Law of Administrative Procedure (LFPA), which granted new powers to UDE to implement an evaluation of regulatory impact analysis for draft regulation. In 1997, reforms to the Federal Law on Metrology and Standardisation allowed the evaluation of regulatory impact analysis to be extended to regulatory standards (*normas oficiales mexicanas*).

Policy in the early 2000's on regulation applied to businesses and citizens: reforms to the LFPA, the Federal Regulatory Improvement Commission, RIA and institutionalisation of regulatory reform in Mexico

In 2000, the Mexican Congress approved reforms to the Federal Law of Administrative Procedure (LFPA). The general objective was to create an institutional framework that would allow the continuity and strengthening of the regulatory reform programme in Mexico. According to COFEMER's 2000 activity report, the amendments addressed institutional weaknesses detected by the working group implementing the regulatory reform. The weaknesses pointed to "a set of formalities exempted from registration in the Federal Registry of Formalities and Services, and that there was no effective legislative mechanism that could hinder the authority from demanding an unregistered formality. Furthermore, there was no practical impediment if an agency would fail to make public a draft regulation or elaborate its respective regulatory impact analysis". Recommendations for legislative reforms made by the OECD in its 1999 *Review of Regulatory Reform in Mexico* – regarding the tools that should be included in the regulatory reform programme – were also taken into account.

The reforms to the LFPA:

- extended the scope of the regulatory improvement programme beyond obligations to citizens, social security, concessions, acquisitions and public infrastructure;
- extended the programmes to increase transparency and develop regulatory impact analysis to financial authorities and decentralised bodies of the federal public administration;
- broadened the group of formalities requiring registration and created a legal basis for the Federal Registry of Formalities and Services. In addition, provisions were established that allow citizens to legally challenge agencies whenever they enforce a formality inconsistently with what is contained in the registry, (e.g. require additional information);

- created the Federal Commission for Regulatory Improvement (COFEMER) as a decentralised body of the Ministry of Trade and Industry with technical and operational autonomy, responsible for fostering the better regulation policy (a substitute for UDE).
- established obligations for agencies and government entities to undertake regulatory impact analysis (RIA). RIA evaluations lead to higher quality draft regulations with clear justifications, increased transparency and consultation with stakeholders and the general public. Thus, after the law entered into effect, draft regulations and their respective RIA would be published and subject to review by the commission within the 30 days prior to the planned issue date. The report issued by COFEMER on the draft regulation included comments on the quality of the draft regulation and the RIA, as well as on the convenience of issuing the proposed regulation;
- ensured the LFPA's enforcement of regulatory improvement through specific sanctions, such as the suspension of public officials violating the law, specifically in relation to delivery of RIA and texts of draft regulations, and the registration and enforcement of formalities;
- established the biennial programmes for regulatory improvement by agencies and decentralised bodies. These programmes explained in detail actions to take to eliminate and simplify formalities, and to modify legal provisions.

With the reforms to the LFPA, the reform policy was institutionalised in Mexico, creating a legal and institutional basis for the development of regulatory tools.

Development of regulatory reform during the 2000's

Regulation applied to businesses and citizens

During the 2000 decade, COFEMER worked to consolidate the regulatory tools established in the LFPA, develop a process to simplify formalities required for the establishment of enterprises (which involve all the three levels of government), and contribute to the development of the regulatory framework for transparency and freedom of information. The System for Quick Business Start-up (SARE) was established to facilitate the process for creating and operating businesses – especially small and medium-sized enterprises. The system started with the two federal formalities necessary to start a business and then addressed those from state and municipal governments.

On 25 June 2001, the Agreement for Deregulation and Simplification of Procedures registered in the Federal Registry of Formalities and Services, and the Application of Regulatory Improvement Measures that benefit businesses and citizens were published. These agreements ordered each agency and decentralised body to simplify at least 20% of the formalities listed in the federal registry of formalities and to further analyse regulatory improvement alternatives for 5 formalities of high impact (the most requested by individuals) (COFEMER, 2001). The Business Co-ordinating Council helped to identify these formalities by submitting a list of actions to improve regulations and formalities with high impact on productive activity to COFEMER and the Presidential Council on Competitiveness in March 2003.

In May 2004 the Regulatory Moratorium Agreement, which aimed to reduce the flow of new regulatory proposals that imposed compliance costs for citizens and businesses, was published. The moratorium established a stricter filter for issuing new regulations, allowing them only in exceptional cases.

On 11 June 2002, the Federal Law on Transparency and Access to Public Government Information was issued; it ensures the public access to data and government documents and promotes openness regarding regulations, their elaboration process and public policy decisions. In addition, the law promotes and facilitates *ex post* evaluation, that is, the verification that regulation has met the purposes for which it was established (COFEMER, 2002).

Finally, as part of the actions to improve regulation, COFMER's activities reports state that it carried out periodic assessments of the quality of the regulatory framework, with the aim of identifying legal loopholes or problems that hinder the proper functioning of the economy in certain sectors. For example, work to improve the regulation of non-commercial services led to modifications to the normative framework of natural gas, trucking and civil aviation.

Regulation inside government

From 2000 to 2006 the regulatory improvement strategy within the federal public administration – that is, the simplification of regulation inside government (RIG) – focused on the President's Good Governance Agenda, called "the Deregulated Government". The Ministry of Public Administration was responsible for this effort, which included the following strategic lines (SECODAM, 2003):

- to adopt the best practices to favour regulatory simplification;
- to implement mechanisms to prevent increase in regulatory instruments;
- to establish permanent high-level working groups that ensure the involvement of users and regulators. The objective of the groups should be the simplification of RIG that leads to inefficient processes;
- to ensure the timely dissemination of the regulations governing the management and operation of the federal public administration (through the website *Normateca*).

The following actions were developed within the first strategic line: encouraging institutions to adopt proven "best practices" to increase their productivity; creating a "Quick Reference Guide" to standardise normative documents issued within federal government institutions and training to public officials, aiming to improve communication between institutions and citizens (plain language strategy). The Committees on Internal Regulatory Improvement were created to prevent the proliferation of regulatory instruments and foster the use of practical principles to issue regulations in plain language, allowing users' opinions to be considered by the issuer of the regulation. "Regulatory simplification tables" were formed by groups of senior experts and users of regulations to be simplified to comply with the third strategic line. These integrated, analysed, classified and simplified high-impact and general practice regulations (pertaining to the operation and functioning of the entire public federal administration). The final step was implementation of the Federal *Normateca* and the Internal *Normatecas*. The objective of both was to codify, register and disseminate the legal and administrative rules that regulate the operation and functioning of agencies and

entities of the federal public administration, as well as to involve all public officials in the simplification of RIG and to offer legal certainty about the existing regulations with regard to personal services, budget, government procurement, public works and infrastructure, and equipment and real estate (SECODAM, 2002-03).

On 2 September 2009, President Felipe Calderon Hinojosa launched a vast regulatory reform to make citizens' lives easier, increase competitiveness and facilitate economic and social development of the country. With this strategy – one of ten initiatives aimed at transforming Mexico – the government set out to end the paralysis caused by the excessive regulation, prevent the creation and discretional implementation of regulations causing unnecessary costs for the government and citizens, and eliminate corrupt practices and decrease public administrative costs in order to generate savings that could be applied to the priority tasks for the country's growth and social development.

Regulatory reform policy in the late 2000's

Regulation inside government: the Programme to Improve Public Management

Mexico's 2007-2012 National Development Plan (PND) is the instrument by which the federal government establishes the general strategies and priorities for Mexico's development. The PND sets out whole-of-government actions covering the economic, social, political and environmental fields. This plan starts with an initial diagnosis of the current administration and articulates a set of objectives and strategies around five pillars:

1. rule of law and security;
2. an economy that is competitive and generates jobs;
3. equal opportunities;
4. environmental sustainability;
5. effective democracy and responsible foreign policy.

Considering the importance of improving the management of the federal government institutions, the President of Mexico announced the Special Programme to Improve Public Management 2008-2012. The programme promotes the modernisation of public management of institutions in the federal public administration to help meet objectives and strategies around the five pillars of the National Development Plan. Based on the five pillars of the PND, the Special Programme to Improve Public Management is in turn based on five sub-pillars: orientation to results, flexibility, innovation and experience, synergy, and citizen participation. The programme sets objectives, strategies and action lines to guide the performance of all federal government offices, with the objective of achieving modernisation and efficiency. It is administered by the Ministry of Public Administration, which is responsible for organising and co-ordinating integral administrative development in agencies and entities of the federal public administration.

The Mexican federal Government identifies the Programme to Improve Public Management (PMG) as part of a strategy to boost the country's development, offer more efficient public services and improve the effectiveness of public spending. From these general objectives, specific objectives of the programme are:

1. Maximise the quality of goods and services provided by the federal public administration. The PMG points out that globalisation and democratic openness have increased the level of demand by the society in relation to the quality of

goods and services provided by the government. Therefore, improving the management of the federal public administration's institutions will help to meet the needs of the population. The Mexican Government, through the PMG, prioritises public service with efficiency, warmth and kindness, in comfortable and functional areas. The PMG recognises that deep change in the culture and attitude of public officials and in the way federal government works is therefore necessary.

2. Increase the effectiveness of institutions. The PMG acknowledges that there is an increasing demand by society for public institutions to raise their capacity to generate benefits with public and social value. It is therefore working to set mechanisms to achieve greater efficiency and performance, by reducing and simplifying existing regulation, improving administrative processes and eliminating duplicity of functions, processes and government programmes. Also, the PMG recognises ongoing assessment and measurement as critical and central elements to improve decision-making processes, so government activities focus on programmes and policies that deliver the highest value-added and produce the results and impacts that society expects.

3. Minimise the operating and administration costs of agencies and entities. The PMG argues that the annual increase in resources for public administration has not necessarily translated into more and better services for citizens. At the same time, the Mexican society is increasingly better informed and demands an efficient and productive public administration to focus public resources on the delivery of benefits for the population. For this reason, the PMG acknowledges that administrative practices are required to make management of public resources more efficient. The programme aims to create instruments, standards and best practices that enable public institutions to move resources from administrative support activities towards overall impact programmes, and to spend less on government administration and invest more in programmes and projects supporting economic and social development.

The federal government plans to complement the PMG with tools to measure performance and quality of government services and programmes, seeking to progressively improve government efficiency while reducing complexity and red tape. A complementary tool is the regulatory reform programme *Base Cero*, specifically its "Guillotine for Administrative Regulations pillar", which is the objective of this review.

In order to comply with its objectives, the PMG is considering measuring and evaluating progress in the internal development of federal public administration institutions, as well as the effectiveness of their programmes and services. For this, the Ministry of Public Administration has developed the PMG Administration System (SAPMG), an ICT-enabled administration, monitoring and control system for each institution's Integral Projects to Improve Public Management. The Integral Projects to Improve Public Management are the base instrument through which institutions of the federal public administration establish their own improvement projects and goals to comply with the PMG objectives, as well as measures to implement them. The institutions of the federal public administration are required to register their Integral Projects to Improve Public Management in the SAPMG; they must identify the general data of their improvement projects, their PMG objectives (maximising the quality of goods and services, increasing the effectiveness of institutions and minimising the operating and administration costs), implementation measures, their goals and indicators,

as well as recording in the system real progress in moving towards their goals and planning for the future. The Ministry of Public Administration evaluates each institution's proposed goals and either determines that they are in compliance with comprehensive programmes or requests corrections.

The SAPMG has modules that allow users to issue reports based on general data in the integral projects and by their results. In order to facilitate user consultation, the system has boards of strategic control, projects classification and indicators on progress. Thus, the SAPMG offers the opportunity to present the progress of internal projects and the accomplishment of PMG goals in a simple and graphic manner. By October 2010, the SAPMG was available to all federal government agencies and institutions, which now are in the process of entering information on their improvement projects and target values by indicator; this is crucial for a successful implementation and monitoring process.

Another key feature of the institutional structure that supports PMG is the internal control bodies, which contribute to the vigilance and achievement of the Integral Projects to Improve Public Management objectives. Such bodies report to the Ministry of Public Administration but are physically located in the different institutions of the federal public administration. Among their responsibilities, they have legal capacity to impose financial sanctions or temporary or permanent suspension of work to officials responsible of the integral projects that have failed to fulfil their objectives.

In sum, the federal government established the PMG as part of its strategy to boost the country's development and improve the quality of public services effectiveness of public institutions and value of spending. With the PMG, the federal government also aspires to improve Mexico's rating on indexes and comparative studies made by several international organisations. The improvement goals for such indexes and ratings are summarised in Table 1.1.

Table 1.1. **Expected improvements in international indicators derived from PMG**

Index	2006/2007 value	2012 goal
Institutional Strength Index of the Global Competitive Index (WEF)	3.62 (third quintile)	4.51
Government Effectiveness Component of the Governance Index (World Bank)	43.3	50.3*
E-government Readiness Index (UN)	59	80*
Mexico's global position in digital government (UN)**	37th of 191	Within the first 35
Mexico's position globally with Internet presence (UN)**	14th of 191	With in the first 14
Mexico's position globally in society participation though electronic means (UN)**	7th of 191	Within the first 7

* Estimated projection of the SFP.

** To determine these indexes, the UN evaluates several elements under the responsibility of various government institutions, such as infrastructure, connectivity, Internet presence and citizen participation.

Source: Ministry of Public Administration, Mexico.

Regulatory Reform Base Cero *for both regulation on businesses and citizens and regulation inside government*

In 2009, President Felipe Calderon Hinojosa promulgated the Decalogue for the "deep transformation" of Mexico, promising: "To undertake in the government a deep regulatory reform that allows establishing a zero-basis regulation that facilitates citizen's life". This launched the regulatory reform *Base Cero* (zero basis). The Ministry of Public Administration leads efforts to evaluate all regulation impacting on the operation and development of activities within the federal public administration – regulation inside

government (RIG) – and the Ministry of Economy works with the regulations of greatest impact on businesses operation – regulation applied to businesses and citizens (RABC).

In short, the strategy was intended to cover three main objectives:

- to foster regulation that would increase competitiveness and promote growth and economic development;
- to eliminate unnecessary transaction costs and market distortions generated by over-regulation; and
- to facilitate citizens' and businesses' interaction with government.

With these objectives, the Government of Mexico expected the strategy to have an economic, substantive and administrative impact: the "economic" through the reduction and improvement of economic regulation that would in turn promote competitiveness; the "substantive" by reducing and simplifying the normative framework to facilitate the interaction and presentation of formalities and services to citizens; and, finally, the "administrative" by reducing and simplifying the regulation inside the government in order to efficiently apply and make the most of resources and technical procedures of the federal public administration. On this last point, the government pointed out that savings (resources) will be specifically applied to priority tasks for the country's growth and social development.

The simplification strategy for the administrative regulation and substantive regulations as defined above started with the integration of the inventory of existing regulations. This inventory was the basis for all federal public administration institutions to identify duplicated rules, ineffective processes and activities, excessive costs and bureaucratic procedures that generate unnecessary costs. Once the identification process was concluded, the Ministry of Public Administration co-ordinated the following projects:

- to standardise administrative processes to provide quality goods and services to citizens and eliminate all unnecessary rules on administrative regulations: the Guillotine of Administrative Regulations;
- to facilitate procedures and government services to better serve citizens, eliminating unjustified substantive regulations: the Guillotine of Substantive Regulations.

Regulation inside government: the Guillotine of Administrative Regulations

As the object of this report is the regulatory reform actions within the federal public administration, this section will only describe the actions carried out by the Mexican Government as part of the Guillotine of Administrative Regulations. Two important action lines in this strategy were:

- to eliminate unnecessary and excessive procedures and services, thus promoting the reduction of requirements, as well as the use of information and communication technologies.
- to eliminate the rules which are not fully justified.

To comply with the second action line, the Mexican Government developed nine administrative handbooks of general application in the federal public administration, dealing with acquisitions, public works, human resources (HR), financial resources (FR),

material resources (MR), information and communication technologies, transparency, auditing, and control. The goal is to eliminate internal administrative regulations, which will simplify and standardise the operation of federal government institutions, and implement mechanisms to eliminate all rules that hinder efficient service delivery. In sum, these actions were aimed at standardising administrative processes to provide quality goods and services to citizens and eliminate unnecessary rules.

Evaluation of the Guillotine of Administrative Regulations

This section identifies and systematically describes the efforts and actions undertaken by the government of Mexico as part of the Guillotine of Administrative Regulations. The objective of this section is to establish a clear, complete and detailed record of such actions with a dual purpose: *i)* to serve as a starting point for the analysis and evaluation of the Mexican Government's actions in the light of international experience, in order to generate recommendations to Mexico and identify best practices; and *ii)* to communicate to OECD member and non-member countries the activities undertaken by the Mexican Government to simplify regulation inside the government.

International experience with reviews of regulation inside government was useful to establish the framework for analysis used in this section. Each subsection corresponds to the most relevant criteria to consider within the internal regulations reviews of government.

Planning the simplification process

Political commitment at the highest level

In all countries, the reforms were led by a government organisation with significant influence on actions and decision making across government; this top-down approach helped minimise resistance from several sectors. High-level officials contributed to the process development, with the approval and support of the President or Prime Minister. This was observed in reviews of both regulation applied to businesses and citizens, and regulation inside the government.

International experience

Review of RIG

In September 2009, Australia's Prime Minister set up an advisory group on reform of the Australian Government. This group prepared the document "Ahead of the Game: Blueprint for the Reform of Australian Government Administration", which included, among many others, a recommendation to reduce regulation inside the government and promote agility (Recommendation 8.3). On 8 May 2010, the Prime Minister announced that the government accepted all the recommendations in the report, and the Department of Finance and Deregulation was appointed as the lead agency to implement the recommendation.

Similarly, in Canada, there is a specific agency with the clear responsibility to advance the process of review of RIG. The Treasury Board has been in charge of managing two initiatives on the topic, the "Policy Suite Renewal" and the "Web of Rules Initiative", and of keeping the impetus on both programmes.

Review of RABC

In 1997, Korea created the Committee on Regulatory Reform. This entity ordered all government agencies to prepare an inventory of their regulations and propose a plan to reduce them. After two rounds of revisions with unsatisfactory results, the President got involved and ordered his cabinet to reduce the regulatory stock by 50%, establishing that this objective would be part of the performance evaluations of the agency heads.

Mexico

During this process, President Felipe Calderon Hinojosa expressed a clear interest and support for the implementation of the necessary plans and programmes to carry out the review of regulation inside the government, as well as the implementation of the structural changes identified during the review process. The following events demonstrate President Calderon's commitment to the Guillotine of Administrative Regulations:

- Publication of the National Development Plan 2007-2012, which established the strategic lines to be followed in different sectors of the federal public administration.
- Launch of the Programme to Improve Public Management 2008-2012, as an instrument of standardisation, monitoring and evaluation of initiatives to improve public management.
- Announcement by President Calderon in September 2009 on the launch of a regulatory reform effort in the federal government to improve Mexico's competitiveness, promote its social and economic development, and facilitate citizens' lives.
- Publication in 2010 of nine administrative handbooks of general application, as a result of the Guillotine of Administrative Regulations, which aim to standardise regulations, policies or strategies, actions or criteria and internal procedures that must be observed in the federal public administration, under the administrative simplification criteria. Box 1.1 describes the issues addressed in each handbook as well as its general objectives.
- Publication in August 2010 of a presidential agreement instructing the agencies and entities of the federal public administration to refrain from issuing regulations in the areas covered by the administrative handbooks. This agreement also includes exceptions for the issuance of new regulations, orders the removal of all rules that are opposed to the handbooks, and requires agencies to define their inventory of internal rules. The agreement enables the Ministry of Public Administration to carry out surveillance to ensure compliance with the provisions of the presidential agreement.

The Ministry of Public Administration is charged with ensuring compliance with the presidential agreement and application of the nine administrative handbooks. The "auditing" handbook establishes the review procedures and supervision of the fulfilment of targets for elimination of rules and standardisation of formalities derived from the other administrative handbooks. It is a key factor to the success of the Guillotine of Administrative Regulations in the short, medium and long terms.

Box 1.1. The administrative handbooks of general application

In accordance with the "Agreement in which the federal public administration agencies and entities are instructed, as well as the Office of the Mexican Attorney General, to refrain from issuing regulations on the matters indicated", published in the *Official Journal of the Federation* on 10 August 2010, the Government of Mexico created nine administrative handbooks to regulate general internal activities of the government.

The **auditing** handbook, published in the *Official Journal of the Federation* on 12 July 2010, establishes the process and rules that must be observed for the practice of auditing, reviews and inspection visits to the agencies and entities of the federal public administration, Office of the Mexican Attorney General, as well as to the non-public trusts, mandates and analogous contracts, by the auditing units and the Internal Finance Office.

The **acquisitions, leasing and services** handbook of the public sector, published in the *Official Journal of the Federation* on 9 August 2010, systematises and codifies the processes and procedures that must be applied in this area by agencies and entities of the federal public administration.

The **internal control** handbook, published in the *Official Journal of the Federation* on 12 July 2010, strengthens the culture of self-control self-assessment and internal control by implementing integrated and orderly risk-management processes, analysis and monitoring of strategies to help each institution achieve its goals and objectives.

The **public works and related services** handbook, published in the *Official Journal of the Federation* on 9 August 2010, determines the processes for planning, programming, determining project costs, tendering, contracting, implementing and receiving public works tasks and their related services.

The **financial resources** handbook, published in the *Official Journal of the Federation* on 15 July 2010, guides the financial processes to steer the activities of the federal public administration in accordance with the budgetary cycle and ensures that they meet the objectives of the government plans and programmes.

The **human resources** handbook, published in the *Official Journal of the Federation* on 12 July 2010, establishes and promotes the standardisation of the processes of human resources planning, their organisation and administration.

The **material resources** handbook, published in the *Official Journal of the Federation* on 16 July 2010, standardises procedures dealing with real estate and general services planning, and the administration of assets and archives.

The **information and communication technologies** handbook, published in the *Official Journal of the Federation* on 13 July 2010, sets a governing framework for the strategic and operational processes for the use of new technologies.

The **transparency and accountability** handbook, published in the *Official Journal of the Federation* on 12 July 2010, aims to unify and simplify the transparency and accountability policy in the federal public administration.

Source: "Agreement in which the federal public administration agencies and entities are instructed, as well as the Office of the Mexican Attorney General, to refrain from issuing regulations on the matters indicated" published in the *Official Journal of the Federation* on 10 August 2010.

Objectives

The objectives of a review of RIG might include: to promote agility in the public management, to define responsibilities clearly, to improve the administration of resources, to boost the efficiency and efficacy of public programmes, to maintain fiscal sustainability, to better public service delivery, to strengthen co-ordination among levels of government and trigger performance evaluation and accountability.

International experience

Reviews of RIG

In the case of Australia, the objective to reduce internal red tape to promote agility is divided into two specific recommendations, which reveal the objective of the task: streamline administrative and legislative compliance in areas such as financial management and human resources, and develop mechanisms that ensure internal regulation is minimised.

In Canada, the Policy Suite Renewal initiative seeks to clarify the responsibilities and accountabilities of ministers and deputy heads in key areas of public service work. This initiative supported the Federal Accountability Action Plan and was intended to result in a reduced number of "rules" governing federal public sector management. It also aimed to make the Treasury Board policy instruments more targeted and accessible. Similarly, the Web of Rules Initiative aims to improve the efficiency and effectiveness of government programmes by establishing a principles-based, risk-sensitive, results-focused management regime to better serve Canadians. Attaining this objective requires the elimination of unnecessary and ineffective rules, reporting requirements and administrative processes within the government that stifle innovation and impair the ability of the public service to deliver.

In Denmark, better regulation inside government is considered a means to address upcoming demographic challenges, maintain fiscal sustainability and improve public services. The programme helps to achieve these goals by decreasing the amount of time spent on paperwork and administration and giving local management more autonomy and scope for professional discretion.

Finally, in the Netherlands, the objective of the RIG review was to decrease administrative burdens imposed by the central government and other levels of government due to high costs of accountability of earmarked grants, too many policy monitors and evaluations, and overlap of responsibilities, which together led to an information overload.

Mexico

Background

In order to contextualise the expected quantitative and qualitative objectives of the guillotine of administrative regulation, it is important to identify the factors that lead to the wide stock of internal regulation in the Mexican Government.

Aiming to increase their control over the subordinated agencies and entities, the topmost agencies created a great number of regulations, rules, criteria, and technical and administrative provisions; in many cases, the new rules did not replace existing ones, which increased the regulatory catalogue inside the government. This occurred over a number of presidential administrations.

Federal public administration agencies have had ample power base to issue the internal rules that they deem necessary. In an effort to strengthen internal control, these rules generally came into force in order to complement and improve the standardisation of the umbrella, or more general internal rules, or to cover existing normative gaps.

The fight against corruption, encouraged by all governments for nearly two decades, has been marked by building an ever-larger and more complex regulatory framework that aims to prevent practices susceptible to acts contrary to public ethics.

For several presidential administrations, decentralisation of powers, as well as the physical and administrative scattering of agencies and federal entities, was widely promoted to specific bodies. However, this new structure, which aimed to bring public services closer to where they were needed, was diminished by the centralising persistent inertia and an excessive normative framework created to keep central control of the decentralised and scattered entities, especially with regard to resources.

The increasingly wide and complex legislative framework for budgeting, planning, administrative responsibilities, auditing, government control, administrative procedure, public works, acquisitions – and recently, on transparency and access to public information – gave rise to increased regulations applicable to citizens, businesses and the government itself; at the same time, this produced numerous additional regulations inside the government.

Expected objectives

The Guillotine of Administrative Regulations has the objective "to standardise the administration processes to provide quality goods and services to citizens and eliminate all the unnecessary regulations" (Ministry of Public Administration, 2010). To achieve this objective, the federal government identified two action lines:

- Based on an inventory of the regulation inside the government, and after the identification of duplicated rules, unnecessary and excessive internal regulations were eliminated.
- Nine administrative handbooks of general application in the federal public administration were developed and published. They address: governmental acquisitions, auditing, internal control, public works, financial resources, human resources, material resources, information and communication technologies, and transparency. Box 1.2 specifies the objectives of each handbook.

With the elimination of duplicated and unnecessary rules, and with the implementation of the handbooks, a total of 9 600 internal regulations had been eliminated by January 2011, from an inventory of 14 374 internal rules.

Box 1.2. Objectives of the administrative handbooks of general application

Acquisitions handbook

- More agile and timely payment to providers.
- Homogeneous formats in all governmental agencies.
- Electronic transactions.
- Simplification of purchase processes through mechanisms such as framework contracts, electronic tenders and reverse auctions through the new *Compranet*, the electronic system for government procurement.
- Simplification of government procurement processes, payment to providers through unique forms and acceptance of electronic invoices.

Auditing handbook

- Auditors will be able to plan, programme and perform audits in the most efficient way, and will be able to focus on identifying, preventing and fighting serious corruption cases.

Internal control handbook

- Agencies will be able to identify the conditions that inhibit the accomplishment of their goals and objectives, and determine how to overcome them to fulfil their tasks and functions to benefit citizens.

Public works handbook

- Homogeneous formats and more transparent tender processes.
- Timely assignation of projects and their execution and conclusion.
- Monitoring physical progress of works through the electronic log in order to assure timely and quality work.
- Timely application of the budget to infrastructure.
- Triggers public investment and, consequently, development and growth in the country.

Financial resources handbook

- Establishes measures to rationalise, control and allocate public expenditure.
- Provides appropriate information about the budgeting exercise.
- Standardises financial and expenditure processes, encouraging transparency and accountability in the use of public resources.

Human resources handbook

- Reduces administrative human resources costs.
- Allows re-allocation of resources that, in the past, were lost in the administrative process towards better service delivery to citizens.

Box 1.2. Objectives of the administrative handbooks of general application *(continued)*

- Guides the selection, hiring, training, evaluation and motivation of public officials to satisfy the needs of citizens and to fulfill agency objectives.

Material resources handbook

- Makes better use of the resources of the federal public administration in order to increase the effectiveness of public agencies.
- Eases the reduction of maintenance, storage and lease costs in equipment and real estate.

Information and communication technologies handbook

- Generates resource savings for citizens, businesses and the state by supplying automated digital services, formalities and processes.
- Increases the effectiveness of public agencies by improving the government's digital maturity.
- Encourages governmental transparency.

Transparency handbook

- Encourages transparency by providing socially useful and focused information.
- Strengthens accountability, fights corruption and diminishes opacity.
- Facilitates citizens' access to governmental public information.

Source: Mexican Ministry of Public Administration (2010), "Menos reglas, Mejores resultados", Government of Mexico.

The Ministry of Public Administration expects that the reduction in regulations will impact the following areas, which will likely generate economic benefits:

- reduced time for tender processes;
- economic savings within government through better procurement processes and lower prices, due to the reverse auctions conducted with the new Compranet;
- timely payments to providers or auctioneers;
- appropriate execution of tenders and project assignments for infrastructure development;
- simplification through standardisation of requirements and processes for micro- and small businesses, as well as other providers;
- timely attention to any risk in the execution or delivery of public works through better control and review;
- time and resources savings in all agencies and entities through the standardisation of archives and inventories, and disposition of real estate processes;

- application of information technologies for governmental resources management, and in the provision of services and evaluation of formalities for citizens;
- increased efficiency in activities to prevent corruption. The internal control bodies will be free from the vigilance of superfluous work derived from the unnecessary rules. Instead, they will focus their time, resources and intelligence in research and monitoring assignments in the most vulnerable areas for corruption acts.

The Ministry of Public Administration has pointed out that it plans to measure the economic impact of these measures.

Performance indicators of the administrative handbooks

When they were published during the first half of 2010, the handbooks did not include provisions to establish indicators to measure their performance. Nevertheless, towards the end of 2010, the Ministry of Public Administration defined a number of performance indicators and identified how the implementation of the handbooks will affect the improvement of such indicators (see Table 1.2). The Ministry of Public Administration aims to use the Programme to Improve Public Management (PMG), the PMG Administration System (SAPMG), and the aggregated measure of the individual goal indicators established by the Integral Projects to Improve Public Management to measure the progress of the performance indicators of the Handbooks.

Table 1.2. **Performance indicators of the administrative handbooks**

Type of indicator	Indicators	Acquisitions	Works	HR	MR	FR	ICTs	Transparency	Auditing	Control
Under expenditure ↑	Increasing the planned budget	▯				▯			▯	▯
Under expenditure ↑	Increasing the planned budget for infrastructure		▯							
Under expenditure ↓	Reducing instruments of the administrative regulatory framework			▯		▯				
Cost reduction ↓	Reducing the average cost to operate a process				▯					
Cost reduction ↑	Increasing savings for personal services (Chapter 1 000 of the budget)			▯		▯				
Cost reduction ↑	Increasing savings for materials and supplies (Chapter 2 000 of the budget)	▯			▯	▯				
Cost reduction ↑	Increasing savings for procedures to apply investment resources (Chapter 5 000 of the budget)	▯								
Cost reduction ↑	Staff reduction with administrative functions			▯						
Cost reduction ↑	Increasing savings for procedures to apply public works resources (Chapter 6 000 of the budget)		▯							
Automatisation ↑	Increasing processes to optimum level of automatisation (formalities and services)	▯	▯		▯		▯			
Fight against corruption ↓	Reducing complaints related to formalities and services								▯	
Fight against corruption ↓	Increasing perception of honesty in the provision of formalities and services						▯	▯	▯	▯

Source: Ministry of Public Administration, Mexico.

Organisation of the stages of regulatory review processes

Regulatory review processes are commonly developed in stages, generally beginning with identifying the existing regulations, then classifying their usefulness, and finally negotiating with agencies. Organisation in stages is common for both regulations applied to businesses and citizens and regulations inside the government.

International experience

Reviews of RIG

In Australia, the "Reducing Red Tape in the Australian Public Service" report established a principles-based framework for the review of RIG. The framework involves the application of three high-level principles for regulations:

- effectively address the issue of concern;
- are the most efficient option;
- have benefits that substantially exceed their costs.

The principles are applied through a four-stage process:

- design and analysis: use a systematic and transparent process to define the issue of concern, to identify options for addressing it, and to assess the costs and benefits of the preferred option;
- stakeholder consultation: consult stakeholders to obtain constructive feedback on the preferred option before any decision is made to implement it;
- independent advice: obtain independent, objective feedback on whether all options have been adequately considered and whether the recommended action meets the three principles;
- decision making: the decision maker considers all relevant information to determine whether the recommended requirement should be implemented.

Reviews of RABC

In Italy, the process took place in three, two-year stages:

- building the catalogue of all existing laws;
- identifying in the catalogue the laws that were still relevant and needed, using formal and substantive criteria;
- collecting laws on the same issue into one single code to abolish numerous laws (agriculture, defence, etc.).

Korea also follows a three-stage process: submission of ministries' and agencies' plans to eliminate and reform regulations; review of unchanged regulations, one by one, by the Regulatory Reform Committee, which included task forces and subcommittees with participation by civilian experts; and establishment of the target of 50% reduction by the President.

Mexico

The Guillotine of Administrative Regulations process has been executed in stages. So far, this has included: *i)* inventory of internal government regulations and identification of those likely to be eliminated; *ii)* elaboration and publication of the administrative handbooks; *iii)* feedback and evaluation of the regulations guillotine process that led to the generation of a plan for implementation, monitoring and measuring of results.

Inventory of internal government regulations and identification of those likely to be eliminated

During the first stage, the federal public administration, under the leadership of the Ministry of Public Administration and as a result of the announcement by President Calderon on the regulatory reform programme *Base Cero*, embarked on creating an inventory of governmental regulations in force. This exercise identified a catalogue of 14 374 internal regulations. Using this catalogue as a base, duplicated rules, processes and inefficient activities were identified. Also during this stage, it was decided to develop nine administrative handbooks of general application, in order to eliminate additional internal regulations. As a result, a total of 9 600 internal regulations were eliminated, 67% of the existing stock. Of the 9 600 internal norms eliminated, 3 762 were removed during 2009, and 5 838 during 2010.

Elaboration and publication of the administrative handbooks

The objective of this stage was the further standardisation and simplification of the regulatory stock inside the government, through the elaboration of nine administrative handbooks of general application. The administrative handbooks replace those internal regulations duplicated or repeated among agencies, even if they were not standardised. To achieve these objectives, this stage was subdivided into two phases.

Phase I: Design and elaboration of the handbooks

- definition of the general structure (pre-index of the handbooks);
- integration of a common programme of work;
- development of the sections of each handbook;
- weekly monitoring of progress;
- establishment of linkages across handbooks (inter-relationship of processes: input/output);
- editing of the handbooks: style and correction;
- structure development and construction of the legal vehicle in order to issue the handbooks;
- delivery of the first draft of the nine handbooks.

Phase II: Consultation and publication of the handbooks

- internal consultation;
- dissemination for transparency;
- results from the consultation with the federal public administration;

- development of legal instruments;
- publication in the *Official Journal of the Federation*.

Establishment and updating of a plan for implementation, monitoring and measuring of results

After the publication of the nine administrative handbooks, the Ministry of Public Administration embarked on the task of generating a strategy for the implementation of the nine handbooks and elimination of the internal regulations related to them, as well as for monitoring and measuring results to be generated from such actions. The plan for implementation of the handbooks was also updated and consolidated in the months following the publication.

The Ministry of Public Administration employed the PMG and SAPMG, including the Integral Projects to Improve Public Management, in order to ensure the implementation of the handbooks and measure the results they generated. It is worth mentioning that the publication and implementation of the nine handbooks did not result in the automatic elimination of the relevant regulations. Rather, the Ministry of Public Administration ensured (through the SAPMG ad the Integral Projects to Improve Public Management) that goal indicators established by each agency included the elimination of those rules.

At this stage, a third phase was established for implementation and follow-up of the handbooks:

Phase III: Implementation

- defining specific issues for implementation, within topic-specific working groups;
- disseminating the handbooks;
- defining mechanisms to provide consultation and advice;
- ensuring the designation of an agent of change by each institution (responsible official for the implementation);
- training;
- updating mechanism of the handbooks;
- monitoring progress.

Elaboration of the handbooks

Collaboration with regulators

This strategy requires of close and continuous communication between ministries and organisms responsible for enforcing the regulations. It also requires incentives and facilities to encourage them to be proactive, along with the capacity-building and orientation activities.

International experience

Review of RIG

In Australia, different public sector regulators have adopted proactive strategies to simplify the stock of regulation. For example, during 2009, four agencies – Treasury; Finance; the Department of Education, Employment and Workplace Relations; and the Australian Public Service Commission – worked to develop a tool which would document legislative and non-legislative corporate compliance requirements of Australian public service agencies. The project aimed to ensure that agencies are aware of compliance requirements so that they can manage their reporting activities more effectively and efficiently, and to identify opportunities to consolidate or remove requirements. A future stage of the project will focus on developing model executive orders, to be employed particularly by smaller agencies.

In Canada, one of the main regulators, the Treasury Board Secretariat, also adopted a proactive strategy. In 2005 it launched a review of Treasury Board management policies (jointly with the Public Service Human Resource Agency of Canada) in order to clarify the responsibilities and accountabilities of ministers and deputy heads in key areas of public service work. This initiative supported the Federal Accountability Action Plan and was intended to reduce the number of rules governing federal public sector management. It also aimed to make the Treasury Board policy instruments more targeted and accessible.

In addition, and as part of the Web of Rules Initiative, several regulators simplified their requirements. For example, the new Treasury Board Policy on Transfer Payments will reduce the number of submissions required by 10% (or 80 submissions) per year. Similarly, the proportion of National Defence projects submitted to the Treasury Board for approval was expected to be reduced from 50% in 2008-09 to 10% by the end of 2009-10 through an increased oversight focus on higher-risk and more complex projects. In another specific example, the Human Resources and Social Development Canada will reduce the number of programmes selected for audit by 50%, to 30.

Review of RABC

Italy and Croatia created incentives for regulators to reduce the stock of rules, and in general all government agencies adopted a proactive stance. Italy motivated ministries using a naming-and-shaming strategy for agencies with poor results in the review of the regulatory stock. This strategy is based on reporting to political leaders and figures, in this case the Prime Minister, and publicly identifying publicly underperforming ministries. In contrast, in Croatia,[1] the government published a list every month with the top five performing institutions in regulatory reform during the review, which created competition among ministries.

Mexico

Nine working teams were created to prepare and develop the nine administrative handbooks of general application; these included representatives of different agencies and entities who acted as officials responsible for researching the most important management practices in each of the issues addressed by the handbooks. Beginning at the research stage, and through the co-ordination by the Unit of Improvement Policies of the Ministry of Public Administration, the development of the handbooks included the participation of various control units and the heads of auditing units – who carried out the review and

control of the design and development of the administrative handbooks. Approximately 404 officials from 64 institutions, particularly the main administrative offices of the federal public administration and the units for review and control of the Ministry of Public Administration, were directly engaged in the process (see Table 1.3).

Table 1.3. **Collaboration with regulators, integration of working teams for the creation of handbooks**

- nine working teams were created, one per subject
- Each team had a:
  - regulatory leader;
  - technical co-ordinator;
  - legal leader;
  - editor.
- Additionally, the working teams were integrated by:
  - staff from the internal control bodies (improvement areas);
  - staff from operating areas in federal public administration agencies.

Handbooks	Participants	
	Officials	Agencies
Acquisitions	43	15
Public works	52	13
Human resources	31	12
Material resources	22	7
Financial resources	76	11
ICT	24	12
Transparency	40	5
Auditing	23	7
Control	19	8
Total	404 officials from 64 different agencies	

Source: Ministry of Public Administration, Mexico.

In order to ensure that the handbooks' technical and legal aspects followed a standard format, three working teams were created for each handbook:

- Technical team of regulation: responsible for developing the administrative technical content, according to the following organisational structure:
  - regulatory leader of the administrative unit, with regulatory power on the subject of the handbook;
  - technical co-ordinator, with the role of controlling the process;
  - staff from the review and control internal bodies, who had experience in processes, regulation and in the general content of the handbooks.
- Legal team: responsible for defining the legal mechanisms for the publication of the nine handbooks, and the definition of the mechanisms for the elimination of the corresponding rules, in accordance with the following organisational structure:
  - legal leader: served as the legal representative for each technical team;
  - support staff for legal issues: each leader had support staff from the appeal areas and from the review and control internal bodies of the federal public administration
- Editors: the effort included a team responsible for standardising the presentation and editing of the nine handbooks. The structure also included an official for linkages across handbooks and a lead editor for each handbook.

Participation of stakeholders

Consultation with and participation of all stakeholders has multiple positive effects for review processes: participation of businesses, citizens, and of those players directly affected by the regulation (public officials in the case of RIG), provides varied inputs, helps to define objectives, ensures that the most burdensome regulations are tackled and

not only "low-hanging fruits", and controls personal interests. These principles apply to both regulation on businesses and citizens and regulation inside the government.

International experience

Reviews of RIG

One of the most distinctive international cases comes from Denmark. The programme on Better Regulation Inside Government is based upon a systematic methodology that consists of three inter-related methods: "Scans" and "Right to Challenge" engage front-line personnel, local managers and local institutions in developing specific proposals for simplification. "Mapping and Measuring" provides information about the time spent on administrative tasks by front-line personnel and their perception of these tasks. This information can be used to focus the programme, initiate in-depth analyses and set reduction targets.

Scans: this procedure identifies specific problems and possible solutions by engaging local managers and employees via interviews and focus groups, which are conducted in an inductive manner in order to obtain as much information as possible. A scan is concluded by a conference with the participation of local managers and front-line personnel from across the country, as well as central civil servants. At the conference, specific suggestions from the focus groups are further developed and discussed.

Right to Challenge: this method develops suggestions for the removal and improvement of the regulatory environment by experimenting with alternatives to existing regulation. Public institutions (i.e. hospitals, schools, day-care centres or nursing homes) can challenge existing regulations by applying for an exemption. These applications are first reviewed by the local municipal or regional board. The board can then decide to approve the application if it relates to local regulation, or forward it to the relevant ministry if it relates to central regulation. Exemptions are given for a certain period of time, and evaluations are subsequently conducted in order to assess whether or not a general simplification should be implemented.

Mapping and Measuring: this process includes several phases. First, the tasks of a group of front-line employees are mapped (e.g. doctors and nurses in hospitals, teachers in public schools, etc.). Second, the tasks are linked to regulation. Third, the time spent by front-line personnel on specific tasks is measured, as well as employees' perception of these tasks. Finally, the results are analysed and presented in a way that makes the facts broadly accessible and enables comparison between welfare areas. This method differs from the Standard Cost Model, as its starting point is all the tasks that are carried out by a specific group of front-line employees, irrespective of the regulatory origin of the tasks – instead of focusing on specific regulatory requirements and the tasks generated by them.

Reviews of RABC

In Canada, the Treasury Board worked closely with the private sector, particularly with small business owners and provinces, to undertake the initiative to reduce administrative burdens. Their participation was key to identifying the most burdensome areas of regulation and avoiding regulatory capture. In Korea, the Regulatory Reform Committee included 6 cabinet ministers and 23 civilian members, chaired by the Prime Minister and co-chaired by a civilian. Additionally, it was common for the task forces that reviewed the deregulation plans from the agencies to include civilian experts.

Mexico

The elaboration process of the handbooks included a deep and wide consultation stage (see Tables 1.4 and 1.5). To receive feedback from citizens and business representatives, the handbooks were uploaded to the Internet. However, no comments were received. Direct consultation with citizen and business associations would have been valuable for the case of the handbooks of acquisitions, public works and transparency, for example.

Table 1.4. **Consultation periods for the handbooks**

First package

Handbook	Consultation period
ICTs	From 18 January to 10 February
Transparency	

Second package

Handbook	Consultation period
Financial Resources	From 25 January to 10 February
Human Resources	
Material Resources	
Control	

Third package

Handbook	Consultation period
Acquisitions	From 15 February to 1 March
Public works	From 17 March to 8 April

Source: Ministry of Public Administration, Mexico.

A consultation with 147 leader agencies of the federal public administration was carried out in order to receive comments and contributions on the first drafts of the handbooks from public officials responsible for operating the administrative processes in the matters regulated by each handbook. In the 9 handbooks, a total of 17 759 comments were addressed; 51.24% were on technical-administrative issues, 22.47% on legal-normative, and 29.29% on edition. Once the consultation period had finished, the comments received during the consultation were analysed and classified, followed by the incorporation of the appropriate comments to the adequate draft handbooks, and finally the drafts of the handbooks were refined and edited.

The participating agencies are shown in Table 1.5, as well as a summary of comments that were addressed and those which were discarded. It is important to clarify that the auditing handbook was not put forward for public consultation since it is operated and enforced by the Ministry of Public Administration.

Cost-benefit analysis

Although international experience does not show extensive information on cost-benefit analysis to lead and guide the review of regulation inside the government, or to measure the results, it is necessary to create mechanisms that ensure economic benefits are obtained from the elimination and simplification of regulations inside the government. By contrast, the degree of maturity of the cost-benefit analysis is much more advanced in the reviews of RABC.

Table 1.5. **Number of agencies and internal control bodies (ICB) that provided feedback on each handbook**

	Handbook	Number of participants 147 institutions + ICBs				
		Feedback provided			No feedback provided	
		Institutions		ICBs	Institutions	
1	Transparency	94	(64%)	44	53	(36%)
2	ICTs	90	(61%)	35	57	(39%)
3	Acquisitions	69	(64%)	25	78	(53%)
4	Material Resources	68	(46%)	32	79	(54%)
5	Human Resources	65	(44%)	33	82	(56%)
6	Financial Resources	60	(41%)	28	87	(59%)
7	Control	58	(39%)	21	89	(61%)
8	Auditing	91		65	Not available	
9	Public Works	51	(35%)		96	(65%)

Total of comments received: 17 759	Addressed ✔ 62%	Discarded X 38%

Source: Ministry of Public Administration, Mexico.

International experience

Reviews of RIG

Some countries have measured the impact of the reviews of RIG by enumerating the number of public policy instruments and rules eliminated, savings in terms of number of days and waiting times, or elimination of required reports and other information submissions. However, very few countries have evaluated the economic impact of savings on administrative burdens; this is key to an integral analysis of benefits, and to compare them with costs. Denmark applies the VAKKS method before the regulation is issued, in order to control the flow of regulations that could have significant impacts for local regions and municipalities. This method considers both quantitative and qualitative consequences, including consequences for the autonomy of municipalities and suggestions for simplification of proposed regulations.

Reviews of RABC

In 2008, Industry Canada and the Treasury Board developed the Market Assessment Tool, which provides a framework to assess business, consumer, competition and trade impacts of regulatory proposals. It has three basic characteristics:

- fits within the cost-benefit analysis of regulatory initiatives;
- is consistent with world-wide best practices;
- improves understanding of the cumulative and unintended effects of regulations on the performance of firms, industry sectors and the economy as a whole.

The tool helps regulators quantify and monetise the key economic and market impacts of regulatory options and contributes to building a fully quantified cost-benefit analysis. Likewise, it is very common across OECD member countries to find the employment of the Standard Cost Model to quantify the benefits of the elimination or simplification of regulations.

Mexico

Prior to the Guillotine of Administrative Regulations, the Ministry of Public Administration employed a series of documents to guide efforts to eliminate internal regulations and elaborate the handbooks. Such documents identify areas of opportunity for improvement of internal administrative processes derived from improving and simplifying the stock of internal regulation. Nonetheless, such documents do not constitute an analysis in which the costs of the Guillotine of Administrative Regulations are clearly identified, and in which such costs are contrasted with its benefits.

One of these studies was commissioned to the private consultancy Deloitte, which analysed the administrative processes in diverse state ministries in order to identify inefficiencies in terms of human resources, and financial and material administration. Similarly, a research study elaborated by the World Bank identifies the decrease in the stock of regulation inside Mexico's Government as an opportunity to improve the efficiency of the government itself. Finally, there was an initial effort by the Ministry of Public Administration to measure the savings generated from specific simplification measures to internal regulations in human, material and financial resources. This analysis used the Standard Cost Model as a basis. Nonetheless, the exercise was not generalised to the simplification measures resulting from the direct elimination of internal regulations, or from the expected internal regulations eliminated due to the implementation of the nine handbooks.

Risk assessment

A "guillotine" process – that is, an exercise to eliminate part of the regulatory stock in a short period of time, entails the risk of eliminating regulation that generates a public benefit and therefore should be maintained in the interest of society. Hence, international experience suggests that there must be mechanisms to minimise the risk of eliminating this type of regulation, as well as correction processes in case it happens.

International experience

Reviews of RIG

Like in Mexico, in Canada new rules were created in response to immediate public trust concerns resulting from scandals and public management crises, rather than their underlying causes. As a result, bureaucracies within departments have created rules that go beyond legal and Treasury Board Secretariat requirements and establish new processes and reporting practices. This dynamic has resulted in a culture of risk aversion.

Canada's Policy Suite Renewal strategy seeks to ensure that policy instruments have clear accountability mechanisms and include only critical requirements, in order to establish a framework of action for public officials that is less prescriptive and leaves room for risk taking and innovation. The objective is to shift the management regime from a web of overlapping and unclear Treasury Board Secretariat and departmental policies and an inconsistent approach to risk, to a system where policies are proportionate to the problems they address and a risk-management approach is integrated into Treasury Board Secretariat policy design. Similarly, the Web of Rules initiative aims to eliminate internal regulations so that Treasury Board Secretariat oversight activities focus on higher risk, more complex projects.

Review of RABC

In Italy, the regulations to be eliminated are first registered on a list during one year, before becoming effectively abolished. If the agencies change their minds, the regulations can be removed from the list through a Corrective Decree. In Korea, the regulations that served a legitimate public interest received special treatment; however, they were still subjected to the simplification exercise. In these cases, the approach was to concentrate on simplification instead of elimination.

Mexico

The Ministry of Public Administration established mechanisms to help with risk management during the guillotine of internal regulations. The agencies that had to eliminate internal regulations due to the implementation of the handbooks identified those cases in which such elimination would entail risks, using specific templates. The Ministry of Public Administration then worked with the regulatory agencies to minimise the number of cases in which the guillotine of internal regulations led to the elimination of regulations that should have remained.

Similarly, in cases where regulations have been eliminated incorrectly, the provisions established in the "Agreement in which the federal public administration agencies and entities are instructed, as well as the Office of the Mexican Attorney General, to refrain from issuing regulations on the matters indicated" allow the issuance of a new regulation provided that "it seeks to address an emergency situation that prevents an imminent damage or, reduces or eliminates an existing damage to public health or public welfare, animal health and plant health, environment, natural resources or the economy".

Implementation and monitoring

The Ministry of Public Administration established the following phases and actions for implementation and monitoring of the nine handbooks:

- working with the working teams to define specific aspects for implementation;
- disseminating the project;
- defining mechanisms to provide consultation and advice;
- ensuring the designation of an agent of change in each institution (official responsible of the implementation);
- training;
- creating an updating mechanism for the handbooks;
- monitoring progress.

Training and support for implementation

International experience shows that is essential to develop guidelines and manuals – as well as training and implementation activities – for the agencies involved in the implementation of reforms, including expert support, to help achieve successful results. The organisation responsible for promoting reforms must facilitate the agencies' work and help them to adopt an active stance. The support systems for the implementation of the reforms, derived from the review of the stock of regulation, are more mature for reviews of RABC than for reviews of RIG.

International experience

Reviews of RIG

The report "Reducing Red Tape in the Australian Public Service" established a principles-based framework for the review of existing requirements and the scrutiny of proposals for new requirements, with a view to reducing red tape. This framework of analysis is supported by a Checklist for the Reduction of Internal Red Tape with six sections:

- framework for design and review;
- design and analysis;
- consultation with stakeholders;
- independent advice;
- decision taking;
- periodic reviews.

In addition, the document "Ahead of the Game: Blueprint for the Reform of Australian Government Administration" establishes a series of actions that must be taken to achieve implementation including:

- a group drawn from the APS 200[2] would develop a best practice guide on administrative processes that minimise red tape in agency activities;
- solutions identified by agencies to reduce their internal red tape should be shared with other agencies through the APS 200 and other whole-of-government forums.

Reviews of RABC

In Canada, the Treasury Board Secretariat has published several documents to provide advice on the use of regulatory evaluation instruments, such as a *Guide on Assessing, Selecting and Implementing Instruments for Government Action*; the *Canadian Cost-Benefit Analysis Guide*; the "Cabinet Directive on Law-Making"; the *Guide to Making Federal Acts and Regulations*; and the "Cabinet Directive on Streamlining Regulation". The Treasury Board Secretariat has an Internet site with these and many other tools for guidance and support, *www.tbs-sct.gc.ca/ri-qr/documents/list-liste-eng.asp*.

Mexico

The implementation of the Guillotine of Administrative Regulations and of the handbooks is supported by a sophisticated plan, which addresses various instruments. These include training seminars, workshops and informative sessions for involved public officials (see Box 1.3), as well as printed material like manuals and guidelines to give directions and address frequently asked questions. These tools are complemented by consultation mechanisms for the relevant public officials from the Ministry of Public Administration, through telephone, electronic means and written requests.

Box 1.3. Selected actions to support the implementation of the handbooks

Acquisitions handbook

Two training sessions were organised, one on 11 October 2010, attended by more than 250 public officials from agencies within the federal public administration; and the other on 30 November 2010, attended by 260 public officials. In addition to the manual, Compranet – the electronic system for government procurement – and reforms to the federal law of acquisitions were also addressed.

Auditing handbook

The sessions to train and build capacity on the auditing handbook were directed exclusively to public officials from the internal control bodies. Sessions took place between 21 October 2010 and 25 January 2011. The training took two different forms, individually or in groups, according to users' needs. In total, 523 public officials from 148 different agencies received training.

Internal control handbook

Twenty-two training sessions were carried out between September and December 2010, which provided guidance and training to 2 087 public officials. The purpose of the sessions, apart from presenting information on how to implement the internal control handbook, was to raise awareness of the importance of internal control as a key element in the functioning of the public administration.

Public works handbook

A total of 11 sessions, held on 6 days between 25 October and 9 December 2010, were carried out; 109 public officials attended the training programme, which addressed the background of the manual, the legal basis, the implementation of the manual, and questions and answers.

Human resources handbook

Between mid-May and early June 2010, prior to the publication of the handbook, 8 panel sessions were carried out to present the handbook on human resources; 12 institutions attended each session. They addressed the main objective of the handbook, its conceptual structure, and its thematic content and organisation, as well as the main advantages that implementation would bring. After the publication of the manual in the *Official Journal of the Federation* in July 2010, five more training sessions were held during August 2010, which were attended by additional agencies from the federal public administration.

Material resources handbook

On 15 February 2011, a series of sessions was offered to public officials to provide training and capacity building on the material resources handbooks. The nine sessions which took place that day addressed: real estate and building management, equipment administration, archives and filing, general services, insurance, implementation of the manual in the Federal Electricity Commission, and management of warehouses and automobiles. More than 2 250 public officials from different agencies from the federal public administration received training.

Box 1.3. Selected actions to support the implementation of the handbooks *(continued)*

Information and communication technologies handbook

Between 6 October and 26 November 2010, a series of training and capacity-building sessions were organised by the Ministry of Public Administration, in which 151 agencies from the federal public administration participated, represented by 478 public officials.

Transparency handbook

Between 20 and 23 July, three sessions were organised to provide training for the transparency handbook. A total of 588 public officials from 193 different agencies from the federal public administration attended the sessions.

Source: Ministry of Public Administration, Mexico.

Communication to the general public

According to international experience, a well-developed communications strategy keeps stakeholders and the general public aware of the review processes and creates appreciation of its benefits, generating support in order to sustain the effort over time. Moreover, communication brings transparency to the process and helps improve citizens' perception of the regulatory environment. More complete references on this topic are found in the reviews of RABC.

International experience

Reviews of RABC

Italy set a communications campaign with television spots to let people know about the results of the process. A website, cabinet meetings and other standard procedures were used to communicate the results inside government. Croatia established a communications strategy for internal and external audiences, including campaigns in television and newspapers. Progress and results were communicated periodically to the different stakeholders. There were monthly public reports, bi-weekly meetings with the Business Advisory Committee and weekly meetings with the Prime Minister's office. This communications strategy favoured transparency and improved business perceptions of the achievements of the exercise.

Mexico

The Ministry of Public Administration has an internal communications plan for government agencies, and one for the general public. This agenda includes press releases, radio interviews, direct mail advertising and a national and international website. The calendar for promotion for these efforts is planned from 2010 to 2012 (see Box 1.4), which allows for the careful planning of detailed communication activities.

Box 1.4. Summary of communication and dissemination events for the nine handbooks

From August 2010 to October 2010, the Ministry of Public Administration organised 11 communications events to disseminate the results of the guillotine of internal regulations and promote the benefits of the 9 handbooks. The group of events consisted of seven presentations directed to public officials from both the federal government and Mexican states, three to business and citizen organisations, and one for an international audience (a colloquium with the Government of Korea to exchange experiences). For 2011 and 2012, the Ministry of Public Administration has planned to stage 12 more events aimed at public officials of the federal public administration.

Source: Ministry of Public Administration, Mexico.

Periodic reviews of the regulatory stock

Regulatory reviews are not one-off exercises. They should be conducted periodically and based on previous reforms. The experience of countries that have conducted regulatory review processes suggests that there are benefits to keeping a lean and updated stock of regulation through periodic reviews. This will minimise the risk of allowing the stock of regulation to grow again, with the resulting loss of efficiency and increase in administrative burdens. These recommendations apply to both reviews of regulation applied to businesses and citizens, and regulation inside the government.

International experience

Reviews of RIG

The report "Reducing Red Tape in the Australian Public Service" requires agencies to plan for periodic reviews. The report recommends that internal requirements be reviewed at least every three to five years and whole-of-government requirements at least every five to ten years. In fact, the last section of the "Checklist for the Reduction of Internal Red Tape" establishes the following mandates:

- develop a programme of review for internal and whole-of-government requirements;
- regularly reassess and, where necessary, update the review programme;
- review internal requirements every three to five years;
- review whole-of-government requirements every five to ten years;
- review whole-of-government requirements that were not adequately analysed after the first year of implementation;
- identify possible reviews of specific whole-of-government requirements for consultation with the Red Tape Deputy Secretaries Group, pending agreement of portfolio secretaries;
- ensure that requirements that are subject to sunset provisions are reviewed well in advance of the sunset date.

Reviews of RABC

Canada held review exercises in 1985, 1992, 2003 and 2008. It has now established a policy to review regulations every five years. Periodic reviews allow governments to build upon previous reforms. For example, in Croatia, the review built on other reforms to improve regulatory quality, such as the introduction of the one-stop shop HITRO.HR.

Mexico

The Ministry of Public Administration defined a specific six-month procedure in order to maintain and update the handbooks. The goal of the update is to continue with the elimination of more internal regulations and incorporate processes and procedures associated with common issues not yet regulated in the handbooks. Table 1.6 details the update plan for the nine handbooks through 2011.

Table 1.6. **Update plan for the nine administrative handbooks**

Regulation *Base Cero*	2010			2011		
Updating of the nine handbooks	October	November	December	January	February	March
Integrating inventory in accordance with published rules in the *Official Journal of the Federation* and identifying subjects to regulate in order to increase the guillotine	12 October					
Presenting a report on the current inventory of each handbook, and possible chapters to be incorporated	14 October					
Naming responsible public officials for each handbook	26 October					
Presenting an index proposal of the new handbook chapters		16 November				
Presenting the first draft of the new chapters of the handbooks		30 November				
Obtaining legal approval of the first draft			15 December			
Submitting the first draft for consultation with agencies and entities				10 January		
Presenting final version of the updated handbooks					28 February	
Legal proceeding to issue the updated handbooks						30 March

Source: Ministry of Public Administration, Mexico.

Controlling the flow of new regulations

A review of existing regulations must be accompanied by strict controls on the flow of new draft regulations, in order to avoid a reconstruction of the inventory. Only new regulations that are strictly necessary and cost effective should be authorised.

International experience

Reviews of RIG

In Australia, the report "Reducing Red Tape in the Australian Public Service" establishes principles not only for the review of existing regulations, but also to be applied in the scrutiny of proposals for new draft regulation. In this way, the Australian Government establishes a mechanism to control the flow of new draft regulation.

In Canada, in February 2008, as part of the Policy Suite Renewal Initiative, the Treasury Board Ministers endorsed the Smart Rules Charter, consisting of seven principles, under the key tenet that rules should be proportional to the problems they are intended to ensure that:

- rules are clear, understandable, and accessible;
- rules do not overlap or conflict with each other;
- rules include clear accountabilities, permit monitoring and define consequences of non-compliance:
- rules are efficient; in other words, the administrative benefits of a rule should outweigh the administrative costs of following the rule;
- rules are only imposed where justified by evidence-based criteria;
- rules are put in place only if alternative instruments (e.g. voluntary measures, information strategies, etc.) are insufficient to meet policy or programme objectives;
- rules are effective in addressing and controlling concerns.

The integration of the Smart Rules Charter into policy renewal resulted in three lines of action, the first of which was to prevent backsliding into a new web of rules. This included putting more emphasis on the development of non-mandatory policy guidance in low-risk areas and coherence of policy instruments across all domains.

Reviews of RABC

In Canada, strict control mechanisms have been established to guarantee that only justified regulations are issued. The main tool for Canada, developed in 2008, is the Market Assessment Tool, which is part of the RIA. It has three basic characteristics: *i)* cost-benefit analysis of regulatory initiatives; *ii)* consistent with worldwide best practices; *iii)* improves understanding of the cumulative and unintended effects of regulations on the performance of firms, industry sectors and the economy as a whole.

Both Canada and Australia have regulatory impact assessment systems which differentiate between regulatory proposals of low and high impact, letting central bodies concentrate their analysis tasks on the regulation with the most significant potential impacts.

Mexico

The Mexican Government has a high awareness of the importance of supporting the guillotine efforts with controls of the flow of new regulation, in order to prevent the stock of internal regulations from building up again and avoid over-regulation in the federal

public administration. The "Agreement in which the federal public administration agencies and entities are instructed, as well as the Office of the Mexican Attorney General, to refrain from issuing regulations on the matters indicated", issued on 10 August 2010, therefore establishes two provisions that control the flow of new regulations. First, it prohibits the issuance of new rules on matters already contained in the new handbooks; and, second, it establishes exceptions to issue new rules: *i)* in emergency situations; *ii)* to comply with the obligations established under the law; *iii)* when necessary to meet international agreements; and *iv)* to make periodic required updates to specific types of rules. In any case, the Ministry of Public Administration is empowered to determine whether the new internal regulation intended to be issued falls into any of the aforementioned criteria. As an additional security mechanism, the presidential agreement establishes that the new regulations to be issued should be published in the *Official Journal of the Federation*.

Measuring results

The measurement of results is useful to lead and justify further reforms and to build momentum for a deeper review. Some countries recognise that the lack of indicators to measure economic impact was a flaw of their previous exercises. As mentioned previously, the measurement of results in RIG has consisted of accounts of the number of regulatory instruments eliminated, or in qualitative descriptions of expected benefits. This is not the case for the reviews of RABC, because a widely used methodology which has been employed extensively, the Standard Cost Model, is available.

Mexico

Guillotine of administrative regulations

With the implementation of the 9 administrative handbooks, 9 600 norms were eliminated from total of 14 374 regulations inside the government (67%). During 2009, 3 762 regulations were eliminated, and 5 838 were eliminated during 2010.

Measuring the qualitative and quantitative benefits

The Ministry of Public Administration has defined the qualitative benefits expected from the implementation of the handbooks (see Box 1.2), plans to measure the economic benefits of the handbooks, and has established a series of performance indicators (see Figure 1.2) that will be measured through the SAMPG. The economic measures and the reports on progress of the performance indicators are not yet in place.

In 2009, the Ministry of Public Administration conducted a preliminary effort to measure the savings in administrative burdens generated by specific simplification measures in human resources, financial and material resources – based on the Standard Cost Model. However, the exercise was not extended to measure the aggregated benefits of eliminating the internal regulations from the guillotine of regulations, including the implementation of the nine administrative handbooks in 2010.

Conclusions and key recommendations

Mexico aims for better rules to achieve better governance

The guillotine of regulations inside the government carried out during 2010 in Mexico – which gave rise to the nine handbooks of general application – is part of a

broader strategy by the Mexican federal Government to make the public administration more effective and efficient, and hence achieve better governance. The guillotine and the nine handbooks were some of the tools through which the Ministry of Public Administration aimed to achieve the objectives of two programmes: the Programme to Improve Public Management and the regulatory reform programme *Base Cero*. The Programme to Improve Public Management, part of the National Development Plan, aims to: *i)* maximise the quality of goods and services provided by the federal public administration; *ii)* increase the effectiveness of institutions; and *iii)* minimise the operating and administration costs of agencies and entities. In addition, the strategy of the regulatory reform programme *Base Cero* was intended to cover three main objectives: *i)* to create a regulatory environment that would increase competitiveness and promote growth and economic development; *ii)* to eliminate unnecessary transaction costs and market distortions generated by over-regulation; and *iii)* to facilitate citizens and businesses interaction with government.

The Guillotine of Administrative Regulations and the nine handbooks of general application in the areas of acquisitions, public works, human resources, financial resources, material resources, information and communication technologies, transparency, auditing, and control, resulted in the elimination of 9 600 internal regulations through February 2011 – or 67% of the stock of 14 374 – within the Mexican federal Government. The nine handbooks provided a standardised and unique framework to guide the actions of public officials in the subject matters covered by each handbook. A leaner and less complex regulation inside government is expected to help the Mexican federal Government become more effective and efficient; that is, to ensure that the delivery of public services and the design and implementation of public policies meet their intended objectives, at the lowest cost.

The ultimate test of the handbooks will be the effectiveness and efficiency with which all the routine operations of the federal government are conducted, and its ability to design and deliver programmes that reduce poverty, enhance productivity and tackle other pressing issues.

The implementation of the Guillotine of Administrative Regulations and the preparation of the nine handbooks by the Mexican Government were consistent with the main features of the available international evidence.

In this chapter, international evidence was used as a guideline to evaluate the guillotine and the handbooks. Although international evidence in the review of the stock of RIG is scarcer than for the review of stock of RABC, when the evidence is considered as a whole, specific characteristics of the reviews of regulation emerged. Ten comparative criteria were employed in this review, which included the political commitment to the review, the objectives to achieve, the organisation of the stages, collaboration with regulators, participation of involved agents and society, the carrying out of cost-benefit analysis and risk assessment, training and support for implementation, communication, the execution of periodic reviews, instruments to control the flow of new regulation, and the measurement of results. In this respect, the review of Mexico's experience is one of the first and most comprehensive contributions to the evaluation of these practices.

All in all, the Ministry of Public Administration's actions were largely comparable in depth and sophistication to the international experience of review of RIG, and were consistent with the international experience of review of RABC, with some exceptions that are addressed in the following recommendations to consolidate and improve the reform of regulation inside government.

To ensure that the benefits of a leaner and less complex stock of regulation inside the government are long lasting, Mexico must fully implement the handbooks, strongly enforce the presidential agreement that stops the flow of new regulation, and consider complementary mechanisms to this instrument.

