

Improving public service delivery: the crossroads between agencification and traditional bureaucracy

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1 - Introduction

One of the main elements in New Public Management (NPM) is improving service delivery and emphasising the citizen as customer. The development of a customer or a user focus in the public sector in order to achieve a more responsive bureaucracy has become an emerging concern in many countries, and indeed the provision of public goods and services has invariably become a critical issue in current reform efforts (Pinto, 1998:387). Service quality and better customer care attract important support (see Ranson and Stewart, 1994, and Gaster, 1995). As Holmes and Shand (1995:564) point out, establishing a service delivery orientation has become a widespread reform target, and an emphasis on customer or user support in the public sector is now part of an overall focus on performance and on achieving a more responsive public sector.

New Public Management calls for extensive use of techniques, such as listening to the employees who are in the front line, surveys, hearings, systematic analysis of complaints, customer (citizens) councils, and experimentation (test marketing), as well as range of feedback mechanisms such as suggestion boxes and programme evaluations (Frederickson, 1996), to establish the views of existing and potential users of the services. For example, the United Kingdom report on ‘Modernising Government’ (Cm4310:25) points out that the government needs to know more about what people want; therefore it should not impose solutions but consult and work with the people. Recent initiatives to improve service delivery now provide information to clients about the type and level of service they can expect, as well as consultation with them about what they want, and greater client choice, complaint and redress mechanisms have been developed (Holmes and Shand, 1995:564). According to Flynn (1988: 27), services can be designed and carried out from the perspectives of the users of the services, delivery systems can be more user-friendly, and communications can be improved as can the culture of the service.

One of the targets of NPM has been to develop a ‘public service orientation’ focused on the public as clients, with demand-led services responsive to the needs of those being served. “Developing a customer focus requires a major change in mind set in many public-sector organisations, and all the difficulties in staff motivation and organisation this entails” (Holmes and Shand, 1995:565). NPM suggested empowerment of customers and empowerment of public employees; i.e., customer-driven government that met the needs of the customer, not the bureaucracy. This new emphasis challenged the traditional management and organisation of public services, which were built on:

a) The assumption of self-sufficiency – that where a public organisation was responsible for a function, it would normally carry out that function itself, directly employing the staff required to do so. The result has been very large public sector organisation;

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- b) The assumption of direct control – that control over the activities of a public organisation was best exercised through continuous supervision through an organisational hierarchy;
- c) The assumption of uniformity – that where a service was provided it should be provided on a uniform basis within the jurisdiction of the organisation;
- d) The assumption of accountability upwards – that the accountability of the public servant to those who received a service was through the political process;
- e) The assumption of standardised establishment procedures – that staffing policies required the application of standardised practices throughout the service (cf. Stewart and Walsh, 1992:509).

Hence, the NPM call for a new emphasis focusing on decentralisation, flatter hierarchies, funding projects, contracting out, and systems of co-production or public-private partnerships (Richards, 1989).

Portuguese public administration has not been immune to this international trend of NPM. Despite the scepticism of Portuguese reformers about the NPM agenda, some ideas have been introduced. Even so, the rationale of reform has never challenged the traditional concepts of equity, impartiality and integrity associated with the public sector. A specific agenda reform issue that has received attention for more than a decade has been service delivery. Several initiatives have been implemented in recent years to improve relationships between citizens and administration and the quality of service delivery. However, the emphasis on the rule of law, the tradition of bureaucracy and bureaucratic resistance to change have hampered the success of such reforms (Araújo, 1999).

Recently, however, there has been an attempt to revitalise service delivery and to introduce innovative organisations to deliver services to citizens. The reform introduced a new public organisation, the *Instituto de Gestão das Lojas do Cidadão* (the Management Institute of Citizen Shops – MICS). This agency has, under the tutelage of the Secretary of State for Administrative Modernisation, been put in charge of creating and managing organisations responsible for providing high quality public services to citizens: the *Lojas do Cidadão* (Citizen Shops – CS). The Citizen Shops are an innovative approach borrowed from the Brazilian experience, and there are currently two of them, one operating in Lisbon (the capital), and the other in Porto (the second biggest city). Several public services, and some private ones such as banking or utilities, have grouped extensions of their services – which they call Assistance Points – together in a single building: management of these Assistance Points follows private sector practices concerning service delivery and opening times, rather like a ‘shopping centre’. They resemble ‘islands’ that are competing with traditional bureaucratic public services.

The Citizen Shops appear to follow a client-based approach and to borrow some ideas from the NPM. Nevertheless, this new structure raises several issues which are worth analysing. How did a traditional bureaucracy transfer ideas such as NPM and the idea of agency? Are the CS a managerial innovation, a move toward agencification of public service delivery or just a new look for old ways of service delivery? What is the rationale of CS: do they meet the needs of customers, or the needs of bureaucracy, or are they simply a fad and fashion of the politicians? Or can the CS be seen as an attempt to change the culture of public services that have been dominated by the traditions of the Portuguese bureaucracy.

The purpose of this paper is to explore the New Public Management style of reform recently introduced in Portuguese public administration, and to look at similarities with the NPM’s ‘public service orientation’ approach and the idea of agency. The innovations and challenges which ‘Citizen Shops’ bring to traditional administrative structures will be analysed. Klages and Loffler (1998:47) suggest that

“public organisations and their broader institutional environment are influenced by a set of new ideas on public management which are referred to as *universal NPM*”. Is this the case with Citizen Shops or does the institutional framework and the prevailing culture in a system constrain the choices of modernisation strategies (Peters, 1999:65).

The paper argues that the ‘Citizen Shops’ represent a kind of agencification as well as an attempt to avoid the constraints of civil service, red tape and bureaucratic resistance to change. It maintains that the traditional reform approach is replaced by a new approach based on the ideas of New Public Management, but that it is limited in the extent of its reform. Three issues arise from the discussion: the power of a traditional bureaucracy and its ability to resist reform; the emergence of a new public sector structure which performs parallel activities alongside the traditional structures; and the move toward a kind of agencification and contractualism. The paper concludes that although this is a political attempt to revitalise a stalled reform and to introduce a greater degree of entrepreneurship through new management methods, the ‘new structure’ is limited in its ability to innovate or challenge the traditional features of the Portuguese administrative system. The data was collected from official documents and semi-structured interviews with officials at the Citizen Shop in Porto and with the President of the Management Institute of Citizen Shops.

2 – Reform Service Delivery in Portuguese Administration

One of the main targets of administrative reform since 1985 has been to provide better services for users, and a task force reporting directly to the Prime Minister has been responsible for supporting and implementing administrative reform. Reform has been influenced by the experience of other countries, particularly the United Kingdom. For instance, the sale of state-owned enterprises, following the British model implemented by Thatcher in the late 1970s, made Portugal “the third largest privatiser in the OECD, after the United Kingdom and New Zealand” (OECD, 1994:64). Several initiatives were borrowed from abroad and the country was not immune to the New Public Management (NPM) ideas. A vast programme of training was developed to promote cultural change and ‘to bring the administration closer to its clients’, and the introduction of a more responsible and open relationship towards citizens became a reform priority.

Initiatives such as the Quality Programme were applied as a counterpart to the cultural change implemented in 1993; influenced by the NPM, these aimed at improving relationships between the citizens and the administration from a citizen-oriented base. Prompted