The nine handbooks were published in the *Official Journal of the Federation* at the start of the second half of 2010. Around this date, and throughout the rest of 2010 and the beginning of 2011, the Ministry of Public Administration carried out an intensive programme of training and capacity building to public officials, through the organisation and delivery of a large number of sessions, as a strategy to implement the nine handbooks (see Box 1.4). This was complemented with other types of support, such as printed material – guidelines and manuals – and consultation mechanisms, to ease the transition from the old framework of many individual rules to the application of the nine handbooks. However, the full implementation of the nine handbooks will entail changes in or the elimination of practices, behaviour and traditional or "old ways" of doing things among public officials. The Ministry of Public Administration should therefore establish mechanisms to closely monitor how public officials employ the manuals. Similarly, Mexico should consider providing permanent programmes of training and orientation on the nine manuals, to assure that newly recruited public officials follow the handbooks. In general, Mexico should make sure that a new culture of efficiency and effectiveness is successfully embraced by the federal public administration.

Moreover, the principle of stopping the flow of new regulation should be taken very seriously. International experiences demonstrate that without instruments to prevent it, the stock of regulation can be reconstituted in very little time, thus reversing the benefits of the previous elimination of rules. The Presidential Agreement is a step in the right direction. However, the agreement establishes exception cases under which new internal regulation can be issued, upon evaluation by the Ministry of Public Administration. Therefore, the Ministry of Public Administration should enforce tightly the provisions of the Presidential Agreement and should guarantee that only the regulations that meet the criteria established in the agreement are authorised for issuance. In this respect, the Ministry of Public Administration should consider instruments to institutionalise and make this approval mechanism transparent, in order to minimise the adoption of new regulation. Instruments such as checklists, legal analysis and guidelines can be helpful. Finally, Mexico should consider replicating the provisions of the Presidential Agreement in a law, in order to strengthen and shield the policy.

As a complementary measure, Mexico should implement periodic reviews of RIG and establish institutional mechanisms to keep the handbooks updated to assure their usefulness and applicability.

The international evidence on the review of RABC demonstrates that it is necessary to establish a policy to periodically assess the stock of regulation. New regulations can be issued as a result of changes in technology, in consumer behaviour, in the natural environment, or in society's values and priorities. The application of new regulations applied to business and citizens is most likely to bring about new regulation inside the government.[3] Therefore, the guillotine or other mechanisms of review should not be seen as a one-off event, but should be implemented as a periodic policy: it should be carried out regularly on a set schedule. In this way, the recently published rules will be subject to scrutiny, and the old rules will also be assessed to determine if they have become obsolete or duplicated under the light of the new rules.

Mexico should also aspire to maintain the handbooks as relevant policy instruments, aligned to its policy objectives. This implies setting up and institutionalising a mechanism to keep them updated on a regular basis. Handbooks that promote efficiency and effectiveness should also be flexible enough to address the challenges faced by the day-to-day activities of the government. The scenario to avoid is one in which the handbooks stifle and restrain the functioning of the government.

Mexico should measure the economic benefits and saving caused by the elimination of the regulation and by having a more efficient regulatory framework. This measurement can help to communicate results better and build support for continuous reform efforts

The Ministry of Public Administration has defined several indicators to measure the benefits of the guillotine and the application of the nine manuals. These include the number of regulations that were eliminated, a battery of quantitative performance indicators (see Table 1.2), and numerous qualitative objectives (see Box 1.2). So far, Mexico's communication strategy has highlighted the number of regulations eliminated. Mexico should now take steps to communicate the results of the performance indicators as soon as they become available. Moreover, Mexico should consider measuring the economic benefits of the elimination of regulation. There are now widely available techniques for this purpose, such as the Standard Cost Model. International evidence suggests that economic measurement is very infrequent in the case of reviews of the stock of RIG, compared to reviews of RABC. Nevertheless, in the case of RABC, the evidence shows that simplification efforts are better communicated whenever they are translated into monetary terms. Furthermore, a monetary estimation of the results of the simplification helps build support to continue reform efforts. In a scenario in which the handbooks are updated regularly, and reviews of RIG are undertaken regularly, the economic measurement of the savings derived from these efforts becomes more relevant to keep public officials motivated, and maintain society's interest in the topic.

Due to the multi-level regulatory environment in Mexico, the federal government should promote among states and municipalities similar exercises to the guillotine and the handbooks.

As a federation, the Mexican Constitution bestows the ability to issue regulation to all three levels of government: the federation, the states and the municipalities. State and municipal governments also have the legal capacity to establish their own internal regulations. The principles of achieving better efficiency and effectiveness through the elimination and simplification of regulation inside the government should therefore also be applied by state governments and municipalities. Citizens receive public services and benefit from public policies from all three levels of government. Therefore, from the perspective of the citizens, improvements to the efficiency and effectiveness of the federal government in delivering public services and policy results may be overshadowed if such improvements are not matched by similar improvements from state and municipal governments. State and municipal governments can profit from the learning curve that the guillotine and the production of the nine handbooks entailed. Therefore, the Ministry of Public Administration should seek to transfer such knowledge in a codified and systematic way to the other two levels of government.

Notes

1. Croatia is not an OECD member country; nevertheless, its experience is relevant for the case of Mexico.
2. The APS 200 is an executive leadership forum within the public sector created to support the Council of Ministers and manage its projects and strategic initiatives.
3. The presidential agreement that stops the flow of regulation establishes "to comply with the obligations established under the law" as an exception to issue new regulations. Therefore, new laws may bring about new internal rules.

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Chapter 2
Leveraging e-government to find new approaches to old challenges

Mexico has a long-standing commitment to using ICT to support public sector reforms and foster good governance by improving transparency, quality and efficiency of government. Across administrations, the Mexican Government has exploited technology to continually innovate and improve its operations to best meet citizens' and businesses' needs. This chapter draws attention to the government's efforts to better integrate, simplify and implement e-government processes; strengthen the governance framework; align strategic goals in order to rationalise the use of resources in times of economic constraints; deliver services more coherently across the federal public administration; maximise the benefits of previous e-government investments while planning new ones; and embrace innovative concepts and approaches.

Background

Since the end of 2008 and throughout 2009 and 2010, the Government of Mexico has been forced to deal with a number of exceptional circumstances, disrupting economic activities in the country. These include the health emergency related to H1N1 and the economic and financial crisis. Additionally, 40% of total government revenues come from oil exports, and in recent years the largest oil fields decreased production and prices fell. As a result, several austerity measures were taken in 2009; these included both staff and administrative budget reductions in the central government. Mexico is now experiencing a strong economic rebound, with an expected GDP growth of 5.5% in 2010 and 4% in 2011, because austerity measures are still in place while oil prices are rising (OECD, forthcoming; OECD, 2011). In this context, e-government and regulatory reform remain important tools to counter-balance budgetary restrictions.

Over the past few years a considerable deregulation effort has focused on boosting regulatory clarity and simplification. The global deregulation programme culminated in the development and implementation of nine handbooks (described later in this chapter and in Chapter 1) that expect to reduce 99% of the internal administrative regulations (1 192 of the 9 600 regulations dealing with administrative matters are specific to ICT).

Furthermore, President Calderon announced a goal to automate 70% of all government services (3 000 after regulatory clearance) by 2012. Currently, 21% of government services have advanced towards this goal; this encompasses 626 services with some ICT component. There are 74 services of high impact, of which 47 are already fully digitised (100% online). Large-scale automation will most likely lead to ICT budget consolidation and distribution according to each institution's capacity, and role, in delivering services to citizens.

In relation to the 70% automatisation goal, the implementation of the 9 administrative manuals and the regulatory reduction process have shown that the re-engineering needed to boost administrative simplification will eventually slow down the achievement of the above-stated goal. To tackle this contingency, which may impact the capacity of the government to achieve its goals, the Mexican federal Government has implemented significant efforts on the automation of high-impact processes; this new approach is generating considerable results. For example, a new single point of entry (online one-stop shop) for new business registration was established through the portal *www.tuempresa.gob.mx*. Coupled with the decrease in administrative burdens which resulted from the development of new options for online payment, and from the increased use of accounting software, this enabled Mexico to simplify business start-up processes and improve the national context for entrepreneurs. This was also reflected in the World Bank's ranking on doing business, where Mexico is listed among the most improved countries, and ranks first in Latin America (World Bank, 2011).

In the summer of 2010, the OECD conducted a survey on the impact of the austerity measures on e-government. The responses from Mexican authorities reiterate that the 2006 Austerity Decree put forward by the President of the Republic at the beginning of his administration to reduce spending on public federal administration operations by MXN 25.5 billion, specifically contemplated strategies to consolidate, outsource and share ICT resources. The Austerity Decree foresees consolidated contracting of ICT services, based on framework agreements that allow economies of scale and synergies.

Whenever it is not possible to consolidate ICT requirements, the decree requires approval from the Ministry of Public Administration's E-Government Unit. It also aims to consolidate the contracting of computer services (e.g. hardware, software, technical support, maintenance) and replacement of equipment to avoid separate acquisitions whenever feasible. Ultimately, the decree aims to support the standardisation of common processes across ministries, to facilitate system interoperability and sustain system integration.

Finally, according to the questionnaire responses, e-government priorities that have increasingly gained importance are: regulatory efficiency; the development of a national interoperability framework; and the construction, protection and access to information conceived as public goods.

The e-government context

Public institutions in Mexico show a high level of digital maturity, which is the result of more than a decade of national investment in e-government, a sound strategic approach, and the commitment shown by the political leadership throughout the years to optimise the use of ICTs within the public administration to improve its operational functioning and its interaction with businesses and citizens.

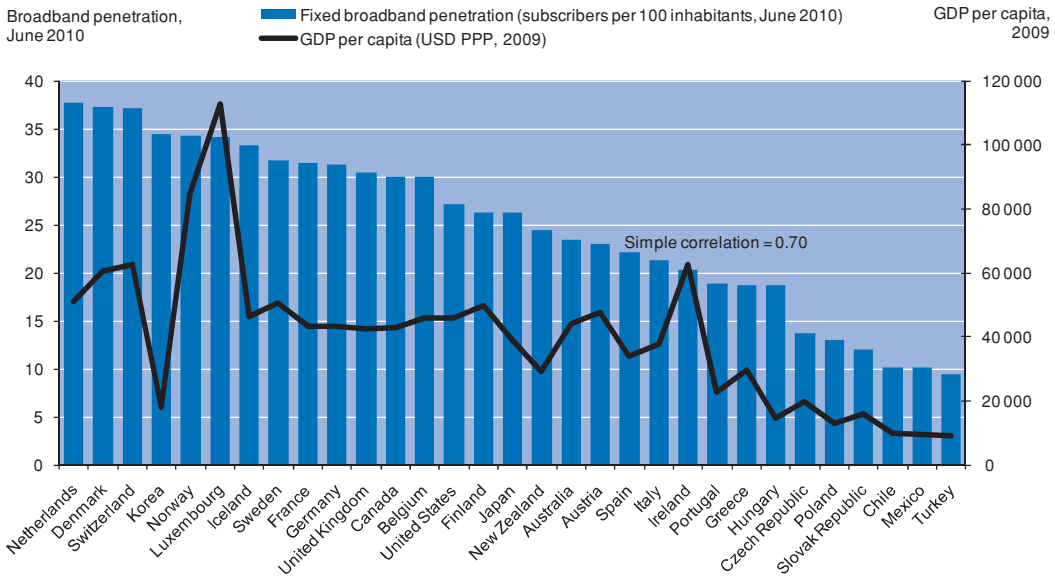
This chapter identifies the richness of initiatives undertaken by the Mexican Government to establish a conducive environment for e-government. These analyses demonstrate Mexico's sustained efforts and show how the country is strategically moving in the right direction, with the intent to take full advantage of ICTs in order to be innovative, boost public efficiency and increase the quality of public services. For example, Web 2.0-based approaches and cloud computing are being explored as opportunities to change how public entities work and interact among themselves and with the recipients of their services.

However, taking the necessary steps from both a technological perspective and at the organisational and regulatory levels, is key to ensure the further development of e-government and to secure that future development of ICT applications and systems are supported by institutional strategic planning. Internal consensus on what is public value and on the strategic national goals – and continuous political leadership – will also be needed to sustain the development of integrated systems and processes which support strengthened interoperability.

A concrete example of the need to sustain the government's efforts to make appropriate decisions and ensure the continuous development of e-government is Mexico's fall in international rankings, such as the one published every two years by the UNDESA.[1] This drop should not be attributed solely to the recent budgetary restrictions or to the fact that a good number of resources have been diverted from the development of e-Mexico rather than continuing the development of websites. In fact, a more thorough analysis seems to show that the lack of further development of the portals can be explained by the fact that the government has not focused on expanding the integration and interoperability of systems and processes. This has been affected not only by choices related to technological investment but also by some obstacles in the development of the legal and regulatory framework which still impede the full integration of processes and systems in the back office.

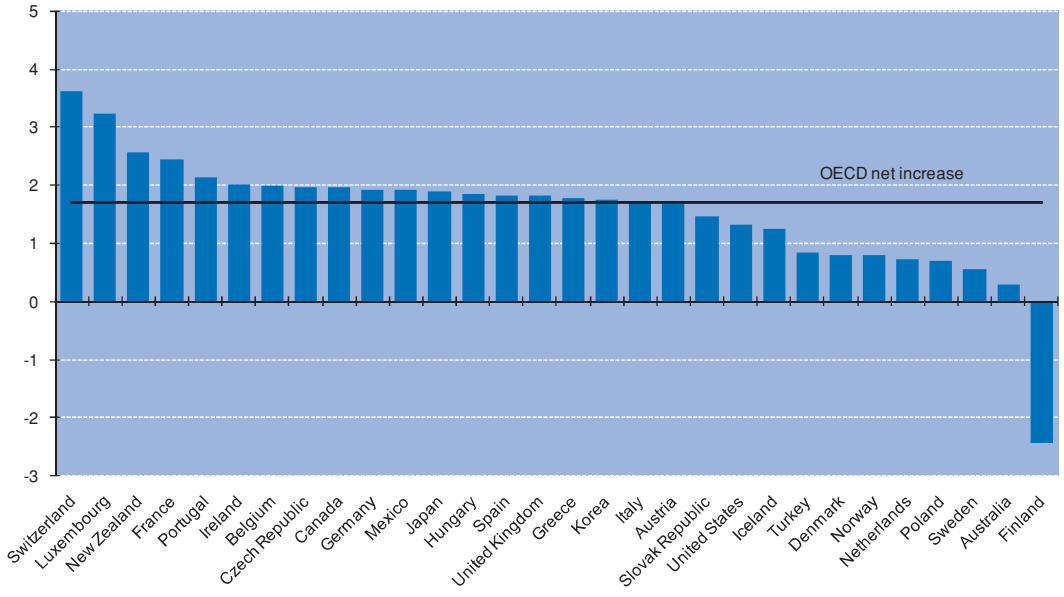
Moreover, as progress is made towards increased automation and digitisation of services, it will be important to ensure that more citizens are using the Internet. Reaping the benefits of e-government investments implies that the desired level of take-up of online public services and information has been reached, particularly considering Mexico's strategic focus to increase the digitalisation of services and information. The number of Internet users in Mexico remains low. The connectivity in the public sector is much higher than the level of connectivity in the society. Market conditions seem to be the main factor behind these numbers, as the connectivity cost is still very high. As a result, the digital divide still appears to be an issue for the government to address. Although the net broadband penetration has shown some increase, the overall level of broadband penetration in most of the country is lower than the level of infrastructure and technical skills would seem to allow, and below the OECD trends.

Figure 2.1. **OECD broadband penetration and GDP per capita**



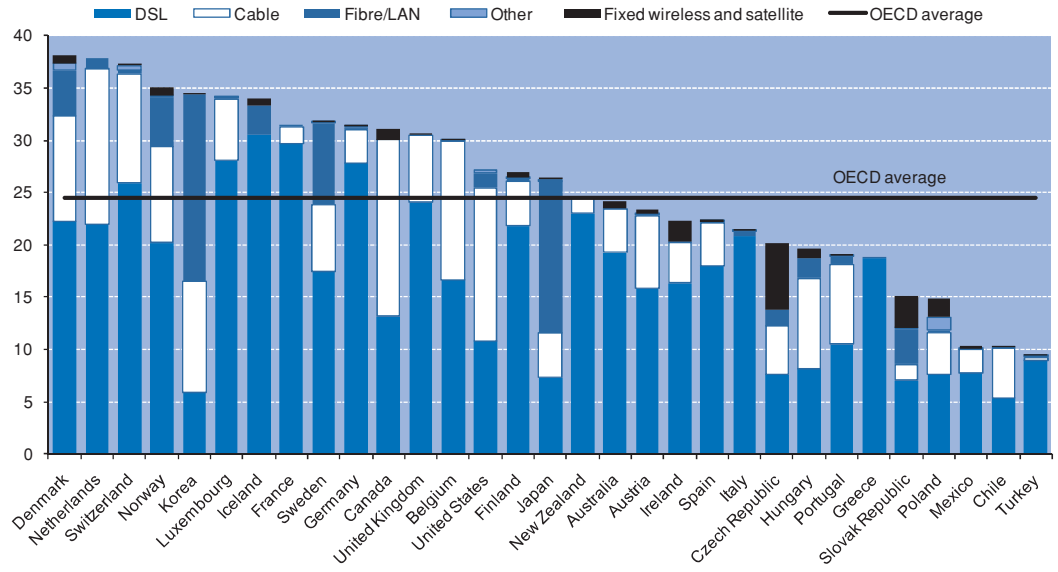
Source: OECD Broadband Portal, June 2010.

Figure 2.2. **OECD fixed (wired) broadband penetration (per 100 inhabitants), net increase (June 2009-2010), by country**



Source: OECD Broadband Portal, June 2010.

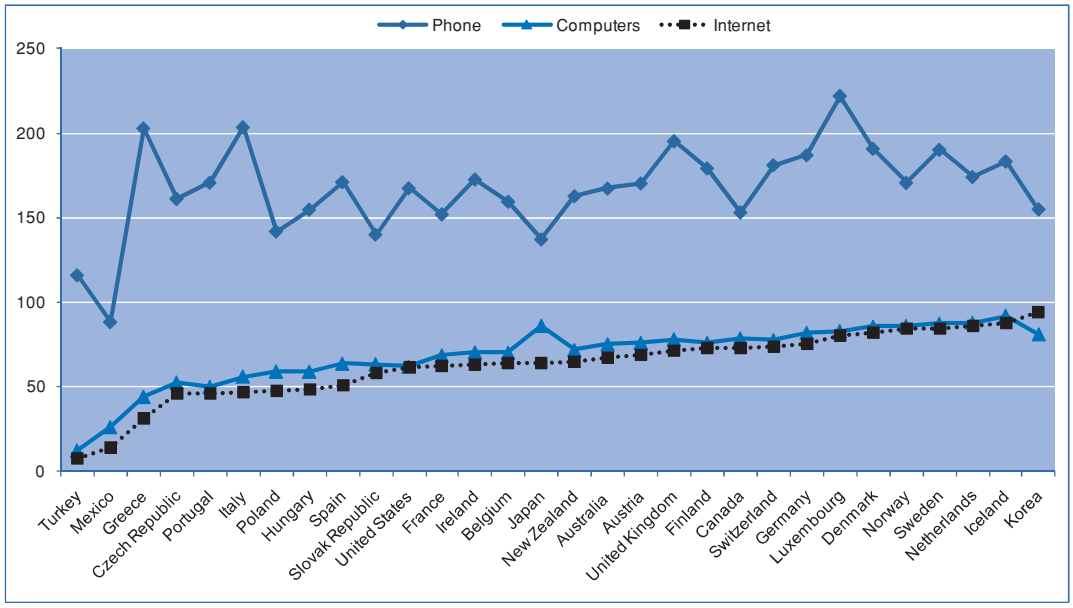
Figure 2.3. **OECD fixed (including fixed wireless and satellite) broadband subscriptions per 100 inhabitants, by technology**



Source: OECD Broadband Portal, June 2010.

Figure 2.4 shows the need to strengthen the basic infrastructure and the ICT industry to foster social empowerment. In fact, it will be crucial to both ensure access and provide incentives to use the Internet and digital services by bringing online the 70% (68 million) of Mexican citizens who do not use ICTs. This requires greater attention if the government wants to reap the benefits it expects to obtain by increasing the offer of fully digital services. To address this matter, the government has set the goal to increase the number of internet users to 70 million inhabitants (or 62.5 of every 100 citizens) by 2015 (Mexican Government, n.d.). These efforts will contribute to securing an adequate level of take-up of e-government services.

Figure 2.4. **Households with access to telephone, Internet and computers in OECD member countries**



Data refer to 2008 or most recent figures.

Source: OECD (2010), *OECD Factbook 2010: Economic, Environmental and Social Statistics*, OECD Publishing, Paris, doi: 10.1787/factbook-2010-en.

E-government: objectives and achievements

The vision of the Mexican Government is to take full advantage of ICTs to ensure the development of an information society which is competitive, inclusive and innovative. The OECD defines e-government as the use of information and communication technologies, and particularly the Internet, as a tool to achieve better government (OECD, 2003). This is embedded in the wider vision of the Mexican Government in its pursuit of an information society (i.e. National e-Mexico System) as well as in the Digital Government Agenda. This agenda has two major components: *i)* the adoption and use of ICT by society and a market where the main drivers are, price, quality and coverage; and *ii)* the adoption and use of ICT by the government, where the main drivers are enhancing public institutions' operational efficiency, reducing transaction costs between citizens and government, and building information public goods, as reflected by the Digital Government Agenda.

Additionally, the Government of Mexico has widened its visionary and conceptual approach to e-government development, which is driving national ICT and e-government initiatives and projects. The Mexican e-government strategy (the Digital Government Agenda) is now based on the definition: "The use of ICT to foster construction, protection and distribution of common and public goods", and on the labelling of several sets of information as public goods, e.g. civil and property registers, national statistics, criminal, justice and education records.

E-government plays a fundamental role in the National Development Plan 2007-2012.[2] Priority 5 (embedded in Chapter 5) is to boost effective democracy and responsible foreign policy. E-government is also relevant to strategic goal 4, to "improve the regulation, management, processes and results of the federal civil service to meet the needs of the citizens in terms of provision of goods and services." The plan puts forward the following strategy to improve the performance of the public administration at the federal level: raising standards of efficiency and government effectiveness through the systematisation and digitisation of all administrative procedures and the use of information technology and public management communications.

Like Mexico's National Development Plan, Korea's Vision and Objectives for the five-year period 2007-2012, includes a strategy that moves from government-led informatisation to collaborative public-private governance, from disconnected informatisation to seamless informatisation, from reaction to active responses to adverse effects, from expansion-focused policies to utilisation-focused measures.

In compliance with the provisions of Article 69 of the Constitution, on 1 September 2010, the President of Mexico presented to the Congress his speech on the state of the nation (*Cuarto Informe de Gobierno*), in which he reported on goal 4 of priority 5 the strategic objective: to increase the availability and quality of online administrative procedures and public services.

He cited the Citizen Portal (*www.gob.mx*) developed by the federal government, which serves as the primary means of online access to the most-used public formalities and services; available 24 hours per day, 7 days per week, it promotes better communication between citizens and government. Additionally, the portal offers access to information on orders and decisions at the federal, state and municipal government levels – as well to the decisions of the executive, legislative and judicial powers – which helps to raise the quality of service delivery and information provision (more information on the federal government's portal is provided later in this chapter).

The President also reported on the results achieved in relation to the ten-point agenda for transforming Mexico ("*Diez puntos para transformar a México de Fondo*") established in 2009 (Mexican Government, 2010b)

The report on the eighth commitment to "undertake a substantive regulatory reform to enhance the competitiveness of the economy", indicated that:

- more than 9 000 administrative rules were eliminated and replaced by 9 administrative manuals that standardised the most common processes across the federal public administration which foresaw, or included, the use of ICTs;
- a regulatory ban was issued to prohibit the issuance of additional regulations;
- a decree was issued to provide simplify fiscal interactions with the government, eliminating the flat tax monthly statement and annual VAT declaration, among others; and

- regulatory simplification measures were enacted on imports including technological goods.

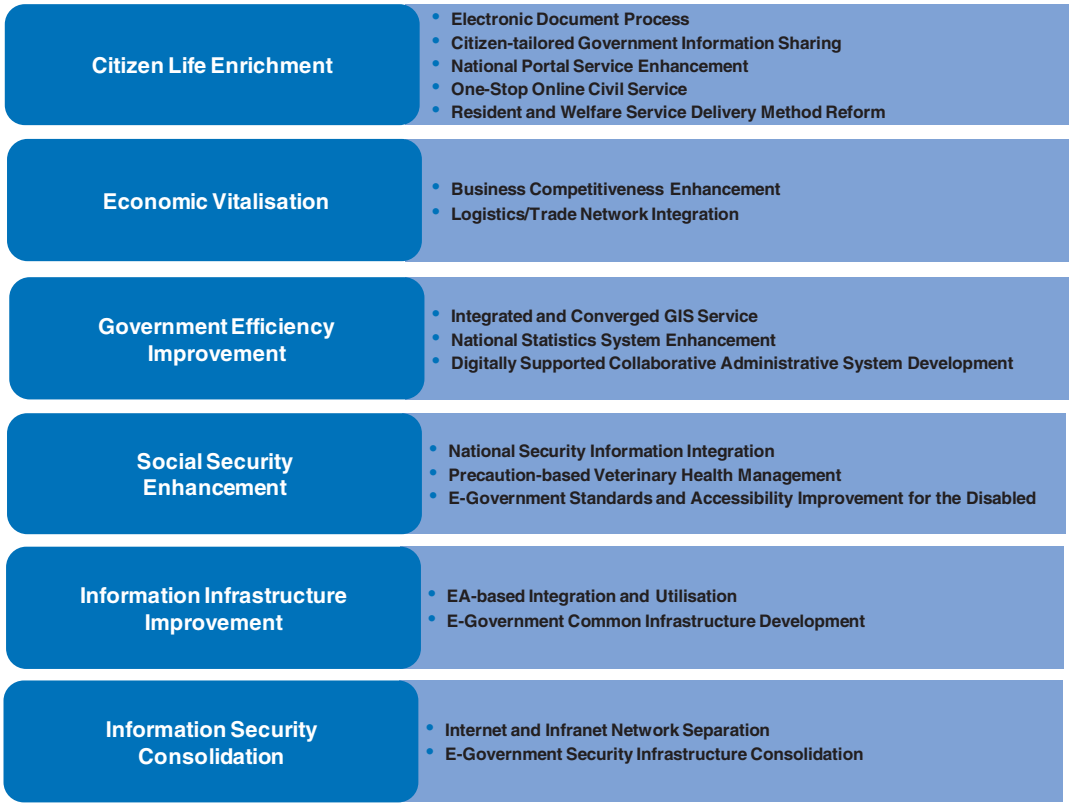
The President also provided updates on some of the major e-government projects undertaken to reach the goals of the ten-point agenda, underlining the key instrumental value of e-government[3] *vis-à-vis* national social and economic development.

Examples of improved procedures and services include:

1. Within the tax administration's area: the digitalisation and simplification of tax administration, e.g. inscription in the Register of Tax Payers (RFC) and implementation of the advanced digital signature system (FIEL).
2. Within the Ministry of Communication and Transports' competencies: implementation of an e-license system, to be made available nationally for the issuance of drivers licenses and the development of a database supporting an integrated information system on the federal auto-transport system.
3. Within the Ministry of Education's area: expedition of registration and professional identification. Of the 6.1 million records in the directorate general of professions, 4.1 million were digitised, which facilitated and improved the responsiveness to users; the development of an online system of appointments to allow better service; and the deployment in July 2009 of an electronic payment system for entitlements.
4. Within the Ministry of Foreign Affairs' area: the digitalisation of a database supporting interoperability between the SRE (*Secretaria de Relaciones Exteriores* – Foreign Affairs Ministry) and the INAMI (*Instituto Nacional de Migracion* – National Immigration Institute) enables the exchange of information on movements between consulates, visas issuance, etc., and decreases the transaction costs and time for service delivery to citizens.
5. Within the Mexican Institute of Industrial Property's responsibilities: the procedure for trademark application and provision were simplified, online submission of applications for trademark registration through the portal *www.tuempresa.gob.mx* was implemented in 2009.
6. Within the Federal Consumer Office's tasks: the system CONCILIANET was implemented to electronically improve the quality and responsiveness of the conciliation process. This reduced completion time for procedures by half and enabled the office to respond to 98% of the complaints received.
7. The Advanced Digital Signature Initiative (*Ley de Firma Electronica Avanzada*), sent to the Congress by the President at the end of 2010, is expected to give digital signatures the same legal recognition as written signatures. On 22 March 2011 the Senate approved the Initiative and congressional approval is now pending. In addition to facilitating transactions between government and citizens, as well as between government and businesses, the project aims to transform the digital signature into a digital public good by enabling improved citizen-to-citizen and business-to-business transactions. The digital signature is expected to guarantee the authenticity and source of the information in transactions in order to avoid repudiation of data and transactions, to allow for data integrity by restricting changes to signed messages, and to ensure confidentiality by restricting access or distribution to unauthorised people.

The variety of initiatives implemented by Mexico demonstrate that the government is actively trying to improve procedures and services in areas where e-government impact may be of critical importance; this follows the trend of most advanced OECD member countries in e-government development. Figure 2.5 shows for instance the agenda and key initiatives set by the Korean Government.

Figure 2.5. **Korea's agenda of key e-government initiatives**



Source: Korean Government.

E-government institutional and governance framework

Three of the main components in the development of an information society in Mexico are: e-government (focused on the government, with the Ministry of Public Administration as the responsible institution); digital economy (focused on businesses, with the Ministry of Economy as the responsible institution) and social connectivity (focused on society, with the Ministry of Communication and Transport as the responsible institution).

The Ministry of Economy, the Federal Commission for Regulatory Improvement (COFEMER), the Ministry of Communications and Transport and the Federal Telecom Commission work to foster the ICT market and address quality, access and price issues. The National System e-Mexico (described in detail later in this chapter, and under the overall responsibility of the Ministry of Communication and Transport) works to close the digital divide, where markets no longer work. The Ministry of Public Administration

and the Commission for the Development of Electronic Government (CIDGE) are responsible for the e-government part of the strategy.

In charge of e-government development and implementation, the Ministry of Public Administration has the main responsibility to conceive the strategy and the normative framework needed to foster and optimise the use of ICTs in the federal public administration. Co-ordination among the various stakeholders is ensured through the Inter-ministerial CIDGE. The CIDGE was created by Presidential Agreement and published on 9 December 2005 in order to promote and strengthen co-ordination to support the use and exploitation of information and communication technologies in the federal public administration. This agreement sets out the mechanisms of co-ordination between agencies and entities, and the following groups participate:

- the Executive Council;
- the technical councils;
- the subcommittees (i.e. Subcommittee on the Advanced Digital Signature, Subcommittee on Automated Control Systems Management, Subcommittee for Co-ordination with the States and Municipalities);
- the Consultative Group;
- the President of the Commission is the Minister of Public Administration and the Executive Secretary is the Head of the Unit for Digital Government.

The main tasks of the CIDGE, as established by the Presidential Agreement, are:

- to assess ICT needs in the public administration at the federal level and recommend measures for their development;
- to support agreements for funding research and project development with agencies and entities, national and international organisations and institutions, either public or private;
- to promote the establishment of mechanisms for co-ordination and co-operation with federal authorities, the Attorney General of the Republic, state and municipal governments, as well as public and private national and international entities, to promote the exchange of information and experiences, and the analysis of common issues and joint projects in e-government and ICT;
- to propose the establishment of a technological architecture within the federal public administration, with a vision to the strategic management of ICT services to define and align the federal government processes through the use of operational models to identify opportunities to replicate or re-use resources, improve effectiveness, and achieve cost savings to improve services provided to citizens, to the extent allowed by each institution's technology, organisation and budget;
- to promote the establishment of interoperability mechanisms that allow the use of the technology infrastructure and processes horizontally across the federal public administration;

- in accordance with the need to report on results and actions to the Subcommittee on Advanced Electronic Signature, to promote within the agencies and entities mechanisms to facilitate the implementation, operation and standardisation of procedures and technology;
- in accordance with the need to report on results and actions to inform the Subcommittee on Automated Control Systems Management, to promote among agencies and entities mechanisms for the implementation of interoperability standards and guidelines for the standardisation of automated control systems management and communication through the use of electronic means;
- to establish the regulatory framework essential to support e-government.

The government sees the Subcommittee for Relations with the States and Municipalities, which is part of the CIDGE, as playing a key role in co-ordinating the work relevant to electronic government. These areas are of common interest and support the central strategic goals of the e-government strategy and the development of the information society. The subcommittee's actions will formalise collaboration across the three levels of government to develop national strategies that can be translated into concrete and achievable plans.

The federal government can play a significant role to help the municipalities and states with less advanced levels of e-government development to access and adopt national or international good practices. The Unit for the Digital Government (UGD), the Subcommittee for the Co-ordination with the States and Municipalities of the CIDGE, and the Commission for the Information of the Public Administration and the State and Municipal Levels (CIAPEM) – created to enhance the exchange on best practices between states, municipalities and the federal government, as foreseen by the Digital Government Agenda – ensure multi-level efforts.

CIAPEM is the national body that helps guide technological development across the whole-of-government. Its objectives are:

- to encourage projects related to the use of information and communications technologies (ICT) in state and local governments;
- to promote the exchange of information between local authorities and municipal governments;
- to promote the planning, operation and use of ICT resources in state and municipal governments, and to improve communication between committee members and public and private organisations. This committee is composed of interested states and municipalities and its chairmanship is renewed annually through an electoral process. Since 2006, governors of various states have held the chair of this committee. The Chairman of the Executive Committee serves as the CIAPEM Subcommittee Liaison with states and municipalities and on the Consultative Group of the Interdepartmental Commission for the Development of Electronic Government (CIDG).

Strengthening co-ordination and collaboration across levels of government

Co-ordination within and across levels of government – with a clear assignment of responsibility for the administrative development of e-government services and projects – is crucial to achieve results, to address inconsistencies in supply and development of

e-government services, and to foster greater integration in the back office leading to more integrated public service delivery.

Aware of the limited impact and low number of decisions taken by the CIDGE over the previous five years, at the end of 2010 the government proposed a comprehensive re-tooling of the committee. The aim is to counteract some criticism of its role and impact. Several representatives of different federal public administration agencies met in July 1010 at the OECD. They confirmed that even though the government's efforts to ensure effective and efficient collaboration and co-ordination across levels of government in the area of e-government, the CIDGE has little strategic visibility and a weak political influence.

Lack of effective co-ordination and strong political leadership may limit the realisation of e-government benefits despite well-conceived and strategically planned e-government initiatives and projects. This could explain the discrepancy between the general perception that e-government has lost momentum in Mexico and the continuous efforts and investments made by the government to progress in its development.

A number of very important decisions were taken in December 2010 with regard to the CIDGE. The aim was to change some of the sub-commissions and dismantle some of the technical groups. Some of the most relevant changes, which will impact the effectiveness of the CIDGE, are highlighted. The CIDGE approved the establishment of the Subcommission for Interoperability, whose main objective is to implement the National Interoperability Scheme (*Esquema Nacional de Interoperabilidad* [ENI])[4] once the decree authorising its development is released.[5] The decree has already been approved by the federal government, academia and industry, and legal validation is expected. The sub-commission will report to the CIDGE and will work in co-ordination with its Executive Council. This is a crucial step to push forward implementation of the scheme and to achieve results in terms of interoperability. This is particularly important considering key role of interoperability to maximise the impact of ICTs to promote the exchange of data, information and knowledge; this will sustain the integration of operations and/or processes of the federal government and increase efficiencies within the public sector, improving the delivery of public services to produce benefits for citizens. This will lead to streamlining of the use of ICTs through the exchange, re-use and apportionment of shared technology resources, and to the strengthening of co-operation and co-ordination, integration and development of shared and transversal digital services.

The development of the Mexican plan was guided by international instruments that enshrine the need to create tools for the exchange of experiences on e-government, and specifically, on interoperability, such as: the "White Book on Electronic Government Interoperability for Latin America and the Caribbean" published by ECLAC;[6] the "Basis for Interoperability Latin American Strategy" published in the XII Iberoamerican Conference of Ministers of Public Administration and State Reform; and the "Buenos Aires Consensus" published in the framework of XX Iberoamerican Summit of Heads of State and Government.[7]

In this sense, the Mexican decision follows international best practices, which show that the effective implementation of an interoperability scheme requires that a co-ordinating body (i.e. understanding the context and identifying the problems to be addressed through the scheme to promote its development and implementation) be established in advance.

The adoption of the interoperability scheme represents an excellent concrete example of a policy decision taken by the Ministry of Public Administration to respond to the 2007-2012 National Development Plan (NDP); this strategy calls for modern, adequate, clear and simple rules to effectively regulate all areas of national life and for using ICTs to support administrative simplification and regulatory reform throughout the public administration in order to produce a direct impact on the fight against discretionality, arbitrariness and corruption – and to tackle the need to increase co-ordination across the federal public administration.

Moreover, the changes in the institutional framework also affected the technical councils, which were restructured. The technical councils on structure and functions of ICT areas, use of ICT resources, strategic planning of ICT, security and privacy of ICT, and software use were eliminated, as the new general ICT Administrative Manual assumed these functions. The Interoperability Technical Council was replaced by the Interoperability Sub-commission, which covers the Internet, government sites and the technical council.[8]

The Mexican Government undertook these important re-organisational steps to ensure the right kind and level of co-ordination and clarity in terms of responsibility, and in order to secure political support for key areas and projects, as well as the effective achievement of target results.

Furthermore, if the national e-government enabling environment is considered in light of effective co-ordination and collaboration, the fact that each ministry has its own budget seems to hinder integration and co-ordination of initiatives. This may result in duplication of efforts and systems and a loss of opportunity to create synergies and foster integration and interoperability.

Finally, the perception is that the tasks, responsibilities and mandates of CIOs – or similar functional roles – seem to differ among ministries; this merits attention and consideration from the government as the establishment of a public-sector wide context that will enable coherent development and implementation of e-government projects and systems. In August 2010, the Mexican Government addressed this issue through the adoption of the "Administrative Manual of General Application in the ICT Domain" (*Manual Administrativo de Aplicación General en Materia de TIC* – MAAGTIC)[9] which clearly establishes what is expected of the CIOs throughout the federal government.

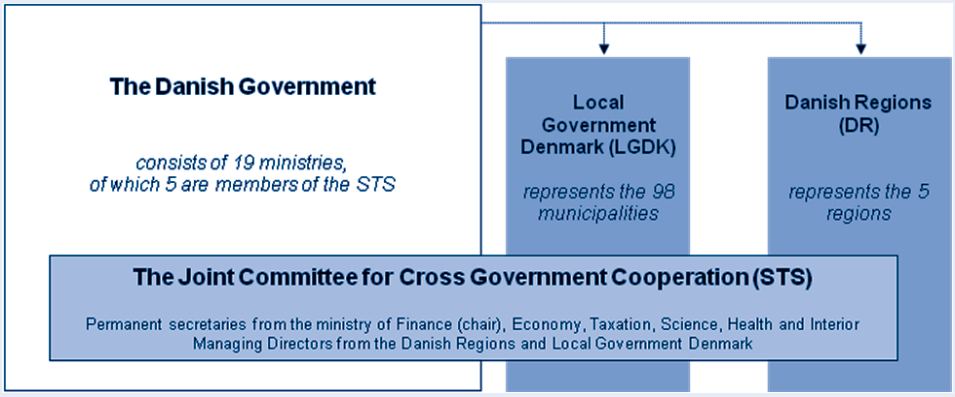
This adds up to the fact that even though the various ICT related strategies in Mexico are all providing examples of sound strategic approaches, the impression is that the co-ordination among all of them could be improved. Although the formal legal definitions (e.g. roles, responsibilities, areas of interventions) of the e-Mexico and CIDGE are clear it seems that co-ordination among both instances has some difficulties working in practice and needs to be improved.

Institutional settings and frameworks in OECD member countries

Effective co-ordination may be achieved through a number of arrangements. OECD member countries' experiences show that approaches to e-government co-ordination vary greatly, reflecting the political and administrative context (e.g. the structures of government decision making, the extent of centralisation or decentralisation of responsibilities in government). Some countries have created strong national chief information officer positions or CIO councils (Austria, Australia, the United Kingdom, the United States) while others have relied on co-ordination bodies gathering all main stakeholders (Denmark, Switzerland).

Box 2.1. The Joint E-government Co-ordination Structure

Responsibilities for public service delivery within the Danish public sector are divided among the central government, municipalities and regions – each with its own elected political leadership and administration. The Structural Reform that took effect 1 January 2007 significantly strengthened the role of municipalities, which assumed major parts of the former counties' responsibilities, leaving the regions with responsibility for mainly hospitals and certain social institutions within the health care sector (see also Box 2.2).



Since the 2006 *OECD e-Government Study of Denmark*, the former Joint Board of E-Government (OECD, 2006:47, Figure 1.2) has been abolished and substituted with the Steering Committee for Cross Government Co-operation – STS (*Styregruppen for Tværoffentlige Samarbejder*), as a result of an agreement among the government, Danish regions and local government in 2005. The organisational setup aims to support the Project E-Government for the strategy period 2007-2010, with a Digital Taskforce staffed by secondees from all levels of government but physically placed within the Ministry of Finance, servicing the STS.

The STS is a cross-government co-ordination body aiming to create common ground in the work on e-government. The overall framework for co-ordination is confirmed in the annual negotiations on the next year's budgets between the government and the representatives of the regions and municipalities.

The STS includes high-level representatives (permanent secretaries/managing directors) from the five most important central government ministries for e-government implementation and the associations representing the municipalities and the regions. STS has the following mandate:

- to put in place the overarching principles and coherent framework conditions that ensure that e-government solutions are developed across organisational boundaries, and address citizens' and businesses' needs;
- to ensure progress and co-ordinate initiatives across the public sector in order to achieve a better use of resources through e-government, with citizens and businesses at the centre;
- to put forward initiatives that broaden e-government implementation in the public sector;

Box 2.1. The Joint E-government Co-ordination Structure *(continued)*

- to implement joint public sector initiatives in order to overcome barriers (legislative and regulative, technical, organisational, etc.) for e-government implementation;
- to contribute to resolving specific persistent conflicts of interest, with e-government projects;
- to clarify model(s) for future operation and maintenance of e-government projects;
- to ensure coherency between public sector efficiency goals and e-government solutions in order to ensure the right incentive structure.

Source: OECD (2010), *Denmark: Efficient e-Government for Smarter Public Service Delivery*, OECD E-Government Studies, OECD Publishing, Paris, doi: 10.1787/9789264087118-en.

Strong political leadership is critical to support inter-governmental and ministerial co-operation. In Korea, for example, government leadership is one of the critical factors that have enabled the country to drive forward e-government development and become highly recognised as a world leader in this field. Since the 1980's when e-government efforts began in Korea, top government officials including the President, have understood the importance of e-government, and have actively promoted it. This has enabled the establishment of strategic and sustainable e-government plans, with a nationwide change management programme that entails government innovation through e-government.

In the Korean context, strong government leadership has been conceptualised as:

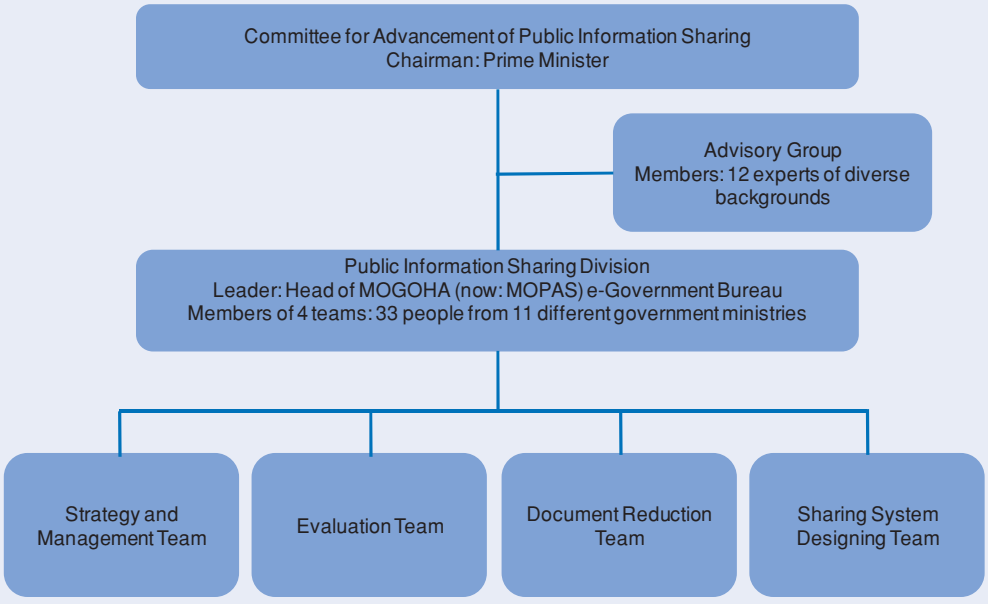
- leadership from the President;
- strategic and sustainable plans for the next 20 years;
- a nationwide change management programme;
- e-government projects aligned with performance evaluation.

Additionally, inter-governmental and ministerial co-operation have been secured in Korea with information-sharing mechanisms to allow information flow and better overall government efficiency. Information-sharing plans in Korea have enabled the following achievements:

1. In 2006, it was expanded to cover 40 types of public information used by 32 public corporations and offices: National Health Insurance Corporation, National Pension Service, Korea Credit Guarantee Fund, Korea Electric Power Corporation, Korea Labour Welfare Corporation, etc.
2. In 2007, it was expanded to cover 30 types of public information used by financial organisations.

Box 2.2. Korean Committee for the Advancement of Public Information Sharing

In November 2005, the Public Information Sharing Division was set up under the Committee for Advancement of Public Information Sharing. The committee is chaired by the Prime Minister, with its members comprised of 12 ministers, and 6 experts from the private sector to provide advice. The division staff includes 33 dispatched officials from central and local governments who are involved in administrative information sharing. An Advisory Group was also created to provide additional expertise. The division has four sub-teams to handle strategy, evaluation, document reduction and system design.



Source: Government of Korea.

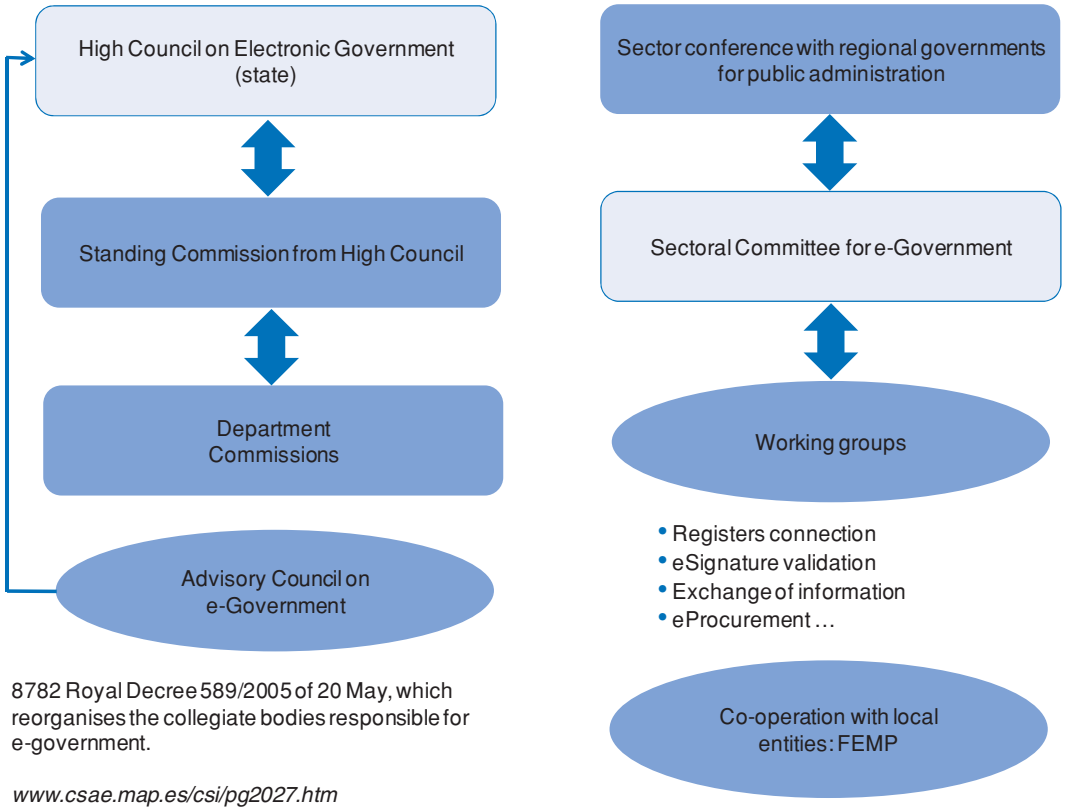
The Spanish experience shows additional institutional settings and governance frameworks in support of e-government development. Spain has focused on establishing an adequate e-government governance and institutional framework, and a supportive legal and regulatory framework. It has opted for a combination of CIO councils and co-ordination bodies. A wide range of institutions and bodies has indeed been put in place over the past five years in Spain to foster better co-ordination and collaboration within and across levels of government:

- The Ministry of the Presidency is responsible for e-government policies and operates shared services; through the Directorate General for the Promotion of e-Government in the State Secretariat of the Civil Service, the ministry aims to foster the full integration of information and communications technology in the provision of public services and the promotion and development of e-government.
- The Royal Decree 589/200514 established the inter-ministerial Higher Council for eAdministration (*Consejo Superior de Administración Electrónica* – CSAE), under the Ministry of the Presidency. This body is "in charge of the preparation, design, development and implementation of the ICT policy of the government, as well as of the promotion of e-government in the national government" (Article 3.2). The council comprises senior officials from all ministries and is

supported by a permanent commission, ministerial e-government commissions and technical committees and working groups. The CSAE plays the role of an e-government observatory and follows e-government development at the national government level.

- In April 2006, a mixed Advisory Council on e-Government (*Consejo Asesor de Administración Electrónica* – AGE) was created to assist in the development of an integrated strategy for e-government. Meeting at least twice a year, the council includes representatives of business, academics and experts on the technological sector. In the framework of the government's e-government and administrative burden reduction strategies, an Inter-ministerial Commission for Administrative Simplification operates within the Ministry of the Presidency; it analyses and tables proposals for measures to facilitate the relationship between citizens and the AGE. Section 4 of Law 11/2007 is dedicated to strengthening co-ordination between the national government and the other government levels; for this purpose, the Sectoral Committee for e-Government was established.
- The Ministry of Industry, Tourism and Trade is responsible for conducting and implementing the *Plan Avanza*, notably through the State Secretariat of Telecommunications and the Information Society (SETSI). The State Secretariat is in charge of: access to the information society, business and the information society, services in/for the information society, and multimedia. *Red.es* is a state-owned company which is part of the SETSI. Its role is to encourage, support and monitor the use of information and communication technologies in Spain, notably in the public sector.
- ASTIC16 is the professional association of IT experts and managers of the AGE. It provides support and information services to its members for the development and implementation of their e-government projects.
- The Ministry of the Interior is in charge of the implementation of the electronic ID card project. Co-operation between the AGE and the ACs is also covered.
- The Sectoral Committee of e-Government has been active since 2004. Since Law 11/2007 came into force, this committee has served as the technical body for e-government co-operation between the AGE and the ACs, and local governments. The sectoral committee also monitors implementation of the principles and goals stated in Law 11/2007. In particular, the committee is responsible for ensuring the interoperability of the applications and systems in use within public administrations, and for preparing joint action plans in order to improve e-government development.
- Finally, with a view to ensure that citizens' e-government rights are respected, Law 11/2007 provides for the appointment of an e-government ombudsman, the Defender of e-Government Users (*Defensor del usuario de la administración electrónica*) in charge of monitoring its application. The Defender is supposed to publish an annual report compiling complaints and suggestions, together with proposals for actions and measures to ensure adequate protection of users' rights. The Defender is to be chosen among recognised experts in the field of e-government and reports to the Presidency – and is to execute his/her functions impartially and independently.

Figure 2.6. **E-government institutional and governance framework in Spain**



Source: OECD (2010), *Better Regulation in Europe: Spain 2010*, OECD Publishing, Paris, doi: 10.1787/9789264095076-en.

The National Interoperability Scheme

The Mexican Government considers the adoption of the National Interoperability Scheme (*Esquema Nacional de Interoperabilidad* – ENI) and the development of the Interoperability for Communications Exchange Systems project – to be executed by the Sub-commission of the Communications Exchange according to the plan presented to the CIDGE in December 2010[10] – as a way to strengthen co-ordination mechanisms and support programme integration. Focused on citizens, the scheme aims to integrate, promote and boost digital processes. Its specific objectives are: to define the reference and the basis for the establishment of the strategic framework, develop the needed normative instruments to support its implementation, and ensure its proper diffusion and promotion. Hence, the ENI is intended to secure the achievement of the desired level of technical, semantic and organisational interoperability – as well as the governability of the systems and applications of the federal public administration. As a result, it is expected to sustain co-operation and exchange of information among public agencies for improved service delivery and access to information (seen as public goods). The scheme should indeed facilitate the definition of an interoperability platform for the development of systems, applications and services in various business domains (e.g. health, social services, education, security).

Experiences in OECD member countries have shown different drivers for a country's pursuit of interoperability. The targeted outcome will determine a country's approach for developing an interoperability framework. For example, some countries may be inspired by the need to make it possible for older stove-piped information systems to communicate with each other; others may aim to cut down on costs associated with managing and exchanging digital information organised and formatted in many different ways, including time delays, data errors and multiple data entry by citizens and businesses. Still others simply want to develop the infrastructure required to share services and exchange information, efficiently and securely, among the various agencies of local and central government. Moreover, priority can be given to schemas that are generic across many public sector organisations; or precedence can be given to new, joined-up services and inter-organisational process development.

Despite the different drivers for interoperability, experiences in other OECD member countries show that it can indeed lead to more flexibility and easier scalability in the development of e-government services, as well as to the development of integrated and transactional services, among public agencies. In the short term it can provide a framework for effective, efficient and transparent interaction of systems based on public data, which can support the strengthening of single points of access for citizens and businesses. In the medium and longer term, the ENI (National Interoperability Scheme) can facilitate the development of the IT industry and, particularly, create the context for the development of transactional systems joining up various technologies (e.g. fixed and mobile). These types of integrated systems will increase the possibility to use public electronic services such as the digital signature, the RUPA (Single Register of Accredited Persons) and the CURP (Unique Population Registration Code). As a result, it may increase the return on investment (ROI) and facilitate the take-up of electronic services already available. Finally, it should be noted that the full-scale adoption and implementation of the interoperability framework will require changes in the relevant legal and regulatory framework.

In conceiving the scheme, the Government of Mexico referred to the best international experiences in terms of complementary solutions commonly used to form a national integral scheme such as a national interoperability scheme, an interoperability framework, a national architecture, and a services' infrastructure.

Achieving interoperability in Portugal

Portugal views interoperability first as a semantic challenge, particularly the importance of defining public sector processes, data models and information entities (e.g. citizen, address, building), with the assurance of an inter-organisational strategy, where each organisation remains responsible for data, information and systems. Like other OECD member countries, Portugal was challenged by the need to make old stove-piped information systems communicate with each other. To meet this challenge, an interoperability platform was developed providing the following capabilities:

- **Data integration.** The adoption of a standard data model that allows different government systems to exchange data. All government agencies can therefore accept a single citizen data submission – such as a change of address or name – eliminating the need for citizens to fill out redundant paperwork.
- **Application integration.** Web services that connect all applications, regardless of programming languages and hardware.

- **Simplified identification.** Citizens identify themselves once to the Common Services Framework and can then submit data to multiple government agencies, although citizens continue to have distinct identities with each agency. Once data is sent over the network, identification consists of embedded individual identities based on random numbers. Unique identification numbers are not allowed according to the Portuguese Constitution.
- **Privacy and security.** Active Directory Services ensure that only encrypted tokens are sent over the Internet, not identification information. Agencies may also send encrypted messages over the Common Services Framework.

The Interoperability Platform serves as the foundation for the enterprise architecture. It provides the technical foundation for communication among government agencies, defines the information architecture for the Portuguese public administration and opens possibilities for re-arranging and changing organisational structures and workflows. The purpose of the Interoperability Platform is to improve workflows and service orientation, rather than share information and data. The Interoperability Platform was established in accordance with the *European Interoperability Framework for Pan-European e-Government Service*.[11] Use of the Interoperability Platform and the Common Services Framework is mandatory for Portuguese central government organisations, but not for autonomous regions and municipalities. Each public authority decides on access criteria, for example cross-checks with tax and social security.

E-enabled co-operation among administrations in Italy

In Italy, ICAR (*Interoperabilità e Cooperazione Applicativa tra le Regioni e le Province Autonome*) was set up as a shared technical infrastructure to foster co-operation among Italian regional authorities, following national standards defined for the development of the Public Connectivity and Co-operation System (*Sistema Pubblico di Connettività e Cooperazione* – SPC). ICAR's objective in developing the shared technical infrastructure was to allow co-operation and interoperability among the different systems of 16 regional authorities[12] (of a total of 19), and with the autonomous province of Trento and its 10 000 public administration offices, to provide integrated services to customers. This project aimed to address the current situation in Italy, where administrations manage and exchange digital information organised and formatted in many different ways; this caused high costs for data exchange, time delays, data errors and the need for multiple data entry by citizens and businesses.

Implemented as part of the Italian e-government plan for regional and local authorities, ICAR's overall goal was to establish a secure regional public administration network, to guarantee data exchanges and application co-operation across all public administration units in different regions, and to implement and test standard protocols and formats for data exchange in a number of critical applications for the delivery of services. In particular, the business application project aims to test the quality of the services within specific domains where co-operation among regional authorities is crucial, e.g. compensation in health services, civil registration services, job and employment services, regional car taxation.

ICAR's impact is not easy to measure as it differs in each region and depends on the business domain. However, its short-term effects include regional authorities' efforts to standardise and optimise the information systems and flows addressed by ICAR. This effort has also involved central government in terms of analysis and possible revision of existing laws and regulations, in order to make these changes possible (for instance, with

the Ministry of the Interior, which oversees the civil registration service, managed at the operational level by each municipality). In the longer term, ICAR has the potential to benefit millions of citizens and companies in the involved regions, along with over 10 000 public administration offices, thanks to the increased speed of data exchange and processing, leading to less waiting time, improved "quality" of data exchanged, and the reduction of a number of current shortcomings (e.g. disputes on inter-regional compensation for health services). (DigitPA, n.d.)

Spain's National Interoperability Framework

The Spanish Royal Decree 4/2010 of 8 January regulates the National Interoperability Framework foreseen in Article 42 of the E-Government Law 11/2007. This framework includes criteria and recommendations on standardisation of information, formats and applications, and on the preservation of information to be taken into account by the public administration entities when adopting technological decisions so as to ensure interoperability. For security issues, the reference is the National Security Framework.

The National Interoperability Framework pursues the creation of the necessary conditions to ensure an adequate level of organisational, semantic and technical interoperability of systems and applications used by public administration entities; this will permit the exercise of rights and the fulfilment of duties through electronic access to public services. In order to create such conditions, the National Interoperability Scheme introduces common elements to guide the actions of the public administrations regarding interoperability. Particularly, it introduces the following principal elements:

- the specific principles of interoperability are defined;
- the dimensions of interoperability – as well as organisational, semantic and technical dimensions – which were explicitly mentioned in Article 41 of Law 11/2007, are taken into account;
- common infrastructures and services are recognised to be relevant instruments that contribute to the simplification and propagation of interoperability, and facilitate multi-lateral interactions;
- the concept of re-use applied to public administrations, associated information and other objects of information – together with definitions of share and collaborate – is relevant for interoperability. All of these concepts are recognised by EU policies;
- the interoperability of electronic signature and electronic certificates;
- preservation of electronic documents, considering the importance of time in interoperability;
- a series of technical guides and instruments for interoperability are set in order to facilitate implementation of the framework.

The National Interoperability Framework was developed through a process co-ordinated by the Ministry of the Presidency, with the participation of entities from all levels of government. More than 100 representatives of different parts of the public administration contributed to its elaboration, together with a wide number of experts who shared their opinions through professional associations of the ICT industry.

The main objectives:

- include criteria and recommendations to be taken into account by public agencies when taking technological decisions to ensure interoperability and avoid discrimination against citizens on the basis of their technological choices;
- introduce common elements that will guide the activity of public agencies in relation to interoperability;
- introduce a common language that will facilitate interaction among public agencies, as well as the communication of interoperability requirements to the ICT industry.

In Spain, there are also many examples of regional interoperability initiatives, such as the regional interoperability framework in the Castile and Leon areas. This strategic initiative has created a Service Oriented Architecture (SOA) Interoperability platform to provide the region with the necessary infrastructure for sharing services and exchanging information in a efficient and safe way among: the bodies comprising the Castile and Leon Government (e.g. ministries, autonomous bodies), the 2 247 town halls and the 9 provincial councils; and between these administrations and companies in the region, as well as to provide national and European services. The Castile and Leon region, the largest in Spain, has a population of 2.54 million inhabitants, living in 2 247 municipalities. The challenges in achieving an interoperability model allowing the exchange of information for such a large area are evident. The regional government decided to use an interoperability model completely based on open standards.

The interoperability platform was built around three guidelines:

- **Simplify** by replacing bilateral connections between regional agencies with a network hub model. An SOA-based model was used to allow the region to integrate, modify and manage web services more easily, and to exchange information based on easier transmission, storage and use.
- **Normalise** by using XML and other standards for data transfer and adopt the technology neutrality principle.
- **Increase security** through creation of the citizen gateway for web services clients.

The interoperability model adopted by the Castile and Leon Government was designed and implemented by the General Directorate for Innovation and Administrative Modernisation (*Dirección General de Innovación y Modernización Administrativa*). During the design phase, the model was shared with department managers from the different ministries and autonomous bodies; some development and maintenance staff were consulted in order to understand their needs.

Box 2.3. Achieving collaboration and co-ordination across levels of government through the e-Government Interoperability Framework in New Zealand

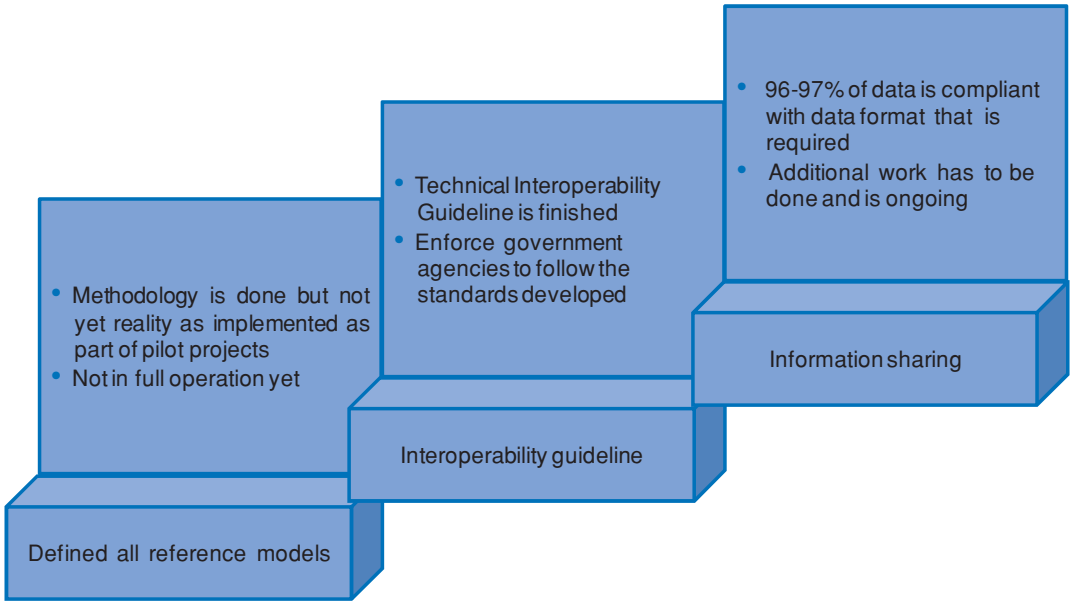
The Government of New Zealand has adopted an e-Government Interoperability Framework (the "e-Gif") to help public sector institutions achieve electronic interoperability through common policies and standards. The e-Gif is a collection of policies and standards which: *i)* helps government agencies to more easily work together electronically; *ii)* makes systems, knowledge and experience reusable among agencies; and *iii)* reduces the effort required to deal with government online by encouraging consistent approaches. State-level agencies are required to use e-GIF and local governments are invited to do so.

Source: OECD (2010), *Denmark: Efficient e-Government for Smarter Public Service Delivery*, OECD e-Government Studies, OECD Publishing, Paris, doi: 10.1787/9789264087118-en.

Implementing interoperability in Korea

In Korea, interoperability is an important issue. Efforts are ongoing to ensure smooth implementation and sustainability of the exchange of information between public organisations, to strengthen co-ordination and support greater integration.

Figure 2.7. **Korea's interoperability results**



Source: Government of Korea.

Measuring the government's digital maturity

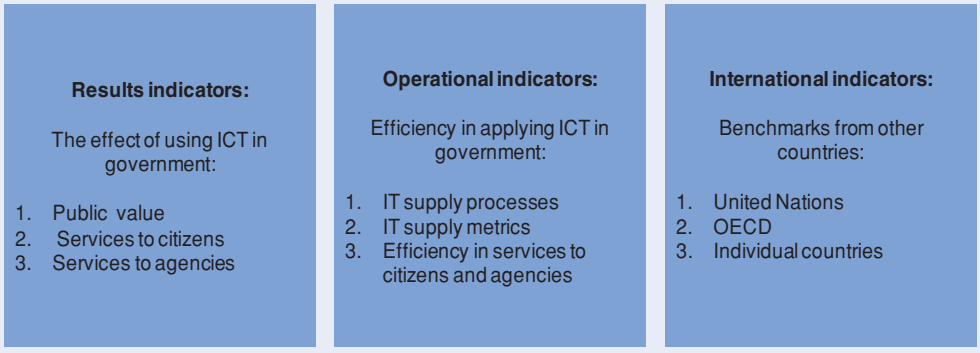
Particularly in the aftermath of the economic and financial crisis, OECD member country governments are increasingly asked to produce and measure results. In line with this trend, measuring the performance and assessing the maturity of the federal public administration to optimise the use of ICTs is also crucial for the Government of Mexico.

The Mexican Government considers measuring the maturity of digital government as an opportunity to determine how ready the government is to provide services supported by ICTs. In October 2009, a measurement of the degree of maturity of the digital government – completed using the United Nations measurement tool METER (UNDESA, n.d.), showed an average rating of 7.01. This rating places the digital development of the federal public administration at a level of intermediate maturity. However, 21.13% of the institutions still seem to have an important opportunity to reach the intermediate level of maturity.

Assessing agencies' maturity requires answering questions concerning their ability to use ICTs to improve operational efficiency, support production and protection of public and common goods, improve access to public and common goods by reducing transaction costs between the government and the citizen; as well as their ability to establish proper information structures – which are part of the information public goods – and to make these structures interoperable.

To do this, Mexico adopted an innovative approach which led the government to adopt the Digital Maturity Evaluation Model which comprises results indicators, operational indicators and international indicators.

Box 2.4. Maturity measurement model for e-government: a focus on results



Source: OECD, derived from documents provided by the Ministry of Public Administration.

The new e-government evaluation model was implemented in 2010 as a pilot in 21 ministries. The plan is to use the maturity model in 2011 to measure the efforts of 190 federal government institutions. The model has an innovative component. Besides focusing on traditional processes and inputs, Mexico embedded in its maturity model new concepts on the maturity of the actual use of ICTs in management processes within agencies to support their missions and to deliver services to citizens and civil servants. The innovation of the methodology entrenched in the model relates to value creation measurements. Measuring this aspect is crucial to assess the success in using e-government to achieve results, and this approach is very innovative among the methodologies currently used across the OECD. The new concepts rely on assessments from citizens as well as civil servants.

By developing the maturity model, the Mexican Government intended to provide each government agency's management team with a tool to enable self-assessment of the outcomes of ICT use and the quality of the ICT inputs; this should allow them to improve application of ICT to their missions and to citizen service. The maturity model aims to

evaluate and assess how well ICT is actually used and applied in the production of value in government. This focuses on the following outcomes:

- public value: the maturity of agency effectiveness (enabled by ICT) to create and deliver public value in the agency mission;
- value to citizens: the maturity of agency effectiveness (enabled by ICT) to respond to citizens' needs and achieve the mission of the agency;
- value to agency staff: the maturity of agency effectiveness (enabled by ICT) to support the most critical internal agency tasks and processes.

The intention of the maturity model is to balance the value outcomes with the effectiveness of the management of ICT inputs, including costs. This includes:

- ICT management and governance: maturity and effectiveness of the internal processes employed to deliver value;
- ICT performance: the maturity of internal processes in measuring and achieving effective and efficient ICT support;
- ICT costs: the maturity of cost measurement and containment.

In detail, the Maturity Evaluation Model appraises the level of agencies' public value maturity (public value importance, public value performance, public value ICT contribution and public value maturity) and services and processes maturity (maturity of services provided to citizens, maturity of services provided to staff, maturity of ICT management and maturity of the ICT management process). The model aims to provide a public value assessment for the portfolio of the 21 pilot agencies. The measurement combines 14 aspects of public value (return on investment, reducing the cost of doing business, reducing the cost per transaction, advertising positive/negative messages, inclusion, political image-public trust, reducing the digital divide, increasing citizens' satisfaction, competitiveness, operational efficiency, quality of services received, time saved for citizens, accountability, compliance with institutional mission) and the total maturity is then broken into the following four categories of public value: Direct Citizen Value Index, Social Value Index, Citizen Financial Benefits Index, Political Value Index.

The preliminary data on agencies' performance seem to show that the financial aspects (e.g. ROI) and cost reduction are the least well-performed aspects of public value performance, whereas the services and compliance are the best-performed aspect of public value; the same observations apply to the ICT contribution to public value.

With regard to the assessment of public value for services delivered to citizens and to the internal staff of agencies and maturity processes, preliminary results seem to indicate that the overall maturity (including the effectiveness index, the efficiency index, the service cost index) of the services provided to the staff is higher than the maturity of those provided to citizens. For both categories, efficiency and costs are weaker than effectiveness.

A very interesting aspect of the evaluation model is the assessment of the maturity of ICT management, which looks at the degree of management of the 30 processes currently employed by the agencies, as defined by the MAAGTIC. The aspects considered are: governance, organisation and strategy, execution and delivery, and support. The overall ICT management profile seems to indicate that a fairly high maturity level; of all the components the "governance process" (i.e. establishment of the governance model, ICT

strategic planning, determination of technological leadership, managing ICT assessment, ICT risk management) seems to be the lowest.

Additionally, for 2007, 2008 and 2009, the Digital Government Unit (UGD) of the Ministry of Public Administration (SFP) has measured the national degree of maturity of digital government through the compilation of a questionnaire by an average of 200 public entities and agencies of the federal public administration (APF). This questionnaire was adapted and developed based on the methodology of METER (the measurement and evaluation tool for the preparation of electronic government), a policy advisory tool developed by the United Nations Department of Economic and Social Affairs.[13]

Table 2.1. **Digital maturity of the Mexican public administration**

Year	Indicator of e-government maturity within the federal public administration
2007	6.19
2008	6.77
2009	7.01

Source: OECD, derived from documents provided by the Ministry of Public Administration.

In a context where the Mexican Government (like all other OECD member countries) is asked to efficiently use resources, produce results and prove them, the Mexican authorities' active use of indicators is a very good sign of the government's proactive attitude towards assessing and measuring progress. The indicators should help to combat the elements that inhibit the further development of e-government (e.g. digital divide from both the technological and cultural perspectives, high costs).

Strategic development of e-government

The following paragraphs highlight the main characteristics of the various strategic documents which aim to foster and improve the use of ICTs in Mexico.

The Digital Government Agenda

Co-ordinated by the Ministry of Public Administration, the Digital Government Agenda (AGD) sets out general strategies to promote the optimal use of information and communication technologies for more efficient government management, to provide the highest quality of public services and opportunity to citizens, to increase transparency to the public at all levels of government, and to combat corrupt practices within the federal public administration. It aims to build the chief information officers' capacity to enhance strategic planning in public institutions and to further sustain the national development of e-government. In turn, this will facilitate the co-ordination of the various stakeholders involved in the use of the ICT at the national level, i.e. various agencies of the public administration, industry, academia, unions and society in general. The development of the Digital Government Agenda involved the participation of various stakeholders (i.e. the CIDGE, academia, industry and some experts).

Mexico recognises that the first task of government CIOs consists of understanding the logic that surrounds tasks related to public and common goods that their institution must implement corresponding to constructing, protecting and distributing public goods. As indicated earlier in this chapter, from this perspective, e-government is conceived by the Mexican Government as "the use of ICT to foster construction, protection and

distribution of common and public goods". As such, the Mexican e-government strategy (the Digital Government Agenda) is based on the following pillars:

1. Enhancing public institutions' capacity to support construction and protection of public and common goods through improvements in operational efficiency.
2. Improving access to public and common goods by reducing transaction costs between government and citizens.

As indicated previously, the Digital Government Agenda was recently amended after a visionary and conceptual change, based on the acceptance of several sets of information as public goods (e.g. civil and property registers, national statistics, criminal, justice and education records). The new third pillar is:

3. Building the information structures that can support information public goods or "info-structure", and making these structures interoperable (Viniegra, 2010).

The agenda is expected to be used strategically by the heads of ICT (i.e. CIO) of the federal public administration to increase operational efficiency and produce value for citizens. The agenda has the specific purposes of raising institutions' digital maturity, reducing the digital divide that currently exists between some institutions of the federal public administration, enhancing ICT management through a better regulatory framework, and conceiving, planning and executing projects based on technological innovation and adoption of best practices.

The agenda places citizens at the centre and aims to promote greater efficiency and effectiveness in government by intensifying the integration of digital processes and procedures through the use of ICTs, particularly the Internet. Increased integration and automation of services is expected to reduce users' transaction costs. The components identified by the agenda to support e-government development are grouped into six fundamental levels, including the delivery of government services from creation to use.

The six levels cover three areas: internal government operations, single point of access/window and users.

The first level includes the National Development Plan 2007-2012, the sectoral programmes and the Special Programme to Improve the Management of the Federal Public Administration 2008-2012, which establishes the strategic vision that sets the objectives of the national e-government agenda. The first level also includes the participation of the sub-national levels of government (states and municipalities), through their respective strategies of e-government aligned to the state and municipal development plans, to increase the operational efficiency of the government as well as the efficiency of service delivery.

The second level includes the human resources that are responsible for the deployment, maintenance and management of the governmental technological infrastructure. The third level covers the re-organisation of the governmental processes; this includes re-engineering processes, identifying and eliminating duplicative processes, and automating processes. These activities aim to enable the development and delivery of electronic procedures and services with a high impact on citizens in areas such as health, education and employment. The fourth level focuses on the digital processes and services which have been automated and which use ICTs to make governmental processes more

efficient. One of the objectives of the Digital Government Agenda is to increase the number of digitised procedures and services.

The fifth level focuses on multi-channel service delivery and looks at all contact points through which users may access governmental procedures and services provided by the government. The model foresees the development of additional Internet access channels (e.g. further development of kiosks and mobile government, and reinforcement of call centres and physical points of access, to be improved through the use of ICTs for improved and more effective provision of services to the citizens). The sixth level of the e-government agenda deals with the businesses and citizens that are the users and main beneficiaries of digital services. The objective is indeed to use the ICTs to improve the responsiveness of services provided and to offer direct incentives for the use of the Internet. Hence, public policies aim to offer incentives which are not provided by the market; the increase in digital processes and services, and the strengthened operational efficiency, should boost e-government.

The agenda foresees the use of indicators to measure performance and user satisfaction for each of the levels. It takes into account the interoperability of levels 1 and 4, as well as compatibility across levels of government (i.e. federal, state, municipalities).

The lines of action of the Digital Government Agenda

Part of the first level of the model, the e-government strategy for the federal level of government includes the strategies, lines of action and policies, processes and projects – to be planned and implemented by the various entities of the public administration at the federal level which have specific roles related to the use of the ICTs – that should allow entities to achieve their strategic objectives.

The action lines of the agenda are:

- to optimise the use of ICTs to enhance the operational efficiency of the government;
- to conceive, plan and execute projects and strategic processes for the federal government through technological innovation and best practices. Furthermore, the agenda envisions a platform for the transformation of the government that ensures the alignment of government performance with citizens' expectations. This requires aligning the development of digital processes and systems with the government's strategic objectives; standardising processes; establishing a knowledge base that facilitates access to and exchange of best practices; and evaluating, assessing and executing best practices;
- to increase the maturity level of e-government;
- to ensure the revision and update of the legal and regulatory framework to support the effective deployment and management of ICTs;
- to promote the digitisation of governmental procedures and services to make citizens' access to public services more efficient and effective, and less costly (e.g. through the development of integrated and automated services, enabling electronic payments, promoting the integration of services across levels of government, promoting the generalised use of FIEL and of RUPA [Single Register of Accredited Persons], fostering the alignment of government portals, improving the level of citizens' satisfaction with e-government services);

- to strengthen the responsibilities and competencies of the key stakeholders responsible for ICTs to reinforce their strategic role (e.g. integrate ICT areas, define the structures and functions in the ICT areas, reinforce organisational capacities);
- to promote the development of e-government by strengthening the linkage with governments and organisations at the national and international levels, with industry and with academia.

The strategy envisages the need to ensure integration of the efforts made by all levels of government to create synergies and obtain better e-government results. Compranet, Tramitanet, FIEL and RUPA are examples of transversal e-government services that allow states and municipalities to participate and which can lead to considerable savings in terms of time and financial and human resources. These excellent programmes could be replicated, as they sustain further integration and interoperability of systems as well as stronger co-ordination. The collaboration between the federal government and local authorities becomes crucial in order to achieve real integration of efforts, to produce a real benefit for the citizens, and to ensure more balanced e-government development overall.

Interaction and consultation with industry, as foreseen by the agenda and in line with current trends, is implemented through the 19-member[14] Consultative Group, which operates within the framework of the CIDGE to ensure a wider and more effective exchange and co-operation with a number of players.

For example, in recognition of the key role industry plays *vis-à-vis* the development of e-government, exchange is fostered with organisations representing the industry: the Mexican Association of ICT Industry (AMITI); the National Chamber of Industry, Electronic Telecommunications and Informatics (CANIETI); the Mexican Institute for Competitiveness (IMCO); and the Foundation Digital Mexico (FMD).[15]

Additionally, AMITI, CANIETI and FMD formulated the strategic document Vision Mexico 2020, which is based on the idea that the innovative adoption and use of ICTs should move Mexico towards the information society and boost national competitiveness. Hence, this initiative seeks to promote the adoption of information and communication technology to transform Mexico into a knowledge society where industry, academia, civil society and the government interact to co-ordinate actions on a single digital agenda. The overall aim is to reduce the profound differences that still exist in Mexico, not only in terms of ICT penetration and acquisition, but also with regard to the adoption of information and communication technologies among citizens and businesses.

Vision Mexico 2020 aims to further sustain ICT development in Mexico in order to place the country among the 20 most competitive countries in the world by 2020. Therefore, early, strategic and consistent adoption of ICTs is seen as a national priority for the Government of Mexico, in order to place it among the 20 most competitive countries in the world and to combat poverty in a targeted manner (e.g. to have an increasing population with at least secondary education, fight crime efficiently, provide health care to all Mexicans, offer better employment opportunities and increased labour mobility).

By 2020, Mexico is expected to be a republic connected through ICTs, which will have focused all its efforts to reach levels of productivity among the 20 highest in the world and to improve citizens' lives. It is indeed expected to be a country in which individuals participate in making economic, social and political decisions, and where

governments will work in more innovative and efficient ways. The country based its strategy on collaboration and continuous organisational learning.

The document foresees initiatives that coincide completely with those of the government. Among the proposals, the following should be highlighted: increase the use of ICTs to enhance national productivity and national connectivity; increase citizens' participation in the decision-making process in social, economic, political and cultural areas; develop key capabilities of public companies; offer cutting-edge digital public services capable of reducing the digitally excluded part of the population.

Finally, the agenda foresees increased participation of academia, in a double role as educator and as investigator. Academia is indeed expected to assist the government in identifying and analysing the new challenges faced by the Mexican society as a result of the increased use of ICTs, and to sustain the government in developing the society's digital skills to ensure an increase in the use of the digitally provided services.

The Strategic Information and Communication Technology Plans (PETIC)

In 2006, at the beginning of its administration, the federal government issued an Austerity Decree, including a guideline, namely No. 31 of ICT provisions stating that ICT projects and plans should be submitted to the Digital Government Unit during the first two months of each fiscal year. Thus, from 2007, the agencies of the federal public administration report their Strategic Plans and Programs of Information and Communications Technology (PETIC) to the Digital Government Unit. The latest data is shown in Table 2.2.

Table 2.2 **Agencies' reporting to the PETIC**

Year	Number of reporting agencies and entities
2007	173
2008	181
2009	194
2010	250

Source: Government of Mexico.

During January and February 2010, 250 departments and agencies of the public administration at the federal level reported more than 1 400 projects – of which about 345 include actions to improve government efficiency – through the Description of the Strategic Information and Communication Technology Plans (PETIC).

The information on PETIC is contained in a software tool used to manage the ICT strategic plans by theme: hardware, software, communications, administration and operation. The PETIC exemplifies a concrete action taken by the Government of Mexico to foster efficiency in the public sector by avoiding duplication, rationalising the use of public resources and boosting integration while developing new ICT systems. PETIC can indeed help standardise ICTs to maximise the usefulness of existing or new contracts and/or purchases, and allow the interoperability and integration of different systems and databases.

The National System e-México 2010-2015

The development of the information society requires the participation of all players from the public, private, social and academic sectors to ensure connectivity, business education and training, technology vision, promotion of digital skills and a better overall digital environment. Sponsors, municipalities, states and the federal government are all involved in the development of these targets.

In this sense, there have been important efforts to define a national agenda in Mexico and to ensure co-ordination of ministries' actions to increase the use and spread the benefits of the ICT within the framework of the "Digital Agenda of the National System e-Mexico", which was initially adopted based on the National Development Plan 2001-2006.[16] Once broader, the scope of the system e-Mexico has been reduced and is now focused on increasing digital inclusion in the country. The aim of the strategic agenda of e-Mexico (Mexican Ministry of Communications and Transport, n.d.) is indeed to foster the transition of the Mexican society to the information and knowledge society, within the framework of the UN Millennium Development Goals and of the digital divide goals established by the National Development Plan 2006-2012.

Its overall purpose is to trigger national mobilisation to co-ordinate actions among the various levels of government, businesses and industry, public organisations, academic institutions and civil society organisations to align the various efforts and generate efficiently and effectively the transition to the information society. E-Mexico focuses, therefore, on integrating and guiding actions to further develop the information society in Mexico in order to pave the way to universal access to the society of information and knowledge, and thus decrease the digital divide through: *i)* connectivity; *ii)* access, *iii)* digital inclusion. The Ministry of Communications and Transport (*Secretaria de Comunicaciones y Transportes* – SCT) is in charge of the promotion and co-ordination of the Digital Agenda e-Mexico through the Co-ordination of the Information Society and Knowledge Unit (*Coordinacion de la Sociedad de la Informacion y el Conocimiento* – CSIC).

The trust fund "Fideicomiso e-Mexico" is the financial mechanism established in 2002 to support the federal government in establishing the national system e-Mexico, which has the above-mentioned strategic goal. The "Digital Agenda of the National System e-Mexico" is considered only as a reference document for steering the project portfolio supported by the trust fund. The projects that can be financed under the trust fund are approved by the board of trustees, where the federal government is majority, and are implemented by the institutions that have a legal base to implement such projects. All the projects proposed by the federal institutions to achieve the strategic goal of e-Mexico have to be in line with the Digital Government Agenda which for the time being is the only legally binding e-government strategic and planning document for Mexico.

The final purpose of all projects implemented under the "Fideicomiso e-Mexico" is to ensure that the service coverage is available to most Mexicans, improve quality and expand the range of government services, support economic development through the promotion of small and medium-sized enterprises and the elimination of long chains of intermediaries, establish an appropriate regulatory mechanism for the performance of the system itself, provide new options for access to education and training that encourage learning as a means for the development, develop relevant content (e.g. education, health, trade, tourisms, public services) to promote better living conditions and create new

economic and work opportunities for all the communities in order to promote an accelerated and more equitable development. Respecting the identity and cultural environment, making sure the system is not a burden cost to the state and that it is socially profitable, providing access to tele-health services and the content of health which will improve the level of the welfare population, integrating the various actors involved in health care are also part of the objectives. The trust fund also makes reference to the Article 50 of the Federal Telecommunications Act which states, *inter alia*, that the Ministry of Communications and Transport will seek the proper provision of telecommunications services throughout the national territory, in order to secure the access of the production units and of the general population to public telecommunications networks and social services.

The Mexican Congress, the federal government and the private sector are currently working toward the further implementation of the strategic goals of e-Mexico – based on the vision established in the National Development Plan 2007-2012 – that considers the use and implementation of information technologies in Mexico crucial to foster the competitiveness, as it offers opportunities for personal development by enabling greater access to information, significant medical advances, greater efficiency in productive and governmental processes, higher production of goods and services in every sector of the economic activity. The development of 6 500 digital community centres is also part of the strategy that supports the e-Mexico system. The centres are single points of institutional access to services where citizens can also access the Internet, as well as training opportunities. They are located in points of particular need and are managed by the civil society, particular by young people, who receive appropriate training.

By the end of 2012, the goal is to have 24 200 digital community centres in the whole country; to reach a level of internet penetration covering at least 60% of the population, to have 70 million Mexicans using the Internet, to strengthen the use of the ICT and develop relevant content. As highlighted in the section on the e-government context of this chapter, the number of internet users in Mexico is still low. Enhancing connectivity, developing relevant content and facilitating the access to, and integration of, relevant content through the e-Mexico portal will increase the e-readiness of Mexican society and the possibility for people to access relevant content and on line services, perform procedures and transaction, thus benefitting at the most of the opportunities brought about by the information technology.

The identification of the more vulnerable groups to design specific trainings and develop needed skills (e.g. for students, educators) could help addressing the problem by generating a change in the educational approach and a real impact on the society. Good examples in this sense exist at the local level, which could be easily replicated in other parts of the country, i.e. the city of Juarez initiated the “National Inclusion Campaign” which envisages the involvement of about 300 000 university students that shall work with the city administration to increase the level of digitisation of the society. According to the “Trust Fund”, the e-Mexico system is a financial mechanism to fund projects over a certain number of years. The mechanism is used to finance projects for which the ministries do not have a budget.

The digital economy strategy

The Ministry of Industry and Trade, through the Directorate General of Domestic Trade and Digital Economy (DGCI), has the authority to develop the digital economy in Mexico. This includes enabling business processes such as production, marketing, procurement, among others, through the use and exploitation of information and communication technologies, to create a positive impact on society, enterprises, services and consumers.

The purpose is to raise the country's competitiveness and achieve the targeted objectives by promoting the use and exploitation of information technology (IT) in economic sectors, increasing the production of high-quality IT products and services, and enabling, measuring and diffusing the digital economy in the country.

The main goals are:

- reducing the digital divide in the business environment;
- increasing the international competitiveness of the Mexican IT industry;
- increasing academic careers in ICTs to meet high demand;
- helping Mexican ICT businesses to develop world-class services and products;
- increasing e-commerce;
- integrating companies' business process applications through information technologies;
- developing modern legislation to allow rapid and proper development of the digital economy.

To achieve these goals, the Digital Economy Strategy envisages the following actions:

- to promote technological development;
- to integrate ICT in business processes;
- to further develop e-commerce;
- to measure the development of the digital economy;
- to increase the technological capacities of business and consumers;
- to diffuse the benefits of the digital economy.

To ensure sound governance of this process, the Committee for ICT Standardisation was established; it includes representatives from the private sector, civil associations, unions and government representatives.

Main e-government projects and initiatives

This section describes the key features and the rationale behind the main e-government initiatives and/or projects. The government has invested resources in these initiatives with the aim to improve regulation, management, processes and results of the federal civil service to meet citizens' needs for public goods and services; and to execute the strategy that focuses on raising standards of government efficiency and effectiveness

through systematisation and digitisation of all administrative procedures, and using information technology and communications to support improved public management.

Info-structure projects

The Mexican Government considers some databases and public registers as key elements of the national info-structure. Aware of their importance to achieve real integration of processes and boost interoperability, increasing value and improving service delivery, the Mexican Government has invested resources and made considerable efforts to plan and implement a number of key info-structure projects. Key elements are:

- identity and civil registry databases (social rights);
- property databases (economic rights);
- criminal records (justice and public security);
- educational records (capacity building);
- regulatory inventories (transparency);
- health records (public health).

Table 2.3. **Key info-structure projects**

Project	Status
National Population Registry	Completed (more than 1 million certified records)
National Population Registry Biometrics and ID card emission	Under implementation
Property databases	Planning stage
Plataforma Mexico (criminal records)	Advanced implementation
Educational records	Final planning stage
Regulatory inventories	Completed
Electronic medical file	Under implementation
Advanced Digital Signature (FIEL)	Completed (55 million tax reports were filed and signed in 2010)
Advanced Digital Signature Law	Approval by congress expected in 2011
Mobile phone registry	Completed (68 million records linked to national population registry, built entirely via digital means).

Source: Government of Mexico.

In the view of the Mexican Government, the Citizen Portal should constitute the skeleton on which to build the public administration's interoperability and the single point of access to all public services.

Citizen Portal (www.gob.mx)

Aiming to further develop online procedures and electronic government services, the Mexican Government reinforced its efforts to revamp the Citizen Portal. Developed by the federal government, the Citizen Portal (*www.gob.mx*) is the primary means of online access (24 hours per day, 7 days per week) to the formalities and government services on demand.

The portal is being transformed with the intention to make it more useful to citizens. The idea is to facilitate citizens' access to public services and content distribution, as opposed to being mainly a portal for the government. Expectations are that the portal should enable user personalisation through the possibility of setting up a personal account and should allow access to public digital services and transactions with a single authentication thanks to the cloud of services.[17]

Box 2.5. Evolution of the Citizen Portal

2002. The federal government Citizen Portal was created as a single window to the complete catalogue of procedures, services and content of the federal public administration.

2005. The Citizen Portal received the Stockholm Challenge Award 2004 in recognition of its innovative approach to facilitate access to the procedures, services and content of the federal government via a single window, in addition to organising the content according to the citizens' thinking and not according to the government structure.

2006. According to public feedback (ACSI), as well as best practices worldwide, the navigation of the Citizen Portal was revolutionised, grouping procedures, services and content in four major categories (citizens, businesses, foreign and public).

2007-2009. The last evolution of the Citizen Portal brought a change in its "look and feel", improved the navigation, added the fifth channel (tourism) and optimised the search engine.

2010-2012. The new developments to the portal envisage an advanced search model with semantic components, making the interface more simple and intutitive, and introducing the use of an algorithm to trace preferences.

Source: OECD, from documentation provided by the Government of Mexico.

Data shows (Mexican Government, 2010a) that, as of June 2010, the Citizen Portal included 72 fully digitised procedures and services, more than 4 000 informative procedures, and various informational content of the federal public administration, organised and grouped by topic and subtopic. It also comprises a search engine to facilitate the location of information and/or services. The Citizen Portal averaged 1.4 million monthly visits between January and June 2010 and received a score of 62/100 points in the American Customer Satisfaction Index (ACSI, n.d.). The new citizen portal, which will transcend the change of administration in 2012, presents a huge potential to support enhanced interoperability. To this end, the Digital Signature Initiative sent to the Congress by the President at the end of 2010, mentioned earlier in this chapter, is a very important initiative. Through this measure, the government plans to tackle some lingering interoperability issues, to foster the use of the advanced digital signature (FIEL). The plan is to expand the number of services for which citizens can use digital signatures even on the portal, with the ultimate goal of enabling citizens to do everything with the same digital certificate.

In fact, citizens can currently use the advanced digital signature (FIEL) for few services or areas (e.g. integrate the taxation system with the digital signature with biometrics). This is a common issue faced by most OECD member countries which have developed sophisticated digital signatures and e-ID management systems without being able to offer a rich portfolio of services where the tool can actually be used.

The FIEL was developed by the Tax Administration Service (SAT)[18], which embeds the system to take fingerprints, and cannot be used for some public registries, e.g. some managed by the Ministries of Economy and of Public Administration use a different system. Once approved, the SAT's advanced digital signature will become accepted across the country; the Ministry of Economy and the Ministry of Public Administration have agreed to establish SATs solution as the sole advanced digital signature for Mexico. It will also become an information public good given that it will have no cost and will be available for citizen-to-citizen transactions. From this perspective, it is seen as a

milestone of digital economy development in Mexico. This will enable the government to tackle some of the concerns expressed by some interviewees, who suggested the two systems should be unified, and that more incentives and opportunities could be created to foster the use of FIEL, e.g. linking it to the RUPA to enhance the interoperability of the two systems.

Moving ahead in this sense implies a clear visionary direction; more collaboration among the entities and ministries involved; and some changes to the legal framework (e.g. the electronic document is not yet recognised, so the notary who releases a certificate, for example, must print and sign it for it to have full legal validity). More information on the project aimed at renewing Mexico's Citizen Portal can be found later in this chapter.

Finally, the Mexican approach appears to be a solid foundation to sustain further development of the Citizen Portal to support more responsive and efficient delivery of services and information to citizens and businesses. However, the targeted development of the portal will certainly require sustained commitment to ensure that it will be continuously upgraded to meet the progressively increasing needs of users.

Box 2.6. Korea's G4C: one-stop online civil service

The G4C project – a key government project aimed at creating electronic government in Korea – began in 2000 by utilising the information technology foundations already established through various government IT investments, such as the Administrative Computer Network project. Prior to the establishment of Korea's online civil service portal, because information was not shared among government organisations, citizens often needed to submit the same documents to different organisations; they had to resort to physically visiting government offices several times to complete civil affairs, or had to submit a cumbersome amount of documents to file civil petitions and receive services. Also, when citizens had any complaints, it was quite inconvenient for them to find out which organisations were responsible for which area, whom they needed to contact, and what procedures they had to follow. The new system allows anyone to minimise the number of visits to physical offices and agencies, to receive information anytime and anywhere, and to access a wide variety of government services via the Internet.

A one-stop shop for administrative services allows users to access information on civil services, apply for public services, and access and directly print from their PC a variety of documents and certifications commonly used in daily personal and business tasks. In addition, diversifying the ways petitioners and service-seekers can receive the results of their requests enables users to access administrative services without being bound by time and location constraints, thus increasing the range of government services and facilitating the process for requesting and receiving administrative services. With the establishment of the new system, citizens can get over 5 700 kinds of civil information online. They can even print out 1 500 kinds of documents without visiting public offices and are able to apply for up to 2 500 kinds of civil services online.

Source: Government of Korea.

Federal Inventory of Systems

The Federal Inventory of Systems is a database containing the information systems of each institution of the federal public administration. The objective of this system is to leverage existing applications to accelerate automation processes by enabling the transfer of applications and the sharing of experiences and success stories between agencies, to avoid duplication of efforts and investments.

From April to September 2009, 194 institutions submitted information on their applications to the Ministry of Public Administration. From September to February 2010, the Ministry of Public Administration developed the web-enabled database with information on all the systems, which can be easily consulted and updated online. On 29 April 2010, the inventory officially became operational, and on 13 July 2010, with its publication in the *Official Gazette*, the MAAGTIC ("Administrative Manual of General Application in the ICT Domain") provided for the mandatory use of the new application.

The current data show that there are 4 895 information systems operational in 194 public institutions, 86 registered users in 70 institutions, and 110 institutions which do not use the application. The next step is the identification of a person responsible within the institutions that do not yet use the system, in order to maintain the accuracy, integrity and availability of the information.

The inventory, which can be consulted on line (*http://aplicaciones.cidge.gob.mx*), is a very important initiative which exemplifies the political commitment of the Government of Mexico to rationalise the use of resources and development of IT systems within the public sector to achieve stronger integration and foster greater internal efficiencies, and facilitate the delivery of more sophisticated services.

The more immediate and short-term impact of an inventory system is to support better integration and rationalisation of systems within the public sector. However, it is important to underline the relevance of potential long-term impacts revolving around the fact that it can create a baseline to spot new opportunities for systemic change, e.g. transform processes, renovate business models and strive for a broader goal while developing IT applications within the public sector to lead its excellent performance and service delivery.

It may indeed foster the development of an overall IT system that effectively links all modes of process and procedure management, and service delivery – and offers performance measures across all agencies and bodies within the public administration at the federal level. As a result, it can have an important impact in improving the delivery of services, identifying efficiencies, enhancing productivity and providing savings to taxpayers.

Maintaining the IT System Inventory across the federal public administration involves co-ordination and collaboration of various business and functional IT areas. It is essential that all ministries and related agencies keep an accurate and current inventory of systems. A single comprehensive IT Systems Inventory eliminates issues with maintenance of multiple sources and allows organisations to extract subsets of data based on their reporting and management requirements.

Spain has developed a similar system called the Technology Transfer Centre (*Centro de Transferencia de Tecnologia*), available at *http://forja-ctt.administracionelectronica.gob.es/web/inicio*. The system has the following objectives:

- to create a common repository of software for reuse in public administration bodies;
- to share ICT project information (e.g. regulatory frameworks, projects carried out, services provided, infrastructure, communications);
- to provide a space for ICT projects, which will allow day-to-day management and development;

- to create a space where experiences in the field of ICT can be shared;
- to create an ICT knowledge base;
- to spare efforts when developing or implementing new projects.

The website is aimed at any public organisation, and is of special interest for all civil servants working in the field of electronic administration.

The Electronic Government Procurement System (CompraNet)

The Electronic Government Procurement System (CompraNet) is the central system established as part of the reform of the procurement laws in 2009; it is intended to enable innovations in the procurement of goods, services, leasing and public works carried out with federal resources, and to strengthen the budget and accounting system in the agencies to increase transparency in the government's procurement process.

Mexico has a national annual budget of MXN 3.1 billion, and annual total governmental purchases of MXN 1.5 billion, roughly half of the budget. Data show (Mexican Government, 2010a) that from January to May 2010, CompraNet recorded 23 953 public procurement procedures for a total transaction amount of MXN 209 847 million. These figures show a decrease of 23.9% in the number of related procedures recorded in the same period in 2009 and a 43.8% increase in the financial amount of transactions. The reduction in the number of procedures is explained by the increase in competitive bidding to reduce the invitation to at least three suppliers and by the process of direct awards; 82.1% of amounts was realised through public bidding, 16.8% through direct awards, and 1.1% by invitation sent to at least three suppliers.

In June 2010, CompraNet version 5.0 was released. The new version of CompraNet seeks to promote savings and enhance the efficiency of public expenditures. With the new system, the Mexican Government expects to achieve savings up to 10% or 15% of the public spending in procurement, services and public works (World Bank, 2008; *Asesoría del Centro de Investigación y Docencia Económicas*, A.C., 2008). As a result, financial resources can be freed up to be invested in programmes of higher impact, such as those related to social services and infrastructure development.

For example, the government estimates that the 1% savings (i.e. MXN 10 000 million) could equal:

- 15 housing units of 192 apartments each;
- 25 centres and houses of culture;
- 32 sewage plants;
- 2 000 cargo vehicles;
- 20 units of general practitioners and 10 general hospitals;
- 50 000 personal computers;
- 15 public libraries;
- 60 bridges;
- 40 schools of technological education;
- 35 kilometres of electronic transmission lines of 400kV power;
- 300 kilometres of roads and 2-lane roads.

The new system will also help to improve the quality of the supply management departments and agencies, to strengthen transparency and accountability, and to favour the use of electronic procurement. There are interesting examples of public purchases (e.g. medical equipment at IMSS – Mexican Social Security Institute) that show significant reductions of prices.

The new version of CompraNet establishes a Single Register of Suppliers and Contractors and a single classifier for goods and services for procurement. Additionally, the new version converts the system into a transactional system which will enable users to: carry out full electronic procurement procedures, organise and classify historical information on the procedures for monitoring and evaluation purposes, and receive agile quotes online.

The law related to the new procurement system includes new procedures such as reverse auction.[19] Reverse auctions may enable users to obtain more favourable pricing, reduce cycle times and lower overall supply costs. As a result, they can lead to substantial savings. Authorities at the local government level have welcomed the deployment of the fully transactional system. In fact, even though the system is currently compulsory only at the federal level, a large number of states and municipalities also use it to promote higher transparency of their operations. In taking the necessary steps to upgrade the e-procurement system, Mexico followed OECD best practices, some of which are described below.

The Italian E-Procurement Platform

In February 2011, Consip, the central purchasing body of the Italian public administrations, launched the new edition of *www.acquistinretepa.it*, the national e-procurement platform for the purchasing of public goods and services. Consip operates the system on behalf of the Ministry of Economy and Finance. With the new platform, which has been completely re-vamped and enriched with new and more advanced functionalities, the government aims to increase the overall efficiency and performance of public procurement.

The major functional innovations of the newly launched platform are:

- comprehensive coverage of e-procurement functionalities (end-to-end platform);
- a more tailor-made system that provides customised responses to specific and additional users' needs (both buyers and sellers), and allows for the creation of a "personal area" for each user;
- a unique and integrated electronic catalogue; the platform supports all e-procurement tools introduced by EU Directive 18/2004/EC (i.e. framework agreements, dynamic purchasing systems, e-marketplaces, e-auctions). In order to make it easier for buyers, the platform has a unique catalogue in which the user can search for products, compare quality and cost, compare bids and store all the research activity carried out;
- the provision of two simplified ways to buy (direct order from the e-catalogue or request for quotations for more customised bids) and a unique "e-bay-like" shopping cart;
- a more advanced search engine to easily spot the most appropriate and suitable product or service;

- more effective and efficient user support through online help, videos and clips to guide the user through the different procurement phases, and a dedicated help desk;
- a section containing general information in English, to be further developed.

Apart from the new interface and the new functionalities, the major innovation consists in Consip's greater capability to support change management and innovation. In fact, the migration from a "market" solution to a fully "custom" home-made solution has allowed Consip to be flexible and autonomous, fully and totally capable of following changes in the legislation, and changes in end-user requirement. Being owners of a "custom" solution also means being able to allow other public administrations to reuse it by "copying it" in their own environment or using it as a service. The ownership of the platform has had a significant impact on Consip's internal organisation. Among other things, it has required Consip staff to acquire new technical skills internally that were previously provided by the private sector.

Consip received a 2009 European e-Government Award, under the category "e-Government empowering business", in recognition of the fact that the platform is an instrument that facilitates interaction with businesses and allowed even the smallest micro-enterprises to benefit from the electronic procurement tools during the economic crisis. For example, one of the tools offered on the platform is the MEPA, public electronic marketplace (*Mercato elettronico della Pubblica Amministrazione*). More than 1.3 million product items are offered on the MEPA by more than 5 000 SMEs, which makes it one of the largest European electronic marketplaces for the public administration.[20]

Korea's e-procurement service: KONEPS

KONEPS, the cyber market for the public sector established in Korea, has led to some widely recognised results which have granted it the status of best practice of public reform achieved through e-procurement worldwide. The e-procurement system has indeed greatly enhanced efficiency and transparency through reform of related laws and regulations, introduction of market competition, improvement of face-to-face contacts between government officials and procuring contractors, prevention of abuse of power by government officials, guarantee of administrative appeal for customers, reduction of paperwork, systematic management of documents, publication of information, sharing and co-use of information, publication of civil petition processing, and integrated management of resources.

In particular:

- The system increased the overall efficiency of public procurement by enabling all bidding procedures to be processed online in a one-stop process. Businesses and public institutions were able to reduce their procurement costs by KRW 4.5 trillion (USD 4.5 billion) in 2005, and the bidding time was drastically reduced from half a day to one minute. As a result, 93% of all bids and more than 99% of all purchases were already processed online in 2007. The revitalisation of the market economy through e-procurement has also produced intangible values, such as advances in the national economy and public confidence in the government administration.

- The continuous effort by the public procurement service and the appropriate support by the central government have greatly contributed to the successful reform of procurement administration.
- The system enhanced transparency by opening bidding and contract information, and by making available real-time checking of procurement processing. Transparency in procurement processes, and increased accountability of responsible government officials, have greatly contributed to regaining public confidence from citizens dissatisfied with procurement administration due to public corruption.
- Electronic processing of all procurement procedures – from bidding notice through payment – has reduced face-to-face meetings, prevented submission of overlapping documents through sharing and co-use of information, ensured data accuracy, enabled quick handling of civil petitions and complaints, prevented the development of duplicative projects, and provided statistical data for policy decisions.

Korea's e-Procurement Service, was awarded the UN Public Service Award in 2003, was recognised as the Best Practice Model for e-Procurement in 2004, and received the Global IT Excellence Award from the World Information Technology and Services Alliance (WITSA) in 2006 in recognition of its IT-based public service reform.

Single Register of Federal Public Administration's Contractors

The Mexican Government developed a single register to consolidate the information from federal government contractors. The guidelines for the implementation of the system form part of the new audit manual, one of the nine published in 2010 as part of the administrative simplification efforts.

Electronic Journals of Public Works (BeOpen)

This tool provides access to information and supports transparency, control and monitoring of public works projects funded with federal resources. From September 2009 to June 2010 the following results were produced: 144 courses were held and attended by 3 403 persons belonging to 39 entities and/or dependencies. Also, 3 991 logins were effectuated and log notes rose to 59 320.

The Single Register of Accredited Persons (RUPA)

The Single Register of Accredited Persons (RUPA) (RUPA, n.d.) helps reduce the time to manage procedures and services for the benefit of individuals and entities by assigning individuals a unique and confidential identification number (based on the Federal Registry of Taxpayers), which qualifies legal persons, when required by public agencies or bodies.[21] The identification number allows users to prove their legal status to the agencies and entities of the federal public administration, when required by management procedures, to secure governmental services. As of December 2010, (RUPA, n.d.) there were 315 single points of contact for registrations throughout the Mexican republic, through which more than 7 101 different applications were received and handled for business representation, mainly in the automotive industry, textile, manufacturing, make-up industry, and trading.

The RUPA has registered 8 400 IDs, of which 650 are legal entities (these are cumulative figures since 4 July 2004 when the register became operational).[22] The trained civil servants of the federal public administration captured, reviewed, validated and certified the records of more than 900 legal entities. The RUPA will be integrated into the Citizen Portal to facilitate exchange of information across the federal public administration. This is an excellent example of the Mexican Government's efforts to increase interoperability.

Federal Normateca

This website, freely accessible to the public, publishes normative documents of general nature related to the operation and functioning of departments and agencies of the federal government, with the aim to increase the transparency of governmental activities and facilitate consultation of applicable regulations.

Between 1 January and 31 August 2010, 755 current regulations were registered and classified by subject (e.g. main areas are transparency, budget, personal services, procurement and public works, goods and real estate).

The automatic email update service on published regulations amassed 27 297 subscribers, and an average of 42 819 queries were answered monthly. The User Satisfaction Survey of Federal *Normateca* – using the Customer Satisfaction Index[23] methodology developed by the University of Michigan – indicated that in the period between September 2009 and August 2010, the satisfactory rating reached 75 points on a scale of 100. The criteria considered positively in the survey by users are content, functionality, image and interactivity of the Federal *Normateca*.

Internal Normateca

As part of the Internal Regulatory Improvement System – based on the programme Improving Special Federal Civil Service 2008-2012 (PMG) and on the Regulatory Improvement Base Zero committed by Mexican President Felipe Calderón Hinojosa on the occasion of the "Third Report of the Government" and with the aim reduce and simplify regulations at the federal government level – in 2009, the number of internal administrative rules was decreased in 102 federal government institutions that have adopted Internal *Normateca*. (The regulations fell from 8 867 in December 2008 to 5 499 in December 2009; as a result 3 368 regulations were merged and eliminated). In 2010 the Ministry of Public Administration decided to begin consolidation of Internal *Normateca* with the Federal *Normateca* aiming to establish a single point of entry for all federal regulations. The project is expected to be completed at the end of 2011.

Registry of Sanctioned Public Servants

The Ministry of Public Administration, in compliance with the order of the federal Law of Administrative Responsibilities of Public Servants, established the Registry of Sanctioned Public Servants,[24] by which data on sanctions are registered and published. This enables users to find out if public servants in the departments and agencies of the federal public administration and the Attorney General's Office have previously breached obligations in the performance of their jobs, positions or commissions. The register may be consulted by the general public.

This project represents a concrete example of the government's intention to translate open government into a real opportunity to increase transparency and facilitate civil society's access to information concerning the public administration's activities.

Registro Unico de Vivienda (RUV)

Online systems also include the single national housing registry (*Registro Unico de Vivienda* – RUV), available through the portal *www.micasa.gob.mx*.[25]

The register functions as a single window, or a one-stop shop, that enables unique registration of housing supply in which private actors integrate housing information. The Institute of the National Housing Fund for Workers (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores* – INFONAVIT) (Mexican Government, n.d.) obtains the information necessary for their operation processes, while the financial intermediaries obtain the information needed to support business decisions. Private and public agencies have a system of information that is sufficient, accurate and timely. The registry also allows standardising and integrating the registration processes of supply, construction progresses, quality of housing, and real estate valuation in the mortgage market – including processes that involve local authorities.

The ultimate objective is to implement a process of registration in the housing market for verification and evaluation of quality housing that is agile, systematic, generally approved, and transparent to the financial control, and which allows for the integration of business processes while maintaining their independence.

By implementing this system, the Mexican Government facilitated the realisation of a number of benefits. These include supporting planning and decision-making processes that are more accurate for all actors thanks to the comprehensive housing information. The system also enables a reliable database and updated information for housing developments, which provides for more timely promotion and management. The RUV also improves security and reduces risk by compiling comprehensive information on housing. It promotes institutional synergies and eliminates redundant costs by streamlining business processes. Finally, the RUV encourages the final consumer to provide information on housing supply, quality and commercial value.

Declaranet

The patrimonial declaration of public servants has its antecedents in the former Law on the Responsibilities of Officials and Employees of the Federation, published in the *Official Gazette* on 21 February 1940; it established that before taking up an assignment, any official or public employee should declare their real estate properties and deposits with credit institutions so that the public prosecutor could compare the properties before and after entering and performing the public service. Also, when applicable, public servants must present the layman's tax declaration. With the creation of the Secretariat of the Comptroller General of the Federation on 29 December 1982, the Ministry of Public Administration was empowered to keep track of assets of public servants. From 1982 until 2001, the statements were filled in and delivered in paper form. With the entry into force of the federal Law on Administrative Responsibilities of Public Servants on 13 March 2002, the Ministry of Public Administration – through the Digital Government Unit – developed a software tool for the reception of public servants' assets declarations known as Declaranet (Mexican Government, n.d.).

In 2010, the web-enabling of the application allowed users to:

- centralise the control of the assets declarations' versions released for production;
- ensure efficient maintenance of the records to register the statements (mainly offices and posts);
- allow public servants to submit their statements from anywhere, without installing software;
- enable searches of the returns information provided by to the user who submitted the statement;
- consult statistics and query information online.

The development of the latest version of Declaranet was based on software that is iterative, architecture-centric and driven by concrete use experiences.

International Trade Single Window in Mexico

Under the trade facilitation initiative, the Mexican Government implemented the International Trade Single Window. The aim is to foster the implementation of the trade facilitation programme to simplify import, export and transit-related operations. Through the trade single window, Mexico aims to increase efficiency through cost and time savings for international traders, which will reduce government costs and simplify procedures.

With the implementation of the International Trade Single Window, Mexico expects to enable cross-border traders to submit all required regulatory documents – such as customs declarations, import and export permits and similar types of documents, e.g. certificates of origin and trading invoices. With the electronic single window, traders will no longer have to deal with multiple government agencies in multiple locations in order to obtain the documents required for clearance processes.

In developing the International Trade Single Window, Mexico adopted the common definition presented by the UN/CEFACT: "A facility that allows parties involved in trade and transport to lodge standardised information and documents with a single entry point to fulfil all import, export and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once."

The Mexican Government assigned the project for the development and implementation of the Mexican trade single window through a public international tender on 28 October 2010. The single window will be implemented in three phases, and all relevant ministries and agencies that deal with cross-border trade authorisations will be involved. On 14 January 2011, President Felipe Calderón issued the Decree[26] for the Establishment of the Trade Single Window; the concerned governmental ministries and agencies are mandated to comply with the aforementioned dates by implementing and incorporating into the electronic single window all the relevant information and technology systems required.[27] The decree also created an inter-agency governance body for the implementation of the single window project co-ordinated by the Ministry of the Economy.

By September 2011, both the General Customs Administration and the Ministry of the Economy will be operating their foreign trade procedures in the single window environment and the remaining ministries – i.e. Health, Agriculture, Environment, National Defence, Energy, and Education – are expected to do the same by June 2012.

Maximising e-government projects' benefits

The richness of projects is proof of the Mexican Government's commitment to progress in the development of e-government. As the government looks into conceiving a new generation of e-government projects, which will take full advantage of the opportunities provided by new technologies, a strengthened focus on sharing solutions and systems would enable stronger synergies and allow programmes to reach higher efficiencies while avoiding effort duplication.

Furthermore, in a context where the government is investing considerable resources to further develop ICT systems, it is important that the right measures are in place to assess and show the value and benefits produced by these public investments, both in terms of processes (e.g. policy making, co-ordination) and results (i.e. delivery of goods and services).

In this regard, the experience of other OECD member countries, such as the United Kingdom and the United States, could be inspirational for Mexico: these countries have undertaken a review of the most critical ICT projects, for relevance and budget. The fundamental idea is to track progress and spot under-performing systems to suspend, re-scope or re-work them. As a result, spending can be scaled-back and cuts achieved. The aim is not to eliminate projects, but rather to make them work better and faster, and to ensure that they produce the expected value in order to increase efficiency and save resources. Additionally, possibilities to further simplify, standardise and automate can be identified in order to improve the overall infrastructure landscape for government ICT.

Such an exercise can also help to identify weakness in the capacity to run, manage and oversee projects, and to better understand if and how projects meet the internal requirements of the public administration. Subsequently, CIOs can obtain better insight on specific needs and also be guided in re-writing the rules for all IT acquisitions. This exercise could also make it easier to identify the best suppliers, to increase transparency and comparability, to support the Government cloud and to create an open market for ICT software and services in government, encouraging the re-use as well as the compliance and higher involvement of SMEs.

In addition to the need to ensure effective and efficient project implementation, a number of stakeholders also raised concerns that funding mechanisms and the right skills are in place for the selection and approval of ICT projects.

In the interviewees' view, the fact that each ministry has its own ICT budget creates some barriers to the efficient and effective management of the resources available for e-government in Mexico. Prior to the 2006 Austerity Decree, the ICT budget was more fragmented than it is now. It was indeed more dispersed throughout public institutions, where small parts of the budget were assigned to each business unit. The Austerity Decree has improved the situation by concentrating budgets at the ICT units within every ministry.

Even though this enables the flexibility and agility needed to develop and finance individual e-government projects in areas under the responsibility of specific ministries, it can lead to some budgetary rigidity for the funding of government-wide projects and prevent shared funding arrangements. As indicated earlier in this chapter, funding mechanisms can play a pivotal role in hindering or facilitating co-ordination within and across levels of government in relation to specific projects and initiatives.

Box 2.7. Saving on government IT spending and driving sustainable improvements across governments in the United States

Aware that many government IT projects cost end up costing more than they should, and that it took longer than necessary for solutions that were technologically obsolete to be deployed and delivered, in the summer of 2010, the US administration reviewed 26 high-priority projects that were either over budget, behind schedule or at high risk for the kinds of problems commonly plaguing large IT efforts. The review resulted in the following:

- one project was terminated entirely;
- seven projects were placed on an accelerated track for the delivery of meaningful functionality;
- eight projects were scoped back to increase the likelihood of successes, and the budget reduced in the process.

As a result, the life-cycle cost was reduced by USD 1.3 billion and the time to deliver functionalities was cut down by more than half, i.e. from two to three years down to an average of eight months. The review aimed to prove that the administration could improve overall IT performance on a project-by-project basis. But even more relevant is how the overall exercise has led the administration to draw conclusions and lessons to identify the structural changes required to drive sustainable improvements across government. The results of the review were used to define some major steps that will catalyse a fundamental reform of federal IT, which is seen by the American administration as essential to improving the effectiveness and efficiency of the federal government. A new 25 Point Implementation Plan to Reform the Federal IT Management is expected to fundamentally change how the government buys and manages IT.

Some highlights of the plan include:

- turn around or terminate at least one-third of underperforming projects in the IT portfolio within a timeframe of 18 months;
- shift to a "Cloud First" policy (each agency will identify 3 "must-move" services within a period of 3 months and move one of those services to the Cloud within 12 months and the remaining within 18 months);
- reduce the number of federal data centres by at least 800 by 2015;
- only approve funding of major IT programmes that: have a dedicated programme manager and fully staffed, integrated programme team; use a modular approach with customer-facing functionality delivered every six months, use specialised IT acquisition professionals;
- work with Congress to: consolidate commodity, IT funding under the agency CIOs and develop flexible budget models that align with modular development.

Source: United States Government (2010), "Saving Money on Government IT", The White House Blog, Washington, DC, *www.whitehouse.gov/blog/2010/12/10/saving-money-government-it.*

A budgetary framework that accounts for the shared responsibility inherent in many e-government projects is crucial to sustain efficient implementation of e-government. As an example, it can help prevent duplication of systems or the deployment of redundant projects in public agencies; it can facilitate measurement of the overall costs of developing new systems, and it can improve the monitoring of transversal benefits. In the longer run, it can provide the basis to develop new funding cases and can sustain the

overall efforts of the Mexican Government to enhance interoperability and increase co-ordination at the federal government level.

Keeping operational budgets within the ministries and, when applicable, making use of the new procurement law that allows for general contracts to be established for homogenous goods could be an option. Additionally, in order to remove existing budgetary barriers, and to establish a framework enabling efficient allocation of public resources to sustain smart, flexible and accountable investment decisions, in full respect of national practices and tradition, the Mexican Government could consider the possibility of creating an ICT fund aimed to support the development of government-wide projects, or joint projects. This could support the adoption of strategic decisions and choices and foster the development of strategic cross-governmental projects, benefitting the improved internal management of resources and supporting the delivery of integrated services.

Box 2.8. Danish Fund for Innovative Projects Nationwide

The Danish Fund for Assistive Technology, i.e. the PWT Foundation (DKK 3 billion for the period 2009-15), previously known as the ABT Fund, aims at co-financing investments in projects that seek to employ new technology and innovative ways of working and structuring organisations. Public institutions can, alone or in partnership with private firms, seek co-financing for projects that support less labour-intensive working practices within the public sector. The aim of the fund is to realise a profit bigger than the initial investment of approximately EUR 400 million by 2015 in labour-saving solutions (e.g. telemedicine, e-government, robot technology and automation, technology use to improve the social care sector, as well as working procedures). There are various reasons behind the Danish Government's decision to focus on the use of labour-saving technologies in the public sector. Denmark is facing the same demographic challenge of an ageing population as other OECD member countries, i.e. there will be fewer public sector employees and more elderly people for the welfare state to take care of. Additionally, the Danes have increasingly higher expectations regarding the quality of the public services provided. Finally, the government is fully aware of its need to adopt new solutions to maintain the current level of public service provision to citizens and businesses. The rationale behind the fund is to pilot projects that are to be implemented nationally in a later phase. In order to do so, it is necessary to gather a sufficient amount of data on the projects to convince Local Government Denmark or Danish regions that the ideas are good and should be implemented nationwide.

Source: OECD (2010), *Denmark: Efficient e-Government for Smarter Public Service Delivery*, OECD e-Government Studies, OECD Publishing, Paris, doi: 10.1787/9789264087118-en.

Finally, according to some of the stakeholders from various parts of the federal public administration interviewed in July 2010, the fact that decisions on project approval are taken by the high level policy makers, or top level management, which does not always seem to have the right "e" competencies, may also limit the maximisation of government ICT efforts.

Box 2.9. The Australian Gateway review process

The Gateway is a project review process at key decision points (referred to as Gates) that focuses on the key issues that are important to the project at that stage of its life. Gateway reviews are conducted by independent reviewers – people not associated with the project itself. The cost of engaging reviewers is met by the Ministry of Finance. Gateway reviewers come from the public and private sectors and are selected for their skills and experience. The Gateway review was conceived as an interactive and co-operative process involving the Gateway review team, the SRO and the project team. It is neither an audit nor intended to be onerous on the sponsoring agency (i.e. the review should not require new documentation to be produced – it focuses on information already developed and the project can continue while the review is being conducted). Review reports are confidential, high level, evidence based, constructive and action oriented. They identify issues and recommendations that can contribute to the governance, assurance and overall success of the project. They provide an overall assessment of delivery confidence for the project at the "Gate" being assessed, as well as an indication of how critical its recommendations are. A red/amber/green rating is used to indicate the overall assessment of delivery confidence for the project. An enhanced notification process is in place so that, if a project is experiencing problems, early remedial intervention can occur. In this case, the Finance Secretary writes to the relevant agency chief executive to advise that the Gateway review team has raised concerns. He asks the agency to consider appropriate escalation action, including advising the relevant minister and the Secretaries of the Department of the Prime Minister and Cabinet and Finance, and further investigating the findings through separate in-depth inquiry or review. Enhanced notification applies throughout the project life cycle and is triggered by incidences of red or sequential amber ratings. Gateway has been used in the United Kingdom since 2000 and in the Australian Government since 2006. Participants in these jurisdictions confirm that applying Gateway improves project delivery. Gateway strengthens the governance of major projects and helps agencies to deliver projects on time, within budget and in accordance with stated objectives. Some key benefits for agencies include:

- better alignment of service delivery with the government's desired outcomes and available funds;
- access to the knowledge of highly experienced peers;
- improved accuracy in planning;
- improved allocation of skills and resources;
- improved procurement and contract management processes;
- improved risk management;
- reduced time and cost over-runs;
- increased supplier confidence;
- greater assurance that the project can progress to the next stage of development or implementation;
- increased competence and valuable development opportunities for individuals involved in reviews;
- dissemination of better practice techniques across the public sector, leading to enhanced project management awareness and skills; and
- enhanced agency awareness, responsibility and accountability through open, targeted and honest communication.

Source: Australian Department of Finance and Deregulation (2009), "Gateway Review Process – Gateway Brochure", Commonwealth of Australia, *www.finance.gov.au/publications/gateway-publications/brochure.html*, accessed 22 March 2011.

Box 2.10. Australia's ICT Two Pass business case

In 2008, the Government of Australia introduced a Two Pass Review process to obtain better information to support its decisions on major investments in ICT-enabled project proposals. The process is expected to better position agencies for the Gateway review processes. Proposals are subject to the ICT Two Pass Review process if they:

- are ICT-enabled (i.e. the policy or service delivery outcomes are highly dependent on the underpinning ICT system);
- have a total cost estimated to be AUD 30 million or more, including ICT costs of at least AUD 10 million; and
- involve high risk in terms of cost, technical complexity, workforce capacity or schedule. The government may also apply the process to other proposals it considers would benefit from the review.

First pass business cases

The purpose of the first pass business case is to provide the Cabinet with the information it needs to decide whether to give first pass approval to major ICT-enabled project proposals that are subject to ICT Two Pass Review. The first pass business case supports the sponsoring minister's Cabinet submission seeking first pass approval for a proposal. The government considers the first pass business cases and decides whether to: agree in principle, subject to a second pass business case refer the proposal back to the agency for refinement, ask for the proposal to return in the next budget as a first pass business case, or reject the proposal. An objective of the first pass review is to minimise the use of agencies' resources on developing a proposal prior to the government's initial consideration.

Second pass business case

At second pass, agencies develop the business case for the second pass review by the government. The second pass business case includes detailed cost assessments and risk mitigation strategies. The cost estimates are based on rigorous planning in terms of the scale and features of the ICT infrastructure applications and support required, including non-binding, tender-quality estimates from the private sector where appropriate. Agencies must comply with the second pass business case requirements and the ICT business case guide when completing the second pass business case template and costing spreadsheet.

The government considers the second pass business case and decides whether to: approve a second pass business case for implementation, consider the proposal in the next budget, or reject the proposal.

Source: Department of Finance and Deregulation (n.d.), "ICT Two Pass Review", Commonwealth of Australia, *www.finance.gov.au/budget/ict-investment-framework/two-pass-review.html*, accessed 22 March 2011.

Reduction of administrative and substantive internal regulations

The sections below highlight the major initiatives undertaken by the Mexican authorities to improve ICT-related regulations.

Manual Administrativo de Aplicación General en Materia de Tecnologías de la Información y Comunicaciones (MAAGTIC)

On 2 September 2009, within the framework of the Third State of the Union, President Felipe Calderon committed to undertake a wide-ranging regulatory reform in order to make citizens' lives easier, to increase competitiveness, and facilitate economic and social development. As part of this effort, the Ministry of Public Administration launched a strategy to simplify and standardise the procedures associated with the internal administrative measures, through the adoption of nine manuals of general application within the federal public administration; the handbooks lay out its processes to facilitate the operation of the spending departments and agencies. The manuals, which were published in the *Official Journal of the Federation* during the months of July and August 2010, aim to regulate matters of acquisitions, leases and services of public sector, public works and related services, human resources, financial resources, material resources, information technology and communication, transparency, audit and internal control (see Chapter 1 for more information).

In total, since the beginning of Regulatory Reform Zero Base (Reforma Regulatoria Base Cero) by early 2011, 9 600 existing administrative regulations within the federal public administration were eliminated from a total of 14 374. Of the administrative rules eliminated 1 192 rules related to ICT. The *Manual on Information and Communication Technologies*[28] (MAAGTIC) was released on 13 July 2010[29] and entered into force on 20 August 2010 – after which its application became compulsory for the whole public administration at the federal level. The manual sets out the mandatory administrative provisions related to information and communication technology for the agencies of the federal public administration and, where appropriate, for the Attorney General's Office.

The manual aims to define and harmonise the activities conducted by the departments and agencies of the federal public administration in the area of ICT, to establish standard indicators that enable measurement of the results achieved in ICT management, to ensure the use of best practices to achieve higher efficiencies in institutional activities and processes, and to increase citizens' satisfaction and quality of services. The *ICT Manual* contains the strategy to define the activities of 30 processes and ranges from the digital agenda to internal activities as well as activities for the development of the technological infrastructure, from activities of individual and professional development, to the systematisation of procedures and services to the citizenry.

With the entry into force of the manual on ICT, the government aims specifically to:

- generate resource savings for citizens, businesses and the country through the supply of automated digital services, procedures and processes;
- increase the effectiveness of public agencies by improving the governmental digital readiness;
- encourage governmental transparency.

In light of fiscal restrictions and economic austerity, the initiative undertaken by the Government of Mexico to achieve administrative simplification and improve the quality of the regulatory context in relation to ICTs and other areas, needs to be praised. The overall aim is to foster better internal processes, achieve savings, improve transparency and enhance public service delivery. The publication of nine manuals of general application complements the actions which aim to simplify services and procedures which affect citizens and businesses (e.g. such as the portal *www. tuempresa.gob.mx*). By

eliminating redundancies, favouring standardisation and increasing clarity, the *Manual on ICT* has the potential to support a more effective, efficient and consistent use of ICT to improve the internal operational functioning of the public administration, as well as the interaction between the latter and the Mexican citizenry and businesses.

By standardising processes and procedures, the application of the *ICT Manual* will facilitate the achievement of economic and time savings, but will also require greater integration of operations, databases and systems among the different entities of the federal public administration. Hence, this initiative will also lead to very important changes from the organisational, structural and technological perspectives. The horizontal nature of this initiative and the involvement of different relevant players in the implementation of the changes it fosters in the ICT area will require constant political leadership and commitment in the various ministries, departments and agencies.

The manuals are a crucial point of departure – not only to support standardisation and definition of norms, but also to enhance integration and thus reinforce co-ordination in order to ensure an optimisation of systems already in place and of the development of new ones. The key point will be to ensure the right level of institutional capacity, as well as a supporting plan for implementation of the manuals. The manuals can help the government use ICT in a way that supports the reform of the public sector and increases efficiency and transparency. As such, the manuals help the government move towards the right direction, although they are not an individual isolated effort.

Project for the homologation of IT regulation

In 2008, the Ministry of Economy, the Mexican Internet Association (AMIPCI)[30] and the National Chamber of Electronic Industry, Telecommunications and Information Technology (CANIETI) launched the Institutional Strengthening and Improvement of the Legal, Regulatory and Sectoral Policies project. Administered through the Program Development Software Industry (Prosoft), it included a comprehensive review of the states' regulatory frameworks and policies. The project focused on the institutional strengthening and improvement of the legal, regulatory and sectoral policies in order to promote co-ordination *vis-à-vis* the regulatory and legal reform, to generate approximation of targeted results, and to boost legislative harmonisation and thus foster legislative uniformity across levels of government. Specifically, the programme aimed to study the regulatory, legal and national sectoral policies. The project was divided into five phases (the last to be completed by 2012), and envisaged the execution of proposals to revise the regulatory, legal and policy framework at the federal level.

Specific purposes of the project were:

- analysis and monitoring of legislation, regulations and programmes at the state and federal levels, in order to determine the degree of progress towards the development of IT;
- update information from jurisdictions that have experienced waivers, modifications, additions, alterations;
- train more local public officials on the legal aspects of IT;
- induce concrete policy changes to promote electronic commerce and the development of ICT in general.

The study revised a total number of 12 249 measures, between laws (e.g. codes, statutes) and regulations (e.g. decrees, agreements, rules) in the 31 states and at the federal level. So far, the study has enabled the identification of three main problems:

- the heterogeneity in the formats of the normative sources;
- the different stages of legal and regulatory development at the various levels of government;
- dissimilarity of concerns at the state level.

The way ahead envisages:

- the establishment of a permanent link between the Ministry of Economy and AMIPCI to ensure the constant exchange of information on project developments;
- the further development of institutional co-ordination;
- the improvement of the web content on the institutional work, role and initiatives;
- increased awareness of key normative concepts concerning legal changes through the support of the Congress;
- contributions to the development of the digital agenda.

The web-based database, which was established as a part of the study and is constantly updated, is considered a very useful tool that compiles all provisions of the constitutions, laws, regulations and government programmes of the 32 states of the United Mexican States which refer to IT, or those that are omitted in this area. This project complements the wider efforts of the federal government to boost administrative simplification and regulatory harmonisation in the IT area. As a matter of fact, the implementation of this initiative was suspended at the federal level as a result of the publication and adoption of MAAGTIC, which covers almost entirely the objectives of this initiative.

In April 2011, a private consortium comprising all ICT representatives from the ICT industry presented to the federal government their project for a National Digital Agenda[31] to increase the strategic use of ICTs to boost national competitiveness. The proposal, which was defined with wide participation of the industry, the civil society, the legislative power and the academy, was received by the federal government and a formal response is still pending.

Looking ahead: leveraging new e-government services

As indicated previously in this chapter, Mexico is showing a forward-looking strategic approach to ensure the achievement of synergies and the optimal use of new opportunities which will sustain the further development of e-government in the future, as exemplified in the sections below.

The "cloud building" approach

Digital government infrastructures provide generic functionalities that are used by a large number of users. Typically, they have no central authority, are governed by networks, and contain both emerging and purposefully designed parts. The new generation of digital government infrastructures provides not only technological services, such as connectivity and security, but also shared information and knowledge – making it

easier to participate and manage collaboration between public and private parties and between public parties and citizens, advancing digital government.

Mexico, like other OECD member country governments, is facing the challenge to make a connection between ICT investments aimed to develop the e-government infrastructure and social value creation, which is the return on investment citizens and businesses demand; multiplying the value generated by current systems, applications, platforms is another goal. In this context, Mexico undertook a comprehensive review of its e-government strategy and, as a result, identified new opportunities. One of these is related to a new generation of e-government services based on the use of Open Social Standards (OSS).

Current discussions show Mexico's openness towards new phenomena and trends. The government is in fact considering developing cloud infrastructure and services to enhance performance and reduce the overall cost of deployment, ownership and management, as well as to take advantage of the new technologies and the social network phenomenon. The idea is to increase the number of applications created in the cloud and facilitate public institutions' access to them. The platform created in the cloud should facilitate access to services, as well as content distribution, among all levels of government. The expected end result should be better use of resources, enhanced co-operation and sharing, and improved service delivery.

Mexico looked into opportunities provided by new technologies in alignment with the strategic pillars of its e-government digital agenda:

- enhance public institutions' capacity through improvements in operational efficiency to support construction and protection of public and common goods;
- improve access to public and common goods by reducing transaction costs between government and citizens;
- build interoperable information structures that abide by the definition of information public goods, or info-structure (Viniegra, 2010). The latter objective is aligned with the definition of information as public goods.[32]

In economics, the long-standing framework for classifying goods and services for policy purposes is called the Theory of Public Expenditure. Proposed by Paul A. Samuelson in 1954, it states that all services and goods can be classified according to the levels of exclusion and rivalry associated with each kind of good, where exclusion means that there are physical or legal barriers to access a good, and rivalry means that once a unit of a good is consumed there is less of it for the rest of the consumers. Examples of types of goods can be seen in Table 2.4.

Table 2.4. **Public and common goods**

	Low exclusion	High exclusion
High rivalry	Common goods: Forests, fishing banks, rivers and lagoons	Private goods: Apples, cars, computers, clothing
Low rivalry	Public goods: National defence, public health, air	Club goods: Copyright-protected information

Source: Viniegra (2011), "Leveraging New E-Government Services through the Open Social Standard", *Business Intelligence Advisory Service Executive Update,* 10(12), Cutter Consortium, Arlington.

The theoretical approach adopted by the Mexican Government considered the conceptualisation of new projects that relate to as many as possible of these pillars.

Hence, the solution should meet the following criteria:

- enable the government to develop its own cloud environment;
- function as social network technology (e.g. evolve through bottom-up approach, establish a federated and collaborative environment of systems and information, or interoperability; its evolution is in the hands of the users, based on semantic functionality and interoperability);
- enhance public institutions' capacity;
- reduce transaction costs;
- be non-capital-intensive;
- be regarded as an interoperable information public goods.

The government decided to adopt a "cloud building" approach and looked into open standards supported by major industry players to reduce initial investments. The focus has been on building a robust legal framework to support a new generation of e-government services, setting up a federated architecture of social network technology, and easing development through established application programming interfaces to support a simple and straightforward approach for new application development that would allow 200 federal institutions to converge quickly and obtain more value from existing assets.

This approach was used to support the development of a project aimed at renewing Mexico's Citizen Portal. The project is structured in two phases:

- Phase 1: the basic service will change from channel and directory driven to search driven. All government websites will be indexed by semantic search technology.

  The back end of this service will allow for gap analysis between citizens' information needs and government's supply. It will also enable better communications through the use of sponsored links that respond to specific needs.

- Phase 2: during this phase, the new portal will allow self-service enrolment into the National Digital Identity Registry (NDIR) via Advanced Digital Signature, which works with the Tax Revenue Service and is related to the National Population Database. This phase will be accompanied by the release of the National Interoperability Scheme, whereby, among other things, a significant change is expected to be a shift in the information sharing philosophy from "need to know" to "duty to share". Information will be available to institutions through secure services so that federal agencies will not ask citizens for information already captured in their digital identities.

Once citizens sign in with the digital identity, they will be allowed to subscribe to different services provided by the participating government agencies to be developed through the national interoperability solution (API). Hence, the citizens' identity will be unified across all government agencies.

The acquisition process ended on 9 May 2011. Phase 1 is expected to be released in June 2011 and Phase 2 will be rolled out in August 2011.

Box 2.11. Ensuring co-ordination between institutions and across levels of government through the Administrative e-Service Directory (DVDV) in Germany

The DVDV lists electronically available e-government services and fulfils an important need in terms of creating a secure and reliable communication infrastructure, based exclusively on open Internet protocols and allowing cross-organisational, paperless processes. In operation since January 2007, it has helped more than 5 200 German civil registration agencies save more than EUR 1 million per month. Worldwide, it is one of the first and largest standardised service oriented architecture (SOA) implementations in the government area, and was made possible through unique co-operation between various levels of government and sectors in the federal republic of Germany. The DVDV's range of applicability is not limited to civil registration, but is open to any kind of communication with and between public administrations in Germany (G2B, G2G). Besides civil registration communication, the DVDV also supports processes, e.g. in tax administration and justice.

Source: European Commission (n.d.), "German Administration Services Directory", European Union, *www.epractice.eu/cases/dvdv*, accessed 22 March 2011.

The government expects the project to transform the government portal into a new piece of the national info-structure, spawning a new generation of government services. The use of Open Social Standards as an enabling technology to support the distributed social networking approach will also sustain the engagement and support of private sector leaders.

The project follows OECD best practice in the area, and has a great potential to increase internal operational efficiency as well as the efficiency of service delivery. Many public government organisations ignore the fact that they are dependent on others for the development of ICT projects and that needed functionalities might already have been developed by other organisations. As a result, individual decision makers frequently make local design decisions, which may influence further developments, or waste resources. This project will enable the policy makers and decision makers to obtain a better understanding of the dependencies involved in the delivery of the various services, as well as of the inter-dependencies among operations, systems and processes.

The API and the development of new applications to help government agencies work inside the portal, or in conjunction with NDIR applications, will enable the sharing of information and operations among federal government agencies. As systems and databases become increasingly obsolete and redundant (e.g. those dealing with identity and a citizen's location), the project will provide the opportunity to streamline and eliminate them in order to reduce the total costs of ownership and operation.

Service delivery is thus expected to become more convenient for the users who can access multiple services through a one-stop shop and will not have to provide their information more than once. Internal operational efficiency is also expected to increase, while transaction costs will decrease and ease and convenience of access to services will be improved.

The government also expects that the adoption of a social network architecture, where valid identities are contained, will sustain formal interactions among participants where valuable economic and legal interaction may take place. Finally, a potential impact may be systemic changes in the e-government landscape, where the social network component of the ICT ecosystem could become a new driving force.

Box 2.12. Cloud computing

In the United States, the Obama Administration has been willing to change the way business is done in the federal administration, bringing a new sense of responsibility to how taxpayer dollars are managed, and to boost innovation and technology to improve performance and lower the cost of government operations. The United States Government is the world's largest consumer of information technology, spending over USD 76 billion annually on more than 10 000 different systems. Fragmentation of systems, poor project execution, and the drag of legacy technology in the federal government have presented barriers to achieving the productivity and performance gains found when technology is deployed effectively in the private sector. In September 2009, the American Government announced the federal government's Cloud Computing Initiative. The American Government adopted the National Institute of Standards and Technology (NIST)'s definition of cloud computing: a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g. networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction. This cloud model promotes availability and is composed of essential characteristics, deployment models and various service models. Cloud computing is seen as having the potential to greatly reduce waste, increase data centre efficiency and utilisation rates, and lower operating costs. As the United States moves to the cloud, the government wants to emphasise vigilance in the efforts to ensure that the standards are in place for a cloud computing environment that provides for security of government information, protects the privacy of citizens and safeguards national security interests.

Source: Kundra, Vivek (2010), "State of Public Sector Cloud Computing", United States Chief Information Officers' Council, May, *www.cio.gov/documents/StateOfCloudComputingReport-FINALv3_508.pdf*.

The potential of mobile government

The Government of Mexico recognises the relevance of m-government as an extension of e-government and, as such, as an emerging opportunity to enhance the use of information and communication technology (ICT) in the public sector through the utilisation of mobile technologies for public service delivery. The public sector in Mexico offers an increasing variety of applications for mobile devices, both online and offline, to bring its services to the population. While some of these applications have been developed to provide alternatives to existing modes of service delivery, others have emerged with very innovative or specific purposes.

At the federal level, a good example of mobile services are those offered by Infonavit, which allows users to access a wealth of information (e.g. how to obtain a credit or the latest savings for housing and employer contributions to the workers, pre-qualification, contest rewards, credit balance), make inquiries, obtain weekly figures for loans granted by the Infonavit, consult credit options, receive news on agreements with other institutions, get rewards and discounts, receive SMS with specifically requested information through their mobile phones; it enables its personnel to use mobile technology for some of the daily job-related activities.[33]

At the local level, the state Government of Jalisco[34] enables citizens, through mobile phones, to access information on procedures and services; to learn about social development; to access the officials' directory; to obtain an overview of the state government; to access a mailbox for comments, questions and suggestions; and the state

Government of Veracruz[35] seem to be offering a large variety and number of mobile applications and services at the local level in Mexico (Becerra Pozas, 2010).

The existing mobile government applications offer three types of services:

- Informative services: through these applications, governments provide information for free for all audiences collectively (through a web page tailored for viewing on mobile devices) or only for individuals (through internal and exclusive systems).
- Interactive services: citizens must send text messages (keywords to a specific telephone number) to receive the requested information on the mobile device, and the service can either be at a charge or given for free (e.g. information on archaeological and historic sites that can be obtained by audio or text message). This is the category where there is the greatest number and variety of available applications.
- Transaction services: citizens make payments to a bank to obtain these services. They can do it from anywhere and at anytime. They only need to download a specific application on the mobile device. These services are still little used by the governments.

In consideration of m-government's potential to reach vulnerable groups of the population and to increase the efficiency, effectiveness, convenience and responsiveness of service delivery, it is important for the Mexican Government to look into the possibility of further exploiting the potential in this area. The wide acceptance and use of mobile technologies by the public, and the higher penetration of mobile devices, provide an important background. However, as the number of mobile applications offered by the government increases, it will be important for the government to develop a government framework incorporating the following principles: interoperability, security, openness, flexibility and scalability. The framework should also address main challenges from the organisational (e.g. leadership, legal issues, strategic vision supporting the development in this area), governance (e.g. accountability, users' participation in the identification of services to be provided via mobile technology) and social (e.g. users' awareness, pricing, trust, security, usability) perspectives.

OECD experiences in implementing mobile government[36]

Improving national judiciary services in Turkey

The Turkish SMS judicial information system, officially called National Judiciary Informatics System (UYAP), (Turkish Government, n.d.) provides services for citizens and lawyers which enable them to receive SMS messages containing legal information on ongoing cases, dates of court hearings, the latest changes in cases and suits. Although SMS do not replace official notification, they provide timely provision of information to the parties, who can then take necessary measures without delays and thus prevent deprivation of legal rights.

The Turkish Constitution states that judicial tasks should be maintained in a swift and economic manner. In addition, better and easier access to justice is included as a fundamental priority in the Accession Partnership of the EU. UYAP increases the quality of legal services by reducing the budget, ensuring utmost availability of information and helping to prevent red tape. For citizens and lawyers, it is not necessary to travel to courthouses to get information on a case's status or to find out the date of a hearing;

hence, they can save time and money. The system will be integrated with e-government applications of other state departments to enable citizens to be informed instantly about all other public services. For example, the plan is to integrate it with the security forces' electronic system. When a wanted person enters a hospital, pharmacy, airport or rail station and makes any transaction with their system, the nearest police station will be alerted by SMS and show the person's geographical position. Criminal records and birth registration needed to take up public employment will be sent to citizen's mobile phones.

This m-government application has the potential to transform the vision of judicial organs from a conservative state demanding information from individuals to a modern state swiftly providing information to them so as to prevent unjust treatment and irregularities. Use of this system makes the justice system more efficient and transparent, engendering greater public trust and confidence in the judiciary and respect for the rule of law. SMS information system applications have become a key method for reaching citizens living in remote areas and promoting communications. The ability to reach people living in rural areas, which are numerous in Turkey, may be considered as an important feature of the system.

Facilitating and furthering secure usage of m- and e-government services in Estonia

The Mobile-ID service[37] is a collection of organisational and technical measures to create strong, seamless digital identity for internet users. To use Mobile-ID, users must acquire the special SIM card available by mobile operators. For stronger security, the user needs to activate the service on a website with his Estonian ID card, and the Mobile-ID is then ready to be used on any compatible website for authentication and digital signature. The service is implemented according to Public Key Infrastructure (PKI). The service was launched by mobile operator EMT in co-operation with CA AS Sertifitseerimiskeskus, and the whole initiative is led by the Ministry of Economic Affairs and Communications. The main driver of this project was the fact that Estonia's mobile market penetration exceeds 100%. Mobile broadband access services, as well as mobile content and applications, are readily available to underpin future revenue growth. In implementing the Mobile-ID, compliance with Directive 1999/93/EC and the subsequent Estonian Digital Signature Law was ensured. The main impact is for users, as the log-in (authentication) process is more convenient and compatible between websites. This service has shown real value in furthering secure usage of m- and e-services. Both ID cards and mobile phones are handy devices that most people have with them at all times, and with this application the use of e-government services can be enhanced while security-related concerns may be minimised to a great extent. There is no more queuing, no bribes, no forms in triplicate and no need to plead a case to several administrators. The benefit for service providers is that the authentication process is highly secure and low cost.

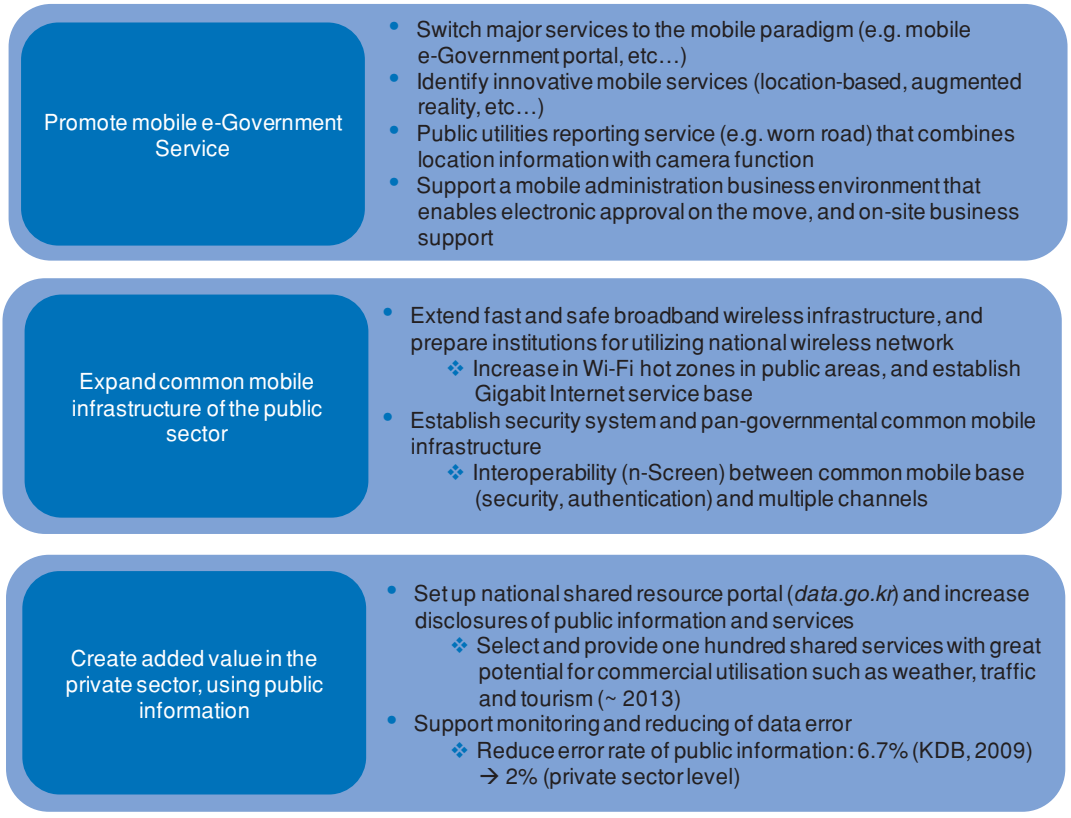
Maximising the potential of m-government in Korea

The Government of Korea is increasingly focusing on the development of m-government, in recognition of the high level of mobile penetration and, most recently, of the explosion in the use of smart phone devices. This changing context is indeed paving the way to many applications that run on smart phones and bypass the web portal.

Specifically, the Korean agenda – which aims to establish one of the world's leading mobile governments – includes advances in services, administrative works and infrastructures to support mobile government. The agenda envisages:

- promoting mobile government service, which includes providing the major services widely used by the general public and constructing a mobile environment which is business friendly;
- expanding the common mobile infrastructure for the public sector, e.g. the broadband infrastructure will be upgraded for wireless services;
- enabling public and private organisations to use more public information to create more value in services they deliver to the advantage of the citizens.

Figure 2.8. **M-government objectives in Korea**



Source: The Government of Korea.

Addressing the needs of disabled citizens in OECD member countries[38]

The Police Service of Northern Ireland operates an emergency SMS text message registration scheme to help individuals with certain disabilities to contact them in an emergency. This service also enables police to pass along requests for assistance to the fire and ambulance services.

Similarly, in West Midland (United Kingdom), if deaf citizens or citizens with hearing difficulties have a problem, they send a message to central police mobile number. This service is meant for registered citizens whose information has been given to police.

The first service of such type in Great Britain received an award from the prestigious global GSM Association in 2003: Best Use of Wireless for Accessibility.

In case of hazardous/toxic fire or other threat, the deaf citizens of Amsterdam receive an SMS message accompanying the siren (e.g. go home, close windows and doors.)

Simplifying tax returns through mobile government in OECD member countries

The Norwegian Inland Revenue is giving Norwegians the chance to complete their tax returns by text message. It applies to taxpayers who have no changes to make to the form they receive in the mail. In 2002, 1.5 million Norwegian taxpayers returned the form unchanged. In 2003, they could simply send a text message with a code word, their identity number and a pin code instead.

Sweden's national tax authority sends a pre-completed form to taxpayers, calculating how much they owe. All they need to do is agree to the assessment – by post, phone, Internet or text message. In 2004 over 90 000 of Sweden's 7 million taxpayers chose to do so by mobile phone. The citizens have an incentive to use electronic channels because it would cost them SEK 6 (about USD 0.50) to submit by mail. It was calculated that every approval filed electronically saves SEK 13 (about USD 1.60).

The Spanish Tax Agency provides a similar service. The tax authority sends a pre-completed form to every taxpayer who asks for it. In 2010, 110 508 taxpayers chose the mobile phone as the channel to confirm the pre-completed form. Due to the fact that the income tax drafts can be fully processed online, in the first two days of the 2011 tax income campaign in Spain, 635 000 drafts, or Internet tax data, were downloaded; 160 000 pre-filled tax forms were confirmed; and more than 63 000 refunds were issued to taxpayers. These numbers represent a quantum leap over the previous year. Dealing exclusively over the Internet allows drafts to be obtained in real time, thus substantially improving service, anticipating taxpayers' refunds, and assuming important economic and environmental savings in the absence of the need to print and distribute forms. In May 2011, the distribution of paper forms to taxpayers who choose to wait will begin. The wide acceptance of the system, and its widespread use by the citizens, who increasingly use e-government, caused some saturation in the early hours of the campaign, during which the public administration received over 100 requests per minute.

Fostering open government

The issue of transparency is led by the federal Institute for the Access to Public Information (IFAI), which is an autonomous constitutional body currently focusing on implementing the Law on Protection of Personal Data in Mexico, which involves regulations concerning the private and public sectors, as well as the individuals. The adoption of the above-mentioned new law, which has a scope among the broader in the world, shows the commitment of the Mexican Government towards transparency and access to public information.

The intention of the Government of Mexico is to further proceed in the implementation of open government through the collaboration of the Ministry of Public Administration and IFAI to adopt a general standard for the publication and access to government information in accordance with the principles of open government. Finally, the Government of Mexico sees the release of the National Interoperability Scheme, earlier described in this chapter, as a key milestone paving the way to the adoption of the principles of open government through the mechanisms for the publication of technical

standards, particularly as the process is expected to take place in conjunction with IFAI, the academia and industry in a participatory manner.

The first steps adopted in this regard by Mexico are moving towards the right direction, particularly as the government intends to ensure a collaborative and participatory approach in the implementation of a comprehensive set of measures and initiatives to sustain open government development which brings together the various stakeholders.

Conclusions and key recommendations

OECD member country governments worldwide are facing tough budget challenges, which, in turn, are making resources for information and communication technologies in the public sector ever more scarce. Hence, all face a pressing need to maximise the usefulness of existing or new ICT projects, purchases or contracts; to increase interoperability and integration of systems and databases to achieve higher efficiencies and better use of resources; and to show they are using e-government to perform better, deliver better services and prove their results.

Furthermore, as society increasingly operates in an e-world that moves beyond the Internet and online application processes, governments are increasing the use of new technologies to change the way the public sector operates internally and interacts with citizens and business. Social networks, mobile government and cloud computing solutions are some of the contemporary trends governments are eagerly trying to engage and use to maximise efficiency of internal operations and service delivery.

In such a context, and in line with previous administrations, the federal Government of Mexico continues to show a strong commitment to exploiting information and communication technology (ICT) to improve the internal management of the public administration, provide better services and easier access to information, increase accountability and transparency, and strengthen citizens' participation.

This is being accomplished by:

- embracing an innovative approach: broadening the vision and taking advantage of new technologies;
- boosting interoperability and integration of ICT systems in the federal public administration;
- assessing and measuring results and performance;
- strengthening the institutional and governance frameworks and promoting effective co-ordination.

This chapter highlights successful actions taken by the federal Government of Mexico, or specific projects it has implemented, which exemplify its efforts and related achievements to: support greater e-government integration (e.g. Federal Inventory System, International Trade Single Window, Integration of RUPA in the Citizens' Portal) and interoperability (e.g. Interoperability Scheme, RUPA, RUV), increase effective co-ordination and institutional support (e.g. changes made in relation to the CIDGE), establish an adequate legal and regulatory framework to enable the desired changes (e.g. MAAGTIC, a number of decrees), define a Digital Agenda for the federal public administration to increase the use and spread the benefits of ICT, and enhance and

measure the performance of the federal public administration (e.g. Evaluation Model) in innovative ways (e.g. adopting the cloud-building approach).

The Mexican Government believes indeed through new opportunities, and by broadening the vision and underlying concepts, governments can go beyond being users of ICTs and become driving forces within the new technological landscape, while providing a new generation of e-government services. Mexico's recent experience in exploring ideas related to cloud computing and social networks show that the country is among the OECD member countries that have embraced innovative approaches and applied them to concrete projects to maximise the value of new technologies. The federal Government of Mexico is indeed trying to be innovative with the clear purpose to ensure that the adoption of new technologies is not only a casual trend, but produces systemic changes that will have a far-reaching impact.

The following recommendations aim to provide the federal government with ideas on actions that it could take to secure the long-term sustainability of the achieved results and to ensure the development of the most adequate environment to fully reap the benefits of Mexico's strategic and innovative approach. This will support the progress of the Mexican Government towards increased operational efficiency and effectiveness, and improved service delivery.

Ensure effective co-ordination and collaboration to support concrete progress in the development and implementation of e-government projects and related initiatives.

Important efforts have been made to increase the effectiveness of the Commission for the Development of Electronic Government (CIDGE) in relation to a number of its tasks. However, the Government of Mexico could **consider reinforcing the role of the CIDGE as the body responsible for ensuring the co-ordination in the use of ICT within the federal public administration and for promoting the establishment of mechanisms for co-ordination and collaboration among the federal authorities, the governments of the states and the municipalities.** Strengthening its decisional powers, for instance, could help reinforce its role and increase the impact of its actions. This can be particularly beneficial, as the wide context of the Digital Agenda in Mexico seems indeed to be characterised by a number of exchange/co-ordination committees (or similar bodies) established within the frameworks of the various ICT-related strategies.

As the Government of Mexico wishes to move towards increased integration and interoperability of systems and platforms, having a clear visionary direction will not be sufficient to guarantee results; effective co-ordination and collaboration among the different ministries and public entities to promote the exchange of information and experiences, and to strengthen the analysis of common issues and the development of joint e-government and ICT projects, will be required. Collaboration and co-ordination at the federal level, and between the federal government and the local authorities, becomes crucial in order to achieve real integration of efforts, to produce real benefits for the citizens, and to ensure overall more balanced e-government development across the whole public sector.

Ensure even development of the digital maturity of public sector organisations across and within levels of government to enhance the overall government competitiveness.

Overall, federal public institutions in Mexico show a good level of digital maturity, which is the result of more than a decade of national investment in e-government, of a sound strategic approach and of the commitment shown by the political leadership. However, **ensuring that a wider number of public entities reach at least an intermediate level of digital maturity will be essential to support the government's efforts to foster integration and interoperability, and to ensure that public organisations and civil servants are positioned and equipped to fully take advantage of a more advanced digital environment.**

As a result, the government could count on a higher number of organisations capable to actively participate in an integrated environment. This would enable improved service delivery in the front office in a number of domains, thanks to higher integration in the back office. To this end, it would be advisable for the Government of Mexico **to extend the analysis based on the Evaluation Model for Digital Government to all agencies of the federal public administration and to the levels of government**.

This would help in mapping the level of digital maturity across the whole public administration and acquiring a more comprehensive understanding of the efforts needed to bring the digital maturity of the whole system to a more even level, in order to ensure effective implementation of the policies aimed at improving integrated service delivery. The results of the analysis could be utilised to conceive a strategy and a plan of action to address specific needs in terms of digital maturity and institutional capacity within the federal public administration (e.g. strengthen the functions and raise the level of knowledge of the ICT owners to enhance their participation in the strategies of their agency), as well as at the state and municipality levels. The federal government can play a significant role in assisting the municipalities and states with less advanced levels of e-government development to access and adopt national or international good practices.

Enable the Ministry of Public Administration to fully reap the benefits and maximise the results of ICT projects within the federal public administration.

As new systems, applications and platforms are being developed, it is crucial to avoid duplication and rationalise the use of public resources to boost integration and interoperability. To this end, PETIC is a helpful tool for standardising ICT to maximise the usefulness of existing or new systems and to facilitate interoperability and integration of systems and databases. However, to optimise the realisation of ICT projects' benefits, the Government of Mexico could consider a number of actions:

1. **Complementing the use of PETIC with other instruments and tools, such as business case models**. Developing, adopting and applying a business case model embedding a wide set of criteria (e.g. efficiency gains in administrative processes, achievable savings, effective management, innovative and integrated solutions) may help to deliver a financial overview and allow the government to compare the planned value and objectives with the estimated costs and investments, and/or appraise the role of innovative technology deployment to achieve a broad set of benefits and improve service delivery. Systemic and consistent use of a business case methodology driven by a broader view by all

levels of government can also lead to increased efficiency gains in wider societal terms.

2. **Reviewing the funding arrangements and mechanisms for ICT and e-government projects to improve the budgetary framework and remove existing barriers.** A budgetary framework that accounts for the shared responsibility inherent in many e-government projects is crucial to sustain efficient implementation of e-government, especially as the government is hoping to increase IT integration. For example, it can help prevent the duplication of systems or the deployment of redundant ones in public agencies; it can facilitate measuring the overall costs of developing new systems; and it can improve the monitoring of transversal benefits. In the longer run, it can provide the basis to develop new funding cases, and can sustain the overall efforts of the Mexican Government to enhance interoperability and increase co-ordination at the federal government level.
3. **Ensuring the right levels of "e" skills, digital knowledge and institutional capacity** in the body responsible for approving e-government projects to back up the selection and endorsement of the most desirable projects.
4. **Leveraging existing applications to accelerate the automation process** by facilitating the scaling up and/or replication and/or transfer of systems and applications when possible, and sharing good practices and experiences across levels of government (e.g. support the replication/transfer of good systems/practices developed at the federal level to the state levels) to avoid duplication of efforts and investments. Compranet, Tramitanet, FIEL and RUPA are examples of transversal e-government services, where the participation of states and municipalities should be increased; this can lead to considerable savings in terms of time and of financial and human resources. These are excellent examples that could be replicated, as they sustain further integration and interoperability of systems as well as co-ordination.
5. **Monitoring closely, and optimising the use of, the wealth of results, information and evidence acquired through current projects** (e.g. Federal Inventory System, the new government portal) to identify and better understand inter-dependencies among public entities (i.e. operations, processes, systems) to spot opportunities for systemic change (e.g. transform processes, renovate business models, foster the sharing of platforms and solutions) and discern if needed functionalities have already been developed by other organisations to scale them up, thus avoiding duplications and saving resources. A careful analysis of these data can become an opportunity to streamline and eliminate processes and systems so that the total cost of ownership and operations can be reduced, and to improve the current context.
6. **Increasing the number of services where the advanced digital signature (FIEL) can be used.**

Improve the alignment of the digital government strategy with other relevant ICT strategies.

The overall impression is that the existing co-ordination mechanism hinders the effective linkages and alignment of all ICT related strategies. The existence of the Digital Government Agenda, concurrently with the Digital Agenda of the National System

e-Mexico 2010-2015, where the former has legal status through a ministerial decree and the latter has an unclear legal status, shows that there are pending issues that can become an obstacle to ensure inter-institutional co-ordination when relevant to the implementation of the various strategies, or the achievement of specific objectives which require cross cutting actions.

Effectively linking the digital government agenda with the e-Mexico System objectives and with the Digital Economy Strategy is crucial to ensure sustainable and consistent approaches and objectives, as well as the achievement of results. Some areas of overlapping, and the proliferation of co-ordination bodies gathering similar stakeholders, may endanger the optimal use of available resources, and jeopardise a coherent alignment of objectives and the creation of synergies whenever possible.

Avoiding overlap, but also truly aligning objectives, is pivotal. For example, maximising the results of new e-government services requires the presence of a critical mass of users. Given the high number of Mexicans who still do not use the Internet and are excluded from the digital society, ensuring alignment between the Digital Government Agenda's plan to promote the digitisation of government services and procedures to facilitate access to citizens, and e-Mexico's goal to increase the number of Internet users and reduce the digital divide will be crucial to ensure the desired return on the investments made to improve online service delivery. Enhancing connectivity, developing relevant content and facilitating the access to, and integration of, relevant content through the e-Mexico portal can increase the e-readiness of the Mexican society – and the possibility for citizens to access relevant content and online services, to perform procedures and transactions, thus benefitting the most from the opportunities brought about by the information technology. This will require, however, a coherence of actions and interventions between the two strategies.

Ensuring the collaboration between the Ministry of Public Administration and the IFAI, as already envisaged by the government, to progress in the adoption and implementation of a full set of open government principles will be crucial in the upcoming years to achieve results in this area.

Notes

1. Mexico experienced the most significant drop in global rankings. It fell by 19 positions from the 2008 survey to the 2010 survey and is currently ranked 56th globally. The degeneration of Mexico's e-government is mainly attributed to the much lower score for online services, which dropped from 0.7057 to 0.4413 (UNDESA, 2010a)
2. National Development Plan 2007-2012.
3. E-government is defined by the OECD as "the use of information and communication technologies, and particularly the Internet, as a tool to achieve better government" (OECD, 2003).
4. Agreement CIDGE/2010/015.
5. Agreement CIDGE/2010/017.
6. Available at: *www.eclac.org/socinfo/noticias/noticias/2/32222/White_Book_of_e-Government-.pdf.*
7. Available at: *www.icann.org/en/announcements/operating-principles-lacralo-en.pdf.*
8. Agreement CIDGE/2010/018.
9. Available at: *www.maagtic.gob.mx*.
10. Agreement CICGE/2010/016.
11. The European Interoperability Framework for Pan-European e-Government Service *http://ec.europa.eu/idabc/en/document/3761/5845.html*.
12. See: *www.epractice.eu/cases/ICAR*.
13. METER is a policy advisory tool which helps governments and decision makers at all levels of government worldwide to develop, monitor, upgrade and improve the context in which they use information technologies (ICT) to transform the traditional government into e-government. It also helps to determine and monitor the status of a country in relation to the establishment of an enabling environment for e-government development (UNDESA, n.d.).
14. *Agencia de los Estados Unidos para el Desarrollo Internacional* (USAID), *Director de la Misión Asociación Mexicana de Estándares para el Comercio Electrónico* (AMECE), *Presidente Asociación Mexicana de Internet* (AMIPCI), *Presidente Asociación Mexicana de la Industria de Tecnologías de Información* (AMITI), *Presidente Asociación Mexicana de Profesionales en Informática, A.C.* (AMPI), *Presidente Asociación Nacional de Instituciones de Educación en Informática, A.C.* (ANIEI), *Presidenta Cámara Nacional de la Industria Electrónica de Telecomunicaciones e Informática* (CANIETI), Head of the OECD Centre in Mexico, *Presidente Nacional Centro de la OCDE en México, Representante de la OCDE en México, Comité de Informática de la Administración Pública Estatal y Municipal*

(CIAPEM), *Presidente del Comité Ejecutivo, Instituto Politécnico Nacional* (IPN), *Director General Instituto Tecnológico y de Estudios Superiores de Monterrey* (ITESM), *Rector Universidad Nacional Autónoma de México* (UNAM), *Rector Fundación México Digital, A.C., Presidente Colegio de Ingenieros Mecánicos y Electricistas, A.C., Presidente Centro de Investigación y de Estudios Avanzados del Instituto Politécnico Nacional* (CINVESTAV), Director General *Instituto Tecnológico Autónomo de México* (ITAM), *Rector Universidad Iberoamericana* (IBERO), Rector CIAPEM, *Presidente del Comité Ejecutivo* CONACYT, *Presidente* INFOTEC, *Director Ejecutivo*.

15. The mission of the Digital Mexico Foundation is to work in developing the domestic information technology market with a focus on promoting the adoption of these technologies in specific productive chains. The Government of Mexico sees an opportunity to increase the competitiveness of the economy as a whole and to strengthen the domestic market in the adoption of productive chains. As the chain axis of economic relations between businesses and consumers (supply and demand), the Digital Mexico Foundation will focus on developing best practices and solutions for integration and modernisation of production chains in economic sectors selected for their impact on employment, economic growth and exports. For more information: *www.canieti.org/index.asp?_option_id=13&_option_parent_id=0&_option_level=0.*

16. *Fideicomiso e-Mexico, Reglas de Operacion del Fideicomiso e-Mexico, Primera Sesión del Comité Técnico* (1/2002).

17. For more information, see the section of this chapter on the cloud-building approach.

18. For more information: *www.sat.gob.mx*.

19. A reverse auction is a type of auction in which the roles of buyers and sellers are reversed. In an ordinary auction (also known as a forward auction), buyers compete to obtain a good or service and the price typically increases over time. In a reverse auction, sellers compete to obtain business and prices typically decrease over time.

20. The E-Practice Portal: *www.epractice.eu/en/news/5288547.*

21. The guidelines intended to establish the operating rules for the decentralised departments and agencies of the federal public administration for the receipt, operation and processing of applications for registration to the Single Registry of Accredited Persons (RUPA), made by physical and moral people; as well as their resolution, notification and delivery of records are available at *www.funcionpublica.gob.mx/pt/difusion_disposiciones_juridicas/rupa.html*.

22. These numbers refer to registries related to the Ministry of Public Administration, which has very limited interaction with citizens. The total number of RUPA registries is much higher.

23. The American Customer Satisfaction Index (ACSI) was established in 1994 by the University of Michigan School of Business to provide a new economic indicator tracking the quality of products and services from the perspective of the customer. Countries use ACSI as a leading economic indicator and a predictor of financial performance.

24. For more information: *http://rsps.gob.mx/Sancionados/main.jsp.*

25. A system developed by INFONAVIT, the agency responsible for awarding credit to workers who become home owners. Infonavit has adopted a broad strategy to increase

the use of ICTS, based on the idea of co-ordination and integration among various stakeholders.

26. Decree for the Establishment of the Mexican Digital Single Window for Foreign Trade published on 14 January 2011, in the *Official Gazette.*

27. Decree for the Establishment of the Mexican Digital Single Window for Foreign Trade published on 14 January 2011 in the *Official Gazette.*

28. *www.funcionpublica.gob.mx/images/doctos/prensa/2010/manuales/8-Manual_TIC.pdf, Official Gazette,* 13 July 2010.

29. Agreement Establishing the Adoption of the *Administrative Manual of General Application in the ICT Domain, Official Gazette,* 13 July 2010.

30. The Mexican Internet Association (AMIPCI) was founded in 1999, and includes companies that represent a real influence on the development of the Internet industry in Mexico, *www.amipci.org*.

31. For more information: *www.canieti.org/canieti/enqueestamos.aspx.*

32. In economics, a public good is a good that is non-rival and non-excludable. Non-rivalry means that consumption of the good by one individual does not reduce availability of the good for consumption by others; and non-excludability that no one can be effectively excluded from using the good (Gravelle and Rees, 2004).

33. For more information: *http://portal.infonavit.org.mx/movil*.

34. For more information: *http://mobile.jalisco.gob.mx.*

35. For more information: *http://veracruz.gob.mx.*

36. To read about the main issues concerning mobile government development, and learn about a number of best practices worldwide see OECD (forthcoming), *M-Government: Mobile Technologies for Responsive Governments and Connected Societies*.

37. For more information see: *www.id.ee/10995*

38. This section is based on Rannu, Saksing and Mahlakõiv (2010).

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Chapter 3
The challenges of professionalising public servants in Mexico

Fair, dynamic and strategic management of the public workforce is assumed to be a critical variable for developing a high-performing public sector and building a modern government administration. This chapter analyses the main strengths and windows of opportunity of the Professional Career Service System (Sistema del Servicio Profesional de Carrera) *implemented by the Mexican government to install merit-based personnel policies and practices in the federal central public administration. The discussion includes: strategic workforce planning, provisions for ensuring equity and transparency to access public employment, arrangements for career development and promotion, performance management, and the political-administrative interface. Moreover, the chapter includes a discussion on the elements that would facilitate the implementation of the Professional Career Service system, such as: a focus on core values, the need to align the system to the strategic goals of government, a clear division of human resource management (HRM) responsibilities, and the call to disseminate HRM best practices across the public administration at all levels.*

Introduction

At the request of the Mexican Government, the Public Governance and Territorial Development Directorate of the OECD conducted a peer review of the Professional Career Service of Mexico's central federal public administration. This is important input for Mexico in its search for policy options and technical instruments to improve and consolidate the Professional Career Service. This review does not cover unionised staff or politically appointed officials.

To conduct the review, OECD officials interviewed a number of Mexican civil servants and academics. The government officials represented different levels of responsibility: directors general, chief administration officers, internal comptrollers, HR directors, deputy directors and heads of department. They came from a wide range of ministries – Interior, Public Administration, Finance, Economy, Environment, Foreign Affairs, Energy, Health, Labour, Communications, and Transport – and from other organisations such as the Federal Electoral Institute, the Mexican Social Security Institute, the National Commission for the System for Retirement Savings, the Tax Administration, and the Federal Institute for Access to Information.

The preliminary conclusions and recommendations of this review were presented for discussion to the Public Employment and Management Working Party of the Public Governance Committee during its annual meeting in December 2010. Delegates from Belgium, Estonia, France, Japan, Korea, the Netherlands and Spain provided comments on the Mexican experience.

This is the first time the OECD has conducted a comparative study of Mexico's Professional Career Service. The assessment in this report is based on information gathered during interviews with Mexican officials, academic papers, and discussions with officials from the Ministry of Public Administration. The recommendations are grounded in the experience of OECD member countries.

This chapter is divided into four main parts. First, it presents a snapshot of the Mexican public administration and a description of the Professional Career Service. Second, it analyses the different HR components of the career service, covering the sub-systems that integrate the Professional Career Service. Third, it focuses on the implementation strategy of the reform. Finally, it outlines some proposals for disseminating best HR practice throughout the Mexican public administration. The conclusion includes some proposed actions for the short term.

The Mexican federal public administration

The organisation of the federal public administration – a snapshot

The federal Government of Mexico employs approximately 1.6 million people, not including doctors, teachers, police and military personnel. The President is the head of the government. The federal public administration is divided into centralised and decentralised (*paraestatal*) agencies. The centralised public administration is composed of the Office of the President, which is the apex of the government structure, secretaries of state (ministries), administrative departments, and the Juridical Council of the Executive. Today, central government is composed of 81 institutions, of which 18 are *secretarías* or central government ministries; the Attorney General's Office is another key agency.

Table 3.1. **Ministries of the federal public administration**

Ministries of the federal public administration	
Interior	Agriculture, Cattle, Rural Development, Fishing, and Food Provision
Foreign Affairs	Communications and Transport
National Defence	Public Administration
Navy	Public Education
Public Security	Health
Finance and Public Credit	Labour and Social Provision
Social Development	Land Reform
Environment and Natural Resources	Tourism
Energy	Juridical Council of the Executive
Economy	General Attorney

Source: Organic Law of the Federal Public Administration.

The decentralised (*paraestatal*) public administration includes decentralised organisms, public enterprises, national institutes of credit and public trusts. There are currently 243 federal entities, including decentralised agencies/institutions (101) and public enterprises (142). The most important public enterprise is PEMEX, the national oil company, which produces directly approximately 7% of GDP. The federal government has a role in the provision of most public utilities, such as energy, water, oil and postal services; the annual federal budget includes subsidies for those sectors. Apart from the suppliers of public utilities, the most significant public "entity" is the development banking system. The government owns second-level financial institutions which grant credit for infrastructure projects or the expansion of small or medium-sized enterprises (SMEs). Table 3.2 illustrates the distribution of public servants in the federal public administration, including unionised staff, non-unionised staff and career public servants in both centralised and decentralised entities.

Table 3.2. **Public servants in the federal public administration (2005)**

Concept	Total	%
Total personnel in the federal public administration	1 543 397	100
1) Personnel in the centralised federal public administration	610 509	39.6
Unionised personnel (*base*)	401 323	65.7
Non-unionised personnel (*confianza*)	209 186	34.3
Personnel not part of the Professional Career Service	166 242	79.5
Personnel part of the Professional Career Service	42 944	20.5
Director general	704	1.7
Assistant director general	911	2.1
Deputy director	3 275	7.6
Assistant deputy director	10 121	23.6
Head of department	13 923	32.4
Liaison officer	14 010	32.6
2) Personnel in the decentralised federal public administration (*paraestatal*)	932 888	60.4
Unionised personnel (*base*)	763 712	81.9
Non-unionised personnel (*confianza*)	169 176	18.1

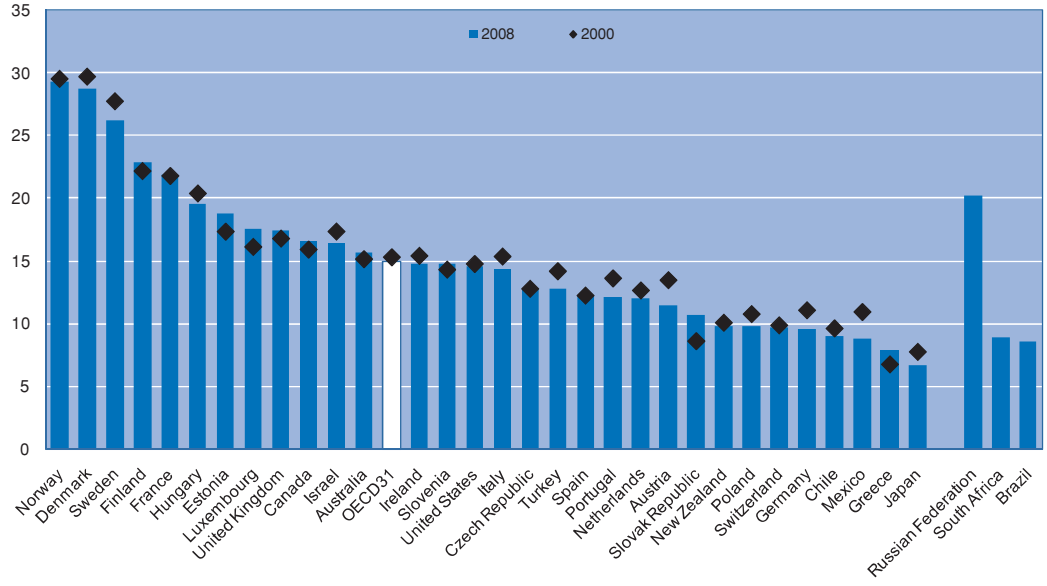
Note: Data refers to 2005, the most recent year for which the Ministry of Public Administration has updated information. Nevertheless, it is presented for illustrative purposes.

Source: Superior Audit Office (*Auditoría Superior de la Federación*) (2006), *Informe sobre la fiscalización de los servicios civiles de carrera en el Estado Federal Mexicano 2000-2006*.

As Figure 3.1 shows, employment in general government as a percentage of the total labour force decreased from 10.9% in 2000 to 8.8% in 2007. Mexico has one of the smallest public workforces among OECD member countries, compared with the OECD

average of 15%. When employees of public corporations are included, the percentage is 10% of the total labour force, still low compared to other OECD member countries. A similar situation can be observed in central government. In 2009 the Mexican central public administration employed 330 632 public servants, an increase of 1.3% compared to the 326 279 public servants employed in 2006.[1] The differences in government employment among OECD member countries reflect different choices on scope, level and delivery of public services.[2] Data suggest that the low levels of public employment in Mexico are due to budgetary measures introduced since 2007 in the annual Federal Budget Expenditure Decree. Policies restricting public services, emphasising the need to control operative expenditure of dependencies and federal entities, have been introduced. In addition, voluntary retirement measures have been adopted in order to reduce the public workforce. This trend may continue in the coming years as a result of organisational restructuring of public institutions. The aim is to create a cheaper and more efficient government through a more professionalised and specialised workforce.

Figure 3.1. **Employment in general government as a % of the labour force (2000 and 2008)**



Data not available for Belgium, Iceland and Korea.

Data for Australia, Chile, Turkey and United States refer to the public sector (general government and public corporations).

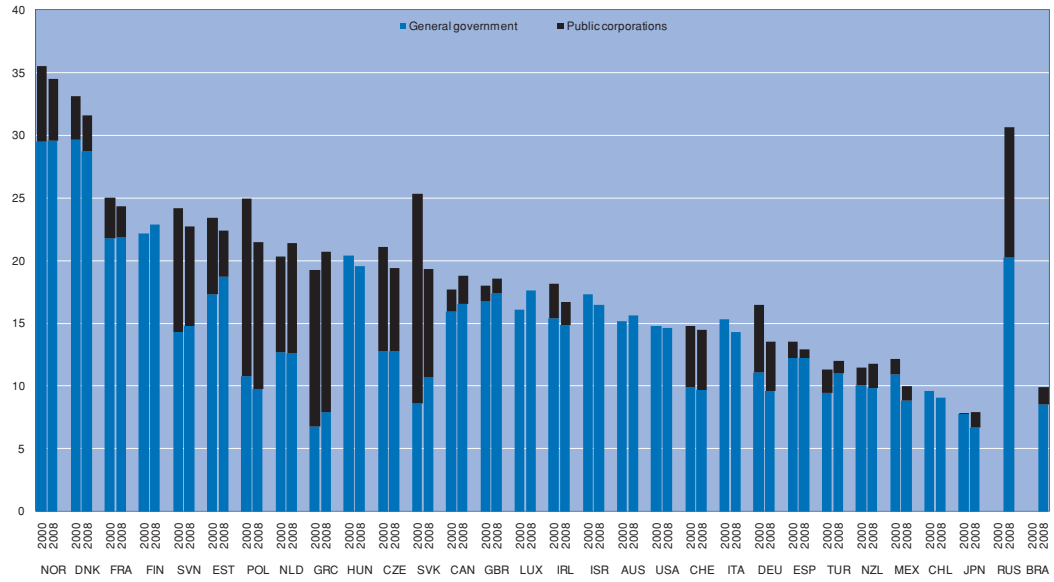
Data for Austria, Czech Republic, Italy, Netherlands, New Zealand and Poland are expressed in full-time equivalent employment.

Finland, Israel, Mexico, Poland, Sweden and Turkey: 2007 instead of 2008. France, Japan, New Zealand and Portugal: 2006 instead of 2008. Russian Federation, 2005 instead of 2008; Brazil and South Africa, 2003 instead of 2008. Ireland, Japan, Luxembourg, Slovenia, Switzerland and Turkey: 2001 instead of 2000.

Data for 2000 not available for Brazil, Russian Federation and South Africa.

Source: International Labour Organisation (ILO), *LABORSTA Database*. Data for Turkey are from the Ministry of Finance and the Turkish Statistical Institute. Data for Japan for employment are from the Establishment and Enterprise Census.

Figure 3.2. **Employment in general government and public corporations as a % of the labour force (2000 and 2008)**



The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Japan: employment is not classified according to SNA definition and is substituted by direct employment by central or sub-central governments. Public corporations refer to incorporated administrative institutions and agencies, including those at the local level, national university corporations, inter-university research institute corporations and Japan Post.

Data are not available for Iceland and Korea.

Data on public corporations for Austria, Belgium, Portugal, Sweden and South Africa are not available and thus these countries are not presented.

Data for Australia, Chile and the United States refer to the public sector (general government and public corporations)

Data for the Czech Republic, Italy, Netherlands, New Zealand and Poland are expressed in full-time equivalents (FTEs). In New Zealand, FTEs in general government are included for education, health and community services and personal and other services.

Czech Republic, Finland, Israel, Mexico, Norway, Poland and Sweden: 2007 instead of 2008. France, Japan and New Zealand: 2006 instead of 2008. Netherlands and Russian Federation: 2005 instead of 2008; Brazil: 2003 instead of 2008. Ireland, Japan, Luxembourg, Slovenia and Switzerland: 2001 instead of 2000.

Data for 2000 not available for Brazil and the Russian Federation.

Source: International Labour Organisation (ILO), *LABORSTA Database*. Data for Turkey are from the Ministry of Finance and the Turkish Statistical Institute. Data for Japan for employment are from the Establishment and Enterprise Census.

Table 3.3. **Employment under the General Employment Framework (GEF) in the central federal public administration (2006 and 2009)**

Group	2006	2009
Top managers	777	858
Middle managers	3 582	4 453
Professionals	19 183	19 201
Secretaries	7 708	12 638
Technical support	295 529	293 482
Total for all employees under the GEF	326 279	330 632

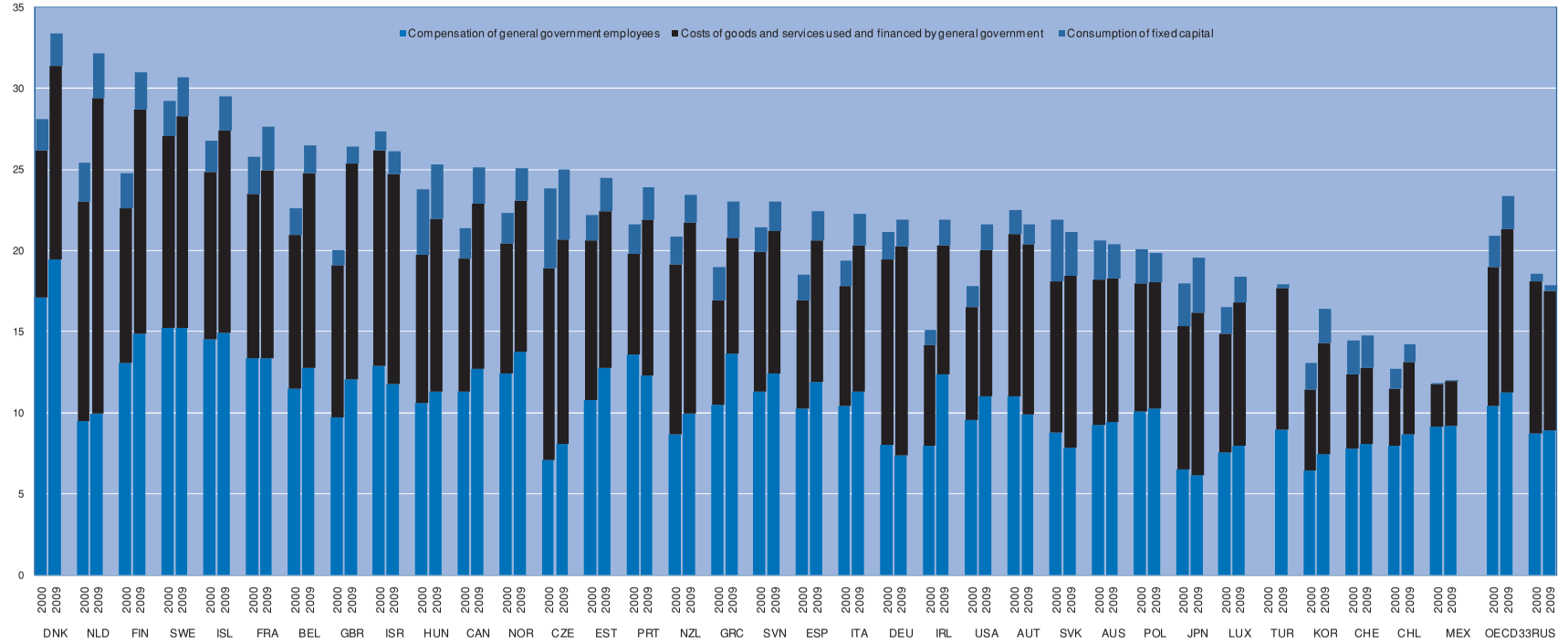
Source: OECD (2010), "OECD Survey on Strategic Human Resources Management in Central/Federal Governments", OECD, Paris, responses from Mexico. Data provided by the Ministry of Public Administration.

Mexico's total production costs of goods and services in the public domain as a percentage of GDP are the lowest among OECD member countries. However, this is not an indication of efficiency gains. Within production costs, compensation of employees is the most significant expense, similar to or higher than other economies with higher production costs. Expenditures for goods and services provided by private market producers to citizens is low compared to other OECD member countries, suggesting that the public service is the most important provider of goods and services. Governments may decrease spending on compensation of government employees by reducing the number of employees and increasing the expenditures allocated to the private sector for the delivery of services in the public domain.[3]

The employees of the federal government are divided into two categories: unionised affiliation (*base*) and free appointment (*confianza*). While unionised affiliation – generally reserved for administrative and technical personnel – implies a significant level of stability, free appointment refers mostly to higher positions with shorter term contracts. There are important differences regarding the level of professionalisation, performance and bureaucratic culture between the two categories of public employees, *base* and *confianza*. Unionised workers generally perform more administrative tasks and have weaker levels of professionalisation. Moreover, the career-based civil service is undeveloped in the decentralised institutions and at the sub-national level: only a few administrations at the state level have implemented it, and even less at the municipal level.

Contrary to the situation in most OECD member countries (Figure 3.4), Mexico is not affected by an ageing public sector workforce. Between 2005 and 2009 the percentage of public employees over age 50 decreased from 37% to approximately 27%. This may be due to changes in the *confianza* group but, as Figure 3.5 shows, the public service still has a higher percentage of workers aged over 50 than the total labour force. Mexico may not be facing the same challenges to maintain capacity as other countries, and younger generations still consider the public service an attractive employer. Nonetheless, the recent increase in the number of public employees over 50, which occurred over a 4-year period, may cause problems in terms of capacity – less for numbers of employees than for experience and institutional memory.

Figure 3.3. **Production costs as a % of GDP (2000 and 2009)**



The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

2000 data for Turkey are not available and this country is not included in the average (OECD33).

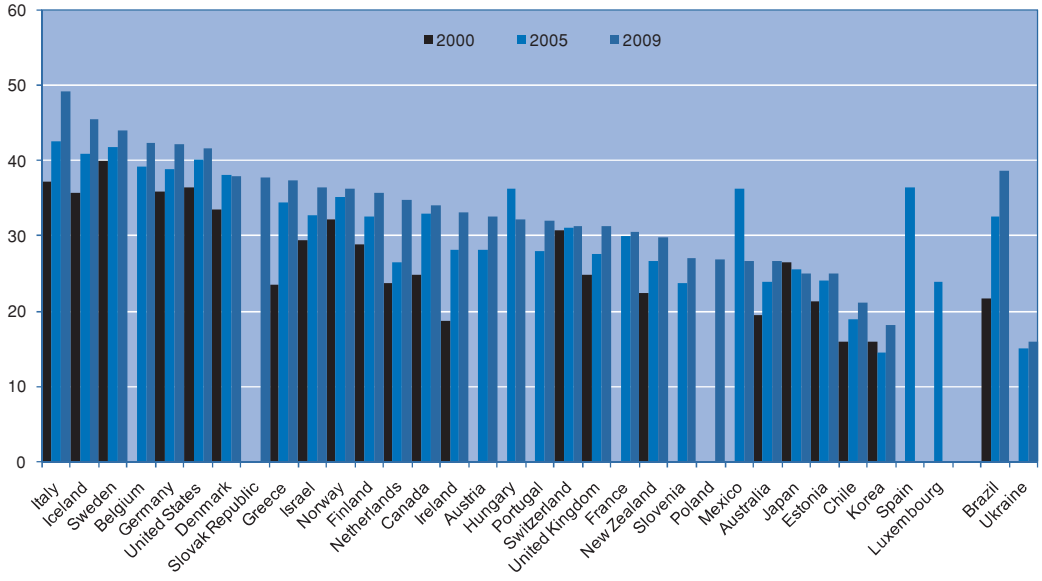
Costs of goods and services financed by general government are not available for Chile in 2000.

Australia, Japan, Korea and New Zealand: 2008 instead of 2009. Mexico: 2003 instead of 2000. Russian Federation: 2008 instead of 2009, 2002 instead of 2000.

Data for Australia are based on a combination of Government Finance Statistics and National Accounts data provided by the Australian Bureau of Statistics. Data extracted on 28 February 2011 (Chile on 30 March 2011).

Source: OECD National Accounts Statistics.

Figure 3.4. **Percentage of central government employees aged 50 years or older (2000, 2005 and 2009)**



The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Data are not available for the Czech Republic, Russian Federation and Turkey. Data are not available for Austria, Belgium, France, Hungary, Luxembourg, Mexico, Poland, Portugal, Slovenia, Spain and Ukraine for 2000. Data are not available for France and Poland for 2005. Data are not available for Luxembourg and Spain for 2009.

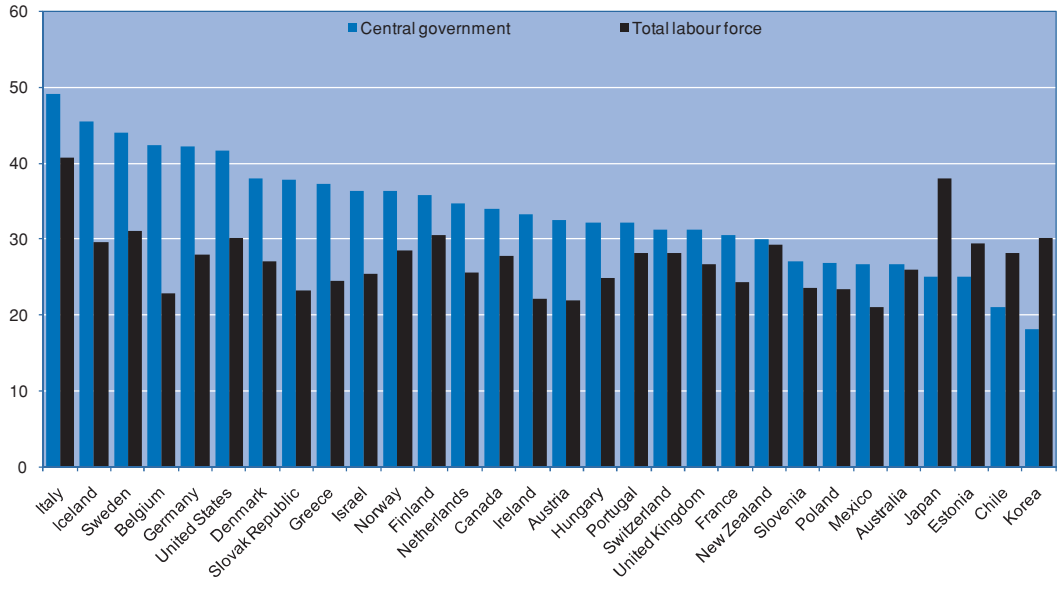
Data for Italy are for 2001 instead of 2000. Data for Korea are for 1998 instead of 2000. Data for Switzerland are for 2002 instead of 2000. Data for Austria, Mexico and Norway are for 2006 instead of 2005. Data for Korea are for 2003 instead of 2005. Data for the United States are for 2004 instead of 2005. Data for Brazil, Italy, Japan and Korea are for 2008 instead of 2009. Data for Portugal are for 2010 instead of 2009.

For Brazil, Estonia and Hungary, the data represent the percentage of government employees over 51 years old. For Chile, data represent the percentage of government employees over 55 years old.

Source: OECD (2010), "OECD Survey on Strategic Human Resources Management in Central/Federal Governments", OECD, Paris.

Compared to other OECD member countries, Mexico has one of the highest levels of women in senior government positions, approximately 35% approximately (see Figure 3.6). Equal opportunities for women to enter into the public workforce do not seem to be a problem in OECD member countries;[4] however, they do seem to face challenges in attaining senior-level positions. Women generally occupy administrative positions rather than managerial posts.

Figure 3.5. **Percentage of employees aged 50 years or older in central government and the total labour force (2009)**



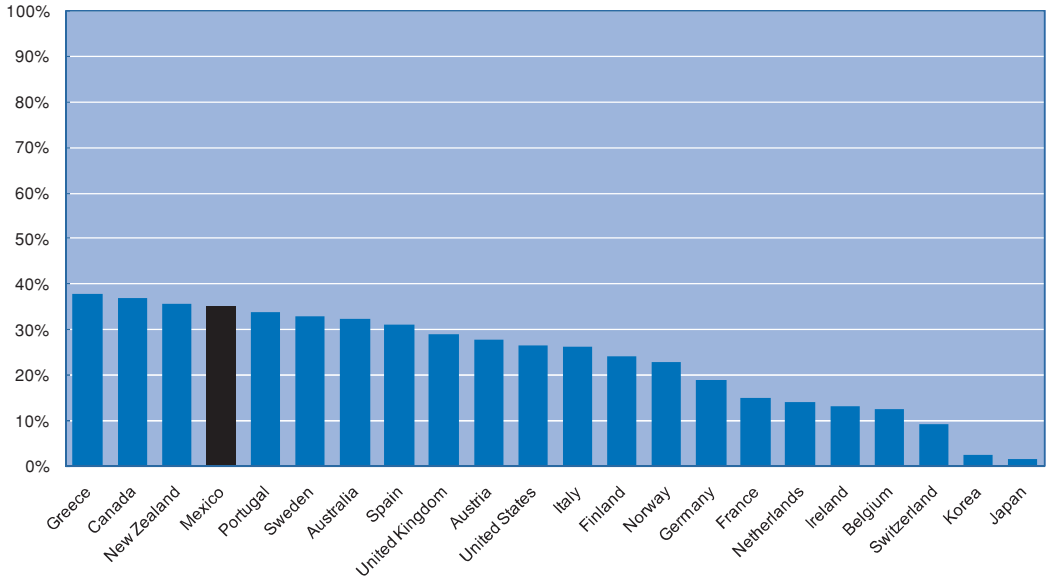
The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Data are not available for the Czech Republic, Luxembourg, Spain, Turkey and the Russian Federation. Data for Brazil, Japan, Italy and Korea are for 2008 instead of 2009. Data for Portugal are for 2010 instead of 2009. For Brazil, Estonia and Hungary, the data represent the percentage of government employees aged over 51 years. For Chile, data represent the percentage of government employees aged over 55 years.

Total labour force data for Israel refer to 2008. Data are not presented for Brazil and Ukraine as total labour force data are not available.

Source: OECD (2010), "OECD Survey on Strategic Human Resources Management in Central/Federal Governments", OECD, Paris and *OECD Labour Force Statistics Database.*

Figure 3.6. **Percentage of senior positions in central government filled by women (2005)**



Data not available for the Czech Republic, Denmark, Hungary, Iceland, Luxembourg, Poland, the Slovak Republic and Turkey. Data for Italy are for 2003. Data for Ireland are for 2001. Data for Austria are for 2006. Data for Spain refer to the number of women in *alto cargo* (senior) positions (not including ministers and state secretaries) as well as career officials at levels 28-30.

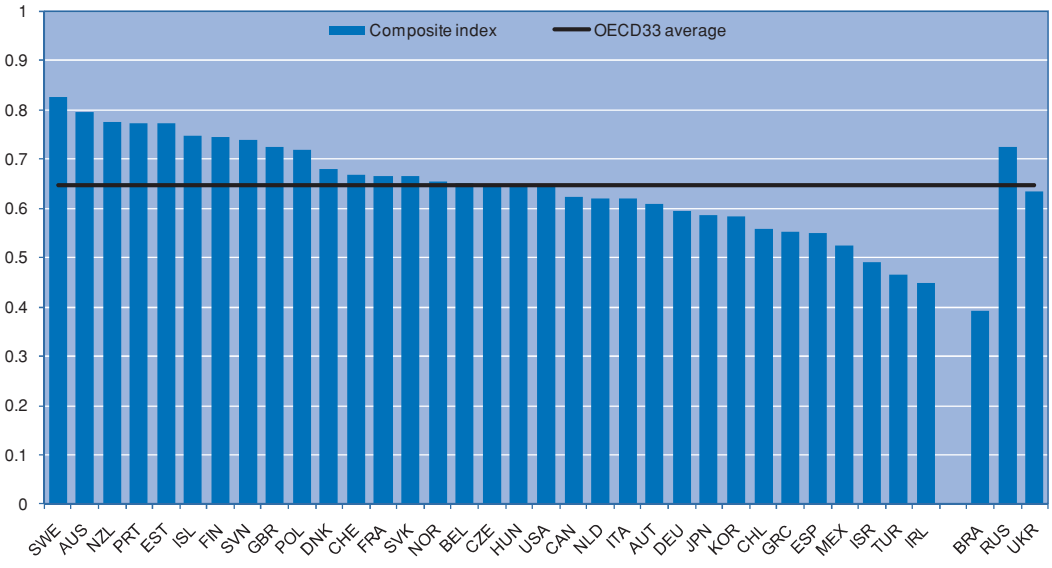
Source: OECD (2009), *Government at a Glance 2009*, OECD Publishing, Paris, doi: 10.1787/9789264075061-en.

The Ministry of Public Administration (*Secretaría de la Función Pública* – SFP) is in charge of organising and co-ordinating the governmental control and evaluation system; it also oversees public expenditure, together with the Ministry of Finance (*Hacienda*). In addition, SFP defines the norms for the federal public administration's instruments and control procedures. It establishes the basis for audits in all agencies and entities of the federal administration in order to ensure compliance with regulations on planning, budgeting, financing, investment, public debt, etc. SFP organises and co-ordinates government organisations' administrative development. It is thus in charge of administering, organising and operating the System of the Professional Career Service in the federal public administration. Moreover, SFP is entitled to appoint and remove the heads of the agencies' internal control functions and the General Attorney's Office, who are hierarchically and functionally dependent on the SFP. Furthermore, SFP is responsible for investigating any conduct of public servants that may violate administrative procedures, establish sanctions, and take cases to police authorities when necessary. SFP is also responsible for conducting public procurement and managing government property.

The OECD 2010 Strategic HRM survey found that Mexico's HRM system is highly centralised compared to other OECD member countries (see Figure 3.7). This means, for example, that public managers do not have the same level of flexibility as their counterparts in other OECD member countries to adapt the HRM system to the business needs of their organisations; this may be due to Mexico's particular political, cultural and historical context. OECD member countries' experience shows that the central government can never have full authority over human resource management

(OECD, 2008a). But, as Figure 3.7 shows, in Mexico the centre still largely determines the number of employees, compensation, the mix of skills and working arrangements. Delegation of responsibility for human resource management can be both an asset and a problem. On the one hand, performance can be improved if public organisations are able to adapt human resource management to their own needs. On the other hand, it may hamper government modernisation by allowing islands of old-style management to continue to exist. Mexico is in the process of delegating more HRM authority to line ministries and managers as a result of recent changes to the rules operating the Professional Career Service; this may entail a major cultural change in the government administration. Decisions on employment conditions for unionised employees remain centralised, making the management of this group highly inflexible and limiting possibilities for workforce planning, re-allocation and workforce renewal. However, Mexico must decide, based on its current context and priorities, to what extent HRM authority should be delegated and up to what hierarchical level.

Figure 3.7. **Extent of delegation of human resources management practices to line ministries in central government (2010)**



The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

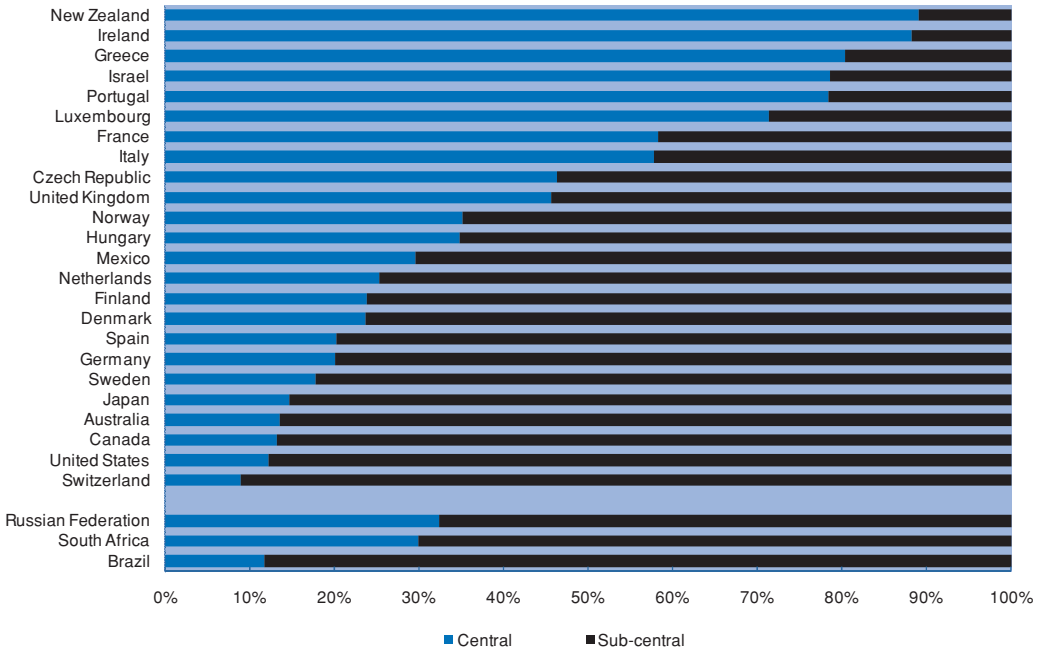
Data for Luxembourg are not available.

Source: OECD (2010), "OECD Survey on Strategic Human Resources Management in Central/Federal Governments", OECD, Paris.

The share of government staff employed at the sub-central level is an indicator of the level of decentralisation of public administrations – that is, the extent to which various responsibilities are delegated to regional and local governments. As Figure 3.8 shows, the majority of OECD member countries have more employees at the sub-central level of government than at the central level. In Mexico, 30% of the total public workforce is located in central government, while sub-national levels (local and municipal) employ 70% of the workforce. However, as Figure 3.9 shows, the level of employment at the

central level decreased between 2000 and 2007, contrary to what happened in most OECD member countries. This is not surprising as Mexico has been implementing policies aimed at decentralising responsibilities to sub-national levels of government over the past years.

Figure 3.8. **Distribution of employment between the central and sub-central levels of government (2008)**



Data not available for Austria, Belgium, Chile, Estonia, Iceland, Korea, Poland, Slovak Republic, Slovenia and Turkey.

Data for Australia and the Unites States refer to the public sector.

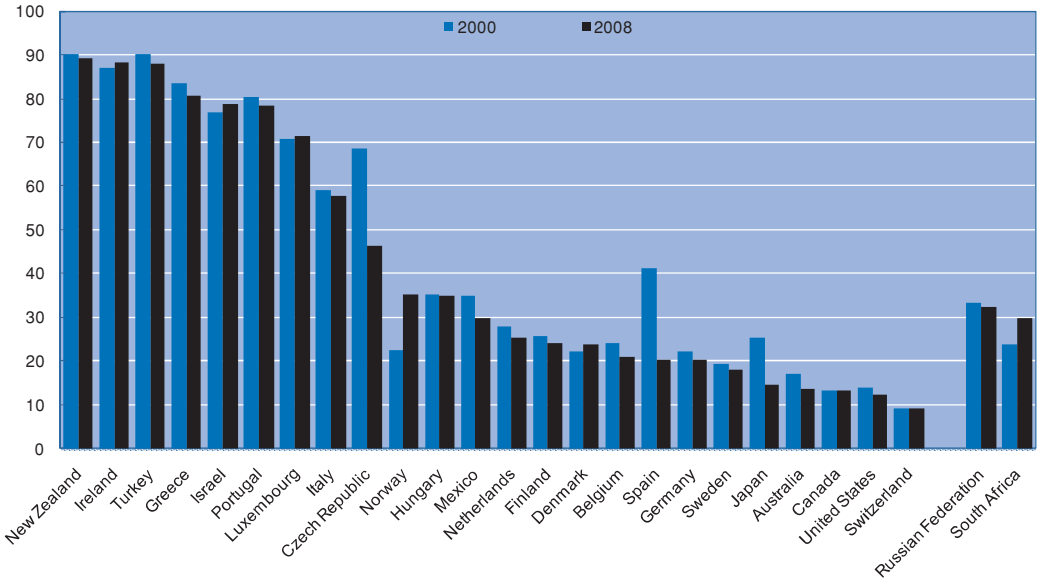
Data for the Czech Republic, Italy, Netherlands, New Zealand and Poland are expressed in full-time equivalent employment.

Data for Hungary do not include other non-profit institutions at the central/sub-central levels.

Finland, Israel, Mexico and Sweden: 2007. France, Japan, New Zealand and Portugal: 2006. Russian Federation: 2005. Brazil and South Africa: 2003.

Source: International Labour Organisation (ILO), *LABORSTA Database*. Data for Turkey are from the Ministry of Finance and the Turkish Statistical Institute. Data for Japan for employment are from the Establishment and Enterprise Census.

Figure 3.9. **Change in the % of government staff employed at the central level (2000 and 2008)**



The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Japan: government employment data are not classified according to SNA definitions and are substituted by direct employment figures provided by central government.

Data for Austria, Chile, Estonia, France, Iceland, Korea, Poland, Slovak Republic, Slovenia and United Kingdom arenot available.

Data for Australia and United States refer to the public sector (general government and public corporations).

Data for Czech Republic, Italy, Netherlands New Zealand and Poland are expressed in full-time equivalents (FTEs). In New Zealand FTEs are included for education, health and community services and personal and other services.

Data for Hungary do not include other non-profit institutions at the central/sub-central level.

Finland, Israel, Mexico and Sweden: 2007 instead of 2008. Japan, New Zealand and Portugal: 2006 instead of 2008. Russian Federation: 2005 instead of 2008. South Africa: 2003 instead of 2008. Japan and Switzerland: 2001 instead of 2000.

Source: International Labour Organisation (ILO), *LABORSTA Database*. Data for Turkey are from the Ministry of Finance and the Turkish Statistical Institute. Data for Japan for employment are from the Establishment and Enterprise Census. Data extracted on 18 March 2011.

The Professional Career Service System (SPC)

The creation of the SPC

Mexico, like other OECD member countries, is under pressure to increase the effectiveness and efficiency of public spending. One key element is to increase the effectiveness and efficiency of the administration of government[5] – and the civil service systems are a favoured target of public management reformers. Because civil service systems are at the core of public management, they are central to governmental effectiveness (Coggburn et al., 2010). An effective civil service enables legislation to be

implemented, and an efficient one does so without incurring disproportionate costs and wasting resources. Effectiveness and efficiency are dependent on both the talent of the civil servants and the quality of their knowledge and skills. At the most senior levels, the ability to deal with the complex issues of governing a large country develops over an extended period; it takes time to accumulate knowledge and experience to deal with the complexity, uncertainty and long timescales related to governing. Efficiency and effectiveness are consequently dependent on a stable civil service with skilled and experienced senior people at its helm – a career civil service of professionals.

Like other OECD member countries, Mexico considers a professional civil service essential to government performance. Leaders believe that the development of a merit-based civil service system would insulate public servants from political influence and would make it possible to capitalise on their professional expertise. The will to professionalise the civil service grew in the mid-1990's, when poor administrative decisions and an inability to manage government "on the ground" led to major governance problems. Afterward, public opinion strongly favoured an uncorrupted, efficient and fair administration under the law. For three years, Mexico tried unsuccessfully to establish a professional career service. Between 2000 and 2002, each of the three main political parties represented in Congress – Revolutionary Institutional Party (PRI), National Action Party (PAN), and Democratic Revolution Party (PRD) – put forward initiatives to establish the professional career service. In mid-2002, the Presidential Office for Government Innovation decided to push this reform forward and began a process of discussion and negotiation with the different political forces. By the end of the year, there were high possibilities to approve the law. However, the project was not passed by Congress. The Law for the Professional Career Civil Service of 2003 (*Ley del Servicio Profesional de Carrera de la Administración Pública Federal* – SPC) was finally enacted after the elections of 2000, when the opposition took over the presidency after seven decades of the Revolutionary Institutional Party (PRI) in office.

The coalition of political parties that pushed for the reform – together with a number of academics and civil servants,[6] with the support of universities, USAID, the British Council, and the Canadian and American Embassies – organised an international forum on civil service in 2003. The aim was to show the international implications of a modern civil service; members of Congress took part in the closing session and realised the high level of support for this initiative. They saw that the wealthiest and most politically stable countries have a professional civil service. Both the international knowledge base and local experience in some Mexican institutions like the Federal Electoral Institute and the Ministry of Foreign Affairs, showed positive results from implementing a professional civil service. Experts from France, New Zealand, the United Kingdom and the United States were invited to Mexico City to participate in the conference and meet with the advisors from the Presidential Office for Government Innovation and the Ministry of Public Administration.[7]

Although the forum was an important push for the reform, it was still necessary to pass the law in Congress. The three proposals of the main political parties were consolidated into one by the Presidential Office for Government Innovation, together with representatives of the parties and the network of academics and civil servants. The President did not present his own initiative, and kept a low profile throughout the process; this allowed Congress to take ownership of the initiative. After intense political negotiations, the law was passed by Congress in April 2003 with 374 votes for the law and none against in the Chamber of Deputies; and 93 votes for the law and none against in the Chamber of Senators. The law sets out in great detail the jobs to be included in the

SPC, the HR management policies and practices that apply to these jobs, and how these policies and practices are to be overseen. However, despite the extensive consultation, it became increasingly clear as implementation progressed that the politicians had not anticipated the impact the law would have on their ability to exercise control of the bureaucracy.

The series of SPC implementation problems led to the revision of the secondary legislation that regulates its operation (*reglamento*). After a series of meetings between the Minister of Public Administration and the chief administrative officers (*Oficiales Mayores*) from federal ministries and agencies, officials decided to introduce changes to the regulatory framework of the SPC.[8] In September 2007, the Mexican Government approved new rules for the operation of the SPC based on the experience accumulated during the first three years of implementation. They aim to: decentralise the operation and centralise the information of the SPC by strengthening the technical committees, give a more normative role to the Ministry of Public Administration, and improve the oversight of the system by the internal control organs. The revision of the *reglamento* was conducted by a group of academics and officials from the Ministry of Public Administration. However, the working team did not include HR directors general from organisations where the SPC applies. Thus, although previous implementation shortcomings were analysed, important aspects of the implementation of the SPC were not covered, such as: *i)* adequate measures to ensure accountability of the federal agencies and ministries in light of decentralisation; *ii)* means to limit problems of "asymmetrical implementation" due to differences in administrative capacity and expertise among participating ministries and agencies; and *iii)* how to reduce the dependency of government organisations on consultants and education centres for the development of HR tools and solutions.[9]

Once again, implementation delays created a vacuum in the SPC. One year after the publication of the new rules for the operation of the SPC, only 10% of the participating ministries and agencies used their own instruments for hiring decisions. This was also due to the fact that the budget had already been allocated when institutions were developing their instruments; many were already conducting open competitions to fill vacancies at the time and were left without financial resources to move forward. However, the guidelines for conducting performance evaluation published in 2005 remained valid even after the publication of the new SPC rules.

The SPC

On 10 April 2003, the Mexican Government published in the *Official Gazette* (*Diario Oficial de la Federación*) the Law of the Professional Career Service System of the Federal Public Administration. The law establishes the basis for the organisation, functioning and development of the professional career system in the central federal administration; entities of the decentralised administration are entitled to have their own systems based on the principles of the law. The SPC is intended to guarantee equal opportunities for access to employment in the federal public administration based on merit and with the purpose of developing public administration for the benefit of society. It intends to establish a cadre of permanent top-level civil servants to manage the administration of government in the long term. The legislators' objective was to make appointments and reward public servants on the basis of merit rather than patronage. The outcomes would be a better understanding and responsiveness to the needs of the people, strengthening professionalism, increased stability in the professional workforce, and a better integration of the activities of the different ministries.

The over-riding objective of the SPC (and any professional career civil service) is to provide an effective means of supporting politicians in formulating legislation, implementing enacted laws to effectively achieve the desired outcomes.

Career public servants are classified into two groups: *i)* eventual – which refers to those at entry-level positions in their first year, those appointed due to exceptional cases as established in Article 34 and those who enter via agreements; and *ii)* definitive (tenured – "*titulares*") – which refers to those who win an open competition and those whose skills and capabilities for the position they currently occupy have been certified. To achieve its objectives, the law addresses two principal issues: the functional structure of sub-systems and the organisation structure to design and implement these sub-systems.

The functional structure consists of seven "sub-systems":

- human resources planning;
- entry;
- professional development;
- training and capabilities certification;
- performance evaluation;
- severance;
- control and evaluation.

The Ministry of Public Administration is responsible for directing the functioning of the SPC in the central federal administration but, based on the new rules, every participating ministry and agency is responsible for its operation. It is supported by a Consultative Council, which provides support by making recommendations and gives opinions on the policies, strategies and practices that ensure and facilitate the development of the SPC. By implication, the SFP has specialists to oversee each of the sub-systems. In every institution that is part of the SPC, there is a Technical Committee responsible for the implementation, operation and evaluation of the system.

Existing employees (*confianza*) can be appointed to the SPC by winning an open competition or by improving their capabilities and demonstrating their ability through their performance evaluations. Applicants are required to demonstrate knowledge, skills and experience. Candidates for civil service appointments are evaluated by technical committees consisting of the selecting official, the HR general director and an internal control office representative of the SFP. The SPC covers the six senior grades of the federal civil service:

- director general;
- assistant director General (*Director General Adjunto*);
- deputy director (*Director de Area*);
- assistant deputy director (*Subdirector*);
- head of department (*Jefe de Departamento*);
- liaison officer (*Enlace*).

These ranks are generic, and include all jobs of that rank irrespective of the job title (assistant, homologous, or any other); all new jobs created must be consistent with these ranks. The SPC specifically excludes jobs in the armed services, national safety, public safety and security forces; jobs in the office of the Presidency of Mexico; and jobs with the rank of chief of staff, head of an administrative department, under-secretary, chief administrative officer, unit chief executive or head or the equivalent of any of these. Also excluded are teachers, doctors and all medical staff, jobs in the civil service legal system, the Support Cabinet or those filled by contractors.

Appointments within the SPC are made either on a career basis or a position-specific basis.[10] According to the Ministry of Public Administration, the SPC includes 36 043 posts from entry level (*enlace*) to director general in 74 organisms of the central federal public administration. At the moment, 98% of SPC civil servants (35 670) are career professionals, and the remaining 2% are vacant positions or in process of appointment. Currently there are 27 364 career public servants, of which 12 017 were appointed through open competition and 15 347 through certification of their capabilities. The universe of the SPC is rather small considering that there is a total of 330 632 employees in the federal central public administration. However, the posts covered constitute the heart of the public administration, as they establish and operate most of Mexico's public policies and have competitive salaries. The rest of the positions within the federal public administration include administrative staff, service delivery and political appointees.

Table 3.4. **Occupied posts under the SPC by rank**

Year	Director general	Assistant director general	Deputy director	Assistant deputy director	Head of department	Liaison officer	Total	Institutions covered
2006	534	865	2 931	10 093	10 871	15 539	40 833	75
2007	649	929	3 291	10 616	11 352	14 644	41 481	74
2008	561	846	3 356	11 034	11 760	16 183	43 740	73
2009	479	693	3 421	10 730	10 774	12 495	38 592	73
2010	411	575	3 168	10 188	9 576	11 752	35 670	72

Note: The total universe of the SPC is 74 institutions, but it is operating formally in 72; the *Universidad Pedagogica Nacional* and the *Comisión de Apelación y Arbitraje del Deporte* have not incorporated their officials into the SPC.

Source: Information provided by the Ministry of Public Administration.

The operation of the SPC is supported by the RHNet platform, which has been fully operational since 2006. This tool aims to set out the conditions for digital operation of the SPC, but also the staff of the whole public federal administration. RHNet is composed of the seven sub-systems of the SPC, plus the public service registry (RUSP). It aims to create cohesion and inter-dependency among the sub-systems and the RUSP. Currently, the RHNet supports the 74 dependencies under the scope of the SPC and the other 169 institutions of the federal public administration. Its advantages are: *i)* it represents a sole cost to the government – if systems were decentralised, every organisation would have to spend on technology and systems administration; *ii)* it allows application of norms to all dependencies simultaneously, homogenising HR processes; *iii)* it facilitates detecting windows of opportunity; and *iv)* it allows comparison of performance and exchange of information across organisations. Nonetheless, the Ministry of Public Administration recognises that the RHNet requires not only constant training – of individuals and organisations – and a solid team of ICT experts, but a means to address the centralisation of information and the perception of loss of authority and lack of information by other organisations.

Towards a dynamic and fair Professional Career Service

Strategic workforce planning

Workforce planning is a dynamic process designed to ensure organisations' continued effective performance. It is a key piece of the HRM modernisation agenda in some OECD member countries. Good workforce planning is indispensable to maintain a structured and representative workforce of appropriate size, which is able to meet the changing needs of government organisations in a cost-efficient manner. Good workforce planning requires high-quality information and discussion, organisational strategies and efficiency concerns, and organisational arrangements that support workforce decisions efficiently. The goals are to:

- strengthen departments' and ministries' capacities for strategic workforce management and make managers accountable for the strategic management of their workforce;
- ensure the adequacy of the workforce to meet organisational missions;
- promote whole-of-government goals in terms of workforce planning, especially in terms of numbers and costs;
- promote whole-of-government goals in terms of diversity, competences and levels of education.

Workforce planning requires good tracking of employee numbers, costs and competencies; alignment of workforce planning strategies with the strategy of each government organisation; flexibility in the management of the workforce; a whole-of-government perspective on allocations across sectors and on the size and costs of the workforce; and managers' accountability in terms of workforce planning.

Recent OECD studies suggest that workforce planning remains under-used in many countries, although some have developed sophisticated systems to link workforce planning and management to strategic planning, budgeting and public policy evaluation (OECD, 2010b, 2010d). The most developed practices point towards workforce planning that is both strategic and operational, in order to ensure that short-term gains match long-term aims and reflect local demographic pressures on the workforce. Moreover, OECD member countries' experience shows that effective workforce planning requires a decision about how to integrate planning processes to help decision makers create change, manage improvement and generate ownership. There are two main aspects of human resources planning. On the one hand, workforce planning looks at an entire workforce (such as those covered by Mexico's Professional Career Service) and addresses turnover, "churn", workforce stability and dilution to support decision taking on overall recruitment; the structure and quantity of training programmes; the need to manage downsizing programmes and cost budgeting. On the other hand, succession planning deals with the series for specific jobs, especially very senior jobs or those where there is a repository of important know-how that must be maintained.

The SPC includes a sub-system on human resource planning that has largely focused on the registry of organisational structures based on budget considerations, rather than conducting workforce planning. Work on this sub-system has been focused on reducing the time to register organisational structures (from 40 to 30 working days). However, approval and registry of organisational structures is only a mechanism to control the number of posts and salary levels; it does not add value to the SPC. Although the Registry

of Organisational Structures is almost complete – 72 of the 74 institutions covered by the SPC have registered their structures – it has been an isolated process with limited contribution to the development of basic HR tools required for the operation of the SPC, such as the specific catalogue of posts for the system. Nonetheless, co-operation among the directorates general (DG for the SPC, DG of HR Information and DG of Human Development and Organisation) of the HR Policy Unit of the Ministry of Public Administration seems to be improving as a result of modifications to the internal rules of the ministry. Some of the responsibilities of the unit directors general were transferred to the unit heads in order to unify the management of the entire unit. However, unit heads were not always notified in advance of these changes to the internal rules, leading to poor co-ordination. Since August 2010 the Unit of HR Policy has been working towards the adoption of the Model of Socio-economic Management, aiming to introduce integrated planning within the unit.

The sub-system on human resource planning should be a tool for anticipating future developments and maintaining a well-structured workforce of appropriate size, which is able to meet the changing needs of the public service in a cost-efficient manner. OECD (2010d) studies suggest that the public workforce should be seen as an asset rather than a cost. This is of the utmost importance considering that in recent years the Mexican Government has introduced efficiency measures and increased the level of professionalisation and specialisation in the workforce. A clear vision of the public service as a whole and its role in society is an important basis for workforce planning.

Workforce planning in the Mexican SPC is not based on a forward-looking assessment of the organisational capabilities for service delivery under a value-for-money and innovation approach, like in the most advanced OECD member countries. This is partially due to the fact that the SPC is not systematically a key element of the government's strategic plans and programmes. The National Development Plan 2007-2012 recognises the need to consolidate the SPC based on a culture of merit and performance to build capacity and capability to meet the government's goals. However, the SPC is not linked to other key programmes such as the Performance Evaluation System (SED) and the Special Performance Improvement Programme (PMG) so as to generate synergies to boost the government's efficiency and effectiveness. This is of particular importance considering the current plans to decentralise the operation of the SPC.

Workforce planning for the SPC has been largely reduced to controlling the inventory of structures and posts, and valuation of posts in the same way it was done before the implementation of the system. There is no management process for reviewing roles and people in the SPC. As a result, neither succession plans nor workforce plans have been developed. Roles are filled as vacancies occur on a case-by-case basis. Outputs from the HR planning sub-system have not been defined. As a consequence, there are neither plans that can guide the management of the SPC nor tools for anticipating and responding to change. The experience of OECD member countries with sophisticated workforce planning strategies shows that workforce planning requires good tracking of employee numbers, costs and competencies; alignment of workforce planning strategies with the strategy of each government organisation; flexibility in the management of the workforce, a whole-of-government perspective on allocations across sectors and on the size and costs of the workforce; and managers' accountability in terms of workforce planning. Workforce planning should be based on good accounting in terms of numbers and costs through the RHNet portal, but the consolidation of a sound database is still in progress.

Many OECD member countries have established procedures and processes that link workforce planning to the strategic planning of organisations, including accountability mechanisms for managers to report on their workforce planning. Strategic planning devices include strategic plans that describe human resource management strategies and personnel plans. Ministries and agencies also report on human resource achievements in terms of numbers, competencies and costs, and their allocation to the different targets and achievements of their organisations in various performance documents. Mexican authorities would certainly benefit from the experience of other OECD member countries, such as the United States, that have made efforts to align workforce planning to the strategic management of government organisations. For the United States Office of Personnel Management (OPM), human capital planning must consider all the functions for which the organisation is responsible and performance by all sectors of the workforce, not just those performed by federal employees. For Mexico's SPC, the experience of the US OPM offers two main lessons. First, workforce needs must derive from organisational goals. Determining the most effective and appropriate mix of skills and amount of labour for the workforce begins with strategic human capital planning based on a clear understanding of an organisation's mission and performance goals. This understanding enables the agency to identify the functions that organisations need and, equally important, those that are redundant or are no longer required and may be eliminated. Second, armed with an understanding of the organisation's mission, functions, workload and desired performance standards, the agency should determine the mix of skills and total amount of labour that is required for the organisation to perform efficiently and effectively. This analysis should consider all the functions for which the organisation is responsible. OPM has identified criteria for the effectiveness of human capital strategic and workforce planning.

Box 3.1. United States: the Strategic Alignment System and workforce planning

Workforce planning is part of the alignment which focuses on a human capital strategy aligned with federal departments' and agencies' missions, goals and organisational objectives. It is implemented by the senior management, and in particular the chief human capital officer (CHCO), through analysis, planning, investment, measures and management of human capital programmes.

Human capital management strategies are integrated into strategic plans, performance plans and budgets. They are organised around: human capital planning, workforce planning, human capital best practices, knowledge sharing, and human resources as a strategic partner. Each has several key elements that indicate effectiveness and are linked to suggested indicators that identify how well the agency is performing.

Activities and outcomes of this system are assessed through documented evidence of a Strategic Human Capital Plan which includes human capital goals, objectives and strategies, a workforce plan, and performance measures and milestones.

Under OPM regulations implementing the CHCO Act, agencies are required to submit the prescribed Strategic Human Capital Plan to OPM on an annual basis.

Effectiveness results of workforce planning

The agency approaches workforce planning strategically and in an explicit, documented manner. The workforce plan links directly to the agency's strategic and annual performance plans and is used to make decisions about structuring and deploying the workforce.

Box 3.1. United States: the Strategic Alignment System and workforce planning *(continued)*

Mission-critical occupations and competencies are identified and documented, providing a baseline of information for the agency to develop strategies to recruit, develop and retain talent needed for programme performance.

The agency's documented workforce plan identifies current and future workforce competencies and the agency works to close identified competency gaps through implementation of gap reduction strategies such as:

- restructuring;
- recruitment;
- competitive sourcing;
- redeployment;
- retraining;
- retention (e.g. compensation, quality of work life);
- technology solutions

A business forecasting process identifies probable workforce changes, enabling agency leadership to anticipate changes to human capital which require action to ensure programme performance.

Based on functional analysis, the agency is structured to achieve the right mix and distribution of the workforce to best support the agency's mission.

Based on analysis of customer needs and workload distribution, the agency has the right balance of supervisory and non-supervisory positions to support the agency mission.

Source: US Office of Personnel Management, *www.opm.gov,* and presentation given by Jonathan Foley, American delegate to the Public Employment and Management (PEM) Working Party annual meeting on 9-10 December 2010.

Another example for Mexico would be the case of the Capability Reviews conducted by the UK Cabinet Office. As part of its strategy for the 21st century civil service, the United Kingdom developed a system of Capability Reviews intended to improve the capability of the civil service to meet current delivery challenges and be ready for future challenges. The reviews focus on cross-cutting aspects such as service delivery, leadership and strategy, identifying weaknesses as well as strengths, and pointing to what needs to be done to strengthen capabilities.

Box 3.2. United Kingdom: Capability Reviews in the civil service

The purpose of departmental Capability Reviews is to publish an honest and robust assessment of future capabilities and to identify the specific measures that are needed if central government departments are to play their part in enabling the United Kingdom to meet the considerable challenges of the future. The reviews aim to:

- drive continuous improvement in the capability of departments for future delivery;
- improve the capability of the civil service to be ready for the challenges of tomorrow, as well as to meet today's delivery challenges;
- assure ministers that departments' leadership is suitably equipped to develop and execute ministerial strategies.

The latest Capability Reviews emphasised the areas in which departments needed to build capability, as well as highlighted areas of best practice.

- The reviews identified cross-cutting strengths within departments like: basing choices on evidence, setting direction and taking responsibility for leading delivery and change.
- Development areas typically included building capability and developing clear roles, responsibilities and delivery models.

Building on this, the next phase of reviews will put more emphasis on innovation, collaboration and value for money.

- more emphasis will be placed on delivery;
- a new focus is placed on departments' capability to innovate and improve services for citizens;
- value for money is now an even more significant aspect of the review model;
- reviews will look more deeply at collaboration across organisational boundaries to achieve common objectives;
- published reports will draw more explicit links between capability and delivery results;
- the Capability Review approach will be extended to key arm's-length bodies, further increasing the focus on delivery and frontline services.

The model of capability is built on three key elements: leadership, delivery and strategy. Some of the key questions for consideration in each of these elements are:

- **Leadership:** do you have and communicate a clear, compelling and coherent vision for the future of the organisation? Is the leadership visible, with outward-looking role models communicating effectively and inspiring the respect, trust, loyalty and confidence of staff and stakeholders? Do you manage individuals' performance transparently and consistently, rewarding good performance and tackling poor performance?
- **Strategy:** do you have a clear, coherent and achievable strategy with a single, overarching set of challenging outcomes, aims, objectives and success measures? Do you identify future trends, plan for them and choose among the range of options available? Do you work with others in government and beyond to develop strategy and policy collectively to address cross-cutting issues?

Box 3.2. **United Kingdom: Capability Reviews in the civil service** *(continued)*

- **Delivery**: do you have the structures, people capacity and enabling systems required to support appropriate innovation and manage it effectively? Are your delivery plans and programmes effectively managed and regularly reviewed? Do you have clear and well understood delivery models which will deliver your strategic outcomes across boundaries? Does the need to ensure efficiency and value for money underpin everything that you do?

The reviews are evaluated regularly, for example by the National Audit Office, and the findings are fed back into improvements in how the reviews are done. Action to tackle weaknesses in capability is now a prominent feature on the agenda of organisational leadership boards.

Source: United Kingdom Civil Service (2011): "Model of Capability", Cabinet Office, *www.civilservice.gov.uk/about/improving/capability/mod-cap-tools/the-model.aspx*.

However, more than just making provisions to fill vacant positions, Mexico could consider workforce planning in a broader sense – to plan for the future intellectual capital needs of government organisations, and to move thinking about filling positions from periodic, fitful efforts to real-time proactive solutions. For that purpose, Mexican authorities should consider developing an **integrated approach** to workforce planning. The objective of the approach is to work in partnership with all participating ministries and agencies in the SPC to provide improved, modernised HRM and related services. This is particularly relevant considering the current efforts to decentralise the operation of the SPC. The workforce planning model that the Mexican Government adopts must link the disparate business and priorities across central public administration in order to achieve efficiency and effectiveness. The Ministry of Public Administration is currently developing a change strategy for the operation of the SPC based on collective agreements on essentials among the participating ministries and agencies, but each has the freedom to decide on key functions and competencies of their sectors. This is a first step towards planning workforce needs, but more must be done if strategic planning is to be the underpinning of the SPC.

Up until now, the sub-systems of the SPC have been treated separately. Although technical subcommittees were set up to recommend how each function of the SPC – human resources planning, admissions, professional development, training and professional skills certification, performance evaluation, termination and control and evaluation – should operate, not all relevant sub-systems have been implemented. Those that have developed sub-systems (human resources planning, admissions, performance evaluation, training and professional skills certification, and termination) have done so in isolation, without linkages to other sub-systems. Not only has this resulted in inefficiencies, but sometimes systems have rendered others ineffective; for example, the subsystem on termination has made it difficult for users of the performance evaluation sub-system to be deal with poor performers.

In introducing an integrated approach to workforce planning, the Ministry of Public Administration should define a standardised way of measuring and recording people's capability and work challenges. The same concepts, definitions and metrics should be used to define inputs and outputs of each sub-system. If the data from these inputs and outputs are held in the HR records system, they would enable the sub-systems to be automated. They also enable different agencies to tailor their HR systems to their own specific needs, with the proviso that they can interchange common data with all other systems involving the SPC. Such an integrated approach is a fundamental part of effective e-government. An integrated approach requires an information system that allows clearly defined business processes to work by supporting key functions – namely recruitment and resourcing, compensation and benefits policy and practice, training and development, performance planning and review, workforce planning and succession planning – using a common set of concepts, definitions and metrics. The Ministry of Public Administration would be the custodian of: *i)* the definitions of the common concepts, definitions and metrics; and *ii)* the code values used. The other ministries and agencies would be required to comply with the requirements.

Productive time is another key driver to improve performance by remodelling workforce issues. A strategic workforce plan that proactively considers the future, and aligns government's aims and operational strategies in a dynamic and integrated way, will ensure that organisations have the appropriate number of people with the right skills and competencies in the right roles at the right time. Some OECD member countries are moving towards this practice; for example, in France, the implementation of a workforce planning strategy has taken place at the same time as that of the LOLF (*Loi organique relative aux lois de finances* – the implementation of performance-based budgeting). This helped give more coherence to the strategic management of organisations and, later, to the implementation of the larger programme and policy review. The role of the GPEEC (*Gestion Prévisionnelle des Effectifs, des Emplois et des Compétences*) has been to analyse the government's current staffing and future needs by function and category using a common cross-ministry methodology. Ministries have been responsible for implementing the GPEEC in their ministries and have had to report on their progress. This has reinforced discussions between the Ministry of Public Service and sectoral ministries on human resource management issues. Data for the whole-of-government have been centralised. In addition, a major effort has been made in parallel to create a cross-ministry competency dictionary for the different jobs and functions. The Ministry of Public Administration is currently developing, together with CONOCER,[11] a competency dictionary for the SPC. Once this tool is completed it will enhance not only workforce planning, but also other HRM processes such as recruitment and performance evaluation.

Box 3.3. Workforce and competency planning arrangements in France

Snapshot of current challenges

Workforce planning arrangements are changing for two reasons:

1. An ageing civil service: like a large majority of OECD member countries, France is facing a demographic shift which creates a window of opportunity to increase public sector productivity. Consequently, workforce planning must be adjusted in three directions: *i)* to manage a large flow of civil servant departures in a very condensed period of time (45% of current state civil servants will have retired by 2012) by reforming the current public sector retirement laws and pension benefits and by adjusting human resource management policies to retain older workers longer; *ii)* to redesign human resource management strategies with a view to maintaining capacity while ensuring an appropriate use of competencies based on functional needs and while reallocating resources across departments or sectors; and *iii)* to implement cost-containment policies to face long-term financial needs, including potential workforce downsizing and pension liability reforms.
2. Institutional changes: strategic state missions will be restructured on the basis of changed needs of the population, on innovative technologies, on the consequences of the devolution process and on what is expected of civil servants.

A new integrated approach

In recent years, a holistic approach to workforce planning was adopted to face these challenges. This approach includes a significant change in hiring policies, adjustment of medium-term recruitment strategies, and the use of new workforce planning instruments.

The first key instrument is the GPEEC (*Gestion Prévisionnelle des Effectifs, des Emplois et des Compétences*). Introduced in the early 1990's and restructured in 2001, the GPEEC is an ambitious government-wide strategy which analyses the current staffing picture by function and category (corps and job families). It aims to forecast needed adjustments to staffing needs in order to improve the efficiency of the public service, adapt recruitment to the demographic context, increase government accountability to citizens concerning changes in public workforce numbers, and, finally, to nurture social dialogue by opening discussions with labour unions.

The GPEEC is a cross-departmental methodology which has established a common framework across government, although each ministerial department is responsible for its own GPEEC plans, under the supervision of the central human resource management body. In the state civil service, the GPEEC has become a key lever of the human resource management reform agenda and a key ministerial strategy. The evaluation of current GPEEC plans shows that all ministries have made progress in aligning staff with missions and integrating human resource management strategies in their GPEEC plans.

In 2006, the GPEEC process was strengthened by the addition of annual conferences on HR workforce planning, which aim at establishing a dialogue between the human resource management central body and each department on specific GPEEC plans. Discussions focus on long-term workforce planning strategies and on management priorities for the year. The result is a road map which sets mutual commitments on workforce planning. Thematic working groups are being established to identify good practices that could be used in all ministries.

A third workforce planning instrument, the RIME (*Répertoire Interministériel des Métiers de l'État*), was launched in November 2006 to provide a catalogue of competencies to be used by all departments. The RIME reviews the different job types and functions within the state administration in order to reinforce linkages with the competency needs analysis and to increase cross-departmental staff mobility. The RIME creates a clear picture of the public sector labour market and may be an important added value in a context of increasing competition for skills with the private sector.

Source: OECD (2007), *OECD Reviews of Human Resource Management in Government: Belgium 2007: Brussels-Capital Region, Federal Government, Flemish Government, French Community, Walloon Region*, OECD Publishing, Paris, doi: 10.1787/9789264038202-en.

Canada's experience in workforce planning provides Mexico with a valuable example of integration of workforce planning and the reporting cycle. The aim is to align the workforce of every public organisation – and its mission, strategic plan and budgetary resources – with the government's priorities. The main lesson derived from the Canadian experience is that planning goes hand in hand with building effective and cohesive organisations.

Box 3.4. Workforce planning in Canada

The foundation for shaping the public service workforce in Canada is a clear understanding of the skills and knowledge needed to meet departments' business objectives, both now and in the future. Thus, the Canadian public service is moving towards using integrated human resources and business planning as the basis for assessing and understanding the current and future needs of departments, agencies and the public service as a whole. Integrated planning is one of the core pillars of the Public Service Renewal in Canada, which maintains that good planning allows for a better sense of organisational strengths and of the gaps that need to be filled, whether through recruitment or development, or by bringing in specialised skills at mid-career.

Integrated planning aligns an organisation's workforce with the government's priorities, and the organisation's mission, strategic plan and budgetary resources. It forms the basis for assessing and understanding the current and future needs of departments and agencies and supports the achievement of business excellence by promoting initiatives to attract and retain an engaged, sustainable, competent and diverse workforce. All departments and agencies are expected to integrate human resources and business plans to guide their activities and resource requirements.

There are five key steps to integrated planning at the departmental level:

- determining organisational business goals;
- analysing the organisational environment to see if there is the right mix of skills and people to meet its current and future needs;
- assessing the gaps or surplus in the organisation's workforce – what is missing or what is no longer required from an HR perspective in order for the organisation to achieve its goals;
- setting priorities and taking action – initiating strategies to close the gaps and obtain the quantity and quality of resources required; and
- reviewing, monitoring and measuring whether efforts were successful.

Integrated planning is an essential component of the broader government planning and reporting cycle, which consists of the following core parts:

- Annual departmental reports on plans and priorities (RPPs) are individual expenditure and business plans for each department and agency. They elaborate on a department's or agency's priorities, strategic outcomes and planned activities to achieve those outcomes. Reports also contain information on priorities and planned results including links to related resource requirements, such as human resource requirements, major capital projects and financial resources, over a three-year horizon. They provide increased levels of detail regarding planned spending, on a strategic outcome and activity basis, and describe planned priorities and expected results, and the match between their required resources and the business results of government. These documents are normally tabled in Parliament in the spring.

Box 3.4. **Workforce planning in Canada** *(continued)*

- Annual departmental performance reports are individual department and agency accounts of results achieved against planned performance expectations, as set out in respective reports on plans and priorities. They provide information on how the department or agency is progressing towards its strategic outcomes and how the resources were spent. The departmental performance reports cover the most recently completed fiscal year and are normally tabled in Parliament in the autumn.

In addition, several workforce planning efforts are taking place at the central level.

- Through the analysis of the data in the central compensation system, the Office of the Chief Human Resources Officer located within the Treasury Board Secretariat generates demographic assessments of the current and future workforce needs for the public service, on an "as-needed" basis, including identification of system-wide gaps, which may pose a risk for the delivery of the government-wide objectives.
- These data feed various stakeholders, including the Clerk of the Privy Council (head of the Canadian public service), and central agency policy centres (e.g. those responsible for human resources, finance or policy analysis), as a basis for future analysis of demographic needs across various occupational groups in the public service.
- Based on this and other information, in the areas which appear to pose a risk to the sustainability of the system, the Clerk, central agencies or other players (such as groups of deputy ministers) may take a range of actions to build the required workforce capacity at the system-wide level, such as :
  - collective recruitment to fill current and potential workforce gaps;
  - capacity-building initiatives, including leadership and skills development programmes;
  - talent management programmes.
- In some cases, the Clerk of the Privy Council includes some priorities in his annual Public Service Renewal Action Plan. This plan is government wide and establishes core priorities for human resources management in the public service, including targeted recruitment in certain areas to fill strategic government capacity gaps. For instance, in 2008-09 and 2009-10, the public service was required to hire about 8 000 recent university graduates to address the anticipated demographic crisis created by the ageing of the Canadian population and public service workforce.
- Where specific targets are set by the central policy centres or the Clerk of the Privy Council, the extent to which these targets have been met is included in the annual assessment indicators of departmental performance.
- Moreover, efforts are currently underway to design a horizontal human resource plan for the public service, which would identify areas of human resources requiring attention and include action to help close the gap.

Source: OECD (2010), *OECD Reviews of Human Resource Management in Government: Brazil: Federal Government*, OECD Publishing, Paris, doi: 10.1787/9789264082229-en.

Across OECD member countries, the tendency has been to decentralise workforce planning, although the central HRM body often establishes central guidelines on how to conduct workforce planning and whole-of-government priorities. These establish the objectives of departments' workforce planning. In many OECD member countries with position-based systems and in countries with traditionally decentralised human resource management systems – such as Canada, New Zealand, Nordic countries and the United States – human resources, and in particular workforce planning, have been made an integral part of organisations' performance management framework. In traditionally more centralised countries, such as France and Belgium, this has slowly taken place only recently. Strategic workforce planning thus requires empowering heads of departments and agencies to design their human resource management strategies, and establishing a dialogue between them and central reporting departments (Ministry of Finance, Ministry of Home Affairs or Personnel). Managers are thus held fully responsible for the results of their workforce planning. Since the enactment of the new rules for the operation of Mexico's SPC decentralises the operation of the system, Mexican authorities could consider establishing management accountability frameworks that hold ministries and organisations participating in the SPC accountable for workforce planning. A management accountability framework would provide a common structure for assessing human resource management in ministries and agencies, setting a vision, expectations, key performance indicators and associated measures for sound human resource management. In the Mexican case, although data is recorded in the Registry of the Professional Public Service, there is no evidence that this information is used in a strategic manner. Thus, as a first step to engage in workforce planning, the Ministry of Public Administration should redouble its efforts to build a sound database of staff as part of the SPC. In addition, like in many OECD member countries with decentralised systems, workforce planning should be part of the reporting on human resource strategy for which managers should be made accountable. A decision should be taken concerning the level to which workforce planning should be delegated. Considering that directors general are expected to set the long-term vision for the civil service, it may be possible that these officials are the main holders of this responsibility.

Strategic workforce planning, like most management tools, should not be overly sophisticated. Its purpose is to avoid rough back-of-the-envelope calculations about future staff needs and encourage more professional linking of human resource management to organisations' strategic management. Frameworks for workforce planning help increase managerial accountability for human resource management and allow the establishment of government-wide analysis and targets of workforce size, competences and allocation across sectors. This is especially important in career-based systems, in which employees **are** usually employed for their entire working life in specific career groups. Good workforce planning, however, does not necessarily involve detailed long-term forecasts.

Another challenge for the Mexican Government is to put the accounting of public sector employees in a more strategic perspective. This is not only an issue of control and regularity. These data must be used by decision makers when deciding on how to manage their workforce, and the skills and competencies needed. Because the SPC does not cover service delivery positions (doctors, teachers, police), the task should be relatively easier. A standardised way of measuring and recording people's capability and work challenges should be defined using common concepts, definitions and metrics. This should include a measure of work complexity – such as level of work, intellectual requirements and abilities, the nature of the responsibility (such as whether the work requires delivering end-results or advising others who have responsibility for end results, or whether the

work requires a generalist with a broad range of experience across different ministries and functions, or a technical specialist whose knowledge is narrow but deep) – and the specific skills and knowledge required. Workforce evaluations should be consistent with these, including capability for level of work, aptitudes and intellectual abilities, interpersonal capability (including leadership and communication), achievement motivation, specific learned skills, knowledge and experience. Another possibility would be to create a public service observatory like that in France, which follows general trends in terms of public employment, public service demographics and the allocation of the workforce across sectors. It is an important factor in efforts to modernise government and has led to many workforce planning initiatives. Such an observatory is credible if it reports not only to its immediate minister and director, but also to a "board" with a wider range of actors that represent the whole of government; in the Mexican case, it could report to the Consultative Council and the network of HR directors. It should also be involved in most government public management reforms that affect personnel management.

Box 3.5. The Public Service Observatory in France

The Observatory was created in 2000 to collect, analyse and disseminate information about France's public service for the national government, but also for hospitals, regions and local governments.

Considered a forum for dialogue and exchange among decision it is composed of:

- an Orientation Council led by the Minister for the Public Service and including parliamentarians, directors of various ministries, elected officials from local governments, and various organisations and unions;
- a Technical Committee, co-chaired by the Director General of the Public Service and the head of the national statistical agency and the various technical administrations;

The general secretariat of the Observatory is hierarchically below the Director General of the Public Service.

Its main functions have been:

- to ensure a higher degree of transparency and understanding of public service numbers and trends by implementing new ways to count public employees, and by linking these numbers to changes in the economy, competency requirements, etc. The Observatory also has a proactive publication policy, with an annual publication on the state of the public service, which has become a reference for decision makers engaged in government reforms.
- to put in place the new workforce planning for positions, number of employees and competences.

In addition, the observatory participates in many networks and working groups on the modernisation of the public service through initiatives to modernise government in France.

Source: Ministère du budget, des Comptes publics, de la Fonction publique et de la Réforme de l'État, *www.fonction-publique.gouv.fr/rubrique114.html*, accessed December 2010. Information provided by the French delegate during the Public Employment and Management Working Party annual meeting.

The Law for the Professional Career Service provides for the horizontal and vertical movement of staff. However, the movement of staff within the SPC is rather limited. Basically, once a person is appointed to a position within the system, there are few

possibilities to move to other organisations or to higher positions as part of career development. Adequate workforce planning should provide job mobility to keep an updated and motivated workforce with the right competencies and experience. The experience of France suggests that centralised workforce planning helps countries gain a better view of internal mobility and plan for necessary functions that do not yet exist, which is critical for an economy in transition like Mexico. Moreover, it allows linkages to the review of the job category system.

Mexico would certainly benefit from engaging in strategic workforce planning, which would allow: *i)* links to organisations' strategic planning, including business forecasting and planning, budgeting, accountability and reporting mechanisms for managers and strategic human resource management; *ii)* making it an integral part of organisations' performance management frameworks (which may take root more quickly in countries with decentralised human resource management systems); and *iii)* increasing the use of competency management for workforce planning and development of strategies to close identified competency gaps. The SPC makes the workforce more competent, flexible and adaptable so as to have a competitive, innovative and inclusive public sector. The development of workforce planning contributes to this aim.

Ensuring equity and transparency to access public employment

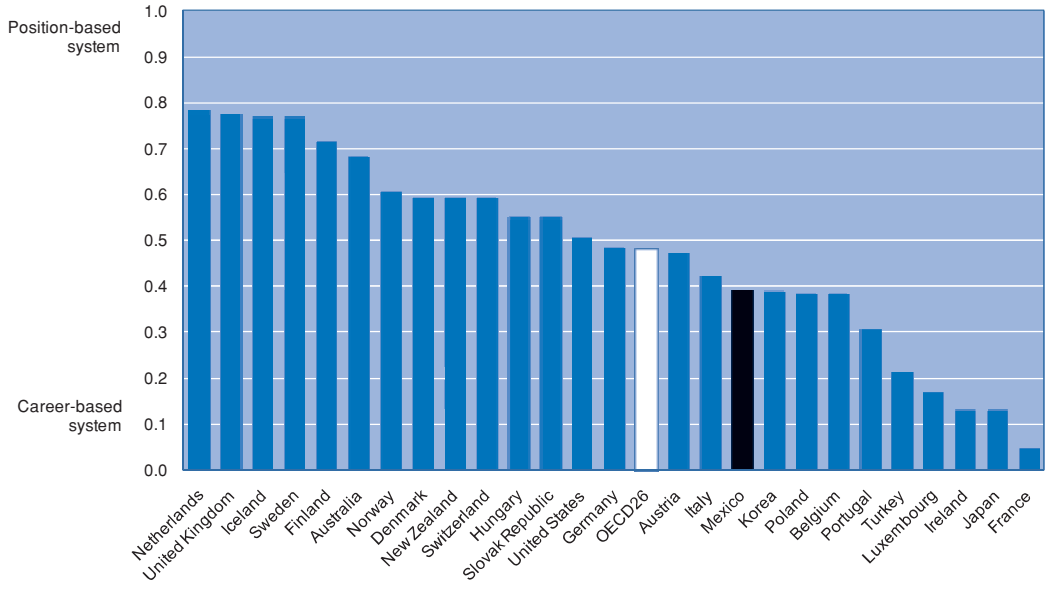
Entry into the SPC is gained through competitive examination or through certification of applicants' capacities and skills. Only posts registered in the Catalogue of Posts of the Central Public Administration are open to public competition. Vacancies are advertised on the *trabajaen.gob.mx* portal, where the rules and requirements to take part in the open competition are explained. The portal serves as a first filter of candidates based on their academic background. The process, as described in the Law of the SPC, is intended to guarantee merit-based selection, equal opportunities and impartiality through objective and transparent evaluations. The technical committees of selection, established in every ministry or agency, are in charge of conducting the recruitment process and selecting the short-list for interviews. In general, the recruitment process includes the following stages: *i)* review of *curriculum vitae*; *ii)* knowledge examination and skills evaluation; *iii)* experience evaluation and valuation of merit; *iv)* interviews; and *v)* determination. Candidates selected for interviews are considered as finalists. When a candidate is chosen, the other finalists enter a reserve in order to be considered for other positions of similar rank and profile. Reserves last for one year and are only valid for the organism that conducted the recruitment process. The hierarchical superior of the vacant post, a member of the Technical Committee of Selection, has one opportunity to veto the selection made by the committee, in which case a candidate may be chosen from the remaining finalists. A competition may be closed without making a hire when: *i)* none of the candidates obtains the minimum points to be considered a finalist; *ii)* there is only one finalist and the result is vetoed; or *iii)* the finalist does not obtain the majority of votes from members of the selection committee.

Each ministry and agency that are part of the system conducts its own recruitment processes. They are expected to follow the guidelines and procedures established by the Ministry of Public Administration. Administering exams is the responsibility of every organism, as each dependency and agency decides on the capabilities to be examined. However, the process may be prone to bias. Indeed, some chief administrative officers and HR directors interviewed for this review commented that in some cases the exams might be tailored to individuals' particular characteristics, limiting the possibilities for other candidates to be recruited and damaging the credibility of a "fair competition". The

Superior Audit Office has identified the need to clarify the criteria and valuation parameters for entry into the SPC; and to allow external society to oversee the recruitment process to make it transparent in order to boost credibility. Moreover, a growing number of open competitions to fill vacancies in the SPC are cancelled and a large number are declared without a winner, raising concerns about fairness (see Table 3.5). Each recruitment event is treated as a stand-alone operation and candidates must put themselves forward for each vacancy. The objectives are to be seen as open and transparent and to give all interested candidates a chance to be considered.

Mexico's SPC has elements of the two basic models for core public service employment in OECD member countries: career-based and position-based (see Figures 3.10 and 3.11). The SPC presents elements of a career-based system in the recruitment of liaison officers, which is considered the entry level. There is even a probation period for these officials. Elements of a position-based system can be found in the recruitment and selection of officials at the higher levels of the system. People from outside the public service can take part in the open competition. For these appointments there is no probation period. One of the critical decisions for Mexican policy makers is to clarify the type of civil service system that is desired. This decision is important because experience of other OECD member countries shows that the choice of system has a profound effect on a country's public service culture. A career-based system tends to promote collective values at entry in specific sub-groups of the civil service, for example, the notion of *corps* in France. The downside is a weaker emphasis on individual performance and accountability. Position-based systems tend to have weaker cross-government values at entry than career-based systems, but tend to be less deferential and may create stronger links across levels of hierarchy and status.

Figure 3.10. **Type of recruitment system used in central government (2005)**



Index comprised between 0 (career-based system) and 1 (position-based system).

Cronbach alpha: 0.596 (computed with SPSS). A Cronbach's alpha close to 0.6 or 0.7 indicates a high degree of correlation among a set of variables.

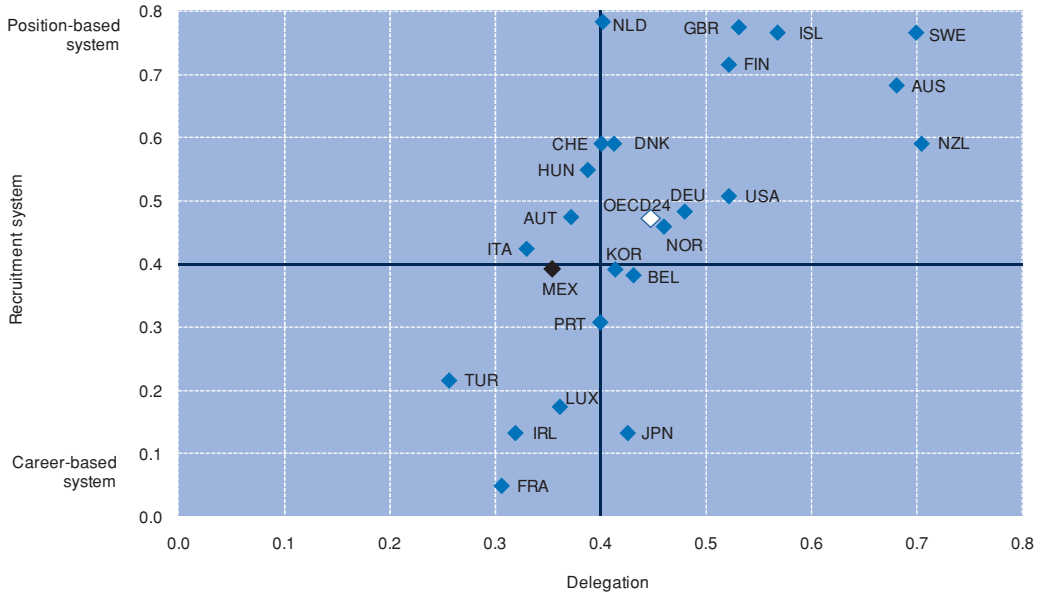
Data not available for Canada, the Czech Republic, Greece and Spain.

The data in this figure have been updated. A full corrigenda list for the book is available at: *www.oecd.org/publishing/corrigenda.*

Source: OECD (2009), *Government at a Glance 2009*, OECD Publishing, Paris, doi: 10.1787/9789264075061-en.

No civil service in an OECD member country is a pure example of either a career-based or position-based system; there seems to be a tendency for countries to adopt some processes from each system to mitigate the weaknesses to which they are prone.[12] However, countries started adopting processes from the other system only once their own system was mature enough to absorb elements from the other system. Based on the history of Mexico's public administration and the current features of the SPC, Mexican policy makers and civil servants may wish to consider giving the SPC a more position-based approach.[13] As Figure 3.11 shows, OECD member countries are moving in this direction as they seek more flexibility in the search for competencies required for service delivery. This would help to ensure fairness in recruitment through open and competitive processes for each position, and the development of more collective values across staff with different statuses; strong individual performance assessment would ensure fairness in promotion. Nevertheless, utmost caution must be exercised to prevent possible biases at entry and patronage in promotion which could stem from a lack of transparency in the recruitment process. A position-based system may also complicate cross-departmental appointments. Maintaining government coherence and collective culture, characteristics of a career-based system, could be achieved through a more centralised system of management for senior officials and emphasis on post-entry training.

Figure 3.11. **Relationship between type of recruitment system and delegation in HRM in central government (2005)**



Data not available for Canada, the Czech Republic, Greece, Poland, Slovak Republic and Spain.

Coefficient of correlation: 0.673 and R2=0.454.

The data in this figure have been updated. A full corrigenda list for the book is available at: *www.oecd.org/publishing/corrigenda.*

Source: OECD (2009), *Government at a Glance 2009*, OECD Publishing, Paris, doi: 10.1787/9789264075061-en.

Open competition

The SPC has used open competition to establish transparency and ensure the appointment of the best person for any given job. Conducting all searches in the SPC through open competition shows the government's commitment to building a meritocracy. However, there are two major disadvantages: *i)* it does not enable managed succession planning and career development; *ii)* it is time consuming and expensive, adding incentives for managers to make appointments under Article 34. The process is vulnerable to subjectivity and there are no safeguards to prevent it. The fact that the hierarchic superior with veto power is part of the selection committee and is responsible for designing exams has created distrust in the process.

Moreover, each recruitment event is treated as a stand-alone operation and candidates must put themselves forward for each vacancy. Other disadvantages are: that the best candidates may not apply for jobs; that moves between ministries are difficult unless a candidate who receives a job in a different ministry resigns from his/her current job; that there are often a lot of applications from unsuitable candidates, which adds to the administrative burden; and that the appointment process can often be unnecessarily protracted. The objectives are to be viewed as transparent and to give all interested candidates a chance to be considered. The Ministry of Public Administration should consider emphasising that transparency comes from a transparent admission process rather than transparency opening every appointment to scrutiny. Mexican authorities may

consider removing the veto power of the hierarchic superior. Decisions about the best candidate to fill a position should be by a majority of votes, and that decision should prevail.

The recruitment process does not allow for the career development of high-capability people, and its length is an incentive to bypass the rules of the system by using Article 34. Entry into the system should be based on legal and substantive merit, but the conditions stated in the law do not provide for a clear and dynamic recruitment process. Indeed, recruitment or promotion decisions in the SPC should be based on explicit, specific merit rules that are publicly understood and that can be challenged if a breach is suspected. According to officials in charge of the recruitment process in the Ministry of Public Administration, the *trabajaen.gob.mx* portal has become a sort of panacea rather than an instrument for a dynamic recruitment process, as the rules of the recruitment process were established depending on what the portal can do. In other words, the flexibility of the recruitment system depends on what *trabajaen.gob.mx* allows. For example, whereas the portal does not allow a competition to be opened unless the position is indeed vacant,[14] in agencies such as CONSAR – the National Commission for the System of Savings for Retirement – a public competition opens once it is known that a staff member will leave, and the new employee may even take over the day after the departure of the outgoing employee. Flexibility in recruitment is also limited by the lack of a Catalogue of Positions for the SPC. Although the SPC applies to a limited number of public servants and organisations, its coverage includes a wide array of professional specialisation areas (engineers, economists, lawyers, administrators, technical professions, etc.) in different policy fields (public administration, economics, communication, transport, politics, agriculture, etc.) and bureaucratic structures. The current Catalogue of Posts of the Federal Public Administration is rigid and does not meet the needs of the SPC. Based on the experience of OECD member countries, at least five actions can be taken to improve the recruitment process and entry into the system: *i)* clarify the exemptions to the system regarding open competitions; *ii)* build a competence management framework; *iii)* entrust the recruitment process to an independent body; *iv)* create a talent bank to speed up the recruitment process; and *v)* introduce job profiling.

To increase the efficiency of the appointment process, the Ministry of Public Administration could create a talent bank of the personal skills of the current professional civil servants, including their capability for level of work, their potential capability, their personal intellectual and interpersonal capability, and their leadership and organisaional capabilities, plus their skills and experience. This data base should be electronic. The database would enable: *i)* where an appointment needs to be made rapidly using Article 34, a list of candidates can be compiled on the basis of merit and suitability for the role; and *ii)* in other situations, allow full use of information on individuals' talents that has already been collected in the course of previous appointments.

Exceptions to open competition

Officials interviewed for this review commented that implementation of the SPC has focused on the entry sub-system. However, the entry sub-system, which should be the standard-bearer of the SPC, is being called into question; to a large extent, it allows for recruitment the same way it was done before the adoption of the SPC. Criticism is mainly due to the exceptions to the system as established in Article 34 of the law (see Box 3.6). The aim of Article 34 is to create a temporal exception to open competition and make the selection process more agile to meet urgent and pressing needs. However, abuses in the use of Article 34 have caused an increase in the number of appointments through this

instrument. This has led the public and academics to believe that the culture of patrimonialism and clientelism still prevails in the federal public administration. Nonetheless, Dussauge Laguna (2011) argues that the fact that *camarillas* cannot arrive into the public administration and positions distributed among political supporters as before is a strong change in Mexican politics and public administration.

Box 3.6. Exceptions to open competition

Article 34 of the Law of the Professional Career Service establishes that in exceptional cases – and when social order, public services, security or the environment of a zone or region of the country are in danger or altered as a consequence of natural disasters, unforeseen circumstances or circumstances that may lead to the loss of lives or generate important additional costs – the ministers or the chief administrative officer (*Oficial Mayor*) may authorise the appointment of a public servant to a career position without the need for an open competition and on a temporary basis (no more than ten months). After this appointment, in no more than 45 working days, the agency should open the position to open competition based on the job and profile description and the valuation of the post as registered in the Catalogue of Posts of the Central Public Administration. One person has the right to occupy positions in the career service under Article 34 twice during a two-year period. A one-year gap between appointments under Article 34 is required.

Source: Law of the Professional Career Service in the Federal Public Administration and discussions with Mexican officials.

Article 34 is intended to provide the career system with flexibility to appoint public servants in exceptional circumstances without waiting for the selection process to be completed. However, public servants and HR directors interviewed for this report argued that the exceptions are rapidly becoming the rule. Dussauge Laguna (2011: 11) argues that it is difficult to confirm that all appointments made using Article 34 have been decided on purely political grounds; however, "…discretion, personal loyalties, and even party affiliations continue to play a significant role in hiring and promotion decisions." The law is rather unclear in defining unforeseen circumstances and has left room for abuse. The 2006 report of the Superior Audit Office had already concluded that the guidelines for the free appointments (*libre designación*) were both permissive and generic. Due to the broad terms in which Article 34 and rules are drafted, almost anything can be considered an exceptional circumstance. Although public employees recruited through Article 34 are not part of the career system and are hired on a temporary basis, they are entitled to take part in open competitions for the position they are filling, and in most of the cases they are declared winners.[15] It has been reported that, in some cases they design their own exams.[16] Although this practice may characterise only a small number of cases, it has badly damaged the reputation of the whole system. Although appointments through Article 34 still represent a considerable part of the appointments to the career service, Table 3.5 shows that the number is decreasing. According to the new rules for the operation of the system, when a competition is closed without a hire, the position cannot be occupied under Article 34, as a safeguard to avoid favouritism. However, there are no provisions in the law regarding either competitions without a hire or cancelled competitions, which is another normative gap. In 2006 the Superior Audit Office identified the need to clarify the reasons for declaring open competitions without a winner and the indiscriminate use of the procedure established in Article 34 of the Law of the SPC. Moreover, the new rules for the operation of the system establish that proposals to except posts of free appointment (*libre designación*) should be based on function rather

than denomination. It is, however, unclear what type of functions should be exempted from being part of the career system.

In sum, the way in which exceptions to the system are established does not provide the basis for a fair open competition. This seems to indicate that in order to reduce and limit appointments through Article 34, Mexican authorities could: *i)* specify the situations in which Article 34 can be used, clarifying the definition of unforeseen circumstances; *ii)* use contractual staff to fill vacancies under provisions of Article 34, with no possibility for them to take part in the open competition nor to gain the status of career public employee; *iii)* prohibit filling a vacancy through Article 34 when the open competition has been cancelled; *iv)* improve the recruitment process to make it more flexible and avoid abuse of Article 34; and *v)* make public and explain appointments under Article 34; the Ministry of Public Administration should keep a record of those appointments and make them available to the public (via the ministry's website).

Table 3.5. **Open competitions in the career service**

	2007	2008	2009	2010
Open competitions with declared winner	6 065	10 156	14 276	18 423
Open competitions without declared winner	4 616	3 217	2 272	2 204
Open competitions cancelled	211	450	470	613
Appointments to the career service through Article 34	2 146	4 386*	1 720	1 280

* Other sources indicate that the number of appointments via Article 34, at least through 2008, had increased 300% with respect to the period 2004-06. According to *Political Digital* – a Mexican journal– the number of appointments via Article 34 could be more than 9 000, which represents one-third of the positions that make up the system (López Cruz, 2008). However, according to the Ministry of Public Administration, the percentage of appointments via Article 34 is minimal.

Source: Ministry of Public Administration.

Moreover, the Law of the SPC clearly establishes the figure of political cabinets (*Gabinete de Apoyo*). They consist of politically appointed advisers and other close associates of ministers and other members of the political executive. They are appointed at will, can normally also be dismissed at will, and leave office when their government or even their political principal leaves office. Political cabinets are established based on the budget of the dependency, and members of the political cabinets cannot perform functions that by law correspond to career public servants. This is an effective measure to prevent, to a certain extent, the politicisation of the top management. However, Mexican authorities may consider including in the guidelines for the integration and authorisation of political cabinets (*lineamientos para integrar y autorizar gabinetes de apoyo*) the specific functions members of the political cabinets may perform. For example, it could be stated that political advisors cannot give orders to civil servants and that they are not entitled to assume managerial roles. The functions should be distinguished in a way that makes the political-administrative interface visible. The appointment process should be transparent enough to show why a person was selected to the political cabinet. Officials entitled to lead a political cabinet should be accountable for the performance and actions of members of their cabinet.

The need for competency-based management

Using equity and merit as criteria to access the public service should be at the core of the recruitment process, so as to attract and retain talent. Organising the recruitment process based on competencies rather than general knowledge exams and/or pure

academic credentials, as it is currently done under the SPC, is a way to make it more fair and dynamic. A key issue for the SPC is to find ways to measure the experience and competencies required for the public service. This would necessitate a broader and more sophisticated interpretation of the concept of merit, which would enable recruiting organisations to take skills, aptitudes and previous experience into account. It may also be argued that a limitation of the SPC is the treatment of capabilities[17] as general knowledge and/or specific knowledge obtained through academic degrees, as was done by the evaluations conducted by CENEVAL. OECD member countries define competencies or capabilities as a combination of knowledge, skills and behaviours that result in good job performance. These are usually identified and validated through observation and analysis of what it takes to perform well. The behavioural aspect is a crucial part of competency: it is not only the knowledge and technical or specialist skills that people bring to their work that counts. Employers understand that behaviours – such as communication, teamwork, flexibility and interpersonal skills – play a crucial part in how people perform.[18] Competencies can help to build skills and change behaviours, achieve a better fit between recruitment and the needs of government organisations, contribute to inculcating a culture of performance, and increase mobility. Competencies could also be linked to professional development through appropriate training courses. Competency management may create the conditions for quick adaptation of the public service to changing conditions and for more strategic management of the public workforce. In a competency-based selection process, the required competencies identified for the vacant position are used as the selection criteria.

Mexican authorities may thus consider developing a competency management framework to make personnel management more flexible and merit based, as the experience of Australia, Belgium, Canada, Japan, Korea and the Netherlands suggests. These countries have developed competency management frameworks which identify the capabilities needed in the workforce and link a number of human resource management activities (recruitment, staff development, performance management) to enhance the capacity of the workforce. Indeed, a recent OECD report (OECD, 2010c) suggests that the advantage of engaging in competency management is that competencies can be used in different HR processes. Competency-based personnel management systems are focused on identifying the competencies needed for effective performance and on developing those competencies in the workforce. Thinking in terms of competencies should become a way of life in public administration organisations, from planning to selecting employees, and guiding and rewarding their performance. Competency management has spread in OECD member countries, as it has proved to be an effective way of defining the abilities and behaviours people need to do their jobs well; and it links a number of key HRM activities to ensure that an organisation is staffed by competent people who perform effectively.

Focusing on competencies would not be an easy task for Mexico, as it also requires significant attention to performance management, another aspect of HRM that is not well developed in Mexico. Competency management would require additional efforts, as it demands cultural change. Based on the experience of OECD member countries, Mexican authorities could consider developing a roadmap for implementing competency management under five main steps as described in Box 3.7.

Box 3.7. Roadmap for implementing competency management

This roadmap has been created based on the experience of OECD member countries in introducing competency management. It is not a prescription, but a checklist or guidelines on how to engage in competency management.

Step 1: Deciding to introduce competency-based management. This is a strategic choice and a long-term commitment. Competency management should be regarded as means to achieve an objective. It is important to establish the objectives for the competency-modelling project in advance. Formulating the objectives clearly can contribute to creating a shared perspective on competency management among the different stakeholders. The link to the organisational mission and vision should be made here. The decision to introduce competency management should not be taken lightly, as it is by no means an easy process. Nevertheless, competency management can leverage changing the organisational culture. The introduction of competency management can be an interesting opportunity to introduce organisational change during a period of broader government reforms.

Step 2: Organising, planning and communicating the shift to competency-based management. Three aspects should be considered: *i)* determining the organisation of competency management, which refers to the HR governance structure that is applied; *ii)* planning the approach for the development of a competency management system, which involves defining concepts, determining the relevant parts of the organisation, and selecting the development tools; and *iii)* developing and implementing communication plans to obtain support from staff.

Step 3: Identifying competencies and developing competency models for the specified target groups. This diagnostic phase begins with specifying the target groups of competency management. Then, the competency model is specified and the competencies are identified. There is no ideal competency management system, but a good competency management system must always be aligned with the specific goals of an organisation. A government's competency model ideally includes a mix of competencies specific to public service, and competencies that appear in both public and private sector organisations. Competencies specific to the public service generally take the form of (public service) values, for example: commitment, service, integrity, transparency, accountability and equity. Other competencies with an emphasis specific to public service are public service professionalism and probity, affinity with public sector management, political awareness, political savvy and public service motivation.

Step 4: Integrating competencies into various HR processes. The integration of competencies into the various HR processes can happen gradually or suddenly. With gradual integration, it is possible to start with a pilot project in one department, with a group of employees or in one HR process (selection, remuneration, workforce planning, etc.). Competency management is more than simply using competencies in various HR processes; it requires organisation-wide dynamics. Therefore, the competency-based HR systems should be integrated so that they are aligned and mutually supportive. The challenge is to develop competency management as an integrated, core part of HRM and to avoid the risk of it becoming an isolated tool or an end in itself.

Box 3.7. **Roadmap for implementing competency management** *(continued)*

Step 5. Revising and updating the competency management system on a regular basis. It is particularly important to grasp the dynamic nature of individual job-related competencies. Regular updates and revisions of the competency management system must be scheduled. Competency modelling is a continuous process, not a one-time project. To be useful, the list of competencies needs to be revised as business strategies and conditions change. In terms of timing, there are several options, such as periodic evaluation or a comprehensive review over several years.

Source: OECD (2010), *Managing Competencies in Government: State of the Art Practices and Issues at Stake for the Future*, OECD, Paris.

Due to the change culture nature of competency management, Mexico could start by implementing competency management in workforce planning and recruitment. The experience of some OECD member countries may prove particularly useful. For example, in Australia, the Public Service Commission provides additional assistance with recruitment. For example, its Get it Right recruitment kit contains capability cards, which assist in clarifying the responsibilities of existing roles and identifying effective selection options. Each card defines one capability and its behavioural indicators. In Canada, the Key Leadership Competencies (KLC) Profile was originally developed for leadership development and for the recruitment and selection of executive-level positions within the federal public service. It currently remains mandatory to assess each competency within the KLC Profile when conducting an executive-level selection process. The experience of Japan suggests that competency management can be seen as the underpinning of personnel management.

The SPC does not currently measure experience and people with long experience have no or little possibility of joining the SPC. Moreover, the SPC does not consider technical careers, but only university degrees. These are issues against the spirit of the Law of the SPC, which aims to develop public servants as *professionals*, not only *profesionistas*.[19] Making levels of experience as important as educational levels would provide a means to get away from purely academic-based selection criteria and foster diversity in the public workforce and equal opportunities to join the SPC. It seems, however, that the Ministry of Public Administration is currently working on the incorporation into the SPC of a Catalogue of Equivalences for all those candidates who do not have an academic background. This would certainly: strengthen the inclusiveness of the SPC, avoiding discrimination; help to attract experienced candidates; and foster the diversity in the composition of the workforce. To reinforce this initiative, Mexico could draw useful lessons from OECD member countries like Belgium and Korea. For example, a recent development in Belgium is the recognition of "elsewhere acquired competencies". Even if candidates do not have the required diploma, they can still be selected for specific functions if they can demonstrate the necessary competencies. This competency philosophy can only be applied in selection procedures in case of scarcity of specific qualifications on the labour market. On the other hand, Korea's experience shows that competency management can be used in the selection of junior managers.

Box 3.8. Managing competencies in the Japanese national public service

Between 2007 and 2008, the National Public Service System was reformed to include the management of competencies (capabilities) and performance management as the basic underpinnings of personnel management. The aim of the reforms was to make the personnel management more flexible. The new appointment system identifies the standard government positions according to the hierarchy of organisations and variety of jobs. The system also distinguishes the standard capabilities to accomplish duties (SCAD). The SCAD is a set of capabilities required of government officials in order to accomplish the duties of the standard government positions. Government officials are appointed according to the results of a personnel evaluation that assesses whether candidates to join the public service have the necessary aptitudes and capabilities to perform their tasks. This system is expected to enhance merit-based recruitment and make the appointment system work effectively and efficiently. A similar assessment is conducted to grant promotions.

Source: Presentation by Japan at the 2009 meeting of the Public Employment and Management Working Party of the OECD.

Box 3.9. Recruitment and selection in Belgium and Korea

Belgium. Recently, there has been an attempt to replace the educational qualification requirements (diplomas) with competency requirements. This means that people can be appointed to specific functions if they can demonstrate the necessary competencies (elsewhere acquired competencies, EAC) – even if they do not have the required diploma. The EAC logic means that candidates who don't have the appropriate diploma, but do have the right competencies (acquired through experience, training…), get the opportunity to participate in the selection procedures.

Sometimes, through experience, people are willing, fit and able to perform certain functions – especially in jobs where there are not enough workers – but for one reason or another do not possess the required certified diploma(s) or certificate(s). If that is the case, the Minister for Civil Service Affairs can decide to overrule the obligation of having the diploma or certificate necessary to exercise, or even apply for, those specific jobs. SELOR, the federal selection and recruitment agency, will then organise tests to assess whether the competencies (both generic and specific) that correspond with the required qualification level, but acquired outside the system, have been mastered. The certificate will be valid for five years (agreed in Collective Bargaining 2009-10).

In 2008, a pilot project was launched as part of a process transitioning the grade of ICT expert. The lessons learnt from this pilot project allowed the EAC logic to be applied in a broader field in 2009.

This procedure has, however, met with resistance in Belgium, as diplomas are regarded as more objective and a barrier against nepotism. So far, this competency philosophy has rarely been implemented.

Box 3.9. **Recruitment and selection in Belgium and Korea** *(continued)*

Korea. In the recruitment and selection processes, competency management is used at selection examinations. Testing for the selection of new civil servants includes several stages, each using various selection tools for evaluating competencies and knowledge. In a series of civil service entrance examinations for a Grade 5 position, the first exam (the Public Service Aptitude Test or PSAT) evaluates the basic traits and competencies necessary for civil servants; the second exam measures professional knowledge; and the third exam estimates competencies, attitude, and values through interviews and group discussions. The competency model has recently been applied throughout the selection process. For example, at the third entrance examination for Grade 5, the government identifies specific competencies for each grade and job category by applying qualitative and quantitative approaches, then constructs competency maps and a competency encyclopaedia by mapping the identified competencies. In the interviews, competency assessment, applying Behavioural Event Interview (BEI) and Assessment Centre (AC) tactics, is implemented.

Source: OECD (2010), *Managing Competencies in Government: State of the Art Practices and Issues at Stake for the Future*, OECD, Paris.

Creating an special body for recruitment

Reliance on the technical committees of selection to organise competitions for recruitment has several drawbacks. Members of the committee may not have the skills and competencies needed to assess other people's experiences and competencies, and the membership of the hierarchic superior on the selection committee, with veto power, has created distrust in the process. The Ministry of Public Administration needs to develop guidelines for more sophisticated selection processes. The technical committees of selection may indeed make a better selection regarding the technical skills to do the job, but it is also necessary to consider other aspects such as people skills. In order to enhance the credibility and sophistication of selection processes, Mexico may entrust them to a central recruitment body. An independent body in charge of the recruitment process would certainly allow for a more transparent and sophisticated process. One possibility would be to empower an existing body like CONOCER to conduct the recruitment process; another would be to create a brand-new institution. Whatever the case, clear terms of reference for this organisation should be drafted – but it would make it more difficult to abuse Article 34 or declare the competition without a winner. The Ministry of Public Administration would keep its role as standard setter regarding the general rules and guidelines for more sophisticated selection and recruitment processes and for building a shared competency framework for the entire process. The central recruitment body would be in charge of the execution of the process and providing support to other organisations' work on competency management. This body would be financed by the federal budget or contributions from the different agencies that use its services. In fact, the central recruitment body could be considered as a shared service centre, as it would provide support to participating ministries and agencies in the SPC. Its services may even be extended to provide other support services such as ICT, procurement, communication and finance. HRM staff from the different ministries and agencies participating in the SPC could be seconded or transferred to this body to conduct the recruitment process. In designing a recruitment agency, the Belgian agency SELOR and the Public Appointments Board of Ireland may be of inspiration for the Mexican Government.

Box 3.10. Recruiting organisations and processes in Belgium and Ireland

In **Belgium,** recruitment criteria are agreed between SELOR (the federal selection office) and the recruiting organisation, and the skills and types of employees the organisation wants to recruit are specified. SELOR advertises the position, receives applications, vets the applicants for formal requirements, conducts tests and examinations, and draws up a ranked list of applicants who have passed the selection process and are eligible for tenured public service.

SELOR's main advantages are its professionalism and its independence from the recruiting organisations. It is a modern recruitment agency using state-of-the art methods. It has developed competence in competency and methodology certification. It has invested in modern facilities and equipment, is actively developing its use of the Internet, and seems to be leading in developing and using e-supported recruitment processes. It is funded by the federal budget and has been able to expand its activities without increased funding.

Ireland has a career-based system with a more decentralised recruitment system. Recruitment of tenured civil servants in the government administration is managed by the Public Appointment Service (PAS). The process is similar to Belgium's. Testing has shifted from abstract tests to more job-simulation tests, strategic exercises, competency tests, and to a lesser extent, the examination of achievements. The process generates a ranked list of approved candidates, who are offered employment as vacancies become available. Employers have limited possibilities to choose whom to pick, or applicants to choose where to go.

PAS also carries out competitive examinations for senior levels in the local government sector, the health sector (including specialist doctors, managers, nurses and clerks), police and other agencies of the state. It also carries out executive searches, with tailored recruitment.

Ireland differs from Belgium in having a framework for decentralisation. Departments and government bodies can handle their own recruitment, provided that PAS has found them sufficiently competent, and provided that they observe the government's Code of Practice for recruitment. This is expected to be a learning process, leading to a growing amount of recruitment handled at a decentralised level.

Source: OECD (2007), *OECD Reviews of Human Resource Management in Government: Belgium 2007: Brussels-Capital Region, Federal Government, Flemish Government, French Community, Walloon Region*, OECD Publishing, Paris, doi: 10.1787/9789264038202-en; and OECD (2008), *OECD Public Management Reviews: Ireland 2008: Towards an Integrated Public Service*, OECD Publishing, Paris, doi: 10.1787/9789264043268-en.

Mexico may also analyse the possibility of using external service providers for the organisation and implementation of competitions. If such is the case, it is essential to ensure that such service providers are sufficiently competent and reliable. It is therefore recommended that the central body also be mandated to authorise the service providers allowed to compete for public selection contracts. Chile, for example, entrusts the selection process of top managers to private enterprises. Heads of agencies are presented with a short list from which they chose the best candidate.

Introducing job profiling

As an option to build a flexible, performance-oriented and forward-looking recruitment process for the SPC, Mexican authorities may consider adopting job profiles. Job profiling can be an effective way of getting managers and staff to think about their roles, what is important in a given job or a set of jobs, and how the job contributes to achieving the organisation's objectives. Job profiles can be an effective recruitment tool for attracting talent. They say a great deal about the culture of an organisation – what

sorts of people it wants to attract, what it expects of its staff and how much scope it gives them to exercise their initiative.

Job profiling is a way of combining a statement about what is expected from a job with a view of what the job holder must bring in terms of skills, experience, behaviours and other attributes needed to do the job well. It is an approach that helps organisations think about the outputs and results they want from jobs, as well as what they are looking for in terms of the person who will do the job.

So the job profile is about **the job** – the purpose of the job, why it exists and what results it is expected to achieve for the organisation; and **the person** – the characteristics the organisation is looking for in the person doing the job. When it is implemented well and used as part of an integrated set of human resource management strategies and processes, job profiling is a potentially powerful tool.

Job profiles differ from traditional job descriptions in two important respects: *i)* they focus on the outputs or results expected from the job rather than the tasks or functions to be carried out; and *ii)* they include a statement about the skills and personal attributes needed for the job. Whereas traditional job descriptions tend to be treated as stand-alone items, job profiles lend themselves to integration with other elements of human resource management and with broader organisational and management imperatives.

Job profiling is used in both private and public organisations. Where it has been adopted in the public service, it is generally the result of management reforms aimed at developing a culture of accountability and performance and as part of broader changes in human resource management. Within a context of public service reform, job profiles can be an effective tool for helping to change mindsets and behaviours. For example, accountabilities and key result areas can be defined in ways that emphasise customer focus and service improvement. When backed up with well-defined competencies, staff training and effective management, real changes can be achieved.

Job profiles are used in the recruitment and selection process for both external recruitment and internal recruitment or promotion. Developing a job profile requires an organisation to look critically at what a job entails and to reflect on the requirements for the person filling the job. They can enable an organisation to achieve a more accurate match when recruiting or promoting people. Job profiles can be an effective recruitment tool, not only in terms of defining what the organisation is looking for, but also as part of the "employment proposition" of the employer – helping to attract the right candidates.

Many organisations use competencies as part of job profiles, as a way of defining and measuring the skills, abilities and behaviours considered necessary for the job. If used properly and supported by appropriate assessment methods, a set of competencies provides a rigorous and reasonably objective method of assessing whether a candidate is likely to be effective in the job. The competencies required are defined by the job profile: for example, behavioural competencies could include things like the ability to work in teams or build networks; if there are managerial responsibilities, competencies would typically include interpersonal skills and leadership abilities; other examples of competencies might be strategic thinking, customer focus or analytical skills. Depending on the type of job, both generic competencies and job-specific competencies may be included in the job profile.

Job profiles can also contribute to other aspects of human resource management. Indeed, if an organisation is prepared to invest the resources and effort needed to develop job profiles, they should be integrated with other HRM policies so that full value can be drawn from them. For example:

- job profiles, particularly when used in conjunction with competency frameworks, can provide a framework for assessing employee development and training needs, designing development and training programmes and targeting the training budget;
- they can be used as part of career management and succession planning, to map out possible career paths and to provide employees with a clear view of the requirements for different jobs;
- they can be used to assist workforce planning, enabling the organisation to form a view of changing skill needs;
- if an organisation develops a set of generic job profiles, these can support mobility and flexibility in staffing, particularly if they are available online with tools that make them easy for managers to use;
- job profiles can link to performance management, by setting out the key results expected of jobs and helping employees to see what competencies are required. Conversely, information developed in the context of implementing a performance management system can also be useful in developing job profiles, as in the example below;
- job profiling can be used in job evaluation, where generic profiles are developed and used as benchmarks.

It therefore is important to consider how job profiles are to be integrated with other aspects of human resource management. For example, the information about expected outputs and result areas for a job must be consistent with what is to be measured and assessed in performance management, and the skills and behavioural competencies identified as necessary should be reflected in recruitment and selection criteria and the design of training and development.

Job profiling and competencies must not become an end in themselves. They are only effective as part of a linked set of HRM and organisational processes and should be managed as such. Job profiles should reflect organisational priorities and performance targets (this is achieved through careful specification of accountabilities and key result areas) and it is, of course, essential to have an effective performance management process for assessing what has actually been achieved, giving employees feedback and addressing shortcomings in performance.

Promoting diversity in the SPC

There is a growing tendency in OECD member countries to view a diverse composition of the public workforce as an added value rather than as a problem. Diversity offers not only a mixture of skills, competences, perspectives, experiences and backgrounds – it should be valued and used to improve government's efficiency and effectiveness and meet public servants' professional expectations. Diversity entails valuing people on their own merit regardless of their ethnic origin, nationality, disability, age, gender, sexual orientation, and religion or belief. Diversity should not be seen as an

end in itself, but as a mechanism to achieve broader social and economic policy goals. The experience of OECD member countries implementing diversity initiatives is mixed. Experience suggests that achieving diversity is a long-term, confidence-building process. However, diversity cannot be achieved without first dealing with discrimination, and enhancing equality in public employment, where merit should prevail.

In Mexico, Article 21 of the Law of the SPC establishes that no one can be discriminated against for entry into the SPC for reasons of gender, age, different capacities (disability), health conditions, religion, marital status, ethnic origin or social condition. This is a critical first step to fight discrimination and build a diverse professional public workforce. This should be reflected in job vacancy advertisements and the conduct of recruitment and selection processes. If diversity policies are effectively put into practice, the SPC would be an example to the Mexican private sector, where discrimination in terms of gender and age seems to be common.

The challenge for Mexico, like for most OECD member countries, is to mainstream diversity policies into daily human resource management processes and to change the culture from seeing diversity as a problem to considering it an opportunity and an added value. The spoil system that has permeated Mexican HR practices has been a barrier against diversity, as the different teams – the so called *camarillas* – that arrive to the public administration are composed of people who normally possess the same academic, economic and social background.[20] Some even attended the same school and got the same degree. The SPC has the potential to end this practice by focusing on competencies and merit.

One of the first steps Mexico may take in this direction is to make the recruitment process of the SPC fairer, more transparent and more flexible, to attract talented people with a mix of backgrounds, experience and perspectives. Improvements to the recruitment process should aim to: *i)* diversify communication channels to reach a wider audience; *ii)* motivate people to apply for vacancies in the public service; *iii)* relax the selection process and criteria to make them more inclusive, but still focused on analysing skills, qualities and competencies required for a job; and *iv)* facilitate the integration and retention of new recruits to the workplace through coaching or mentoring. HRM practices must be able to avoid or limit discrimination against any people, securing equal opportunities but still base recruitment and promotion on merit. The experience of France may be of inspiration to Mexico, as the French recruitment system is also dealing with the issue of the excessive academic nature of some competitive examinations, considered as a barrier to diversity.

Another requirement for the implementation and success of diversity policies is ensuring a proper legal framework for their operation. The law and rules of the SPC should bind organisations and public servants to pursue diversity in the workplace. The experience of OECD member countries suggests that a framework is needed to provide guidance on government's objectives and priorities in the search for diversity. Regulations and requirements on ministries and agencies to achieve a diverse workforce should be short, simple and accessible to produce better results, as the experience of New Zealand and the United Kingdom has shown. Mexico may also follow the example of Australia by appointing a workplace diversity co-ordinator accountable for the results of the diversity policy.

Box 3.11. Diversity in recruitment – the French experience

French authorities have implemented a number of measures to foster diversity in the civil service and promote equal opportunities. These measures intend to address the problem of over-qualified workers and deal with the excessive academic nature of some competitive examinations. It should be noted that the French civil service is a career-based system and access is through competitive examination.

The first area of action has to do with training prior to recruitment. In September 2005, the Defence 2nd Chance scheme was launched by the Ministry of Defence to help young people between 18-21 years of age with difficulties to integrate socially and professionally, with no professional qualifications and in danger of being marginalised. The objective is to enable these young people to learn standards of behaviour and respect for others; supplement their education in terms of reading, writing and basic skills in arithmetic; and have the means to gain an apprenticeship in a trade or profession. Recruitment is based on a voluntary service with a six-month contract governed by public law and renewable up to three times (not an employment contract). Recruits receive a EUR 300 monthly allowance, social security and medical insurance.

In February 2007 the French Government launched the operation "Sponsorship in the Civil Service" to: *i)* increase the information available to potential candidates on civil service examinations; *ii)* increase the availability of individual tuition provided by some of the members of the civil service college network (RESP), to help the most deserving candidates prepare for the exams; and *iii)* provide financial support to the most deserving candidates to help them prepare for the exams. On this last point, the scheme grants allocations to unemployed persons and graduates to enable them to pass a category A or B examination assisted by a tutor. Other actions include special classes to prepare for the competitive examination. The selection of the beneficiaries is made on academic level, socio-economic criteria and motivation. In 2008, 90% of the beneficiaries succeeded in the competitive examination to the civil service.

The second area of action refers to innovative measures in the field of recruitment:

- The **Recruitment without Competitive Examination** scheme was introduced in 2007, and allows entry to category C at the first level of the civil service. The process is based on a dossier (application letter, *curriculum vitae*, and interview with a committee). In 2008, 32% of junior staff was recruited under this scheme.
- The ***Cadets de la République*** scheme was introduced in 2005 to enable young people without a *baccalauréat* to prepare for the police examinations.
- The **Pathway to Civil Service Careers at national and regional level and hospitals** (PACTE) is a new way of recruitment in these three civil service sectors that aims to offer young people the opportunity to join the civil service as an established civil servant. This scheme is addressed to people between 16-25 years of age who left the educational system and do not have a diploma, professional qualification, nor vocational training leading to a specific occupation.
- The **RAEP – Recognition of Professional Experience** is a specific scheme that includes new selection procedures for recruitment and internal promotion. Instead of academic tests, it gives more relevance to achievements from experience: all professional knowledge, skills and expertise acquired while working in the civil service or in a salaried, unpaid or voluntary job and directly related to the professional experience required for the future work in the civil service. Examinations are more professional rather than academic, and include case studies, role play, etc. For internal promotions and upgrades, professional qualifications and experience are more relevant.

Source: OECD (2009c), "Fostering Diversity in the Public Service", and presentation made by Tony Strutt, Deputy Head of Strategy, Government Equalities Office, UK Government, OECD experts meeting on Diversity, October 2, 2009, Paris.

Workforce planning can help to promote diversity policies by identifying current staffing levels and available competencies, and how future staffing and competencies requirements will be met. In addition, the SPC strategic plans and programmes must clarify the contribution of diversity policies to wider aims of the government.

The Ministry of Public Administration could act as a focal point for promoting diversity policies. It would be responsible for developing the strategy, monitoring progress, promoting the benefits, linking diversity issues to strategic workforce planning, and providing guidance and support line ministries and agencies in the implementation of their own diversity policies. A key element is to achieve the right balance between central government co-ordination and delegated implementation responsibility. The creation of collaborative networks can help foster dialogue, promote the exchange of information and allow feedback on the general guiding principles among HR directors, including suggestions for improvement.

Open opportunities for career development and promotion

Granting employees the possibilities of **making careers** is at the heart of a system like the SPC. The sub-system of professional development establishes the possibility for career public servants to make careers in the public service. The technical committees of professionalisation are responsible for establishing paths for career progression and promotion. Obtaining a higher position seems to be possible only by applying to a specific post, taking part in the open competition and accepting the current job. Mobility can be horizontal or vertical, and, according to the law, public employees have the opportunity to be reallocated to a different organism in a post of similar level and profile. All career public servants are entitled to define their own career plans in co-ordination with the technical committees, according to the profiles of the post of interest. Moreover, career public servants, according to Article 43 of the Law of the SPC, have the possibility to be seconded for up to a year to other public or private organisms so as to increase their knowledge and improve their skills and competencies.

Promotion and career development arrangements need to be revised

According to HR directors interviewed for this review, there is a lack of regulation and progress in the implementation of the sub-system of professional development. As it stands, the SPC does not provide the means to develop a career in the public service and there are no mechanisms for promotion, regular rotation or mobility and professional development of career public servants. This is one of the main weaknesses of Mexico's Professional Career Service. According to some chief administrative officers (*Oficiales Mayores*) and HR directors interviewed for this review, it is hard to obtain a promotion due in part to poor regulation and the lack of progress in the development of instruments for performance evaluation. Dependencies have been given responsibility for developing their own performance measurement instruments but progress is uneven. In some cases, according to interviewees, it is still necessary to have a *padrino* (literally godfather or sponsor) to obtain a promotion, although it is still necessary to comply with the previously established profile of the position. However, it is not enough to guarantee that people promoted have the necessary competencies for the position. According to the 4th Activities Report of the Ministry of Public Administration, between January 2007 and June 2010 there were 467 lateral movements. However, these movements provide no evidence on the existence of a programme for career development.

Career public servants interviewed for this review noted a general feeling that career staff seeks more stability than career progression within the public service. There seems to be only aspiration to progression in the salary scale, but not career progression. This reflects an insufficient emphasis on the integral development of staff. The SPC has no means to incentivise continuous improvement in the competencies and skills of career public servants. There are little or no mechanisms for people to challenge themselves. This should also be a condition for permanence in the system. Furthermore, Mexican authorities should make clear that the SPC is not offering life employment but the required conditions and an opportunity for people to develop their careers. In fact, a large number of OECD member countries are moving away from career systems and moving employees to the general employment frameworks (see Figure 3.8). Life employment is no longer seen as providing any added value to the quality of work of the public service.

One of the constraints to establish mechanisms for promotion and implement more-or-less structured career progression is the fact that the SPC has elements of both open and closed public service systems. It is necessary to have a clear direction on the type of system wanted. In other OECD member countries, both types of systems are evolving to achieve more fluidity and more internal mobility. The emphasis on performance and competency development is also changing the approach to career development. Public services that had closed career structures, such as Ireland, have opened up opportunities for external recruitment to more senior levels, as well as internal promotion opportunities, through the establishment of competitive, inter-departmental selection procedures. In other countries, such as Australia and Canada, there is an increasing focus on talent management as a way to enrich the pool from which people are selected for more senior positions and to retain talented people.

In Mexico and other OECD member countries, there is an increasing emphasis on self-managed career development, with a move away from the notion of an assured or predictable career path. To enhance this practice, Mexico would need to invest in developing competency frameworks to provide a structure for people to learn and develop, and to encourage people to plan their own careers and apply for jobs that meet their career development aims. This presupposes a relatively sophisticated annual development dialogue within the performance assessment system, during which the employee and supervisor discuss development needs and agree on a personal development plan. Mexico should continue lateral job moves, to a different job at the same level, as a way for public servants to expand their competencies and gain experience. The technical committees should be accountable for identifying possible career paths in order to help people with their career planning. Mexico could consider analysing the case of the United Kingdom, whose Professional Skills for Government competency framework provides the backbone of the system. Two key lessons for Mexico can be derived from the UK experience. First, this type of instrument should be developed collaboratively by employers, staff, professions and wider stakeholders in central government. And second, that experience cannot only be gained by working in the civil service; competencies acquired elsewhere and experiences are equally valuable. Mexico's Ministry of Public Administration should lead the works.

This instrument may constitute an incentive for public servants to take active responsibility in developing their careers. The SPC could make clear that promotions should be earned by continuous improvement and are not entitlements. This also helps to emphasise the principle of merit in both recruitment and promotion decisions, which should be based on explicit, specific merit rules that are publicly understood and that can be challenged if a breach is suspected.

Box 3.12. United Kingdom: Professional Skills for Government competency framework

The Professional Skills for Government (PSG) competency framework is used for jobs and careers in the British civil service. It sets out the skills that staff in the civil service need to do their job well, at all levels and no matter where they work. The PSG competency framework applies to all civil service jobs at all grades. The PSG framework can help civil servants identify: *i)* the mix of skills and experience they should have in their current or prospective job; and *ii)* the skills they might need to gain to change roles or seek promotion. Civil servants are encouraged to think about the framework in line with their appraisal cycle, which provide an opportunity to look at the skills they have and the skills they need. This is a valuable tool for civil servants to plan their careers.

The PSG competency framework is divided into four separate but supporting areas:

- **Leadership:** civil service leadership qualities sit at the centre of the framework to provide direction for the organisation, deliver results, build capacity for the organisation to address current and future challenges, and act with integrity.
- **Core skills:** every civil servant needs certain core skills to perform effectively. For example, at Grade 7 the four core skills are people management, financial management, analysis and use of evidence, and programme and project management.
- **Professional skills:** job-specific professional skills are related to the work civil servants do. Everyone in the civil service requires some professional skills in, for example, policy development, operational delivery, or providing expert advice (for example, scientists, economists and communicators). This area of the PSG is supported by heads of profession, who set standards for all professions in the civil service.
- **Broader experience:** for senior civil service (SCS) members and those aspiring to the SCS, both depth and breadth of experience are important. Deep professional knowledge is valuable, but as civil servants progress in their careers, breadth of experience becomes increasingly important. Heads of profession lead the work to define broader experience in each professional context. This experience could be gained within the profession, within another part of the civil service, or in other sectors.

Source: *www.civilservice.gov.uk* accessed on 11 March 2011.

Clarify the status of entry-level positions

In order to take the first steps towards implementation of the sub-system for professional development, it would be necessary that Mexican authorities clarify the status of entry-level positions (liaison officer – *enlace*). Entry-level positions, according to Article 23 of the Law of the SPC, are recruited through an open competition held annually, provided that there are vacancies. This supports the SPC's career-based aspects, as candidates joining the SPC through this avenue are expected to spend most of their careers in the public service. Nonetheless, the fact that this category includes individuals with professional backgrounds, drivers and secretaries (assistants) causes confusion as to how to treat this group. Interviewees stated that positions in the *enlace* category are sometimes treated as middle managers, and some others as administrative staff. The principle here should be that the function should determine integration to the system and not the salary level. Mexican authorities may consider creating a generic category called "policy analyst" to cover only professional positions that require specific intellectual competencies. Individuals in this category should have the possibility and potential to

become, via career progression and mobility, middle and top managers, which would be an incentive for young professionals to join the system. Creating an exclusive category for professional members of the SPC could be enhanced by developing a standard way to identify and describe positions. Jobs typically filled by people with university degrees open up a wider range of possible designs. It is important to keep a small number of categories, so as to avoid fragmentation and favour mobility across ministries. Other functions commonly mixed with professional staff – such as drivers, secretaries and clerical staff – could be grouped in a different category called "technical support". Specific requirements for these positions could be established. It may be appropriate to remove them from the system and integrate them to a parallel career service for technical-administrative staff. However, jobs requiring only a basic education would normally not provide much opportunity for substantial functional promotion within the category.

Mexico could greatly benefit from the experience of Canada and France in structuring occupational groups in the core public administration. The common lesson from these experiences is to keep a small number of categories to maintain fluidity and flexibility, while at the same time providing career opportunities to members of the staff. In particular, France's *Répertoire interministériel des métiers de l'État* (RIME), provides a useful example of how to organise positions with a professional background. The RIME includes a functional domain for "studies and evaluation of public policies" (*Études et évaluation des politiques publiques*) which involves five jobs of reference. In the case of Mexico's SPC, the liaison officer (*enlace*) could be divided into different categories of professionals in charge of conducting activities that require an analytical and intellectual background. Through career progression, these professionals may be considered as potential managers, and for promotion within the domain.

Table 3.6. **France: RIME jobs in the *études et évaluation des politiques publiques* domain**

Job	Brief description
Responsable de programme d'études (Leader of programme of studies)	Define a programme of studies within the domain of responsibility, co-ordinate its realisation by policy analysts and ensure the validation and valuation of results.
Chargé d'études (Project developer)	Conduct or follow up the realisation of studies to describe an existing situation and define consequences of public policy.
Responsable de production d'informations de base (Production leader of base information)	In response to a demand for base information, mainly statistics, conceive the means of collection, analysis and provision.
Producteur d'informations de base (Base information producer)	Produce, analyse and make available base information, statistics for the realisation of studies and evaluations.
Chargé de l'évaluation d'une politique publique (Public policy analyst)	Analyse the impact, implementation and results of a public policy; define conclusions; and propose means of improvement.

Source: French Ministère de la Fonction Publique (2007), *Répertoire interministériel des métiers de l'État* (RIME), DGAFP, Première edition, Paris.

Develop a standard way to describe positions and define career paths

A flexible SPC should enable the government to structure employment and deploy staff optimally to meet operational needs and adapt to changing requirements. It should provide sufficient flexibility in terms of staff mobility within ministries and between different parts of the public service, to meet employers' needs and to enhance career opportunities for staff. Fluid movement into and out of the SPC would be an important aspect of flexibility. The task for government would be to recruit and retain talent by offering sufficiently interesting and attractive jobs and career opportunities. The full

implementation of the sub-system for professional development would be an important move in this direction. A first step would be to develop an integrated inventory of positions in order to identify equivalent positions in different organisations covered by the SPC. A framework of standard job definitions, against which all positions in the SPC could be identified and matched, would be a step towards more flexibility and more cost-efficient organisation of staffing. There should be as few reference jobs as possible to avoid a proliferation of job definitions. Job definitions could be used for a range of purposes, including matching jobs in ministries to reference profiles in order to grade them, competency mapping and recruitment. This would also give clarity to entry-level positions. Job profiles could also be developed on this basis. This approach would be compatible with current efforts to introduce competency-based management in the SPC.

The requirements for an effective SPC can be satisfied in a variety of ways. One possibility would be to look at four inter-related dimensions:[21]

- how jobs are defined, classified and grouped together – for example in grades, corps or occupational groups – and the extent to which these are more open or more compartmentalised;
- how career development is organised – points of entry via external recruitment, rules about career progression – and the extent to which more senior jobs are filled through internal promotion;
- job security – the extent to which employees can expect to make a longer term career in the organisation;
- how pay is determined – how jobs are classified for pay purposes, methods of pay progression (salary scales, whether there is a link to performance).

Each of these dimensions influences the others. For example, if there are multiple points of entry at different levels of seniority, this affects opportunities for internal promotion. If job categories are narrowly defined, this tends to limit opportunities for career development through lateral mobility.

In order to build career paths for public servants, it is necessary to redefine the job categories in the system. Developing a standard way to identify and describe positions should be an important step in this direction. It would also be key to rationalise the number of homologous positions. For that purpose, the population of the SPC and the roles they occupy need to be divided into manageable chunks, both horizontally by occupational groupings and specialisations (job families) and vertically by level of work. For the latter, Mexico could follow the levels of work classification proposed in Box 3.13, which clearly establish the growing complexity of a job and the longer time span required to obtain results.

Table 3.7 provides some guidelines on how to define levels of work for positions in the career service. For the SPC, the challenge is to build identifiable managerial and non-managerial levels of work with their own themes and contributions. At successively higher levels, the work involves increasing complexity, longer time horizons and greater uncertainty. For the purposes of the SPC, only levels 1 to 6 could be applicable.

Box 3.13. The levels of work

All work falls naturally into clearly defined levels of increasing job challenge. This principle has been established through extensive research over 30 years. Levels of work are independent of national culture or political system. The definitions coined by Elliott Jacques, who defined levels of work as broad bands of work, are set out below. He identified seven levels of work, as follows:

Added value for the present: 1), 2), 3)	1) Quality	Front line, concrete output clearly specified.
	2) Service	Bring specialist knowledge to the solution of a particular situation or case choosing form a range of known options.
	3) Practice	Operational management – mini organisation, people, plant, resources and budget – manage costs and improve delivery.
Added value for the future: 3), 4), 5)	4) Strategic development	Achieve overall strategic intent in designated sector of the market place in light of competition and changing social and business environment.
	5) Strategic intent	Ensure financial and social direction and viability of enterprise. Answers two key questions: where is this business going? Why are we in it?
Value system: 5), 6), 7)	6) Corporate citizenship	Build strong local, national, regional and world-wide presence through sensitivity and responsiveness to cultural differences.
	7) Corporate prescience	Major social institutions affect nations and are created and shaped in relation to global needs. Decisions take more than 20 years to come to fruition.

Source: Adapted from Elliot Jacques (1976), *A General Theory of Bureaucracy,* Heinemann Educational, London.

Table 3.7. **Levels of work applicable to the SPC**

Level	Key focus	Primary purpose
6	Vision	Setting the path for the whole organisation within its global context. Building and sustaining goodwill that generates confidence in all stakeholders and is the essence of long-term sustainability.
5	Strategic intent	Defining purpose, strategy and performance targets across a directorate or a major unit with genuine strategic importance, and managing external relationships at the highest level.
4	Strategic development	Turning the strategic intent into operational reality through the design and development of services and policy formulation. Providing the organisation with the means to deliver the mission. Specialist work can be undertaken at this level that is focused on creating new knowledge and paradigm shifts that go beyond any already known field, and would be seen as such internationally. Accountability for national policy is held at this level.
3	Practice	Inputting to, managing and delivering sustained effectiveness at a unit or departmental level. Realises purpose and enhances reputation through the delivery of quality services, products (such as reports, reviews and analysis) in a timely and cost-effective manner.
2	Service delivery	Works within tried and tested process, practice or policy to deliver non-repetitive products and services including analysis, review and reports. Solves non-routine problems and issues on a case-by-case/project basis.
1	Delivery of quality	Delivers routine quality product or service within specified limits and with minimum wastage of effort and resources.

Source: Based on Elliot Jacques (1976), *A General Theory of Bureaucracy*, London, Heinemann Educational, London.

Key points to help with understanding of levels of work:

- every level of work identified in the model is important and essential;
- each level focuses on different priorities, content, timeframes, information/management and processes;
- it is a model for understanding the challenge and complexity in work;
- it is a hierarchy of decision-making complexity, with each level providing the context for work in the level below;
- levels of work can be used to gain clarity around an organisation's drivers and needs.

Each level above Level 1 has two major focus areas:

- to create the conditions for the preceding level to be effective/productive. "Unless my boss sets the appropriate context, I cannot do my work."
- its own work with its own accountabilities and outputs.

As the level of work increases, so does the complexity and uncertainty of decision making and the time span which the decision affects. Moreover, for the purpose of the SPC, technically specialist roles should be vested in single ministries or groups of ministries. Operational managers should be vested in groups of ministries where the managerial challenges are similar. Strategic roles (director general and deputy director) should be managed across the whole of the Mexican civil service by the SFP as part of a high-flier programme. The work of all agencies needs to be assessed and the posts covered by the SPC classified into job families. Since these job families will cross a number of ministries and agencies, it is crucial that each has a parent who would be responsible for maintaining the Register of Posts for that job family and to fill posts with appropriate candidates. Such function may be, at least at the beginning, be taken by the SFP.

In revisiting the occupational structure of the SPC, it may be helpful for the Mexican Government to look at the experience of Canada and France. A new occupational group structure introduced in the Canadian public service in 1999 greatly reduced the number of groups by integrating those that perform similar or related functions. This has streamlined the collective bargaining process and provided employees with more opportunities for career mobility and professional development. The central HRM agency, the Office of the Chief Human Resources Officer in the Treasury Board Secretariat, led the initiative and continues to play a key role in supporting public service organisations in working within the new structure.

In France there has been an ongoing process of reducing the number of separate *corps* in the public service by abolishing *corps* or merging those with similar functions across different ministries. Between 2005 and 2010, the number of *corps* will have been almost halved. Over 80% of the mergers have concerned Category C *corps* – operational jobs. In parallel with rationalisation of the *corps*, the notion of *métier* or occupation has been introduced by French authorities as the basis for managing the principal elements of the career, so as to provide for more fluidity within the system. Key aspects of HRM – such as assignment, performance evaluation, promotion and remuneration – are to be less linked to the statute of the *corps* and more to the *métier*. Crucially for the Mexican case,

the French example shows how existing systems which did not provide much scope for active management of human resources can evolve to include new elements which improve mobility and open career structures. The Mexican SPC should take a similar, pragmatic approach to reform in a sphere which is technically and politically very complex to change.

Box 3.14. Occupational group structure in the core public administration of Canada

In the core public administration classification system, the organisation of work and employees is based on an occupational group structure. In 1999, the government approved an occupational group structure with updated definitions. The new structure contains a smaller number of groups (29 instead of 78 under the old structure), some of which consolidate older occupational groups that share certain common traits.

For example, one new group – Programme and Administrative Services – was created from 11 previous groups, including administrative services, communications, data processing, office equipment, secretarial, programme administration and a number of other functions. As part of the reform, the job classification system was reviewed and updated.

The Office of the Chief Human Resources Officer in the Treasury Board Secretariat is leading the modernisation by:

- defining the occupational group structure;
- reviewing job classification standards and qualification standards for all occupational groups;
- working with public service organisations on classification monitoring to give deputy heads the information they need to exercise their delegated classification authority;
- implementing a renewed suite of classification policies and guidelines;
- creating a competency profile, learning curriculum and recognition programme for organisation and classification advisers.

Source: Treasury Board of Canada Secretariat (n.d.), "Organization and Classification", Office of the Chief Human Resources Officer, *www.tbs-sct.gc.ca/chro-dprh/cla-eng.asp*, accessed November 2010.

Box 3.15. France: *Répertoire interministériel des métiers de l'État* (RIME)

The RIME, an inter-ministerial index of state occupations, was launched in 2006. All jobs are indexed, including those occupied by contractual staff. This is a way of bringing together function and occupation and setting up a common nomenclature. It identifies 23 common functions divided into strategic, operational and support categories. Attached to these functions are 236 reference jobs, which are described in the RIME. Individual ministries can use the reference job descriptions to identify and classify the jobs within their own structures. The reference jobs also help to prepare job profiles and job descriptions which can be used as a basis for performance assessment.

The RIME has been well received and ministries are implementing it. It has permitted a shift from personnel administration to HRM based on analysis of needs and required competencies. The RIME reinforces staffing based on competency needs analysis and increases cross-departmental mobility of staff by making it possible to identify potential recruitment pools. There is better targeting of recruitment and matching of jobs to people based on ministries' operational needs. Training can also be organised around the competencies needed for the reference jobs.

Two examples of how the RIME has been applied are outlined below.

Professionalisation of the job category: Finance

A cross-ministry working group on the management of HRM was created to professionalise the job categories using initial and continuous training, recruitment, career paths and mobility. For this purpose, it identified competency needs and updated financial job categories in the *Répertoire interministériel des métiers de l'État* (RIME). In June 2008, the Budget Directorate launched work aimed at:

- identifying all jobs and mapping the profiles of the financial functions;
- clarifying the needs of such jobs in terms of changes of the scope of activities;
- creating an index of about 20 financial jobs, in concert with all ministries, to be included in the RIME as of 2009;
- designing and implementing short- and medium-term action plans to improve recruitment and training and to diversify career paths within government.

This work was piloted by a committee including directors of financial affairs, a budget controller and accountant, and representatives of the Directorate for Public Finances, the Directorate for Personnel and Adaptation to the Professional Environment, and the Directorate for Administration and the Public Service.

Job categories in the Ministry for Agriculture and Fisheries: the role of the Observatory for Missions and Job Categories

To develop its job categories, the ministry relies on work led by the Observatory for Missions and Job Categories (*Observatoire des missions et metiers* – OMM), created in 2000.

The OMM is responsible for following developments in government missions in the fields of the ministry and their impact on job categories. For example, the OMM produces prospective studies on large job categories, with the involvement of a study steering committee composed of relevant personnel. The OMM also produces horizontal studies on changes in job categories and competences or studies on mobility and career paths. All studies conclude with recommendations aimed at accompanying changes in missions or organisations with changes in HRM.

Box 3.15. **France: *Répertoire interministériel des métiers de l'État* (RIME)** *(cont'd)*

The work of the OMM is used by the ministry to better assess future needs in terms of workforce numbers and competencies, and in its strategies to improve HRM – especially in the areas of recruitment, initial and continuous training, and career paths.

First, the descriptions of present and future jobs help make jobs better known outside of the ministry. They are also used as a reference grid for hiring interviews and annual performance appraisal meetings.

Second, the work of the OMM is used for life-long training purposes by training institutes under the responsibility of the ministry and for designing overall life-long training policies.

Third, this work is used for mobility purposes and for job profiling purposes, especially for jobs open to internal mobility.

More generally, the secretary general of the ministry has ensured that there is some follow-up to the OMM recommendations through the establishment of working groups in charge of concrete action plans, most importantly in the fields of recruitment, lifelong training and career paths.

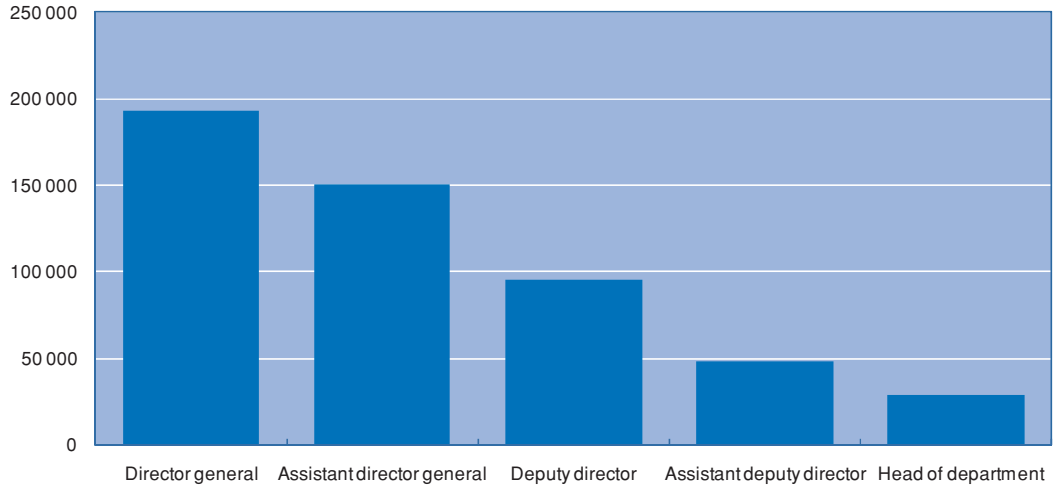
Source: Ministère du budget, des Comptes publics, et de la Fonction publique (2008), *Rapport annuel sur l'état de la fonction publique: Politiques et pratiques 2007-2008*, Vol. 2, pp. 65-68, Paris.

Moreover, the organic structures are rather static; consequently, in many organisations, there are a number of positions that are not part of the structure and therefore not considered in the system. Organic structures should be adapted according to governmental programmes ensuring that all positions conducting substantive work are part of the SPC (excluding support functions). Ministries and agencies should have the possibility of adjusting their structures in the best possible way to meet the government's strategic objectives. The Ministry of Public Administration should make the process of certifying structures more dynamic and flexible. To enhance the decentralisation process of the SPC, organisations should be able to adjust their structures following guidelines from the Ministry of Public Administration, in order to ensure that positions in substantive areas remain within the system.

Integrate compensation policy into the framework of the career system

One of the main gaps in the current SPC legislation is the lack of a sub-system for remuneration. This has been detrimental for the proper management of the workforce in terms of: workforce planning, career development and promotions, the enhancement of performance-oriented management, and the establishment of pay levels that are economically sustainable and socially acceptable. Salaries in positions within the SPC are not equilibrated. Due to budgetary constraints, there have not been salary increases in most of the posts that belong to the system over the last eight to ten years; unionised positions, on the other hand, have received raises due to pressure from unions. This has led to situations in which unionised positions with lower levels of professionalisation may earn more than positions in the SPC, where academic credentials are requested, according to officials interviewed for this review. Unions in Mexico are very powerful and Mexico could take advantage of the fact that career public servants are not unionised to explore different ways of modernising the salary structure of the SPC. In taking the first steps towards introducing workforce planning and defining career paths, Mexico should make compensation policy an integral part of the career system. The structure of compensations needs to be revised, as low salaries in low- and middle-level positions in the SPC do not help to retain talent and are an incentive for the creation of positions outside the system with grades similar to the highest grades in the SPC (homologous).[22]

Figure 3.12. **Compensation of career public servants, 2010 (MXN)**



Source: Ministry of Public Administration.

The SPC requires a standard means of evaluating positions for pay and grading purposes, so as to introduce more transparency into the remuneration system and move towards more efficient management of relative pay levels. Mexican authorities need to determine the type of public servants Mexico needs, and also how much they should earn. How pay is determined (methods and salary scales) is directly linked to the way jobs are classified, defined and grouped; career development; and job security. In creating a sub-system for remuneration, Mexican authorities should ensure that pay packages are competitive externally, i.e. positioned in the range of packages paid to individuals doing equivalent work in other organisations. If pay is too low, the organisation will lose its best people to other employers; if it is too high, pay costs will be unnecessarily high. There should also be internal equity throughout the public service in order to foster team spirit and morale across organisations and the whole-of-government, and enhance the credibility of management. The basic principle of job classification is that similar positions with equivalent responsibilities, challenges and working conditions should have equivalent pay. Job classification is always a sensitive matter. The establishment of an inter-ministerial commission to supervise the process, with independent external technical assistance, is strongly advised. Central custody of the system by the Ministry of Public Administration is needed to maintain its integrity. For example, in the United States, the federal Office of Personnel Management is responsible for classification standards and guidance to federal government agencies on the application of the classification methodology.

Remuneration should also be culturally congruent, as salaries and wages should reflect the values of the organisation. A number of OECD member countries – Iceland, Italy, Japan, Portugal and Sweden – are taking steps towards modernising their compensation policies: their experience may be of inspiration to Mexico. Sweden, for example, uses a job classification scheme to enable pay comparisons across a wide range of state agencies that set pay independently. Each job is classified for content with a three-digit code (family, class, type) and one-digit code for functional level. Three main messages of reforms in other OECD member countries may serve as lessons to Mexico: *i)* public administration reforms, and specific civil service reforms, should be underpinned by a solid remuneration structure; *ii)* decisions about granting performance bonuses should be transparent; and *iii)* seniority should not be the base for remuneration increases.

Box 3.16. **Japan and Portugal: reforming the remuneration system**

Japan introduced changes to its remuneration system in 2005. To promote efficient personnel management while maintaining the morale of employees, Japan built a remuneration system that would restrain the factors of a seniority-based remuneration increase, and ensure appropriate remunerations in accordance with each official's duties and responsibilities or performance results. The main points of the reform were:

- **to reflect local wage levels in public employee remuneration.** The government lowered the average salary level by 4.8% and introduced Area Allowances to increase the salary levels of public employees in high-income regions. This reform was gradually implemented between FY2006 and FY2010.
- **to restrain seniority-based increases and flatten the salary curve.** The government reduced salary levels for middle- and upper-age public employees by 7%, but maintained those for young public employees unchanged.

Box 3.16. **Japan and Portugal: reforming the remuneration system** *(continued)*

- **to reflect performance in pay step increases.** The government divided the only existing pay step into four steps to make increases more flexible. In addition, the government consolidated the regular step increase and the special step increase into one step based on performance.

Issues concerning the current revision of the compensation system include: the role of the *Diet* in negotiations, and how to delegate authority over labour negotiations (balance with financial democracy), the scope of employees to be given labour rights, the scope of matters open to negotiation and determined in collective agreement, and the preparation of the organisations that have the authority to negotiate on the side of employers.

Portugal introduced changes to the remuneration system as one of the pillars of the public administration reform. The reasons were: the existence of various remuneration scales (a scale for general and special career scheme and different scales for each of the special corps); excessive number of different pay steps (more than 522 steps); a large number of remuneration supplements granted frequently with the exclusive objective of ensuring increases to basic remuneration; advancement in pay levels every three years; and the lack of remuneration mechanisms related to performance levels. All this prevented transparency of the remuneration system. The new remuneration system includes three main parts:

- **Basic remuneration:** there is a single pay scale that includes 115 pay steps. Pay levels are always ascending. Each category of careers includes a variable number of pay steps. For example, uni-category careers have a minimum of eight pay levels, and for multi-category careers the number of steps varies according to the number of categories.
- **Remuneration supplements:** supplements are no longer automatic and permanent; however, they have been maintained for positions with demanding conditions, assuming functions are being performed well on an ongoing basis.
- **Performance bonuses:** the innovative aspect of this reform is that there is now the possibility of granting performance bonuses to workers and middle managers as a result of the Integrated System of Public Administration Performance Assessment (SIADAP). However, bonuses should be based on a pre-defined credit which should be distributed successively by category, career, activity, academic qualifications and professional groups – and all decisions regarding bonuses should be made public. Workers who have changed their pay levels in the current year are not considered for performance bonuses.

Source: Presentations given by Bunzo Hirai and Yuki Yokomori, Japanese delegates to the Public Employment and Management Working Party, and Teresa Ganhão, Portuguese delegate to the PEM Working Party, during the annual meeting in December 2010, Paris.

Making training more strategic

Mexico's SPC considers training as an important element to improve and develop new capabilities and skills, prepare public servants for positions at higher levels of responsibility and certify their capabilities. Thus far, it appears that the training and capabilities sub-system has focused on a distance-learning approach to imparting knowledge in a way that is applied to all levels of the SPC without reference to the requirements of specific roles. The portal *@Campus México* has an inventory of 126 courses provided by universities and private providers. The Ministry of Public Administration and the agencies which are part of the SPC have made efforts to

constantly provide training to their career employees. In 2009 there were more than 47 000 training activities. Career public servants are obliged to certify their professional capabilities at least every five years in order to ensure that they have developed new capabilities and kept their profile and aptitudes up to date. Failing to do so implies separation of the system. It is clear that employee development is recognised by the Mexican Government as a strategic issue for the public service; the problem has been the strategy. Officials consulted for this review reported that in some instances public employees suggest their training needs based on perceived necessities rather than on sound considerations of how training could benefit their career development and help them to meet their objectives in their current jobs (for example, through a performance appraisal). In many other cases, training courses chosen by public employees are not related at all to their activities. The increasing knowledge content of work in the Mexican public service, like in the rest of OECD member countries, makes ongoing skills development indispensable. However, as adaptability, problem solving and innovation become increasingly important for organisations, training in the skills needed for a particular job should be complemented by other forms of learning to develop a range of technical and behavioural competencies. Thus, training programmes should be aligned to organisations' business needs, as training courses have not been used in a strategic manner. For this purpose, the notion of training should be replaced – as it has in many other OECD member countries – with the broader perspective of learning and development. Indeed, governments in OECD member countries are making a significant investment in skills and human capital, and are emphasising the need for lifelong learning. More self-directed learning and development by employees are being encouraged, supported by competency frameworks and the inclusion of development in performance management and career progression.

In order to make a better use of training facilities, the Ministry of Public Administration could develop a broad framework for the provision of training – but it is important that training needs continue being established by line managers together with employees. This would foster accountability for managers to ensure career development for their employees. However, if Mexico accepts the recommendation to focus more on competency management, managers should also ensure that training needs are in line with organisations' strategic objectives and detected competency gaps. The objectives of all learning activities (workshops, courses, etc.) should be based on the development of specific competencies. Indeed, a competency gap analysis should be the basis for defining training courses. A personal development plan could be created for each employee, listing the specific competencies he/she needs to develop for improved performance. The use of new technologies for training, like the *@Campus Mexico* portal, is a good way of encouraging participants to take part in training courses, reducing costs and monitoring training delivery. At present, *@Campus Mexico* is largely distance-learning oriented with little focus on the promotion of real capabilities. Mexico could further exploit this tool to make training more strategic by developing a modular approach to training linked to a competency framework. However, it is important that classroom-based training not be neglected, and it is necessary to ensure that it is based on the most modern adult-learning methodologies. The experience of Australia, Belgium, Denmark, Korea and the United States in applying competency management to training and development programmes could inspire Mexico to adopt similar practices.

Box 3.17. Developing competencies through training in OECD member countries

Australia. The Australian Public Service Commission designed three programmes to support training and development in public service agencies. First, the HR Capability Development Programme focuses on developing skills that will give HR managers greater ability to be effective in strategic HR roles. Second, it launched a good practice guide, *Building Capability: A Framework for Managing Learning and Development in the APS*. This framework aims to foster a learning culture and provides a source of audit criteria for future evaluation. Third, a Career Development Assessment Centre was established to assess members of the senior executive service (SES) feeder group to help identify their development needs for possible future promotion to the SES.

Belgium. The Belgian Government introduced development circles. These focus on developing competencies in order to achieve personal and organisational objectives. An individual training plan for each public servant is crucial in the development circles. The development circle consists of four phases: function discussion, planning discussion, performance review and assessment interview. The last phase is followed by a planning discussion, which is the beginning of a new development circle. In theory, these development circles should be based on the defined competency profiles. In practice, however, only some organisations use the competency profiles. Furthermore, certified training has become one of the main competency management tools in the Belgian federal Government. The goal of certified training is to develop the competencies of public servants in order to meet organisations' needs. When training objectives are met, public servants receive a competency allowance in addition to their normal pay.

Denmark. Since 2007, the Danish Government has made considerable efforts to extend and qualify the market for public sector leadership development programmes. Over the same period, there has been a significant investment in competence development for all civil servants. Still, the overall principle is that local employers should choose the most relevant programme for their employees. The degree of central co-ordination is reduced to counselling local employers and securing that the market provides relevant high-quality programmes for civil servants.

United States. The United States Office of Personnel Management (OPM) serves as a lead agency in competency management, while federal agencies utilise a decentralised approach in determining the best use of competencies in their HR processes. The OPM does provide guidelines, which include leadership development programmes. The Executive Core Qualifications, specifically, serve as a guide for the Federal Executive Institute and the Management Development Centre's curriculum.

Source: OECD (2010c), *Managing Competencies in Government: State of the Art Practices and Issues at Stake for the Future*, OECD, Paris.

Traditional courses should be complemented by a variety of other methods of learning, such as developmental assignments, coaching, mentoring, knowledge sharing and team-based learning. Mexico's progress in e-learning could facilitate this approach. Mexico could also explore introducing workplace-based activities such as on-the-job training and secondments. This is of particular importance as one of the aims of training is to certify the competencies of career employees. This issue has created controversy due to a perception that capabilities are observable behaviours that can be replicated by training. Capabilities must be certified for both entry and permanence in the career service. The current practice of using exams based on a certain bibliography has at least two main flaws: *i)* the study of the bibliography does not guarantee the acquisition of competencies or capabilities; and *ii)* since capabilities certification is a requirement to continue in the career service, public employees tend to study just to pass the certification

process but not to improve their performance, making training an end in itself. For example, a capability that has to be certified is "vision of the public service"; this refers to aspects such as: integrity, transparency, accountability and common well-being. The problem, as identified by some officials interviewed for this review and academics: there is no a proper way to define what common well-being is, how to certify it, what the observable behaviours are, how integrity can be measured. Passing an exam based on the study of bibliography does not guarantee that an observable behaviour on common well-being will be achieved. The Ministry of Public Administration should undertake an in-depth analysis focused on the extent to which training and capabilities certification are meeting the needs of the organisations and of the SPC as a whole. For example, whether the certification of capabilities has provided organisations with acceptable levels of competencies and whether the skills and qualification profile of the organisations is acceptable.

Moreover, the requirement that every civil servant should receive 40 hours of training per year needs to be more specific. In itself, the amount – equivalent to one week off-the-job training – is laudable. The problem is that it is inflexible; it does not take into account that civil servants in the early years of their career will often need more than this and that training is not necessarily appropriate for the work of senior people in strategic roles. It is also to be noted that the examinations are used as part of the admissions process are tests of knowledge recall only and do not deal with either skills or understanding. Mexico may consider establishing a training architecture that takes into account the distinction between skills training (which needs instruction, supervision and assessment) and knowledge acquisition (which needs appropriate mechanisms for delivery and tests of recall and understanding). The technical committees on training and professional skills certification need to set out guidelines to enable their ministry or agency to develop training programmes. A properly considered set of training programmes has a major impact on the effectiveness and efficiency of workers. It is an essential part of performance management because it sets the standards of what is expected from a civil servant and provides the benchmarks against which to make some performance judgements. Some agencies are already doing this, but it needs to become a general requirement. A useful example for Mexico may be the CAMPUS project implemented in Denmark, aimed to introduce e-learning for the development of competencies in the public service. The main lesson for Mexico based on the Danish experience: to make training more strategic, it must be aligned to the objectives of public organisations under a whole-of-government approach.

Given the different specialties required for government activities, it is understandable that Mexico has invested in developing a network of training providers including public and private universities and private companies. However, the Ministry of Public Administration should ensure that there is no duplication of training courses and concentrate its investment on priority topics. Quality assurance methods should be applied to both public and private universities and private training consultants. Universities should be encouraged to set up courses in public management and to develop partnerships with ministries and agencies to provide specialised ongoing development for particular professional groups. Measures of cost effectiveness should be developed for ministries, agencies and training institutions (both private and public) to evaluate their training activities. For example, management should gather feedback on how employees apply what they learn to improve their performance. The Ministry of Public Administration should not forget that teaching skills is different from imparting

knowledge, and making the distinction provides the ability to view training in a wider and more flexible way than training courses off-the-job and long-distance training.

Box 3.18. **Denmark: the CAMPUS project**

In response to high employment rates, growing citizens' expectations for public services, the need to foster government efficiency and effectiveness to underpin international competitiveness and to satisfy employers' demand for life-long learning, the Danish Government embarked on the development of workforce competencies, the digitalisation of HRM working processes, the creation of shared service centres and the fostering of innovation in the public service.

In this sense, in June 2007, Danish authorities adopted a corporate approach to learning through the CAMPUS project. The purpose is to perceive all public organisations as part of one corporation for procurement, development and distribution of competency development and learning activities. After two years of implementation, this summer the CAMPUS project will cover the 90 000 central government employees. The next step is to include self-governing institutions on voluntary basis, and parts of the higher education sector. A possible further step is to include regions and municipalities, which represent approximately 665 000 employees. The Ministry of Finance is in charge of managing the CAMPUS project, which is divided into two organisational units:

- a Learning Management System Unit focused on establishing a digital infrastructure for learning (located in the Agency for Governmental Management); and
- a Learning Unit focused on learning products, mainly e-learning (located in the State Employer's Authority).

The CAMPUS project allows organisations in central government administration to have an overview of activities and spending on training across government, as well as the ability to measure results and plan for the future. Managers are able to use CAMPUS as a tool for supporting strategic competence and appraisal interviews. For the HR function, CAMPUS is a tool for supporting strategic competence development and appraisal interviews, as well as a catalogue for marketing. For public employees, the project provides access to learning offerings and learning plans.

For government, the CAMPUS project has meant administrative cost saving (procurement, common development, travel expense, etc.), as well as an improvement in the quality and quantity of learning activities – especially in the context of limited resources as a result of the international financial crises. E-learning in many cases saves time (travel time, time spent in the classroom, etc.) and the next step to unfold this potential further will be configuration of virtual classrooms for teaching and meetings in fall 2011. CAMPUS also allows for the optimisation of working processes, best practice sharing, and the adoption of common methodologies (LEAN, AVA, etc.). Full digitalisation (workflow, self-service, notifications, etc.) is expected to save the Danish Government an estimated 33% cost saving on time.

Box 3.18. **Denmark: the CAMPUS project** *(continued)*

For Danish authorities, CAMPUS has represented at least four major shifts. First, the project represents a move from single courses to learning plans. This is because e-learning needs to be blended and situated locally. It is not necessarily a replacement for existing courses, but an effective way of using resources in a more efficient manner. Second, CAMPUS is changing HRM roles from administrator to planner. E-learning requires considering and rethinking existing courses and learning programmes; increasing collaboration with teachers and consultants – both internal and external; and sharing best practices, competencies and experience. Third, e-learning has placed new demands on traditional courses, as it requires changing both content and didactical forms of traditional courses. It is necessary to specify learning points (expected results of the learner), training points (expected skills of the learner), and organisational goals (how can the learner contribute to the organisation's aims). Fourth, e-learning has placed new demands on employees such as responsibility for being qualified on the job (just-in-time learning), updated (important-to-know learning) and maintaining qualifications as in repetition (just-in-case learning). On the other hand, employers need to ensure accessibility to e-learning and satisfy individual learning processes and needs.

Some first experiences from the CAMPUS project are:

Pick a user-friendly Learning Management System (LMS) – the LMS should be easy and intuitive to use, especially for employees but also for managers, HR and others with a more advanced use of the system. The LMS must manage courses, but it should also be able to support knowledge sharing, just-in-time learning, knowledge centres, virtual classrooms and social networking. And most crucial, it should have a cross-sectional search function, so that any search will present all relevant options, including courses, posted debate issues, videos or job aids.

First impressions last – it might be difficult to get employees to adopt e-learning. So it is crucial that the first experience is positive and adds value beyond expectation. The real success criteria is not the first e-learning course, but returning for a second.

E-learning as courses or as just-in-time learning – decide for each subject matter whether a full-length training course is necessary or just small, five to ten minute information parts grouped by subject matter, e.g. videos or training for specific use in job-aids. The first is more traditional development of competences while the second is just-in-time learning, making the employee competent in a short time period, e.g. in preparation for a meeting.

One step at a time – implementing e-learning demands a huge change in learning culture, workflows and values – can take significant time. Use the power of best practice – or just any practise, because every single experience can give inspiration across ministries.

Source: "Digitalizing HRM and Competency Development", presentation given by Sine Martinussen, project leader CAMPUS Learning Unit to the Public Employment and Management Working Party, December 2008.

Mexico is already developing a specific competency framework for middle and top managers to create a common understanding and language on personnel management. The experience of OECD member countries has shown that this can bring about cultural change and inject more flexibility and adaptability into the public service. Mexico is using collaborative technologies and methodologies to build the framework. If the plans come to fruition, they will be of critical importance to make the selection, performance evaluation, training and career development of managers more transparent and dynamic. Even more importantly, competency frameworks for middle and top managers would

provide managers with a better understanding of the organisation's mission and the role they play in the organisation. The experiences of Australia, Canada and Germany may provide valuable examples for Mexican authorities. The Australian Public Service Commission supports leadership learning and development. The Senior Executive Leadership Capability Framework defines the capabilities required of senior executives in the public service. A suite of development programmes, events and services provided by the commission has been specifically designed to reflect this framework. The commission works closely with leading institutions and training providers, across industry, to develop and deliver programmes which have been specifically designed to meet the changing needs of public service employees. In Canada, the Canadian Office of the Chief Human Resource Officer offers programmes and information to senior staff that foster professional growth. For the most senior level, assistant deputy minister (ADM), the agency provides individual ADMs with advice on assignments, promotions and learning opportunities, as well as personal and career development strategies. In Germany the *Bundesakademie für öffentlich Verwaltung* organises development and further training of federal civil servants. However, the federal public service offices and those of the federal states are responsible for deciding who may participate in the courses offered by the *Bundesakademie*. The programmes are not compulsory.

Korea's competency model for senior civil servants may prove a valuable example for Mexico. The government created a specific competency model for senior officials and another for director-level officials, which could be adapted to Mexico's career service. These frameworks were defined centrally but implemented by each line ministry; this situation could be replicated in the Mexican context. The key message for Mexico based on the Korean experience is that competency assessment should be introduced gradually and only focused on a particular group of officials. Korea started with senior civil servants and years later – once the programme was mature enough – decided to expand it to cover another group of managers. Mexico could build on its experience in certifying and assessing capabilities for managers to model a comprehensive competency framework focused on the top positions of the SPC: directors general and assistant directors general.

In the SPC, establishing specific requirements regarding training and development of civil servants to top positions would facilitate a consistent approach to developing leaders and managers. This should include induction, as well as development, based on core competencies. In addition, all persons nominated to top positions (directors general and assistant directors general) should be required to undergo an induction programme dealing with public service values, ethics and codes of conduct.

Box 3.19. Korea: assessing competencies of senior civil servants

In 2006, the Korean Government introduced a competency evaluation framework for the senior civil service. This framework has been used to appoint senior officials regardless of seniority. Based on the successful operation among senior officials, the competency evaluation framework was expanded to division-director-level officials in the second half of 2010. Competency evaluation has improved reliability and fairness of HR management. In addition, with the results of the competency assessment reflected in training, overall government competitiveness has been upgraded.

Competencies subject to assessment include strategic decision making and commitment to change, as for high-ranking government officials, along with skills required for effective organisation management and efficient policy execution. Assessment focuses on work competency needed to run an organisation. Competencies are organised around three main areas, as shown below:

Competency model for the senior civil service

Competency group	Competency name	Definition
Thinking	Problem recognition	Detect problems in a timely manner through information analysis and find root causes by analysing diverse factors related to problems.
	Strategic thinking	Set long-term vision and objectives and decide how to achieve them by prioritising several options to work on them.
Working	Performance orientation	Seek various ways to maximise performance of given work and pursue effectiveness and efficiency in the process of achieving targets.
	Change management	Understand direction and trends of environmental changes and make sure that individuals and organisations adjust and respond to them appropriately.
Building relations	Communication	Capture exact meaning by listening to others' opinions and deliver one's opinion in a clear and effective manner.
	Customer satisfaction	Consider job-related counterparts as customers and make efforts to understand their needs and meet them.
	Adjustment consolidation	Identify conflicting interests and tensions among stakeholders and come up with reasonable and balanced solutions.

Competency model for division-director-level officials

Competency group	Competency name	Definition
Thinking	Policy planning	Identify current issues through multi-faceted analysis, review feasibility of policies to be developed and propose optimal alternative.
Working	Performance management	Set performance targets in line with organisation mission and strategy and review/manage work procedures to achieve the targets.
	Organisation management	Make action plans to achieve targets, secure necessary resources and allocate/systematise work, in consideration of entire organisation and relations among departments.
Building relations	Communication	Capture exact meanings by listening to others' opinions and deliver one's opinions in a clear and effective manner.
	Co-ordination/integration	Address conflicts among various stakeholders and establish/maintain co-operative work relations to achieve common objectives.
	Motivation	Encourage and support subordinates to carry out duties voluntarily and actively as members of the same organisation.

Source: Ministry of Public Administration and Security (MOPAS), "Competency Evaluation Selects Top Talents to Lead the Country into a Bright Future", brochure, Government of Korea, Seoul.

Revising the severance sub-system

In addition to defining the conditions to enter into the career service, it is also important to establish clear conditions to leave the system; this will ensure that employees maintain the necessary competencies and skills. The SPC includes a severance sub-system that specifies the conditions of separation from the career service upon resignation, death, impeachment or poor performance. Similarly, the law states that membership to the system does not mean immobility, but there is a guarantee that career public servants cannot be removed due to political reasons. The Ministry of Public Administration reported that in the first half of 2010 there were 595 separations from the career service. There is no information on whether these separations were within the conditions established in the legal framework. In fact, there is no evidence of the existence of clear guidelines for the operation of the severance sub-system. Moreover, public servants interviewed for this review commented that it has been difficult for managers to remove poor-performing career staff. But this situation is not exclusive to Mexico; in many OECD member countries, poor-performing public employees are seldom removed. In Mexico, however, managers do not have the instruments to assess performance (unlike in other OECD member countries, see discussion below). In other instances, officials interviewed for this review commented that staff have been asked to resign from their positions due to changes of administration. These cases violate the spirit of the law, which looks for a neutral public service and the professionalisation of the public workforce. Hence, Mexican authorities should revise the mechanisms of separation from the system to make them effective.

In terms of unjustified dismissals, the internal control organs – as members of the technical committees of professionalisation – should play a more active role in preventing unjustified dismissals. Internal inquiries should be conducted to ensure that dismissals comply with the terms in the law. The Ministry of Public Administration could also conduct external inquiries to verify the legality of dismissals. In Ireland, for example, exit interviews are conducted to ascertain the reasons why staff resign. In Mexico, these interviews could be conducted by the Ministry of Public Administration to keep record of the reasons why career public servants leave the service. This instrument would not only be of use to certify the legality of movements, but to measure staff satisfaction with the job, working environment, job conditions and ways to improve.

At this stage, dismissals for poor performance should not be recommended. The reason is the lack of objective mechanisms and mature processes of performance evaluation, and the lack of credibility by staff on the performance-evaluation process. To enhance credibility in the system and the performance evaluation process, managers need to be properly trained on how to conduct performance assessment and provide evidence of poor performance. Dismissal should not be the only way to deal with poor performers. The reasons for low performance levels should be thoroughly understood and dealt with accordingly; these might include needs for additional training, and changes in employment conditions and environment.

Re-invigorate efforts towards performance-oriented management

The past two decades have witnessed an influx of new ideas and initiatives in the field of public management in OECD member countries. The key focus has been organisational performance, and governments of OECD member countries are working to develop appropriate performance governance, including performance indicators and performance-oriented budgeting. Many countries have found that traditional modes of

uniform and statutory management of staff are no longer sufficient and have introduced both performance-oriented elements and delegated responsibilities for human resource management. OECD (2005, 2008a) studies have found that the move towards monitoring organisational performance is closer to monitoring individual performance. This implies a fundamental cultural re-orientation, which creates new challenges. However, one of the most difficult challenges facing OECD member countries is creating a performance culture within organisations and throughout government. The existing institutional structures and administrative capacity, the prevailing culture of the public administration, individual organisations, and government-wide accountability and incentive structures can facilitate this shift. Creating a performance culture requires new managerial competencies at the operational level and adequate supporting arrangements and structures that assist employees in their quest for better performance. A parallel adaptation of human resource management is a pre-requisite for performance management, and thus an essential part of government policies aimed at better value for money and better services to citizens. In fact, after analysing member countries' civil service reform experiences, the Public Employment and Management Working Party of the OECD concluded that a more performance-oriented public service activity may foster accountability and efficiency of the workforce (OECD, 2010e).

Following the tendencies in other OECD member countries, the Professional Career Service of Mexico includes a sub-system for performance evaluation. Performance evaluation is understood as a method to measure the qualitative and quantitative aspects of organisations and individuals that allow them to meet their goals. The objectives of the sub-system seem comprehensive, as they include issues such as: valuing the behaviour of public servants; granting rewards to outstanding performers; obtaining information to improve the functioning of organisms regarding efficiency, effectiveness, honesty, quality of service; identifying cases of poor performance and taking measures to address it. Although the law gives particular attention to monetary rewards, it also recognises the need for a wider reward package.

The Ministry of Public Administration reported that it evaluated the performance of 22 520 out of 22 975 career servants between January and February 2010.[23] There is no information about the results of the evaluations: levels of goal achievement or poor performance; how training has contributed to improving the levels of individual, team and organisational performance; what competency gaps were detected; and, more crucially, whether people's performance contributed to achieving organisational objectives and in what form. The Superior Audit Office concluded in its 2006 review that performance evaluation was done under casuistic criteria that do not reflect the real conditions of the federal public administration. This situation reveals that little progress has been made to fully implement the sub-system for performance evaluation.

Taking a broader approach to performance

Article 54 of the Mexican Law defines performance evaluation as a "method to measure" achievement of goals. The experience of OECD member countries suggests that performance is not something that can be measured, but must be assessed or evaluated (OECD, 2005a). This implies a more in-depth approach, as there are many factors that contribute to satisfactory or poor performance. Public organisations' performance is a multi-faceted concept involving not only what is produced but also how it is produced. Thus, in the exercise of public authority, it also covers due processes and a correct application of laws and other statutes. In the provision of public services, it also covers access to services and appropriate management of citizen relations. At the individual

level, performance involves behaviour in a workplace context, and how s/he contributes to a well-functioning workplace and to a well-functioning organisation. Thus, performance management should link the management of people with institutional goals and strategies. Four levels of performance management can be distinguished:

- at the highest level, performance management is rooted in the organisation's long-term business strategy and focused on impact, resource utilisation and public service improvement;
- at the strategic level, performance management is focused on outcomes, such as volume and value of service take-up, upward trends for inclusion, and staff and user satisfaction;
- at the programme level, performance management is focused on the desired output of programmes and on what has been accomplished;
- at the operational service level, performance management is concerned with process quality, service delivery and outputs, but also with the individuals or teams of individuals that are expected to deliver these results.

Organisational performance management has included a broad re-orientation from statutory governance to reforming budget processes, focusing on outcomes, setting goals and targets, evaluating results and exercising accountability. It has also included efforts to develop systematic quality management at the operational level.

Performance management at the individual level can be described as a process for ensuring that employees understand what is expected of them, assessing their performance, providing them with feedback, and helping them do better. It is related to, and sometimes combined with, measures that promote continuous improvement. This means that it should consider both processes and results, and that it should focus on the learning process.

The ultimate aim of performance management is to enable operational managers to work with their staff to align their individual needs, interests and career aspirations with the organisation's business needs. The focus should be on the future: on what employees need to be able to do and how they can do things better.

Introducing performance management

The OECD (2009) *Review of Budgeting in Mexico* concluded that the government should strengthen performance management in its personnel function by expanding performance-based personnel recruitment, review and compensation; and shifting from a compliance focus to a focus on performance. A performance management system, thus, should be aimed at linking the management of people with institutional goals and strategies. Moreover, it would be advisable for Mexico's performance management system to focus more on development rather than on the evaluation of performance *per se*. The idea is to improve performance and maximise competencies. However, Mexico faces three main challenges to thoroughly implement the sub-system for performance evaluation. First, assessing performance represents a cultural change for which neither the public service nor the public servants are prepared. According to the officials interviewed for this review, there is still resistance to being assessed and managers are neither prepared to conduct the assessment nor motivated to do so. For a culture not used to assessing performance, like Mexico's, changing to a performance culture entails altering the attitudes, focus and incentives for managers and employees –

and aligning administrative systems, organisations and resources towards multi-dimensional performance targets. It should also be noted that the Mexican public service comes from a strong legalistic tradition that stresses adhering to rules and regulations and punishing individuals who fail to do so. Moving from this system to one that stresses performance is a large cultural shift and a long-term process. To help with this shift, the current internal rules and regulations need to be streamlined, flexibility in budget execution and in management and personnel issues increased, and incentive structures changed. This is a complex process which involves altering formal structures and arrangements, as well as informal habits ingrained in the system. The experience of OECD member countries suggests four lessons to Mexico in its quest towards performance management:

- **Need for a coherent framework.** Performance accountability should be matched with managerial flexibility in the management of staff and financial resources.
- **Political support.** This is necessary to advance a performance culture and a whole-of-government approach.
- **Incremental reforms.** Using this approach, the first steps require little previous experience, but each step generates the experience and competency to move ahead. However, the challenge is to maintain the momentum for reform so that the lessons learnt in the first stages feed the following ones.
- **Build ownership.** The general reluctance of some groups at the centre of government to relax their control and to allow managerial power to expand is a problem experienced in many OECD member countries. An incremental approach to implementation of reforms may offer a viable path forward.

The culture of teamwork is crucial, but the Law of the SPC does not promote it. In the search for performance-oriented management of the workforce, Mexican authorities should promote a culture of teamwork within the public service. Teamwork could even be named one of the core values of the public service. It fosters productivity by bringing in a wide range of competencies to deal with problems and may be central in building trust and positive interaction among civil servants. Assessing performance at the team level may be an easier way to start the long process of changing people's resistance to assessment.

The second challenge is the need to build a framework for a performance management system. The purpose of establishing performance evaluation, according to the Law of the SPC, is to ensure that that public administration workforce possesses the skills and competences necessary for the activities it is expected to perform, and is able to maintain them over time. The questions for Mexico are: how to know which skills and competencies are required? To do what? How to know whether objectives have been met? What instruments can managers use to assess employees' performance? As a pre-condition to engage in performance assessment, Mexico should strengthen its ability to describe the desired results of public organisations in a sufficiently operational way. This would put Mexico's authorities in a better position to assess performance at the organisational, team and – eventually – individual levels. Expectations of team or individual performance should reflect organisational goals.

In order to achieve this, the Mexican Government should make clear statements about the outputs and outcomes it wants to achieve and its expectations of performance in the parts of the administration and its employees. Thus, it is critical to set a vision for the public service and its role in the overall functioning of government. Adequate financial

resources are necessary to achieve organisational goals, but the allocation of resources made by the Ministry of Finance (*Hacienda*) should focus not only on controlling the amount of expenditure, but also on providing adequate and optimal conditions for public organisations' pursuit of enhanced performance. If performance management is to take root and work in the Mexican context, Mexican authorities should reinforce their efforts and capacity to engage in workforce planning and competency management (the building of competency frameworks). Managers should have sufficient managerial discretion, especially concerning performance awards for their employees. It is a positive measure that the Law of the SPC considers developing a wider package of rewards that includes both monetary and non-monetary resources. If performance is to be taken seriously, Mexico should ensure that good performance is rewarded and poor performance addressed – and the results widely publicised within the organisation. Guidelines for granting stimulus and rewards for outstanding performance should therefore be defined and published.

It is crucial to make progress in implementing the sub-system for performance evaluation, as its results are required to make the severance sub-system work. Indeed, the severance sub-system considers poor performance. Although there is no best-case country or model, the Irish experience may be of use to Mexico for two reasons: it stresses that introducing performance management is a long-term process, which can only be sustained if there is a shared understanding of what is to be achieved; and the need to develop the capacity to operationalise goals and objectives to link them with jobs and tasks.

Box 3.20. **Introducing performance management: the Irish case**

Ireland uses Performance Management and Development (PMD) to manage individuals' work performances, careers and development needs. It is seen as a process for establishing a shared understanding about what is to be achieved and how it is to be achieved – and as an approach to managing and developing people that increases the probability of achieving success.

The Strategic Management Initiative (SMI), launched in 1994, identified six key reform areas: delivering quality customer service, reducing red tape, delegating authority and accountability, creating a new approach to human resource management, ensuring value for money, and supporting change with information technology. The 1996 report *Delivering Better Government* identified performance management as the key to enhanced service delivery in the Irish public service and argued that major reforms to existing human resource management structures and processes were required; it stated that "the creation of a results-driven civil service with government priorities and focused on quality of service is not possible within existing personnel structures".

Irish departments and offices prepare statements of strategy which set out the high-level goals and objectives they wish to achieve. They then engage in a business planning process which translates these goals into divisional objectives and which may include quantitative and/or qualitative performance indicators or measures.

This enables them to link the organisational objectives and strategy to staff's the jobs and tasks, whether as individuals or as part of a team. They can also adapt the general PMD framework to the business needs of their organisation and to use it for a structured dialogue with each of their employees about performance and development. The Irish Centre for Management and Organisation Development (CMOD) has also developed a competency list oriented towards behavioural competencies as part of this framework.

Source: OECD (2008a), *The State of the Public Service*, OECD Publishing, Paris, doi: 10.1787/9789264047990-en.

The third challenge is to make operational managers accountable for performance and empower them to exercise this responsibility. This implies finding a healthy balance between accountability and flexibility. The need for compliance with regulations has to be weighed against managers' freedom to do their jobs well. There are obvious dangers in relaxing control in the absence of adequate financial and managerial systems. However, there are also dangers in failing to relax these controls sufficiently. Too many restrictions create conditions which do not give managers enough freedom to improve performance. Delegating the responsibility for implementing the system to every dependency has been a step in this direction, but it is also necessary to take an incremental approach in order to build capacity and experience. The Ministry of Public Administration should accompany this process by defining guidelines on how to operationalise goals. Managers should have the necessary means and flexibility to manage their teams in a responsive way that allows them to achieve their objectives. The experience of Canada's Management Accountability Framework (see Box 3.30) provides useful lessons for Mexico in this respect. Canadian authorities have put strong emphasis on results and performance and increased delegation of management functions to departments. Thus, the Management Accountability Framework is intended to ensure departmental accountability for management results, including human resources.

Building a performance management strategy

Re-orienting human resource management towards enhancing performance requires parallel and synchronised efforts in several fields, including managerial competencies and mandates, performance assessments and performance incentives. It often also necessitates decentralisation of pay scales and other elements of human resource management. These changes have to be part of a coherent performance management strategy. Achieving this coherence across policy areas can be a substantial political challenge for which political support is needed.

Introducing and extending performance assessment, performance-related pay elements and individualisation of pay are challenging tasks. They require managerial and supervisory competences that public managers do not normally possess. In addition, there is the risk of faulty performance assessments and subjective pay differentiation, which would affect work morale and performance negatively.

The Law of the SPC contemplates linking performance to monetary rewards – but without clear organisational and individual objectives, the sub-system is likely to fail. A revision of the compensation system is needed before engaging in performance-related pay practices. Mexican authorities should consider that enhancing performance cannot be achieved simply through set rules and pre-ordained procedures, although standards, rules and appropriate procedures are important. It is therefore recommended not to push to link performance to monetary awards, at least for the time being. It is all too easy to spot failed reforms in OECD member countries, although these have seldom been sufficiently analysed. The reasons for failure when implementing performance-related pay often seem to be inadequate preparation and rushed introduction. Fortunately, in such cases, most managers have chosen to share bonuses more equally if they have had the opportunity, instead of trying to allocate performance bonuses on the basis of faulty or inadequate performance information. The OECD has noted that certain preconditions are essential before introducing a performance-oriented culture – pay related or otherwise – without which implementing performance management will run into serious problems. These preconditions are: transparency within the organisation, clear promotion mechanisms and trust in top and middle management (OECD, 2005b). In addition, responsibility for the

management of human resources, in particular staff performance appraisal policies, should have been delegated sufficiently. It is absolutely crucial to have a well-defined performance appraisal process based on well-identified objectives or criteria before introducing any link between performance and pay. In the particular context of Mexico, building a performance culture step-by-step by focusing on performance-related promotion systems is recommended. This can help move the values of the SPC towards standards of competence and merit, and is preferable to introducing performance-related pay elements.

Introducing performance management would require a comprehensive review of the salary structure and, as stated above, its integration into the SPC. This is of critical importance in the current process of decentralisation of the career service, as a combination of decentralisation and inadequate financial management arrangements may lead to substantial inconsistencies in the public administration pay structure over time, reflected in different remuneration levels across organisations. These inconsistencies would obviously constitute inequities, but they would also have negative economic effects. So far, Mexico does not seem to have recruitment and retention problems, but the differentiation and inequities that are visible across the posts of the SPC may create problems in the medium term, affecting the capacity and capability of the public service and forcing government to increase salaries to attract people to low- and middle-manager positions. This would drives total costs up and reduce cost efficiency.

A positive development towards building a comprehensive performance management strategy would be to link the performance evaluation sub-system of the SPC with the Performance Evaluation System (*Sistema de Evaluación del Desempeño* – SED) established in Articles 110 and 111 of the Federal Law for Budgeting and Financial Responsibility. The law obliges the Ministries of Finance and Public Administration to evaluate the results of the execution of programmes and budgets within the dependencies and entities of the federal public administration so as to ensure efficiency, economy, effectiveness and quality. The development of the SED began in 2007, to allow follow-up of the goals of the National Development Plan. The SED has two main components:

- The first component is the evaluation of budgetary programmes and policies. This involves the development of performance indicators, known as strategic indicators, to measure programme outputs and outcomes. In addition, it involves conducting different types of programme and policy evaluations. The programme evaluations are carried out as part of the government's Annual Evaluation Programme.
- The second component is the evaluation of management processes and public services. This focuses on improving management processes within the public sector and the quality of service delivery. This involves the development of performance indicators, known as management indicators, to measure and evaluate management processes and public services. This activity is conducted through the Special Management Improvement Programme (PEMG).

The first component of SED (the evaluation of budgetary programmes) takes place as part of an Annual Evaluation Programme for which the Ministry of Finance and CONEVAL[24] are responsible (CONEVAL for social programmes and the Ministry of Finance for other programmes). The second component (the evaluation of management processes) is implemented through the PEMG and is the responsibility of the Ministry of Public Administration. Line agencies and ministries establish programme objectives and develop performance indicators. Two types of performance indicators are included in the

annual budget: strategic indicators and management indicators. In addition, ministries are responsible for co-ordinating evaluations.

Each year, the Ministry of Finance, the Ministry of Public Administration and CONEVAL prepare and publish the Annual Evaluation Programme. This programme establishes the type of evaluations to be conducted and which programmes and policies will be evaluated. In theory, the results of strategic and management indicators, and the results of programme evaluations should inform budgetary decisions for the following fiscal year. The idea is therefore to consider public servants' contributions to the achievement of organisational objectives through these evaluations. But the assessment should also look at how the SPC is contributing to the national objectives as defined in the National Development Plan. Moreover, linking the SED to the SPC would help to plan workforce needs and determine the human capabilities required to meet organisational objectives. It is therefore necessary to significantly improve co-ordination among institutions. The roles and responsibilities of the key institutions and ministries – the Ministry of Finance, the Ministry of Public Administration and CONEVAL – have to be clearly defined and implemented in practice. The OECD (2009b) *Review of Budgeting in Mexico* also recommended creating the position of performance co-ordinator or manager in the *Oficialía Mayor* in each line ministry. This person would report directly to the minister and champion reform efforts in the ministry. Ministries should be engaged and encouraged to change to a performance approach. There are signs in the SPC (Article 54 of the Law of the SPC) of a shift to a performance-focused approach rather than one based on compliance. However, more needs to be done to fully achieve this transition, such as: *i)* creating new incentive structures; *ii)* streamlining and eliminating the current excessive internal rules and regulations; and *iii)* increasing flexibility in budget execution and in management and personnel issues.

Aligning the SPC with the Special Management Improvement Programme (PEMG) would be an additional strategic move towards building a performance management strategy. The PEMG acknowledges the need for simple and flexible rules for the operation of the Professional Career Service so as to optimise the recruitment process, find new methods to improve long-distance education, and make the sub-system of performance evaluation actually increase the level of performance of public servants with a focus on results. The PEMG has three main objectives: *i)* maximise the quality of goods and services delivered by the federal public administration; *ii)* increase institutional effectiveness; and *iii)* minimise the operation and administration costs of dependencies and entities. The SPC can potentially become an instrument to achieve these objectives through: *i)* strategic workforce planning, not only in terms of numbers but also costs and competencies and facilitating re-allocation of the workforce to priority areas; *ii)* assessing teams' and individuals' contribution to organisational objectives, detecting windows of opportunity for improvement; and *iii)* fostering accountability and efficiency in workforce management.

Clarifying the political-administrative interface

As performance and efficiency have become more urgent in public governance and management, more attention has been paid to the role, tasks and capabilities of management in public administrations. Senior public managers are at the interface between the political executive and the public administration. They are responsible for the appropriate implementation of legal instruments and of political strategies and measures, and for the consistency, efficiency and appropriateness of government activity. A key issue in any review of senior managers in public administration is their relation to the

political level and the degree of political involvement in appointments, remuneration and management of senior managers. However, political influence in staffing matters may work well, provided that there are other checks and balances in the system. There is no best practice regarding the selection and management of senior managers in the public administration. It is not even possible to distinguish a trend across OECD member countries since senior managers are the products of their public administration system and their specific historic, political and social contexts. There are, however, a number of common elements in reforming the management of senior managers such as: the focus on the quality of senior management to improve performance, the establishment of specific rules for the selection of senior managers, the definition of competencies, and opening recruitment to external candidates. One important point has been the management of senior managers as a separate group.

Managing senior managers as a group

Directors general, assistant directors general and deputy directors are the top management positions in Mexico's professional career service. Since these positions are within the career service, they are open to competition; both internal and external candidates are therefore entitled to apply. Neither the Law of the SPC nor the new rules for the operation of the system define any specific provision for the management of these positions. The selection process only includes the analysis of two specific capabilities for these positions: leadership and management. There is no evidence that these positions are managed as a group in order to strengthen cross-institutional consistency of senior managers or to foster whole-of-government perspective. However, not all positions at these three levels are included in the career service. Homologue positions that perform activities of support to political appointees or non-substantive activities are not considered as career service positions.

Despite the inclusion of these top managerial positions in the career service, the political-administrative interface is blurred and has been a factor in controversy that is damaging the credibility of the SPC. There are arguments that favour the exclusion of directors general, assistant deputy directors and deputy directors from the SPC, as they are considered to be closely tied to their ministers and therefore are in their nature political positions. According to officials interviewed for this review, director generals, assistant deputy directors and deputy directors are frequently appointed through the process dictated by Article 34 – avoiding open competition. Although appointing an official through Article 34 is temporary, the political neutrality of the recruitment process has been compromised, as the reasons for using Article 34 are not thoroughly explained or justified. All career civil servants aspire to a senior managerial position through career progression. Because these appointments are not systematically transparent and fair and depend on the will of the political executive, career civil servants may avoid displeasing their political heads and thus increase the risk of politicisation of the SPC. This may also be detrimental to the mobility of the system; since appointments to senior positions are being politicised to a certain extent, staff in lower and middle management positions may not seek to improve their performance to move to positions with higher levels of responsibility, as they perceive no opportunity for progression.

It is clear that it has been difficult for Mexico to let go of the spoil system that characterised the public service for most of the 20th century. Positions that used to be discretionary political appointments (director general, assistant director general and deputy director) are now part of the SPC and therefore not easily given to political allies or team members. The challenge for Mexico is create the conditions to encourage senior

managers to commit to the interests of the state and to the legal government and to be responsive to the elected government and not to the interests of a particular government or political party. But the first steps have been taken by incorporating these positions into the career service. This seems, however, to be a long-term process; it not only entails a change in the administrative culture but also in the political culture. This implies not seeing public administration or the public service as the price for winning an election where political appointees decide at will dismissals and appointments. The political class should see the professional workforce as an asset to meet the goals of the political agenda, which therefore requires all the experience and accumulated knowledge available within the public service. The way Mexico decides to address this issue will depend on its political and social context and the vision of the public service. The experience of OECD member countries has shown some options, which Mexico may wish to explore in its path towards forming a group of top professional public managers. Three points should be kept in mind: *i)* the SPC should create credible opportunities for tenured civil servants to be promoted to these top management positions in complete independence of political approval; *ii)* the government should maintain the possibility of recruiting external candidates to top management positions so as to bring new competencies and skills into the service, but the competitive process should be transparent and fair; and *iii)* the government should review the compensation policy for middle and top managerial positions and there should be a special salary schedule for senior managers which takes into account the complexity and level of responsibility of the different managerial positions.

Establishing specific rules for managing senior managers

One of the first steps Mexican authorities could take to improve the management of senior managers is to develop and implement a consistent approach. In doing so, Mexican authorities could consider, as part of the SPC, establishing specific rules for the management of top managers (directors general, assistant deputy directors and deputy directors), as the highest non-political staff in central government administration. It is true that the public service is intrinsically political. However, OECD member countries have found different ways to alleviate the tension between politics and administration. Some OECD member countries have established specific criteria for selection and the processes for entry, promotion and posting are often either entrusted to a professional body or exercised by the political government under parliamentary supervision. The use of performance management tools has been first and foremost applied to the management of senior management. If Mexico is to take steps towards more performance-oriented management, the quality of the senior management is critical. This obviously implies maintaining these three top positions within the scope of the SPC. These positions set the long-term direction of the civil service and the operational framework for, and the facility to, build capacity to support future governments, whatever their political direction, in the levels of the organisation beneath. Since strategic direction will in some instances have a timescale of a decade or more, to put such roles in a short-term political situation would thus reinforce the short-termism that the SPC was introduced to remove. Moreover, by making such administrative roles political, the direction of the SPC would change with every minister, leaving the operational levels of the civil service with no long-term direction. Another reason for keeping directors general and deputy directors in the SPC is to motivate people to join the civil service and pursue a career. Citizens who are not connected to any political party or group must have the real possibility to reach top managerial positions within the public service through career progression or direct open competition. If the SPC is limited to a number of middle management positions and

professional positions, the motivation to join the SPC is undermined. This measure would favour policies to enhance diversity, social mobility and inclusiveness in the public service. The SPC should be managed in a way that allows people to pursue careers in the public service regardless of their socio-economic backgrounds, and have real possibilities of becoming top managers without necessarily being politicians. Another possibility for Mexico would be to temporarily leave directors general out of the scope of the SPC, but include assistant directors general and deputy directors. This would serve to alleviate the tensions with political appointees. Directors general should eventually be re-incorporated into the SPC, once it is mature enough and the rules for the selection of top managers have been proven, assimilated and shielded from political intervention. This provision should be clearly stated in the law and systematic revisions of the rules should be conducted to assess the level of progress made. However, due to the political nature of these three managerial positions, some degree of political involvement may be considered, but it should be matched with the same degree of external scrutiny.

The selection of senior managers in OECD member countries has been the object of multiple reforms and has become more transparent in many countries. Since there is no best practice, some models may be of inspiration to Mexico. The Chilean *Sistema de Alta Dirección Pública* (ADP) has been beneficial in reducing allegations of corruption, reducing the number of political appointees and making appointments based on merit. Four key messages derived from the Chilean model: *i)* it is necessary to define the number of posts and the type of functions that should be covered by the system: *ii)* incorporation into the ADP is gradual; *iii)* it is possible to use external contractors to conduct the selection process; and *iv)* an independent committee is in charge of overseeing the process.

Box 3.21. **Managing senior managers in Chile**

In 2003, the Chilean Government, with the agreement of all political actors (opposition political parties, non-governmental organisations, civil society), created the *Sistema de Alta Dirección Pública* (ADP), a central senior civil service system, in order to modernise public management and make it more transparent and to deal with allegations of corruption at senior levels. The aim of the ADP was to establish a professional senior management, with hiring based on public competition. Chile has a group of staff known as senior public managers. The ADP contracts out most of the selection process to specialised enterprises. Just over half of the 200 services in the national public administration participate in ADP. They have 102 posts at the first hierarchical level (heads of service, directors general) and 735 at the second hierarchical level (regional directors, heads of division). The system has been implemented gradually, as adherence to the ADP system does not immediately result in a public competition; this takes place when a post falls vacant. As of 2008, 61% of the posts covered by the ADP had been filled by open competition.

Box 3.21. **Managing senior managers in Chile** *(continued)*

The National Civil Service Directorate (DNSC) is responsible for management of the ADP. However, the Senior Public Management Council (*Consejo de Alta Dirección Pública*) is in charge of guaranteeing the transparency, confidentiality and absence of discrimination of the selection process. It is chaired by the director of the DNSC and four members proposed by the President of Chile and approved by the Senate. The selection process, which takes about four months, begins with the publication of the vacancy in the media. A specialised enterprise commissioned by the Council analyses the *curricula vitae* of the different candidates and prepares a shortlist for the council or a selection committee (under the council's supervision). Professional competence, integrity and probity are some of the criteria used in the selection process. Subsequently, the council or the committee selects the best candidates for interview and prepares a final shortlist for the competent authority for the final appointment. Senior managers selected through the ADP system are appointed for a three-year term, and the appointment can be renewed for two subsequent equivalent terms. Although the managers are selected by the ADP, they can be removed by the President for poor performance or loss of confidence.

The ADP system was based on international experience. In particular, the experience of OECD member countries such as Australia and New Zealand strongly influenced the Chilean model. The system is considered one of the main achievements of the modernisation of Chile's public management. One effect has been the decline in the number of political appointees in the central government; they currently represent only 0.5% of the total public workforce. It is also argued that the presence of women in senior positions has increased under the system; they occupy 32% of positions, compared to 15% in the Chilean private sector.

However, the ADP system faces at least three main challenges. First, it has to extend its coverage to more services. There are still almost 100 public services whose senior positions are not part of the ADP system. In the central government as a whole, there are 3 114 senior positions at the first and second hierarchical levels, of which only 837 are part of the system. Second, the system has to find ways to speed up the process for the final appointment by political authorities. One proposal has been to leave the final decision to the council and not to the political authorities. Finally, in some cases the ADP has not been able to fill vacancies, owing to a lack of candidates; for technically complex and politically problematic positions with low salaries and lack of political support, potential candidates do not find working conditions appealing.

Source: Costa, R. and M. Waissbluth (2007), "Tres Años del Sistema de Alta Dirección Pública en Chile: Balance y Perspectivas", paper presented for discussion at the *Libertad y Desarrollo* Consortium.

A second option that may inspire Mexico is the senior executive service of the United States. The key messages that come out of this experience are that: *i)* it is possible to have a limited number of senior managerial positions reserved for political appointment in the presence of clear job descriptions and allowing officials to be freely appointed and dismissed; *ii)* but it must rest upon a corps of tenured civil managers, recruited by open competition focused the managerial skills, experience and potential required for specific positions.

Box 3.22. Senior managers in the United States

The United States is quite highly institutionalised but also has a more open political involvement. Its arrangements are characterised by presidential control over the executive functions combined with active monitoring by the Senate. The number of political appointees is relatively large but special features help to maintain a proper balance between political responsiveness and neutral competence.

After each presidential election, the Congress publishes a list of positions in the legislative and executive branches of the federal government which may be subject to non-competitive appointment. The present list contains 7 996 positions throughout the country, of which 1 141 require the Senate's agreement to the President's appointment. The merits of such candidates are therefore normally scrutinised very carefully, even if there is no formal competition.

Among the positions requiring the Senate's consent are the secretaries of the 15 Cabinet agencies, deputy secretaries, under-secretaries and assistant secretaries, and general counsels of those agencies, certain jobs in the independent, non-regulatory executive branch agencies and in the regulatory agencies.

The senior executive service (SES) is a personnel system covering top-level policy, supervisory and managerial positions in most federal agencies. The SES includes most civil service positions above a certain grade. Currently, 8 328 SES positions are authorised by the Office of Personnel Management (OPM). About half of SES positions are reserved for public servants. The main reason is a belief that the need to ensure impartiality requires career employees. The remaining SES positions may be filled either by career or non-career appointees.

Career appointments are made through a competitive process, including published announcements, rating and ranking of eligible candidates, approval by the agency of the professional qualifications of the selected candidate, and further review and approval of the executive/managerial qualifications of the proposed appointee by the SES Qualifications Review Board. A career appointee serves a one-year probationary period. Upon completion, the appointee acquires tenure rights and may be removed from the SES only for cause or for poor performance.

Special rules protect career appointees from improper patronage. A performance appraisal for a career appointee may not be made within 120 days after the beginning of a new administration. A career appointee may not be involuntarily reassigned within 120 days after the appointment of a new agency head and may not be involuntarily transferred to another agency.

Source: OECD (2010a), *OECD Reviews of Human Resource Management in Government: Brazil 2010*: *Federal Government*, OECD Publishing, Paris, doi: 10.1787/9789264082229-en.

Like in many OECD member countries where there is a defined group of staff widely known as the senior civil service, Mexico could define a skills and competency profile. The Ministry of Public Administration may have the responsibility of defining such a profile, but giving line ministries and agencies participating in the SPC the opportunity to adapt it to their needs. Increasingly, the defined recruitment profiles of senior managers include not only management but also a proven record of leadership skills, defined as the capacity for managers to make their organisations achieve better results and implement reforms.

Mexico may also explore the possibility of encouraging inter-departmental mobility for senior managers. The idea is to foster a more corporate ethos at the top of the SPC. This would also create the possibility of having some directors general appointed from within the service and some others from the exterior. The aim is to make the SPC more flexible in order to acquire new skills and competencies required for its tasks. Introducing limited-term appointments for senior positions such as directors general could accomplish this goal. In this case, Mexico should decide whether employment after the term of office ends should be guaranteed or not. Mexico should also consider, as part of this policy, introducing mechanisms for removal of senior managers who have proven themselves unfit for further service. Table 3.8 provides some examples of policies adopted in OECD member countries regarding the terms of appointment of senior managers.

Table 3.8. **Examples of fixed-term appointments or fixed-term duration of mandates in selected OECD member countries**

Belgium	Managers receive a temporary mandate of six years, which is granted by either the minister or the president of the department. Only the president of the Chancellery and Support Services receives a mandate which expires automatically at the end of the legislature.
Finland	A draft law stipulates that, although top management posts in central government administration shall be permanent, fixed-term appointments of five years shall apply in respect of individual management tasks.
Italy	Managers (first- and second-level) have a fixed-term contract. At the end of the contract, the manager can be appointed to another post, also in a different administration.
Netherlands	The July 2000 reform of the general status of civil servants changed the entire profile of the senior civil service (SCS), *inter alia* by reinforcing the distinction between the top management group and other SCS members. While all members are given a permanent appointment, assignment to a particular function is for a fixed term; members of the top management group are appointed by the Cabinet to five-year terms, with the possibility for prolonging this period twice for the duration of one year each time, after which they must be transferred. The general government service appoints other SPS members to positions for a period from three to seven years without mandatory transfer.
New Zealand	The chief executives (CE) of the ministries are appointed by the State Services Commissioner, often with the help of outside recruitment consultants, after publication of vacancies. CEs are given a contract of five years or less, renewable up to a maximum of eight years. The career of the chief executives is not guaranteed when they leave their jobs, or their contract is not renewed or is terminated.
Norway	SCS are on contract employment, and some are on fixed-term contracts.
United Kingdom	Agency directors are recruited for a fixed term of five years.

Source: OECD (2008a), *The State of the Public Service*, OECD Publishing, Paris, doi: 10.1787/9789264047990-en.

Competency management should guide the recruitment and training of senior managers. Senior managers should be managed as a group and be given systematic opportunities to meet as a group on a regular basis in trainings, seminars and other collective gatherings in order to build cohesion. Their involvement in the group should be one of the values guiding their recruitment, contract renewal and promotion. Efforts to strengthen performance management should be made first and foremost for this group, and special tools for recognising good management could be adopted. It is important that at the top level, directors general and deputy directors have a broad development across a number of ministries. The British civil service provides a clear example of effectively managing senior civil servants as a group through training and leadership strategies. The Civil Service Capability Group in the Cabinet Office is responsible for the corporate development of senior leaders and there is a huge investment in a series of leadership programmes to help them realise their potential and manage their careers.

Box 3.23. The leadership strategy in the British civil service

In the United Kingdom, the civil service is led by the Cabinet Secretary. The most senior civil servant in a department is a permanent secretary. Each supports the government minister who heads their department and who is accountable to Parliament for the department's actions and performance. The permanent secretary is the accounting officer for their department, reporting to Parliament. They must make sure their department spends the money allocated to them appropriately.

The members of the Permanent Secretaries Management Group (PSMG) are all first permanent secretaries, other selected permanent secretaries and directors general (the next most senior grade in the civil service). PSMG meets once per quarter to consider issues of strategic importance to the civil service including:

- HR issues – including skills, pay and pensions;
- senior leadership;
- efficiency, including business process re-engineering, shared services;
- reputation;
- employee relations;
- risk;
- financial management;
- standards and values; and
- capability of the civil service as a whole.

Developing leaders is of key importance for the success of the British civil service. There are three types of leaders within the civil service, each with a vital role to play:

- individual and team leaders, who ensure that every civil servant meets his/her objectives, and who manage the partnerships with other institutions;
- collective leaders, across an organisation or a department, who set direction and drive change; and
- corporate leaders, across the whole civil service, who look at the bigger picture – helping to build the capability and successfully tackle the challenges faced by the civil service and country.

The leadership strategy

The aims are: *i)* to create an effective, modern civil service that provides a world-class service and is recognised in the United Kingdom and abroad as a source of expert policy advice; *ii)* to prepare for what is to come, while maintaining continuity; and *iii)* to understand how it is necessary to change and who can lead the way forward.

Developing leadership skills is a key priority. The leadership framework sits at the heart of Professional Skills for Government. It sets out what is expected of senior leaders in terms of delivering business results, building capability and setting direction. It also highlights what individuals can do to improve their leadership skills. Leadership must be underpinned by the 4Ps:

Box 3.23. **The leadership strategy in the British civil service** *(continued)*

- pace: providing rapid responses to problems and delivering the right solutions for the longer term;
- passion: being passionate about providing high-quality public services for all;
- pride: taking pride in what has to be done and ensuring that the country is proud of its civil service;
- professionalism: in the way policies are formulated and services are delivered.

A key aspect of leadership is ensuring the continuity of the civil service's work, by identifying and preparing candidates to fill the most demanding jobs, as and when they become available. The Civil Service Capability Group (CSCG) helps departments identify new posts, likely vacancies and potential successors – making sure every department continues to have the capability to achieve its objectives. The CSCG also supports the Cabinet Secretary and the Senior Leadership Committee (SLC) on succession planning for permanent secretaries and directors general (the Top 200). This involves giving individuals the advice and support they need to manage their careers and meet personal development needs.

One of the Cabinet Office's core objectives is strengthening the civil service to ensure it is organised effectively and has the skills, values and leadership to deliver the government's objectives. For that purpose, the Senior Civil Service (SCS) Survey, conducted by the civil service, intends to assess performance. The survey is a census of everyone in the SCS and is part of the Public Services Agreement commitment to measure improved perceptions of leadership and skills. In the most recent survey, members of the SCS were asked for their views on five key areas:

- working in the SCS;
- quality of leadership in the SCS;
- what improvements need to be made;
- what progress has been made since the 2004 survey;
- employee engagement.

The Civil Service Capability Group (CSCG) in the Cabinet Office is responsible for the corporate development of:

- permanent secretaries;
- directors general;
- directors;
- members of the High Potential Development Scheme.

The CSCG works with the National School of Government (NSG) to provide a suite of programmes for the SCS that focus on the core skills needed to support delivery, build capability, drive change and improve leadership. These programmes prepare people for the most challenging jobs in the Service.

Source: *www.civilservice.gov.uk* accessed in December 2010.

A high-flier programme

Mexico could also consider establishing a high-flier programme managed by the Ministry of Public Administration to detect talent workers and develop them through their careers and ensure that the best talent is placed in the most challenging jobs. This programme would also help to avoid favouritism and nepotism – but a transparent process is essential. Mexico's SPC needs to recognise that it will be developing its succession plans into the most senior posts and the people to fill them over a time span of decades. A high-potential career servant who joins in his/her mid-20s could have a prospective career for some 40 years. In the Mexican SPC, as in other OECD member countries, career civil servants need to give long-term commitment to the service; thus, they require long-term commitment from government. Nonetheless, it would be necessary to point out that being part of the programme is not the only way to be appointed to managerial positions. The advantage of this programme is that it would allow the Mexican Government to prepare its future cadres of professional managers. The British Fast Stream Programme may be of inspiration due to its flexibility and diversity in terms of people and areas covered. This programme is not only a policy career; it places special emphasis on direct contact with the public. It is expected that participants will be more effective civil servants if they also experience for themselves how a policy is received by people from diverse communities and backgrounds and the impact it makes on their lives. It is then critical to make a clear separation of career civil servants and those recruited for specific positions only. In practice, this will mean giving permanent status to those civil servants who are classified as career civil servants. Entry into the system from outside should be possible at any age.

Box 3.24. **The Civil Service Fast Stream Programme: United Kingdom**

The Civil Service Fast Stream is a Talent Management Programme for graduates who have the potential to become the future leaders of the civil service. It is ranked among the top five "Times Top 100 Graduate Employers". One of the reasons for the Fast Stream's popularity is that it enables graduates to have real impact on life in the United Kingdom and, often, the wider world. Fast Streamers:

- bring innovative solutions to some of the biggest issues facing society today;
- work at the heart of current affairs and key government agendas;
- engage directly with the public, helping to provide high-quality services for people from diverse communities and backgrounds.

The Fast Stream also allows participants to amass a wide range of experience in a very short space of time. Fast Streamers begin their careers with a series of placements or postings. These are different jobs within each department, each of which last around 12 or 18 months. Postings give Fast Streamers a chance to move between projects and areas of work and gain experience in different career groupings. Many departments also offer secondment opportunities, so participants have the possibility to spend time working in another government department, the wider public sector, Europe or even business or industry.

Box 3.24. **The Civil Service Fast Stream Programme: United Kingdom** *(cont'd)*

The Graduate Fast Stream is open to people from any discipline. It is sub-divided into four different options: *i)* central departments, which include some of the major government departments like education, health, transport, environment, crime (except the Foreign and Commonwealth Office); *ii)* science and engineering, open to people with degrees in science, engineering, mathematics, computing and other numerate disciplines; *iii)* diplomatic service; and *iv)* Houses of Parliament, where graduates provide assistance to members of Parliament without engaging in the cut and thrust of politics.

There are five other separate Fast Stream programmes designed for specialists and other groups. Fast Stream also offers the opportunity to apply for certain combinations of the schemes:

- the Analytical Fast Stream is aimed at economists, social researchers and statisticians;
- the HR Fast Stream is aimed at people with a proven interest in all areas of the HR profession;
- the Technology in Business Fast Stream is aimed at people who understand and have a strong interest in technology;
- the European Fast Stream is aimed at people seeking a career in an EU institution;
- the Northern Ireland Fast Stream is aimed at people seeking roles based in that country.

Source: Civil Service Fast Stream (n.d.), *http://faststream.civilservice.gov.uk* , accessed in December 2010.

Israel's Public Management Cadet Programme may also be of inspiration to Mexico. This programme is not only oriented to improve leadership in the public service, but also to give young people from poor backgrounds the opportunity to join the civil service, so it is a programme for social mobility.

Box 3.25. **Public Management Cadet Programme: Israel**

In order to strengthen the management reserves of the public service, the ATIDIM group and the Hebrew University of Jerusalem initiated the Public Management Cadet Programme. The programme aims at improving the Israeli public sector in general – and more specifically, the civil service – and expanding its views through the integration of high-level professionals from under-privileged communities who have undergone goal-oriented academic studies and training.

It leads to a unique Bachelor's Degree from the Hebrew University School of Public Policy. The special course of study concentrates on development of leadership skills and tools and qualifying and empowering graduates for key positions in public service, such as in government ministries, legal authorities, official bodies and municipal councils. During their studies, the students receive scholarships – tuition, a monthly stipend, a laptop and mentoring – that help finance their studies and, at the same time, provide close social and academic support which builds community. It is expected that ten years after completing their studies, graduates will form the administrative core of officials in positions of heads of departments and higher. Training lasts eight years and includes practical work within the civil service. This competitive programme was launched in 2003 with 33 students and it will grow up to 50 students per class. There are currently 170 participants, of which 60 are working in government units. However, to become a manager in the civil service is not necessary to be part of the programme.

Source: Hebrew University of Jerusalem (n.d.), "Atidim – Cadets for the Public Service", *http://public-policy.huji.ac.il/eng/atidim.asp?cat=98&in=0*, accessed in December 2010.

Towards a successful HRM reform

Assessing the implementation of the SPC

The implementation strategy for Mexico's Professional Career Service has become one of the main barriers to the professionalisation of the public workforce. Results were expected to be realised in a very short period of time and the government did not consider that some sub-systems of the SPC are dependent on other sub-systems being in place and working before they can be implemented. Two prominent examples are the human resources planning sub-system, dependent on the performance evaluation sub-system being in place to feed it with information on people and work, and the admissions sub-system, critically dependent on the Unified Professional Civil Service Registry (RUSP). Trying to move forward on all of these sub-systems at once was therefore not a practical possibility; hence the need for reviewing the implementation strategy.

At the outset, the implementation of the Professional Career Service benefited from strong political backing, but the practicalities of implementation were overwhelming, mainly caused by a lack of HR technical expertise and capability and appropriate tools. With the arrival of the new administration in 2006, political will for the SPC was re-kindled, progress was made in defining capabilities and the rules for the operation of the system were revised. The current emphasis on decentralisation has given the impression that people can buck the system by using Article 34 to fill the most senior jobs and interpreting it in a very loose way.

The Law of the SPC made provisions for its implementation through: *i)* the Ministry of Public Administration, in charge of policy formulation, and the provision of guidelines and tools for the SPC's operation; *ii)* the Consultative Council, which is an organ of support for the SPC and is charged with giving its opinion on the policies and systems that operate the system and proposing improvements; and *iii)* the technical committees, one established in each participating organisation, are responsible for policy implementation and practice.

Recently, the implementation of the Professional Career Service has become bogged down. Officials interviewed for this review reported several possible reasons:

- The accountability for developing the SPC is in the hands of the Ministry of Public Administration, whose authority is open to challenge from other government ministries and agencies. The ministry has no power over the other agencies, who have also been given the flexibility to go their own way.
- The Unified Professional Civil Service Registry (RUSP) does not contain information on all people covered by the SPC, nor all the relevant information about candidates, including their competences.
- There is a lack of political will to make the Consultative Council work, its meetings are rubber-stamping formalities, and it does not have all the information needed to fulfil its role.
- The time and effort given to consulting experts and interested parties in the design and pre-implementation stages were insufficient.
- The planned pace of implementation was too ambitious. According to Transitional Article 4, the whole system should be fully operating just three years after the publication of the law.

- A number of fundamentals – such as tools for profiling jobs, cataloguing skills and assessing people's competences – that were necessary for the SPC to function were not properly implemented and tested.
- The way the SPC was introduced went against Mexico's cultural grain in some respects. For example, there is a desire for certainty; the SPC has to be transparent and predictable to those subject to it and so the elements of each sub-system must have face validity for them. This means that the way jobs are profiled must have face validity and the people who are appointed must be seen to have been at least very strong candidates on the grounds of merit. There is a preference for working as teams rather than as independent individuals, so team-fit and team working skills are important.
- It was suggested by people interviewed for this report that some key political actors are not supportive of an SPC. The career service is low on the electorate's and politicians' priorities.

Notwithstanding these issues, it seems that there is a clear understanding of the elements of a professional organisation. The Law of the SPC is, in general, fairly comprehensive and deals with most of the issues that one would expect of a state-of-the-art administrative organisation, although some important sub-systems (such as reward and organisation development and compensation) are not included.

In order to make progress in the implementation and consolidation of the SPC, Mexico needs to: *i)* address the governance of the system; *ii)* review the Constitution and performance of the bodies set up to manage it; *iii)* revise the criteria underlying the measurement of work and people's capability to do it; *iv)* separate political advice from administrative advice and management; and *v)* establish proper data management (collection, recording and use of information) for managing appointments, training and developing people's careers. To be effective, any actions must be congruent with Mexico's political culture.

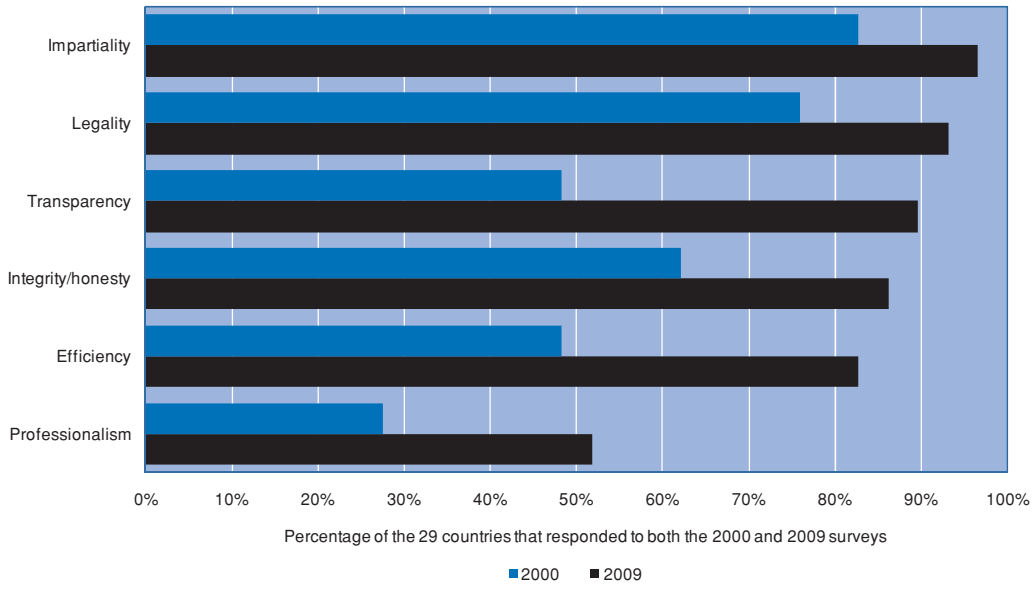
Core values need to be reinforced

The values embedded in the public service culture, which guide the behaviour of public servants, are an important part of governance. Public service values – such as respect for legality, integrity and political neutrality – are among the defining features of a democratic society. As such, they tend to be enshrined in the legislation that applies to the public service or in constitutions, supported by codes of conduct, and protected by administrative procedures and sanctions. Well-defined values that lead to consistent government practices are essential to maintaining trust in government. They reflect what the public service is trying to achieve, help define collective and individual objectives, and maintain the overall public service culture.

In OECD member countries, these core values include traditional values such as integrity, impartiality, legality, probity and merit, and newer values such as efficiency, transparency, diversity and user orientation. Traditional values usually revolve around three main principles: ensuring ethics and integrity in the public service, ensuring the continuity of the public service and ensuring the legality of decisions. These values have justified an employment framework for public servants that different from that of employees under general labour laws in most OECD member countries.

Broadening the definition of the public service's core values – as a way to increase citizens' trust in government – has become a key strategic objective in many OECD member countries. Also, with the introduction of more managerial flexibility in public management and less control on inputs and processes, countries have sought to incorporate these values in management processes. Values-based management is viewed as a more efficient way of maintaining core values in the public service than controls that hinder the move towards more performance-based management.

Figure 3.13. **Frequently stated core public service values in OECD member countries, 2000 and 2009**



Source: OECD (2009), *Government at a Glance 2009*, OECD Publishing, Paris, doi: 10.1787/9789264075061-en.

Mexico's Law of the SPC is clear in its specification of guiding principles: legality, efficiency, objectivity, quality, impartiality, equity, merit and gender equity. The General Constitution and the Federal Law for Responsibilities of Public Servants also reflect these principles as the core values of the public service. Nonetheless, there is little evidence that those principles or values are guiding the functioning of the public service, let alone the SPC. In fact, HRM practices are not consistent with these principles. This contradiction between law and practice has prevented them from maturing and becoming part of the administrative culture. It is therefore recommended that Mexican authorities make explicit the importance of these guiding principles in the functioning of the public service. Adding "commitment to the rule of law" would be a step forward in the quest for a culture of honesty and integrity in the public service. In this regard, the experience of Australia and France could inspire the Ministry of Public Administration to organise discussions of core values for the SPC as part of deliberations of public service reforms; this would highlight their centrality. In France a public opinion survey on public service values was organised in 2008, along with debates and roundtables involving both public servants and others (Silicani, 2008, cited in OECD, 2010a). In Australia, a review of core values was a key part of revising public service legislation and the new Public Service Act of 1999 explicitly sets out these core values. The Mexican Ministry of Public Administration is now beginning work on changing the paradigm for management of the SPC. The new model rescues the principles and values of a humanist version of an HR

public policy regarding the **being** and **doing** of public administration. The challenges facing by the SPC are not only in terms of design and implementation, but are cultural as well. After decades of one ruling party system, changing the administrative culture, habits, values and principles will take a long time. Issues such as politisation of administrative affairs, patronage, centralism and illegality are still present in the culture of the public service – which, to a large extent, continues to constrain the development and consolidation of a well-functioning merit-based civil service system.[25] Therefore, the relevance of this model, as explained later in this chapter, is that it attempts to address these behavioral and attitudinal elements in order to strengthen the impartiality and legality of the actions of the SPC.

Mexico should also assess the extent to which HRM rules and processes comply with the principles established in the legal framework and how they could be better aligned, particularly in the recruitment process. This will ensure that human resource management arrangements play an essential part in institutionalising values. For example, recruiting public servants through open, merit-based competition (or other competitive selection procedures) guarantees freedom from patronage. Across OECD member countries, tenure arrangements and protection against dismissal have traditionally been seen as protecting the independence and neutrality of public servants and ensuring continuity. Discipline provisions are meant to uphold probity and legality. Professional socialisation through training, career management processes and the senior executive services that exist in some public services are also important for instilling these values. Competency management and performance management can be used to signal values to individuals through the establishment of performance and competence criteria.

The challenge for Mexico is to fully implement and adhere to the legal framework (Constitution, federal Law of Responsibilities, and the Law of the SPC) so as to make it essential to the values-based management of the public service. Disclosing wrongdoing should be a key concern, as it is in many other OECD member countries. Thus, the legal framework should include some means to oblige or encourage public servants to report wrongdoing. In enhancing the role of values in the public service, Mexico could get some guidance from the *OECD Principles on Ethical Conduct in the Public Service*.

Aligning the SPC to the strategic goals of government

Implementation of the SPC is not among the Mexican government's current priorities. There seem to be budgetary constraints on undertaking expensive projects at the moment. In order to renew the impetus for the professionalisation of the public service, the SPC should be aligned to the strategic goals of government. The economic crisis and security issues have been the recent focus, and the civil service reform has slipped away from the political agenda. Some officials interviewed for the review expressed the feeling that political interest in the professionalisation of the public service in Mexico is vanishing rapidly. Since the benefits of a career system are not perceived and there are no linkages between the legal framework of the SPC and governmental programmes, the system is perceived more as an addition to the workloads than a strategic instrument to meet the government's goals. The Mexican Government needs to realise that, according to the experience of other OECD member countries, the success or failure of public administrations to achieve the government's aims depends greatly on improvements in the broader environment within which the bureaucracy operates. A well-functioning civil service helps to foster good policy making and implementation, effective service delivery, and accountability and responsibility in utilising public resources – the characteristics of good governance. Mexico, like other OECD and G20 countries, is experiencing a fragile

recovery from a severe economic crisis; thus, the need for administrative reform to rationalise the structures of government in order to improve the efficiency of the public service remains one of the most important structural reforms needed to sustain economic growth. It will bring direct benefits to entrepreneurs and ordinary citizens and will facilitate the successful pursuit of other reforms. Enhancing the SPC should have a direct positive impact on the quality of services to citizens that are essential to the promotion of sustainable economic growth and social development, and increase the capacity and boost morale of civil servants.

Box 3.26. *OECD Principles on Ethical Conduct in the Public Service*

1. Ethical standards for the public service should be clear (civil servants and political officials should know where the boundaries of acceptable behaviour lie). Codes of conduct serve this purpose.
2. Ethical standards should be reflected in the legal framework (laws and regulations provide the framework for guidance, investigation, disciplinary action and prosecution).
3. Ethical guidance should be available (socialisation facilitates ethics awareness, but ongoing guidance and internal consultation mechanisms should be made available to help civil servants, and politicians, apply ethical standards).
4. Public servants should know their rights and obligations.
5. Political commitment should reinforce ethical conduct of public servants.
6. The decision-making process should be transparent and open to scrutiny (this also points to the role of the legislature and the press).
7. There should be clear guidance for interaction between the public and private sectors.
8. Managers should demonstrate and promote ethical conduct (by providing appropriate incentives, adequate working conditions and effective performance assessments).
9. Management policies, procedures and practices should promote ethical conduct.
10. Public service conditions and management of human resources should promote ethical conduct (this relates to recruitment processes, promotion and adequate remuneration).
11. Adequate accountability mechanisms should be in place within the public service (internal, as well as outward accountability to the public).
12. Appropriate procedures and sanctions should exist to deal with misconduct.

Source: OECD (2010), *OECD Reviews of Human Resource Management in Government: Brazil 2010: Federal Government*, OECD Publishing, Paris, doi: 10.1787/9789264082229-en.

For this reason, the Mexican Government should define a short-, medium- and long-term purpose for the Professional Career Civil Service (SPC). Building such a vision requires that citizens, and public servants in particular, be heard. If government employees are not on board, the viability of any reform is compromised. A broad-based consultation may enhance fairness and strengthen trust in government. Consultation with interests groups, civil society organisations, trade unions and other groups is crucial to define a purpose for the SPC, clearly stating their expectations and outcomes. Developing a vision for the SPC is positioning the civil service a number of years into the future. It is important to consider: what role will the professional civil service play in society? What is its contribution to wider aims of the government? The experience of OECD member countries suggests that civil service reforms are generally complex, necessitating openness and transparency about the risks, tradeoffs and realistic expectations of what the

civil service can achieve. The legal framework should be revisited to place greater emphasis on the strategic vision and how human resources are connected to the larger national objectives. This would generate flexibility in the management of the professional staff, which the system currently lacks. The substantive areas should contribute to this re-definition of the purpose of the SPC. The different stakeholders should understand the direction government is going and the role they play in it.

The Programme for the Professional Career Service 2008-2012, is a quest to re-launch the career service in the federal government and provide medium- and long-term visions; it defines the SPC's vision and mission and sets its strategic objectives. These were defined after consultation with public servants, academics and members of civil society, and the analysis of international experience. The outstanding aspect of this programme is that it shows the growing importance of merit-based HRM practices and a neutral professional workforce for the Mexican Government. The programme is in its very early stages and the document is still open for revision before its publication in the *Official Gazette* (*Diario Oficial de la Federación*), but this is an encouraging development that may contribute to consolidating the SPC. It must be mentioned, however, that although this programme has been a guiding document since 2008, not many HR directors seem to be aware of its existence, as they did not take part in the preparatory works. The key question is how the vision, mission and objectives will be reflected in the strategic goals of government, the planning of organisations and the strategic management of human resources.

Box 3.27. **Vision, mission and strategic objectives of the SPC**

The Programme for the Professional Career Service 2008-2012 defines the following vision, mission and strategic objectives for the SPC, derived from a SWOT analysis undertaken by the Ministry of Public Administration after consultation with several actors that take part in the operation of the SPC (such as HR directors and internal comptrollers, and members of the Consultative Council).

Vision: the Professional Career Service is an international point of reference due to its credibility and its usefulness to citizens, with career public servants proud of being recognised for their effective performance.

Mission: guide the professionalisation and performance of career public servants in order to contribute to the objectives of the federal public administration and its governmental policies.

Objectives:

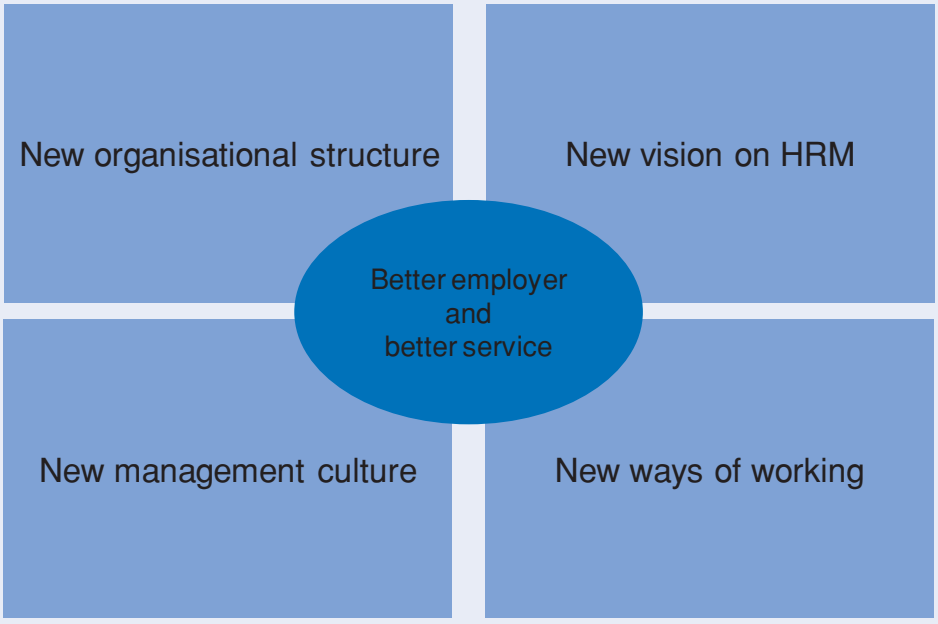
1. To consolidate and strengthen the Professional Career Service, based on national human resources policy, so as to contribute to the achievement of institutional goals established in the performance agreements and actions regularly negotiated and oriented towards productivity.
2. To adjust the criteria, practices, processes and informatics systems to achieve an effective operation of the Professional Career Service.
3. To generate knowledge and commitments among the officials responsible for the Professional Career Service for the adequate operation of the system, including methodologies and collaboration tools.
4. To increase the acceptance of the Professional Career Service and the role of the public service by strengthening its capacities and competencies.

Source: Ministry of Public Administration, Programme for the Professional Career Service 2008-2012, Mexico.

In order to supports its efforts to strengthen the SPC by aligning it to the strategic objectives of government, Mexico could look at the experience of the Belgian Copernicus Reform. In the late 1990's Belgium set the goal to become a model state and a better public service deliverer and employer. At that time, Belgian citizens lacked trust in the public administration due to its rigid and opaque organisation, over-regulation, absence of managerial capacities and low staff motivation. The key messages for Mexico are: the importance of a fundamental re-thinking of values and purposes, where everything should be questioned; the need to radically re-design organisational structures; work in the public service should remain secured but not the function; and the necessity to implement incremental changes based on a strategic vision.

Box 3.28. **Belgium: the Copernicus Reform**

The Copernicus Reform programme was launched in 1999 by the newly elected socialist-liberal-ecologist coalition in Belgium. It was a response to a decade-long legitimacy crisis in the state administrations, whose credibility and ability to deliver services efficiently and effectively was called into question. The Belgian federal administration suffered from a lack of adequate management, unmotivated staff, mistrust of change, the erosion of federal competencies and the problem of legitimacy towards citizens/society. The programme aimed to transform the outdated public service management structure into a modern, transparent structure emphasising individual performance development, in line with broad organisational goals. The reform is composed of four pillars: new management culture, new organisational structure, new ways of working and a new vision of human resources management.



New management culture emphasises autonomy based on the extent to which objectives are realised, self-assessments and delegation of management to line ministries. For example, under this pillar, Belgium introduced envelope financing – which provides managers a yearly fixed personnel envelope and allows them reasonable autonomy in managing that budget through the creation of a "personnel plan".

Box 3.28. **Belgium: the Copernicus Reform** *(continued)*

Under the new organisational structure pillar, the Copernicus Reform Programme defines a new organisation for Personnel & Organisation (P&O) emphasising greater organisational transparency through horizontal P&O across the federal government, "local" P&O units in each Federal Personnel Service, and collaboration in a virtual matrix.

New ways of working are defined by "business process re-reengineering" projects that aim to tie personnel, infrastructure, IT and general work processes together to achieve greater overall results. The project follows a four-phase process over approximately ten months that defines and details the current situation, objectives, strategies, goals and implementation plans, and also includes risk assessments and gap analysis.

Finally, the new vision of human resource management focuses on developing and managing competency though new forms of career management, new evaluation cycles and new development opportunities. New forms of career management aim to address issues of internal equity, lack of individual development, difficult internal mobility, and problems with recruiting and retaining skilled people by highlighting job content, encouraging individual growth through performance and system transparency, and also by bringing pay into line with the market (both private and public).

Therefore, Belgium has begun to focus on correctly matching competencies with actual job functions and nurturing employees' competencies to encourage career development. New evaluation cycles emphasise improved performance by maximising competencies. To achieve this, emphasis is placed on learning and developing through personal tools like co-responsibility and communication. Finally, in order to provide new development opportunities for public sector employees, the human resource department(s) within the Belgian Government provide(s) advice for federal organisations in creating and implementing development plans and also by providing practical tools and support training.

Ten years after the Copernicus Reform was launched, the government has increased overall visibility, success, sustainability and impact. It has developed new ways of working and has become both a better employer and a better service provider.

Source: Information provided by Philippe Vermeulen, Belgian delegate to the Public Employment and Management Working Party.

Strengthening the governance of the SPC

In order to improve the operation of the system, the governance of the SPC needs to be strengthened to foster transparency and accountability. The Ministry of Public Administration has the primary responsibility for the operation of the SPC. However, the Law establishes two bodies for the governance of the SPC. The Consultative Council – including the Minister for Public Administration, representatives of the different sub-systems, the presidents of the technical committees, and representatives from the Ministries of Interior, Finance, and Labour, and members of social, private and academic circles – is intended to support the Ministry of Public Administration in the implementation of the SPC through recommendations to improve its operation. According to the rules of the SPC, it should meet twice a year. The technical committees are collegial bodies in charge of the operation of the system in every dependency, based on the guidance of the Ministry of Public Administration. They are responsible for planning and human resources, approve positions excepted from being part of the system, and serve as a selection committee when open competitions to fill a vacancy are underway. At present, neither the Consultative Council nor the technical committees are

authorised to produce the technical solutions required, nor are they held to account for not doing so. In fact, the Consultative Council does not meet regularly and does not always have all the information on what is happening in the technical committees. Moreover, the technical committees should provide the methods and tools to enable the SPC to operate. It is clear that some of the tools are not appropriate for the purpose which they are supposed to fulfil, some are only partially effective, and some areas have no tools at all (like a system of qualifications to enable performance assessment).

The Consultative Council should be given responsibility for setting the objectives of the technical committees. They will need to determine their priorities, but it is suggested that aligning the dimensions of work and of people, and setting up the system to record them, should be the first priorities. These can all be carried out within the current legislation. The Consultative Council faces two problems: it was not given enough pressure power, and it is composed mainly by the chief administration officers, making it both the judge and part of the system. Thus, to make the Consultative Council an effective watchdog of the SPC, it has to be opened to the public by increasing the direct participation of civil society, political parties and other interest groups in the implementation of the system. This would be in line with the practice adopted in the professional career service of the National Electoral Institute, which is open to public scrutiny.

The day-to-day work of the Consultative Council should be delegated to a steering committee of experts whose goal is to make progress. This steering committee should be chaired by the Head of the Human Resources Policy Unit of the Ministry of Public Administration or by the Director General for the SPC. The members (experts) of this steering committee should be salaried. Furthermore, rather than just being a consultative body, the council could be transformed into a directive body – Directive Council – in order to have a more active role in defining the strategic direction of the system. It should be established by law and secondary legislation that this body should meet periodically, at least twice a year (as it does currently), and it should have a programme of work with clear objectives for the medium and long terms. Mexico may look at the civil service governance arrangements in the United Kingdom as a source of inspiration. The key lesson for Mexico from this experience is the need to make the governing bodies of the civil service co-operate and work under a whole-of-government approach. In the case of Mexico, whereas the technical committees should look at their own ministries, the Consultative Council should operate under a more general approach, but in complete co-operation with the technical committees.

Division of responsibilities in HRM

In Mexico, the new rules for the operation of the Professional Career Service, adopted in 2007, point towards the decentralisation of the system to each separate ministry and agency. The argument for this is that the SPC is too large to be managed as a single entity and that previous failures of the implementation of the Law of the SPC have arisen because of the sheer size of the task. It should be left to the individual ministries to take responsibility for complying with the Law. Congress has also supported decentralisation. The real issue is not a simple choice of centralise or decentralise, but how to more effectively divide the tasks of implementing the Law of the SPC and managing it from day to day. This is not a new development; many other OECD member countries have pursued a general policy of delegating operational HRM authority to line ministries and managers to the extent possible. The purpose has been to simplify and reduce the costs of HRM systems while making more efficient use of available resources.

Box 3.29. Civil service governance in the United Kingdom

The two key governing bodies for the civil service are the Permanent Secretaries Management Group (PSMG) and the Civil Service Steering Board (CSSB), both chaired by the Cabinet Secretary. The two groups work together to ensure that the civil service as a whole has a clear direction and is a coherent and effective organisation. The PSMG discusses issues of strategic importance to the civil service. It provides corporate leadership to the civil service as a whole where a single position is required. Its membership consists of all permanent secretaries and other selected secretaries and directors general. The PSMG considers issues of importance across the civil service including: senior leadership, efficiency, reputation, employee relations, risk, financial management, standards and values, capability of the civil service as a whole, skills, pay, pensions. The CSSB focuses on specific areas delegated to it by PSMG: *i)* civil service risk management; *ii)* development of a strategy for improving (and defending) the reputation of the civil service; *iii)* civil service delivery capacity; *iv)* future workforce needs; and *v)* implementation of shared services arrangements. CSSB has executive powers in these areas.

The Civil Service Steering Board aims at enhancing the performance and reputation of the civil service by ensuring that:

- the vision, role, direction and priorities of the civil service are communicated effectively (both externally and internally) and that the values in the Civil Service Code are understood and upheld;
- the civil service is identifying and effectively managing its strategic and operational challenges and risks, and that systematic weaknesses in processes and structures are investigated and remedied;
- the civil service has the capabilities it needs to deliver the objectives of the government of the day, and that it has effective leaders, recruits and develops staff so that they have the skills and experience needed, and manages talent proficiently within and across departments;
- the civil service maintains its reputation as an effective organisation and good employer;
- the civil service fulfils its role in delivering the Service Transformation Programme;
- corporate services across the civil service are capable of operating with the speed, quality and efficiency needed to support the above objectives.

Source: United Kingdom Civil Service (2009), "Civil Service Governance", *www.civilservice.gov.uk/about/leads/governance/index.aspx*, and United Kingdom Civil Service (2009), "Civil Service Steering Board (CSSB)", *www.civilservice.gov.uk/about/leadership/cssb/index.aspx* accessed in December 2010.

In Mexico, while the majority of the roles in each ministry are specialised and technical in nature, at the operational management level and above (where strategic intent of administration is defined, developed and acted on) the issues have national impact; consistency across ministries is needed. As an overall policy, decentralisation poses the risk to confound the objective of a professional career service, which is to create and develop an administrative system that has a culture of transparency and citizen-centric excellent service. Hence, the Ministry of Public Administration is expected to provide the mechanisms to ensure that civil service policy will be followed.

In the light of the decentralisation process, it would be advisable for Mexican authorities to look at three critical issues: *i)* the role of the Ministry of Public Administration as the central HRM body in charge of the operation of the SPC; *ii)* the

establishment of reliable mechanisms to ensure accountability and transparency for the operation of the system; and *iii)* capacity development for HRM.

The role of the Ministry of Public Administration

The Ministry of Public Administration (*Secretaría de la Función Pública* – SFP) is the central HRM body in charge of ensuring the integral administrative development in the dependencies and entities of the federal public administration. Consequently, it is the body responsible for the implementation of the Professional Career Service (SPC). The role of the Ministry of Public Administration in implementing the SPC seems to be well defined, according to the terms of Article 69 of the Law of the SPC. However, there is still room to manoeuvre to reinforce the role and functions of the Ministry of Public Administration, to strengthen its position and give it sufficient power to co-ordinate and control the professional career service. It should have an in-depth understanding of its role in the management of the SPC. The experience of OECD member countries with a central HRM body would be critical for Mexico in this respect.

A large majority of OECD member countries have a body that deals with HRM at the central government level. It acts as the driver of civil service reforms in a whole-of-government approach. This may involve being responsible for developing HRM strategy, monitoring progress towards goals, linking HRM objectives to broader governmental goals, and reporting on progress and re-assessing strategies as progress is made. In OECD member countries, central HRM bodies have been instrumental in implementing HRM reforms by promoting sharing of information and good practice, taking steps to avoid duplication of activities, gaining acceptance of frameworks and standards, facilitating collaboration across government agencies and ministries, and fostering innovation and risk taking in HRM Political responsiveness is crucial. OECD member countries such as Austria, Finland, Ireland, Japan, the Netherlands, Norway, Switzerland, the United Kingdom and the United States have re-focused or re-defined the role of the central HRM body towards a more strategic and less detailed managerial role. In Australia, Belgium, New Zealand, Portugal and Sweden this body co-ordinates the management of human resources across departments and agencies. This has meant a shift towards decentralising control of HRM responsibility in order to increase managerial flexibility and to improve performance and responsiveness, although the scope and pace of delegation varies across countries.

In general, OECD member countries rely on three methods of delegation: *i)* transferring responsibilities for HRM from central bodies to line ministries/departments/agencies; *ii)* simplifying rules and procedures when devolution concerns the operational aspects of HRM, while responsibility for more general policy remains with the centre; and *iii)* developing more flexible HRM policies. The central government administration never totally delegates authority for human resource management, as governments want to maintain a set of shared values and common structures and processes, which need to be managed from the centre.

The experience of OECD member countries suggests that when strengthening the role and functions of the central HRM body, it is first necessary to build a framework that sets HRM strategy in the context of the government's policy objectives and strategic priorities. This framework should provide a long-term vision for the civil service to guide all HRM reform policies and programmes. A more strategic and holistic perspective helps avoid making reactive and short-term organisational changes. Alignment with the long-term strategic objectives of government and other managerial reforms is crucial for

the sustainability of HRM reforms. Mexico could re-shape the role and functions of the Ministry of Public Administration to provide HRM advice and leadership to participating line ministries and agencies in the SPC, define HR policy, hold ministries and agencies accountable for the operation of the SPC, and uphold the merit-system principles. The most promising OECD member countries' experiences suggest that central HRM bodies are more effective when they:

- Act under a managerial framework that provides the setting in which HRM policies and practices will be strengthened and evolve. The legal foundation of HRM policy gives the central HRM body a clear mandate for its activities.
- Have a plan that allows them to act strategically to achieve the government's goals and to assess how well they succeed. Their political responsiveness depends in part on this.
- Assume a co-ordination, monitoring and enabler role in the implementation of HRM policies by providing guidelines, technical support and feedback. The oversight role of the centre is not necessarily transaction oriented; it may rely on strategic monitoring and measurement of results and risks.
- Have adequate financial and human resources to strengthen HRM in the public service. Central HRM bodies should have the capacity to prepare civil service reform or to control the implementation of the Civil Service Act.
- Have a leadership role in the development of civil service reform proposals, manage the preparation of reform legislation, and set homogenous HRM standards without interfering too much with the traditional role of other ministries, above all the Ministry of Finance.

The Ministry of Public Administration should have an in-depth understanding of its role in the management of the public sector and of the importance of balancing:

- managerial autonomy and flexibility with whole-of-government direction, coherence and transparency across the systems;
- the delegation of managerial authority with the need to understand how delegated authority is exercised. This requires a robust regime of accountability and sound information systems to monitor the overall health of the public service.

It may be necessary to explore the possibility of giving the Ministry of Public Administration the role of service provider, as several central HRM bodies are in OECD member countries. For example, the United States Office of Personnel Management delivers human resource products and services to agencies on a reimbursable basis, including personnel investigations, leadership development and training, staffing and recruiting assistance, supporting organisational assessments, and training and management assistance. This may be a way of dealing with the growing use of private consulting and universities by several ministries and agencies for the operation of the SPC.

Ensuring accountability and transparency in HRM

The Law of the SPC includes a sub-system for control and evaluation that is aimed at establishing mechanisms to evaluate the operation of the SPC in order to define means of improvement. The new regulations for the operation of the SPC contemplate the elaboration of an Operative Annual Programme (*Programa Operativo Annual* – POA)

that should include a diagnostic, the objectives, action lines per sub-system and goals. The Consultative Council is supposed to offer an opinion. The POA should be approved by the Ministry of Finance in light of the budgetary resources available. The Ministry of Public Administration, through the internal control organs within every dependency, should follow up the implementation of the POA to prevent deficiencies and adopt corrective measures. Nonetheless, the POA seems to be narrowly defined as an input-control mechanism based on budgetary limits and focused on processes, rather than on a wider view of the elements that facilitate the functioning of the SPC and its contribution to the wider goals of government. The POA is limited in its perspective and does not contribute to strategic workforce planning. The new rules establish that, for the evaluation of the SPC, the internal control organs should inform the Ministry of Public Administration about the results of the audits they conduct. The problem here seems to be that achievements are defined based on compliance with procedures rather than on outputs and outcomes. It is important for governments to focus on how much they spend (the financial inputs to government activity) and on processes (how matters are organised and what techniques or organisational structures are used to transform the inputs into goods and services). However, this does not provide a clear picture of what governments get for all their inputs and processes. Outputs (immediate results) and outcomes (eventual impact on society) have the potential of providing a clearer image of what the Mexican Government gets for its investment in the SPC. Thus, the approach of the POA could be revised so that it seeks to improve capability in terms of delivery, leadership and strategy to meet the government's short- and long-term objectives. The POA should be an instrument to help organisations act on long-term key development areas of the SPC. This kind of assessment could be carried out well by external reviewers, with the support of the Ministry of Public Administration and the Consultative Council acting as a capability review body.

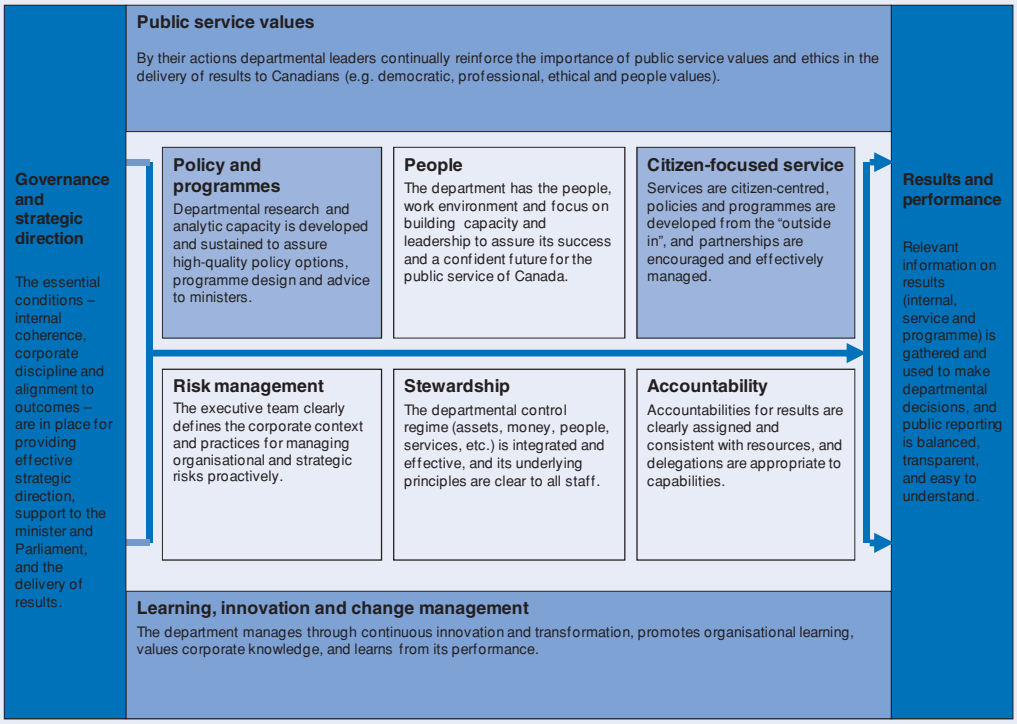
Furthermore, in the context of decentralisation of the operation of the SPC, Mexican authorities need to develop and implement reliable mechanisms for accountability and transparency for oversight and also for feedback. This is because the current SPC decentralisation process entails holding ministries and agencies to account for the operation of the system and for improvements in strategic HRM. It is necessary to ensure joint action, common standards and shared systems, on the one hand, and vertical accountability for individual performance of the administrative unit, on the other. The council, through the Ministry of Public Administration, could conduct a periodic comprehensive performance review of the SPC reporting results, areas of opportunity and measures of improvement. The report should be presented to the executive and legislative powers and shared with the wider public. The technical committees should similarly report to the council on the situation of the SPC in their respective dependencies. This will help identify windows of opportunity, publicise positive developments and increase interest in the system. The experiences of Canada and the United States may be a source of inspiration to Mexico in this respect.

The Canadian Management Accountability Framework (MAF) gives Mexico a valuable example of accountability when delegating HRM authority. MAF defines the conditions that need to be in place to ensure that the government is well, and to promote management excellence. MAF makes annual assessments of most departments and agencies, and issues public reports on the state of management, including HRM.

Box 3.30. The Canadian Management Accountability Framework

In the context of increased emphasis on results and performance management, and increased delegation of management functions to departments, the Canadian Government has developed a Management Accountability Framework to ensure departmental accountability for management results, including human resources. The MAF is structured around ten key elements that collectively define "management" and establish the expectations for good management of a department or agency. It sets clear indicators and measures that can be used to gauge performance over time to help managers, deputy ministers and central agencies to assess progress and to strengthen accountability for management results.

The MAF is part of the government's efforts to move away from prescriptive rules and heavy central regulation to focus on risk-based monitoring and accountability for results. The government uses annual MAF assessments to identify management strengths and weaknesses in individual departments and agencies, and ultimately government wide. The assessment process leads to a joint agreement on specific management improvement action plans and ultimately public reporting on the state of management. MAF assessment now also factors into deputy ministers' performance appraisals.



The People Component of the MAF provides a common structure for assessing human resources management in departments and agencies. It sets out vision, expectations, key performance indicators and associated measures for sound human resource management. It centres on key workforce, workplace, leadership and HR infrastructure outcomes, and associated measures. The outcomes are:

- a workforce that is talented, professional, representative, engaged and productive, with the required competencies and values to meet current and future needs;
- a workplace that is healthy, safe and fair and enables employees to work effectively in a supportive environment, and a culture of excellence;

Box 3.30. The Canadian Management Accountability Framework *(continued)*

- strong leadership and management capacity to effectively lead organisations and people in a complex and dynamic environment;
- effective infrastructure, which facilitates effective organisational planning supported by strategic and enabling human resources management, and achieves high levels of client satisfaction.

The key people management performance indicators provide a solid foundation on which managers at all levels, including deputy ministers and human resource professionals, can build their accountability regimes for quality human resources management and assess their organisations' business and human resources outcomes.

Source: Treasury Board of Canada Secretariat (2009), "TB Management Accountability Framework", *www.tbs-sct.gc.ca/mafcrg/index-eng.asp*, accessed in December 2010.

In the same vein, the United States Office for Personnel Management offers a clear example of how to hold agencies to account for improvements in strategic human resource management by providing them with direction and consultative support; monitoring compliance with civil service laws and regulations and appropriate use of flexibility/authority; and providing agencies with tools, resources, guidance, education and evaluation to improve HR operations.

Box 3.31. The United States strategic alignment system: human resources as strategic partner

In order to hold leaders accountable for results, OPM has aligned key elements of the human resources system to performance indicators.

Key HR element: the agency's human resources system is proactively involved in the agency's strategic and workforce planning efforts.

Effectiveness indicators

- HR staff consults with managers and supervisors across the agency on various management issues.
- HR staff provides advice and guidance to managers on human capital strategies tailored to meet organisational needs.
- HR staff assesses and anticipates needs of customers (managers, supervisors, employees and applicants), develops functions and services to support and fulfil those needs, ensures quality of services and communicates programme requirements to customers.
- HR staff involves line functions in programme review and/or development and is invited by line functions to organisational meetings and retreats to identify and advise on HR issues.
- Federal Human Capital Surveys and/or other surveys or interviews indicate that HR staff members are viewed as internal consultants, and human capital strategies support the broader agency mission.

Box 3.31. The United States strategic alignment system: human resources as strategic partner *(continued)*

- Policies describe the process and procedures for communicating customer issues, resolving customer dissatisfaction, and handling customer comments.
- HR measures and communicates the value of products and services it provides through feedback mechanisms.

Compliance indicators

The agency holds managers and human resources officers accountable for efficient and effective HRM in support of the agency's mission and in accordance with merit system principles.

Key HR element: the agency's human resource management system includes staff with the skills and competencies required for partnering with executives and managers in strategic planning.

Effectiveness indicators

- The agency uses HR staff development needs and assessment studies to identify competency gaps.
- The agency has strategies (e.g. automation, competitive sourcing, recruitment, mentoring and training) to close competency gaps in HR staff and provide managers the advice and tools they need to operate.
- HR staff conducts programme reviews, customer surveys and regular assessments of information systems and other support functions to identify areas for improvement.
- Analysis of staffing levels includes considerations such as HR servicing ratio, HR staff distribution by series/grade/pay band, HR staff average grade/pay band, age, length of service, training completed, retirement eligibility, HR supervisory ratio, and ratio of personnel actions to personnel staff.

Key HR element: the agency's human resource system has an information system able to provide relevant and reliable data for making fact-based human capital decisions.

HR staff partners with managers to:

- Conduct workforce studies and analyse results; the data are used for decision making.
- Use all available functions and features of the agency's current system to facilitate effective agency workforce management (e.g. process and report on personnel transactions, query data) and provide routine reports to managers.
- Participate as appropriate (i.e. depending on level in organisation) in agency and/or OPM initiatives to support the OPM Enterprise Human Resources Integration initiative, which will support HR management across government.
- Participate, as appropriate, in other e-government initiatives such as e-payroll and the modernisation of the retirement system.
- Use HR information system to promote employee self-service and manager access to a broad range of human capital information and indicators.

Source: US Office of Personnel Management, *www.opm.gov* accessed in December 2010.

Developing capacity for HRM

In the context of decentralising the operation of the SPC, the Mexican authorities should ensure that the line ministries and agencies have the necessary capacity to conduct their new responsibilities. The experience of OECD member countries suggests that one way of doing this is by professionalising the HR function across the central public administration. This means that HR professionals should be given the opportunity to develop a career both inside and outside of the public service. Mexican authorities could consider the HR function part of the professional career service. It is true that HRM is part of the support services to substantive functions in government, but managing the human resources of the central public administration is part of the Ministry of Public Administration's core business. Mexican HR professionals should work with their organisations to achieve strong leadership, build capacity and support managers to get the best out of their people. To achieve government's aims, organisational capability should improve; one way of contributing to this is by transforming HR services across the central public administration, starting with the Ministry of Public Administration itself and then all organisations that are part of the SPC. The HR Directorates within each ministry and agency should be given an integral role in enabling change and supporting improved delivery across all government organisations. In this sense, Mexico may analyse the long-term possibility of making the Director General of the SPC part of the career service, whereas the Head of the Unit for HR Policy of the Ministry of Public Administration could remain a political appointee.

If the HRM function is to be strategic, traditional HR expertise must be combined with an understanding of how it can help meet the strategic goals of the Ministry of Public Administration and of government. Thus, HR experts need to have access to a range of career paths, similar to those for other professionals. In other words, the HR career path must make it possible for HR professionals to stay in their positions, move sideways to gain broader experience, take on a bigger role, or (temporarily) move out of the public service. Therefore, the Ministry of Public Administration may consider developing a profile for the HR profession. In this sense, the experience of the Cabinet Office of the United Kingdom in setting HR professionals standards as part of its Professional Skills for Government Agenda could be of inspiration to Mexico. The important point is to define what is expected of HR professionals and how to measure their performance. The HR Professional Standards set out the requirements for HR professionals under four key areas: *i)* knowing the business; *ii)* demonstrating HR expertise; *iii)* acting as a change agent; and *iv)* building personal credibility. Each of these areas is calibrated at three different levels of expertise, which are cumulative.

The need for effective change management arrangements

There is no single formula for successful reforms in public administration. Each country has its own specific characteristics. The organisation and culture of its public services have been shaped over time by its unique circumstances. Previous administrative reforms will have left their mark. The legislative framework in which the public service operates is different in each jurisdiction. There are different priorities, different coalitions of interests at work and different capacities to design and implement reforms. It is essential, therefore, to ground any discussion of reform in specific situations. Comparison is useful, however, as a way to learn from experience in other countries. OECD member countries' lengthy experience and wide variety of public service reforms provide a rich source of information for anticipating and dealing with issues and challenges that are commonly encountered.

Table 3.9. **HR professional standards in the UK Cabinet Office**

Key areas	Professional standards	Outcome of effective performance
Knowing the business	Understand the organisation and how HR can best contribute to its success.	– Understand and communicate organisations' priorities and support line managers in working towards them. – Align HR policy and services to the organisation's business. – Use people information to assist decision making on the line. – Demonstrate how HR practices and effective people management help line managers achieve their goals.
Demonstrating HR expertise	Understand and deliver HR practices suitable for the organisation which lead to organisational success	– Deliver HR services in a professional, responsible, accessible and cost-effective way. – Use information to inform HR decisions and make improvements within HR. – Engage, enable and challenge line managers to manage their people effectively. – Continuously update and develop professional knowledge. – Ensure confidentiality and practice HR to the highest ethical standards.
Act as a change agent	Make organisational change happen	– Communicate effectively to help make change happen. – Demonstrate a positive attitude towards change. – Use change and project management techniques to develop and deliver HR plans.
Personal credibility	Personally demonstrate the organisation's values, build trust with partners in the organisation, and proactively contribute to organisational success	– Listen, question and communicate in an influential and engaging way. – Present clear and concise information in response to queries. Deliver outputs on time and to the agreed standard. – Reinforce the organisation's values and desired behaviours through example. – Demonstrate a proven track record for customer service, delivery and capability.

Source: Cabinet Office (2009), *HR Professional Standards Handbook*, Cabinet Office, United Kingdom.

Indeed, implementing the SPC is a large-scale change management project. The changes cannot be brought about in a short time. Planning implementation is therefore a matter of understanding inter-relationships between the implementing bodies and putting them into priority order so that the projects that are dependent on the outcomes of other projects are tackled after the projects on which they depend have been delivered.

The approach to implementation needs to be revised

One of the main reasons why the SPC is currently under pressure is the poor implementation strategy defined at the early stages of the reform process. Dussauge Laguna (2011: 8) argues that "…after decades of a 'quasi-spoils' system, the new legislation perhaps went too far in a very short period of time, as it left very limited room for political parties to make partisan appointments within the bureaucratic structure." Invariably, change generates opposition and the impetus for reform must be sustained over time while an implementation strategy is put in place. Officials from the Ministry of Public Administration, HR directors of participating ministries and agencies, and Mexican academics (Dussauge Laguna, 2011; Fócil, 2009; Méndez, 2008; Haro Bélchez, 2007) consider that the implementation approach has not been optimal. The implementation process has thus far been broad. Mexican authorities at the time of reform had the ambition of implementing all sub-systems at the same time, as Transitional Article 3 established that every public servant in a position covered by the SPC would need to approve a set of tests before acquiring tenured or career status, and Transitional Article 4 established that full implementation should not be longer than three years. Positive results were also expected in the short term. There was no sequencing of reform; the experience of other OECD member countries shows that sequencing is highly important to make reform happen. This has to do with the interdependencies between

reforms and the way different elements of HRM fit together to provide a coherent direction and to give additional leverage for reform efforts. The programme of implementing change in over 70 ministries and agencies covering over 37 000 civil servants and roles was too large for effective project management. The result was that some functions (such as performance management, training and recruitment) were implemented before the supporting sub-systems were in place. Indeed, one of the principal hold-ups to implementation has been that a lot of basic preparation work was not carried out before implementation started.

The rate of progress has been determined by the slowest and least committed agencies. Attempting to implement all the elements in the Law of the SPC at once has proved too big a task, as the technical elements of implementation, which are critical to its success, were not addressed. A more effective way could have been to select a pilot ministry and then roll each element of the programme out across other ministries and agencies once it was successfully in place. Thus, a number of systems and tools should be revisited to ensure they are workable – and the approach to implementation needs to be re-thought.

Mexican politicians, civil servants and citizens should realise that HRM reforms are lengthy processes and that results may not be apparent for a number of years. In revising its approach to implementation of the career service, the Mexican Government might usefully consider the different policy tools which OECD member countries have found useful for planning, implementing and sustaining reform.

Table 3.10. **Public administration reform challenges and possible policy tools**

Key challenges	Policy tools
Planning reform phase	
– Bridging information gaps and developing a clear roadmap with measurable intermediary targets and final outcomes	– Independent systems of expertise and preliminary evaluations – Public debates and consultation strategies
– Creating support for the reform: clients and civil servants	– Seize the moment: take advantage of crises
Implementation phase	
– Building on leadership and political commitment to the reform	– Clear electoral mandates – Compensating losers
– Overcoming resistance to change and creating a sense of ownership of reforms	– Implementing complementary reforms – Contracts and experimentation
– Developing capacity and knowledge	– Training plans and public administration schools – Communication
Sustaining phase	
– Avoiding policy reversals	– Evaluation mechanisms
– Evaluating reform and assessing success	– Independent and permanent institutions – Ombudsmen and high-level committees

Source: OECD (2009e), "Supporting Administrative Change: Greece", Working Paper H6 unpublished, OECD, Paris.

The main tool used by OECD member countries in the planning phase has been the organisation of large-scale public debates and consultations, as in France's 2007 *Conférence nationale sur les valeurs, les missions et les métiers du service public et de la fonction publique* (national conference on the values, missions and functions of the public service and the public administration), and in Spain's 2006 public debates and consultations organised in order to create consensus for reform of the *Basic Statute for the Public Employee* (EBEP).

In the Mexican federal public administration, the introduction of the SPC has been a sort of revolution that came to transform the administrative culture. Indeed, over time changes to HRM affect the culture and values of the public service; resistance therefore is expected. It is essential to carefully examine the likely impact of changes, to ensure that the changes send a consistent message regarding the desired behaviour of managers and staff, and to monitor their impact to ensure consistency with the values of the public service.

In the case of Mexico's SPC, the timetable for implementation was too ambitious for such a large change. In order to design a better implementation strategy, Mexico should consider adopting an incremental approach, building the case for reform by creating a sense of the challenges facing the public service. This requires building leadership for the reform to overcome resistance to change. OECD member countries' experience has shown that the sequencing of reforms is very important. This has to do with the inter-dependencies between reforms and the way different elements of HRM fit together to provide a coherent direction and to give additional leverage to reform efforts. Sequencing is highly contextual; choices about how to approach reforms depend on what has already been done, on identifying key levers of change and serious blockages, on issues of capacity to implement different types of reform, and on using windows of opportunity. There is an element of analysis and an element of pragmatism. It is therefore risky to generalise about experience in other countries. Approaches to HRM reforms have varied widely. However, four main lessons emerge:

- One of the lessons learnt from several decades of reform in OECD member countries is that, while all public service reforms should include attention to HRM, it is very important to focus first on how public organisations should function and then to design appropriate HRM practices. For example, some countries have tried to put staff performance management at the core of their reforms before organisations' performance management is properly functioning. Unfortunately, not only have such reforms not been successful, they have undermined the credibility of performance management and the collective ethos.
- A related key lesson is that reforms should build upon one another; this is best achieved by having an overall roadmap for reforms, rather than a series of disjointed initiatives. For example, before decentralising HRM to empower managers – as Mexico seems to be doing – the appropriate budgeting and accountability systems need to be in place, the necessary management capabilities must be developed, and a culture of managerial responsibility needs to be firmly embedded. A highly centralised HRM system makes it difficult to implement individualised HRM practices such as performance management.
- Identifying winners and losers is critical to compensate those that lose with the reform and create ownership of the reform with those that win. Compensation of potential losers is frequently used to build support, or at least reduce resistance to, reform. It is clear from the experience of OECD member countries that reforms cannot be implemented successfully without the right incentives. Compensation may be financial (improving or restructuring remuneration) or non-financial (improving jobs to make them more satisfying or enhancing the human capital of public servants to increase their employability and value on the labour market).

- Reforming the management of the public workforce is largely a confidence-building process, for which a full-fledged change management strategy is needed. In Mexico's case, the upcoming 2012 presidential election will certainly occur before all inadequacies of the system can be fully addressed; this might damage the image of the SPC before the eyes of a new administration. There is consequently a need to address elements of SPC which can be implemented without political sensitivity and which will be robust under a wide range of electoral outcomes.

Ten years after its implementation, the Belgian Copernicus Reform has produced a number of lessons that may be very useful for Mexican authorities in their efforts to reform the culture of the public service.

Box 3.32. **Belgium: lessons learnt after a decade of the Copernicus Reform**

Ten years after the implementation of the Copernicus Reform, some critical lessons for the success or failure of a civil service reform have been learnt. The importance of these lessons is that the Copernicus Reform required a fundamental re-thinking of the purpose of the civil service. The reform led to a radical re-design of the government organisations, passing from a hierarchical silo approach to new structures – process-based boundary-free organisations – in that way breaking with the past. Integrated changes were based on the strategic vision of government. Some of the main lessons are:

- an integrated vision based on customer needs is required;
- the organisational change capacity and maturity dictate the size, ambition and pace of the change process;
- priorities must be determined;
- results must be visible for the political level, the civil servants and the clients;
- available resources must be used (others will not be offered);
- stakeholders must be involved to deal with resistance, tiredness of change, lost of confidence;
- it is essential to listen to the voice of the organisation and challenge people;
- give time to time and keep the business running;
- methods of work must be customised;
- tools are useful means, but are not the purpose;
- sponsorship of the strategic board and political support must be assured;
- the journey is as important as the objective.

Source: Information provided by Philippe Vermeulen, Belgian delegate to the Public Employment and Management Working Party for the occasion of the review of Mexico.

The Law of the SPC and its implementation have crossed two administrations that have either been protagonists for or sympathetic supporters of the SPC. Implementation will go beyond the next presidential election in 2012, and the new government with probably offer less political support. Coping with a change of government every six years can either involve a series of course corrections, as happened in 2006, or might result in a

complete change in the underlying ideas of national policy. It is therefore necessary to first address those issues of implementation where the results will be robust, whatever the detailed programme of a new government might be. A professional career civil service needs to recognise that it will be developing its succession plans into the most senior posts and the people to fill them over a time span of decades. A high-potential career civil servant who joins in her/his mid-20s could have a prospective career of some 40 years, so the implementation of the SPC must look across multiple presidencies. Each new administration must be able to see the advantages of supporting the SPC and must be convinced that it works. There is a possibility that, if the SPC is not seen to be working, a new government may not support it. Yet, the amount of implementation work that remains will probably extend beyond 2012. It is therefore essential that effort is put into those parts of implementation that may not be visible, but are essential to its working; these include the jobs register and a complementary people register, the competency management framework for top and middle managers, the catalogue of posts of the SPC, as well as the concepts and metrics needed to create these registers. This must be defined as the highest priority.

Ownership of a reform needs to be built from the outset by involving key stakeholders in the conception and planning phase. Stakeholder involvement is also essential in the implementation phase. Those affected are unlikely to feel ownership of a reform unless they have a clear idea of where it is going, what it intends to achieve, how it will be implemented – and, most importantly, how it will affect them personally, the role they are expected to play in the process, and how they will be supported in dealing with change. Mexico could learn from its past experience in creating ownership. The Mexican administrative reform process of the mid-1990's provides an interesting example of how a sense of ownership can be created among civil servants, as it recognised the necessity and advantages of drawing lessons from both local and external experiences. At that time, the federal government organised national administrative development meetings once or twice per year, giving local and municipal governments, federal ministries and state-owned enterprises the opportunity to exchange experiences regarding the administrative modernisation process. The impact of these meetings was twofold: they showed the importance of internal and external criticism and helped to create ownership of the reform process, as civil servants from different levels of government were allowed to provide feedback.

Reforming HRM systems requires broader administrative reform

Perhaps the key lesson from the experience of OECD member countries is that HRM reforms should not be approached as stand-alone modernisation initiatives (Huerta Melchor, 2008). They should be based on an overall view of how government should function in order to meet emerging challenges, and they should be consistent with public service values and other public management reforms. Strategic HRM reforms should be shaped by the centre of government and should embody a clear vision of the connections between the features of the HRM system – such as how people are recruited, organised and motivated – and the objectives and priorities of the public service.

OECD member countries have found that failure to integrate HRM in public management reforms creates many difficulties for the implementation of reforms, owing to inconsistencies between staff management reforms and reforms involving budgeting, performance management or increased consultation with citizens. HRM has often tended to lag behind because structural HR reforms are often politically sensitive, subject to political cycles, and sometimes require difficult negotiations with unions. In addition,

HRM, more often called "personnel management", may be seen as an administrative function rather than a core strategic element and the personnel function itself may have insufficient capacity to contribute to strategic reforms.

Make ICT a strategic partner in HRM reform, but not the end

As Chapter 2 on e-government shows, Mexican authorities are relying more on information and communication technologies (ICT) to increase the efficiency and effectiveness of government performance. Undoubtedly, the use of ICT could not only enhance HRM reform, but also improve the efficiency of the HRM processes. This report has presented several programmes that use ICT tools for the operation of the SPC: *RH-Net, @Campus, trabajaen.gob.mx*. If effectively used, these tools have the potential to position the HR function in general and the SPC in particular in a more strategic way, as they would foster innovation, productivity, and customer focus, and deliver faster services. In particular, the use of ICT in HRM would provide more reliable and high-quality information on public employment statistics.

However, the experience of other OECD countries like Belgium and Denmark, which have been using ICT extensively for HRM, has some key messages for Mexico. The use of ICT in HRM should be seen as a strategic partner, but not as an end in itself. It is important that organisations evolve and avoid getting stalled. The impact of ICT in the culture of the public service should not be underestimated.

In order to make the most of ICT in HRM, the Ministry of Public Administration should be clear about the strategic objectives for its use and develop the capacity to make them operational. The ICT-HRM strategy should be piloted before being used by line ministries and agencies to avoid confusion and lack of trust in the applications. It is critical that the ICT-HR strategy be aligned to the business needs of government. In other words, it is necessary to have a vision – at least five years ahead, according to the experience of Belgium – on HRM and how ICT can contribute to realise that vision. Communication and dialogue with other key actors is critical. Every organisation and manager should own the applications, and not only HR staff. For example, ICT could be a tool for strategic competence development and appraisal interviews. A final message for Mexico is that if the HR function is to be digitalised, the Ministry of Public Administration should make sure it adds value to the management of the public workforce – let alone the SPC. ICT should contribute to restore trust in the system, enhance accountability and transparency, and increase the efficiency of the different HRM processes. A regular evaluation of ICT impact on HRM would be necessary.

Towards the dissemination of best HR practices

Learning "to learn" and improve based on experience

At present, there is a feeling of disappointment among Mexican civil servants about the SPC. The technical difficulties, the constant recurrence to appointments via Article 34, the lack of transparency and merit-based selection processes, and the fact that the SPC does register on the political agenda have generated questions about the need for the SPC. Mexico has already accumulated experience in the operation and implementation of the SPC that provides useful lessons for adjusting the career service as needed.

The inclusion of a sub-system for control and evaluation of the SPC is a positive step, which needs to be put into practice under a wider perspective, as discussed above. The experience of other OECD member countries suggests that developing evaluation frameworks and methodologies for constant oversight and systematic assessment of government's initiatives on workforce management is critical to support efficiency, effectiveness and continuous learning. However, in the case of Mexico's SPC, it is important not to focus evaluations exclusively on compliance with regulations – but on development and results. The Annual Operative Programmes should establish benchmarks or indicators against which to assess the functioning of the system. Developing a strategy for the dissemination of HR best practices and research should be the responsibility of the Ministry of Public Administration. Current plans to revive the Network of HR Directors and build a new network of organisations with a merit-based personnel system (SRE, INEGI, IFE, SSP, among others)[26] seem to be a positive development in this direction. This is a way of encouraging more collaborative working practices in HRM policy development and a culture of collective negotiation. Indeed, the creation of a collaborative learning network seems to be the first step that the Mexican Government, under the leadership of the Ministry of Public Administration, is taking towards what it calls "a new paradigm" of the professional career service in both organisational **being** and **doing**. The guiding principle of this network would be to transform the SPC into a flexible and dynamic system, decentralised to line ministries and agencies, whose implementation is progressive based on dialogue with all stakeholders.

Table 3.11. **Towards a new paradigm for the Professional Career Service**

Current paradigm	New paradigm
The organisational BEING	
– The Being subordinated to the Doing	– Being and Doing harmonised and synergised with each other
– People used as resources	– People exercise freedom and develop their capacities
– Lacks passion, energy and commitment	– High level of passion, energy and commitment
– Lost meaning of life at work	– Work has a transcendent meaning
– Blocked human potential	– Unleashed human potential
The organisational DOING	
– Lost illusion of prediction and control	– Acting with confidence even under uncertainty
– Increased anxiety, fear and aggressiveness towards the organisation	– Self-control is promoted – Risk is faced with determination and solidarity
– Addiction to external "recipes"	– Permanent doing and learning
– Undermined internal capacity to create required outcomes	– Increased collective capacity to face crisis and complexity

Source: Mexican Ministry of Public Administration (2010), *The Professional Public Servant: Towards a Transcendent Public Service*, Powerpoint presentation given during the Public Employment and Management Working Party annual meeting, December 2010, Paris.

Indeed, in several OECD member countries, the central HRM body is supported by other reform-oriented groups or networks that help identify priorities, propose specific reforms and provide advocacy for reform in general. The networks that the Mexican Government plans to build may have management authority for human resources or constitute forums for discussion of experiences and exchange of information. This practice, if effectively implemented, would allow a systematic assessment of the operation of the SPC. The experience of OECD member countries in this respect is critical. A good example of how these networks can be organised and work is the Finnish Finwin programme. Finwin brought together managers from different ministries and agencies to participate in a series of seminars in order to reach a shared understanding and vision regarding future challenges and how to manage them. Finwin facilitated the dissemination of information and the exchange of positive and negative lessons on reform

in different areas and levels of government. The programme, directed to top civil servants and employee representatives, facilitated horizontal dialogue regarding a common vision. The programme involved not only seminars, but also learning cafés and workshops to complement discussions held during the seminars.

Box 3.33 Leadership for reform: development strategies in selected OECD member countries

Finland. The Finwin leadership initiative focused on creating a common understanding and vision in 150 ministries and agencies in various administrative branches, which were highly independent in their operations. The message was that all efforts should point to a common aim. The programme was directed to top-level civil servants and employee representatives. It started in June 2007 and ended in May 2008, with a turnout of some 1 200 participants. The programme was organised around seminars, which served as forums for discussion on topics like well-being at work, social innovations, functions of the state sector and regional administration reform. Other forums included learning cafés and workshops that complemented the discussions held at the seminars. Finwin concentrated on training top managers to manage change. It intended to provide them with a common vision and the necessary communication and leadership skills to face a changing environment. The programme facilitated horizontal dialogue. Senior managers from different ministries and agencies had the opportunity to discuss where they were going, what they wanted from the future, where they would be in ten years, and the desired level of quality. The seminars gave them the opportunity to share experiences and fears regarding the future and the challenges ahead.

United Kingdom. Since 1999, the civil service has been undergoing major reform. The Cabinet Office is defining the leadership skills required for the 21st century in order to establish programmes to ensure that these skills are obtained and maintained. Two projects have been implemented to define leadership skills: *i)* identification of a set of core competencies; and *ii)* the Senior Civil Service Leadership Project. Leadership seminars and workshops have been conducted in order to canvass opinion and establish the parameters of these projects, and have been attended by most senior civil servants. It is believed that senior civil servants must have the insight and the skills to communicate the broader vision, be receptive and responsive to staff, and open to change and learning.

United States. Leadership development has been supervised by the Office of Personnel Management. One of its strategies is to draw up a list of Executive Core Qualifications (ECQs), which are continually monitored and adjusted to suit current requirements. Training schemes are based on these ECQs, which are designed to foster creative thinking, the ability to negotiate, to relate to staff, to handle increasingly complex information technology, to improve business acumen, and to recognise particular talents among staff. The OPM established the Office of Executive and Management Development (OEMD) to organise assessment programmes, training seminars and continuous learning opportunities. The OEMD also engages in partnerships with agencies and departments within the federal administration to examine and improve leadership skills according to their specific requirements.

Source : OECD (2001), *Public Sector Leadership for the 21st Century*, OECD Publishing, Paris, doi: 10.1787/9789264195035-en; Huerta Melchor, O. (2008), "Managing Change in OECD Governments: An Introductory Framework", *OECD Working Papers on Public Governance*, No. 12, OECD Publishing, Pairs; United States Office of Personnel Management (n.d.), *www.leadership.opm.gov* consulted in December 2010.

In preparing to re-launch the Professional Career Service, the Ministry of Public Administration is currently working on developing a new Model of Being a Public Servant. This model implies the need to go beyond compliance, incorporating a win-to-win approach to the bigger goal of serving society. The model has four key components:

1. The public servant has a core character of ethics, beliefs and service, plus principles and values with three integral domains: *i)* evolving person; *ii)* human and visionary leader; and *iii)* efficient and effective manager.
2. The National Learning Network of Public Servants is a forum where members interact, exchange experiences and actively learn individually and as a group so as to further develop the practice of being a Public Servant.
3. The National Network of Public Service Institutions creates synergy and collaboration among organisations, fostering unity through essential agreements and creating a space for free expression of all members.
4. The Unit of Enablers of Being Public Servants will promote the health, development and learning of the previous three components of the model, through elements such as the *Manual of Human Resources* (including law and secondary legislation of the SPC), the Virtual Public Servant University, virtual collaboration and knowledge-sharing technologies and other key resources.

This model assumes a more humanistic position in the management of the public workforce covered by the SPC. Once fully operational, this model may underpin a modern vision of HRM fundamentals, like development opportunities through learning. It does not consider public employees as mere resources, but as human beings – so recognising the need for development, motivation and open communication with every member of the staff. One of the advantages of this model is that it places special attention on creating the conditions towards organisational, team and individual learning that may open new opportunities for the development of competencies and skills through the creation of new training. Crucially, this model sees competencies as more than knowledge, but as values and attitudes which are essential for a public servant to appropriately perform his/her function.

Although this model is a positive start in the renovation of the spirit of the SPC, it should not be regarded as a panacea to all challenges faced by the system. Important issues remain, such as the revision of the organisational structure; the renovation of the management culture to give more autonomy for managing, provide a new vision of control, and make line management responsible for the development of employees and for open communication.

The experience of Mexico in professionalising the public workforce may also inspire other OECD member and non-member countries. Therefore, it is critical to share this experience at international forums such as the Public Employment and Management Working Party of the OECD's Public Governance Committee. Mexico's participation in this type of knowledge-sharing expert groups is of high relevance, not only for other countries to draw lessons from the Mexican experience,[27] but also for Mexico. There are at least two valuable advantages to taking part in discussions at the international level: *i)* fosters policy dialogue by systematically exchanging information with peers on the application of HRM policy instruments; and *ii)* builds capacity, as being part of these forums where best practices are exchanged is a mutual learning process.

Expanding the principles of professionalisation

To all federal public servants

Eventually, Mexico should consider expanding the principles of professionalisation contained in the SPC to all public servants.[28] As mentioned, the SPC only covers 74 out of 274 institutions in the federal public administration. It covers approximately 36 000 public servants out of 1.6 million. Although this is a small programme in terms of coverage, its impact on the wider public administration is significant – it may revolutionise the way people are managed in the Mexican Government. The SPC principles of merit, impartiality, efficiency, equity, objectivity and legality should also be reflected in the management of the whole public workforce, independently of the type of labour contract. All these efforts should consider trade unions, to make them allies of professionalisation. Managing the whole public workforce in a more sophisticated, structured fashion has the potential of creating efficiency gains and building a workforce of the appropriate size, composition, competencies and skills required for service delivery. It would facilitate the re-allocation of staff according to government priorities. Alternatively, Mexico could create a parallel career system for technical-support staff, building on the experience of OECD member countries. For example, in Slovenia the Civil Servants Act (CSA) divides the civil service into two main groups: officials and professional-technical civil servants. Officials perform substantive work, administrative tasks, carry out inspections, administrative procedures, and occupy what the CSA refers to as positions (managerial posts).[29] Professional-technical civil servants conduct ancillary work to secure uninterrupted performance of public tasks by bodies or entities of public law. The advantages would be that the management of the entire public workforce would be more strategic, facilitating planning and raising efficiency. For unionised workers, this would provide opportunities for career development, better remuneration and access to more challenging jobs.

To local governments

As part of the dissemination of best HRM practice, experience and know-how could be shared with local governments to encourage the development of merit-based HR policies in their administrations. The scope of this review is the SPC in the federal public administration, thus this report does not cover human resource management at sub-national levels of government. However, it is important to support and provide the conditions for the development of similar practices in sub-national levels of government, as Mexico's public servants are largely located sub-central governments (see Figure 3.8). Indeed, OECD (2008c) has found that in almost all countries, national governments are assumed to have residual responsibilities for the country's economic and social development and for the well being of citizens, even if and when relevant functions are the responsibility of sub-national governments. The need for sufficient capacity and professionalism in sub-national governments will grow as the responsibilities increase. Decisions taken by sub-national governments can also have a major influence on the national government's ability to handle its own responsibilities, including macroeconomic and social stability, sustainable growth, and social equity. The fragmentation of public investments and public service provision also entails important challenges in maintaining coherence, whole-of-government perspectives and aggregated efficiency in the public service. Sub-national governments are only accountable to the electors within their own geographic area, who may have different priorities than the

majority of the country's citizens. They typically have more limited responsibilities than national governments.[30]

Sub-national governments promote economic growth within their own geographic areas, and compete for employment-generating investments. They also compete for mobile qualified and skilled labour, and want to offer as attractive living conditions as possible for these persons and their families. The increasing mobility of both capital and labour intensifies this competition. Sub-national governments also compete with the national government for labour for public employment, at the same time as all governments compete with private enterprises and non-profit organisations. The functions and services provided by sub-national governments may affect such variables as growth and employment within their own territory, but the sub-national governments can normally not be held accountable for how these affect the national developments, except by their own electors. In this sense, in Mexico, like in other OECD member countries, it is necessary to build sufficient capacity and professionalism in local administrations to be able to meet their responsibilities and contribute to national economic growth. In order to extend the SPC to state and municipal governments, a pilot was conducted in the state of Yucatán with the support of the governor. It should be noted that many state and municipal governments already had well-developed policies and practices different from the federal law. Out of Mexico's 31 state governments and the myriad of municipal governments, however, only the state of Zacatecas has adopted the policies to implement a professional career service.

Conclusion and key recommendations

A poorly performing civil service is one of the most enduring symptoms of poor public administration. Mexico took the right steps towards the professionalisation of the federal public service with the enactment of the Law of the Professional Career Service (SPC). After decades without clear rules for the professionalisation of the public workforce, the creation of the SPC is an achievement for the Mexican public administration. Today, the SPC is under a process of consolidation; this should be a priority for Mexican Government so as to build an efficient and effective public service. The SPC has the potential to contribute to the development of Mexico's democratic practices, encourage economic growth, support the international competitiveness of the country and foster better public service delivery and, in turn, enhance social development. The SPC re-introduced concepts such as meritocracy, professionalisation, planning and stability into the vocabulary of the public administration. Strengthening the SPC should not be an isolated process, but part of a broader public administrative reform aimed to improve public governance. Governance can be understood as the formal and informal arrangements that determine how public decisions are made and how public actions are carried out, from the perspective of maintaining the country's constitutional values in the face of changing problems, actors and environments.

However, design flaws, poor implementation strategy and normative gaps have prevented the development of a well-functioning merit-based system. The critical issue for Mexico is to restore trust in the SPC and in government as a whole. Trust is an intangible asset necessary for the functioning of the public service. Trust is also needed for the government to be able to undertake the necessary reforms to restore the long-term sustainability of the system. Current works to introduce a new paradigm for the SPC with a more humanist approach to create synergies for co-operation among stakeholders and for the exchange of information and experiences are favourable and encouraging

developments towards re-establishing trust in merit-based personnel policies. This new approach is a response to a political culture that still refuses to change and tries to keep the spoil system, which does not respect nor acknowledge the benefits of a meritocratic system but privileges personal qualities. The experience of other OECD member countries could be of assistance to Mexico in its search for a more fair and dynamic SPC. Drawing on that experience the following recommendations can be made.

The Professional Career Service should be based on sound, strategic workforce planning.

The Mexican Government should invest in developing its capacity to engage in strategic workforce planning. This is essential to anticipate possible future developments and maintain a well-structured workforce of appropriate size, which is able to meet the changing needs of the public service in a cost-efficient manner. Workforce planning should be based on good accounting in terms of numbers and costs. For that, an integrated approach to workforce planning can be developed by linking it to the strategic planning of organisations, including business forecasting and planning, budgeting, accountability, and reporting mechanisms for managers and strategic human resource management. The definition of a standardised way of measuring and recording people's capability and work challenges should be considered. Workforce planning should be part of the performance management framework of organisations, which is essential in the context of decentralisation.

Equity, transparency and emphasis on merit should be the core features of entry into and promotion in the SPC.

Mexico should clarify the type of the civil service system it needs – career-based or position-based. This would throw light on the public sector culture Mexico requires to meet broader policy objectives. Based on Mexico's particular context, a predominantly position-based system may be more adequate, as it provides more room for flexibility. The core idea of a career-based system in which public servants are expected to stay in the public service more or less throughout their working life would be a constraint for flexibility, but that does not mean that public servants cannot develop a career under a position-based system. Permanence in a position-based SPC should be determined by performance and not by statute. The best-suited candidate for each position would be hired either by external recruitment or internal promotion, placing more emphasis on technical considerations. Fairness in recruitment would be ensured by stressing merit, open and competitive processes for each position, and a strong individual performance assessment. Recruitment or promotion decisions under the SPC should be based on explicit, specific merit rules that are publicly understood and that can be challenged if a breach is suspected. In order to re-gain credibility in the recruitment process, Mexico should clarify the exemptions to the system regarding open competitions (Article 34) and make every appointment under these arrangements public. Building a competence management framework – starting with senior civil servants – would make personnel management more flexible and merit based.

Entrusting the conduction of the recruitment process to an independent body would enhance credibility and sophistication in the process. Creating a talent bank may speed up the recruitment process. Developing a competency management framework would contribute to make personnel management more flexible and merit based. Thinking in terms of competencies should become a way of life in public administration organisations, from planning to selecting employees, and guiding and rewarding their

performance. Mexico could also consider adopting job profiling as an option to build a flexible, performance-oriented and forward-looking recruitment process for the SPC. The SPC should also promote diversity in the composition of the workforce. To acquire talent, the diversity of experiences must also be valued and publicly recognised as an important input into the public service. This means defining competencies and identifying promotion criteria that are not, in themselves, defined by traditional public service career paths.

Granting employees real possibilities of career development and promotion should be at the heart of the SPC.

Currently, there is no programme for career development and regular rotation in the SPC. Personal relations still seem to be the way to obtain a promotion, even for positions covered by the SPC. Establishing career paths and job categories has important implications for workforce flexibility and for the cost-efficient management of the workforce. The implementation of the sub-system for career development would enable Mexican authorities to structure employment and deploy staff optimally to meet operational needs and adapt it to changing requirements. It would provide sufficient flexibility, in terms of staff mobility within ministries and agencies of the SPC, to meet employers' needs and to enhance career opportunities for staff. Fluid movement into and out of the public service is another important aspect of flexibility. A good programme to implement the sub-system for career development would also ensure that the public service can recruit and retain the talent it needs by offering sufficiently interesting and attractive jobs, career opportunities and employment conditions.

One of the first actions that could be taken is to clarify the status of the entry level position (liaison officer – *enlace*). This could be done by creating a generic category called policy analyst including positions that require specific intellectual competencies and have the possibility to become middle or top managers. Technical or administrative functions, currently also considered as liaison officers, could be grouped in a technical support category outside the SPC.

In order to build a more coherent and orderly organic structure, and make it possible to develop career paths for public servants, it is necessary to redefine the job categories within the system. Rationalising the number of "homologous" categories should be a priority. Organic structures are rather static; therefore, their adaptation according to governmental programmes ensuring that all substantive areas are part of the SPC is necessary.

Integrating compensation policy into the framework of the SPC should be seen as a way to manage the workforce in terms of workforce planning, career development, promotions, performance management and the establishment of pay levels that are economically sustainable and socially acceptable. The key question for the SPC is not only the type of public servants that are needed but also how much they should be paid.

Training should also be managed in a more strategic manner by aligning it to the business needs of organisations. Training needs should be based on a diagnostic of competency gaps in every organisation. Traditional courses could be complemented by a variety of other methods of learning, such as developmental assignments, coaching, mentoring, knowledge sharing and team-based learning. Mexico's progress in e-learning could facilitate this approach.

The Mexican Government should also revise the mechanisms of separation of the system to make them effective. The key issue in this respect is to ensure that the skills and competencies needed to achieve the government's goals are kept.

To enhance the dynamism and fairness of the SPC, efforts should be made to focus on performance management.

Performance management should link the management of people with institutional goals and strategies. This means moving away from Mexico's legalistic tradition. It would be advisable for Mexico's performance management system to focus more on development rather than on the evaluation of performance *per se*. The idea is to improve performance and maximise competencies. Building a framework for a performance management system that describes the desired results of public organisations in a sufficiently operational way with clear outputs and outcomes would put Mexico in a better position to assess performance at the organisational, team and individual levels. Mexico should ensure that good performance is rewarded and poor performance addressed, to enhance credibility in the system. Operational managers should be held accountable for performance, but they should also be empowered to lead in this area.

Clarifying the political-administrative interface is critical to avoid politicisation and enhance credibility in the SPC.

Managing senior managers as a separate group would be an option. This would enhance cross-institutional consistency of senior managers and foster a whole-of-government perspective. Specific rules for the management of senior managers – director general, assistant director general and deputy director – could be established, for example specific criteria for recruitment selection and promotion; and a skills and competency profile. Mexico could also explore the possibility of encouraging inter-departmental mobility for senior managers to foster a more corporate ethos at the top of the SPC. Competency management should guide the recruitment and training of senior managers, who should also be given the opportunity to meet on a regular basis as a group in training and various collective gatherings to build cohesion. Establishing a high-flier programme to detect and develop talent through its career and ensure that the best talent is placed in the most challenging jobs is another option to foster the management of senior managers.

To ensure a successful HRM reform, the implementation strategy of the SPC should be revised.

In the Mexican federal public administration, there is a clear understanding of the elements of a professional organisation. The Law of the SPC is, in general, fairly comprehensive and deals with most of the issues expected of a state-of-the-art organisation. Nonetheless, the implementation strategy was poorly defined and has become bogged down. Crucially, some aspects of the SPC introduction went against Mexico's cultural grain – and the planned pace of implementation was too ambitious. A more incremental approach to implementation that includes considerations of how public organisations should function and establishes the sequence of activities is critical. In order to build confidence, a full-fledged change management strategy is needed. Compensating losers and creating ownership of the reform should be part of the strategy to build support. The implementation strategy should ensure that the core values of the SPC are

well defined to maintain trust. ICT has the potential to leverage the HRM reform process, but it should be seen as a tool, not as an end in itself.

To place the professionalisation of the public service back on the political agenda, the SPC should be aligned to the strategic goals of government.

For this reason, the Mexican Government should give the SPC a short-, medium- and long-term purpose. Developing a vision for the career service based on broad consensus with members of the political and academic communities, public servants and civil society is critical. This would help to position the SPC a number of years into the future. It is important to consider: what role will the professional civil service play in society? What is its contribution to wider aims of the government?

The governance of the SPC needs to be strengthened to foster transparency and accountability.

For that purpose, the Consultative Council could be given the responsibility for setting the objectives of the technical committees. In addition, to serve as a watchdog for the SPC, the Consultative Council has to be open to the public by increasing the direct participation of civil society, political parties and other interest groups in the implementation of the system. The day-to-day work of the Consultative Council could be delegated to a steering committee of experts whose aim would be to make progress on the implementation of the SPC.

In order to make progress for reform, a clear division of responsibilities in and enhanced capacity for HRM are needed.

In the light of the decentralisation process, it would be advisable for Mexican authorities to look at three critical issues: *i)* enhancing the role of the Ministry of Public Administration as the central body in charge of defining HR policy and guiding the operation of the SPC; *ii)* the establishment of reliable mechanisms to ensure accountability and transparency for the operation of the SPC and as a means of getting feedback; and *iii)* developing capacity for HRM by professionalising the HR function across the central public administration.

Learning to learn and dissemination of best HR practices are essential to consolidate the professionalisation process.

Developing evaluation frameworks and methodologies for constant oversight and a systematic assessment of the government's initiatives on workforce management is critical to support efficiency, effectiveness and continuous learning. A strategy for the dissemination of the best HR practices should be the responsibility of the Ministry of Public Administration. Current plans to revive the Network of HR Directors and build a new network of organisations with a merit-based personnel system seem to be a positive development in this direction. Mexico should consider expanding the principles of professionalisation to the management of all federal public servants and to local governments. This would facilitate the management of the workforce in a more sophisticated and structured fashion and give better career prospects to unionised and local public servants.

Box 3.34. In the run up to the next electoral process

The main message of this review is that Mexico should re-invigorate its efforts to strengthen the Professional Career Service (SPC) so as to institute a merit-based culture in the public service. The assessment of this review suggests the need for a long-term, sustainable effort from the Mexican Government to promote and strengthen the SPC. The recommendations intend to provide policy options on several fronts of the human resource management practice to support Mexican Government in this endeavour. Considering that Mexico will shortly be immersed in the run up to the next presidential election, it would be advisable not to engage in changes to the SPC that could create controversy. Efforts should focus on the technical aspects that are necessary to operate the system and which would contribute to its credibility so as to prepare the ground for a smooth handover of the SPC to a new administration.

However, some caveats are necessary: *i)* HRM reforms are lengthy processes and results may not necessarily be politically visible; *ii)* but, political backup is indispensable to avoid policy reversals; *iii)* transparency throughout the reform process and systematic evaluations are critical to build trust; and *iv)* commitment from all stakeholders to the success of the system is paramount.

What to do for the short term?

Conducting a thorough review of the recruitment and selection processes. In the short term, the Ministry of Public Administration could define and agree with all HR directors the rules for appointments under Article 34, clarifying the terms and conditions of use. There should not be any room for a loose interpretation of Article 34. This would send a message regarding government's commitment to transparency and meritocracy. Building a competency management framework for senior officials (director general, assistant director general, deputy director) could be part of the efforts to enhance transparency in recruitment of top managers. Organisations would involve staff and managers in defining competencies and, importantly, in reviewing them periodically to ensure they are still relevant. Competencies should be kept simple and managers should be trained on competency, for which leveraging *@Campus* is critical.

In order to support the improvement of the recruitment and selection processes, **consolidating the database of human capital within the SPC should be given a priority**. The *Registro Unico de Servidores Publicos* (RUSP) has been set up, but it does not contain sufficient information on roles for it to be used for the two principal mechanisms of HR planning: workforce planning and succession planning. In any event, it does not contain information on the competences of the people in the SPC (a Talent Bank) to allow the supply of people to be matched to the demands of the government administration. The structure of the RUSP needs to be reviewed and modified to contain the information on the SPC roles in the participating agencies and ministries.

Work should begin on the development of a Job Catalogue for the SPC based on job profiles. This is the prime instrument for the operation of a career service. Work should start with an analysis of the jobs, which provides an organisation with the information needed to develop a job profile. Job analysis should look at the content of the job, the key areas of responsibility and key result areas. It should also analyse the skills and abilities needed to do the job successfully in terms of behavioural and technical competencies. Job analysis should not be viewed as something best left entirely to HRM specialists or external consultants. While training in job analysis is required, and a consistent methodology should be used, it is essential that managers and staff are involved in the process. It is important to develop in-house expertise in job analysis and job profiling and to have straightforward methods and tools that managers themselves can use and that staff can understand and have confidence in.

Box 3.34. **In the run up to the next electoral process** *(continued)*

As part of the Job Catalogue for the SPC, the Ministry of Public Administration could start defining a standardised way of measuring and recording people's capability (competencies) using common concepts, definitions and metrics. This should include a measure of work complexity, such as level of work, intellectual capability requirements and abilities, the nature of the responsibility, and the specific skills and knowledge content of roles. This means that information on the dimensions of work and the characteristics of people should be congruent. This information would be the basis for: *i)* workforce planning; *ii)* senior succession planning; *iii)* career development and systematic promotion; *iv)* training that is tailored to the requirements of work; *v)* performance management and assessment that is objective and related to the work; *vi)* an assessment system that can be applied objectively and systematically to both external and internal candidates for jobs; *vii)* pay, benefits and incentives that are related to the external market internal equity, the culture of the government service; and *viii)* transparency.

Efforts to build collaborative networks should continue. This report has concluded that it is critical to create ownership of the reform by those who are going to operate it. Therefore, involving HR directors in discussions regarding the next steps in improving the SPC is critical; they have first-hand experience on what works and what can be improved. Collaboration between HR directors offers new ways to engage in a more coherent problem-solving strategy.

Discuss, revise and publish the Programme of the Professional Career Service. It is critical that this document is discussed with all stakeholders involved in the operation of the SPC, members of the political parties to build support, members of academia to improve its technicality, and citizens to clarify expectations. The document should reflect the concerns and expectations of all stakeholders. It is of key importance to publish this document to make it official and send the message that the SPC has a clear direction and that lessons from the first years of implementation have been learnt.

Notes

1. Figures provided by the Ministry of Public Administration.
2. The type of republic – federal, in the case of Mexico – is also another factor that may determine the formation and number of public employees. Measures adopted in "Chapter 1 000" of the budget are not exclusive.
3. Such is the case in the Netherlands and Luxembourg.
4. See OECD (2009c) for an in-depth discussion.
5. See OECD (2010b) for an in-depth discussion.
6. Academics and civil servants established an association called *Red Mexicana del Servicio Profesional* (Mexican Network of Professional Service) in 2003.
7. For a description of the events that led to the creation of the Professional Career Service, see Dussauge Laguna (2011) and Méndez (2008).
8. For an in-depth discussion see Dussauge Laguna (2011).
9. For an in-depth discussion see Dussauge Laguna (2011).
10. Mendez (2009) qualifies the Professional Career Service as being of "second generation", as it has elements of both the Weberian model and the New Public Management.
11. CONOCER is a decentralised entity of the Ministry of Public Education responsible for promoting, co-ordinating and consolidating the National Competencies System.
12. For an in-depth discussion see OECD (2005a).
13. This does not mean that a position-based system is better than a career-based system, as both have strengths and weaknesses – but this recommendation is based on the particular characteristics of the Mexican situation.
14. The Ministry of Public Administration argues that this situation is a control measure rather than a restriction. In case of a human error in the management of the portal, an occupied position could be open to competition and then the state would have legal obligations to both the winner of the competition and the employee who occupies the position.
15. Irregularities in the selection procedure and the use of Article 34 were reported by interviewees for this review, and some have been reported in the Mexican media. For example, see Monroy (2008).
16. These are extreme situations; although they may occur in only a few cases, they are damaging the credibility and fairness of the open competition and the image of the SPC.

17. The Spanish word *capacidades* (capacities) has been understood in Mexico as skills and behaviours. However, for the purpose of this review, capacity will be understood as having the power of producing and/or the legal competency of carrying out an activity. Capability or competency will be understood as having the ability of conducting an activity for what certain know-how and behaviours are necessary.

18. For a further discussion see OECD (2010a and 2010b).

19. *Professionals* can be understood as those people with an integral development. In other words, it is not necessary to possess an academic degree, and the development of competencies and skills is mainly through experience. *Profesionista* means a person who has pursued specialised educational training.

20. See the studies of Ai Camp (1985) for further discussion.

21. This analytical framework was proposed by Osterman in 1987, and discussed in Boxall and Purcell (2003: 117-118).

22. A homologous position is the one that according to its value in points and its level in the salary scale can be placed within the same hierarchical group as the position to which it is compared. If a "homologous" position performs similar functions to the one it is compared to, it is called an equivalent position.

23. The total number of posts under the SPC was 36 043 in 2010. Some did not undergo performance evaluations, for various reasons: 2% of the positions are vacant; some positions belong to the liaison officer category in their first year and, therefore, their performance is not assessed; some were appointed by Article 34 and their performance is not assessed; and others were appointed after 6 July, which means that they were not in the system long enough for their performance to be assessed.

24. The National Council for the Evaluation of Social Development Policy (CONEVAL). See *www.coneval.gob.mx*.

25. For an in-depth discussion see Dussauge Laguna (2011).

26. The Ministry of Foreign Affairs (SRE) manages the diplomatic career service, the National Institute for Statistics and Geography (INEGI) implemented its own model of a professional career service, the Federal Electoral Institute (IFE) established the electoral service and the Ministry of Public Security (SSP) has adopted the federal penitentiary system. All these are merit-based personnel systems from which useful lessons could be drawn to improve the SPC of the federal government.

27. For example, during the OECD's Public Employment and Management Working Party meeting, Japan expressed its wish to know more about the Mexican experience regarding the National Centre of Evaluation (CENEVAL) and ministerial cabinets.

28. Japan's observation on the Mexican situation during the Public Employment and Management Working Party in December 2010 was that minimum merit principles and disciplinary measures should be applied to all civil servants regardless of their status, unionised or not.

29. This means that not all officials are managers, but all managers are officials.

30. Belgium is a known exception, as the federal government does not have primacy over governments at the federated level.

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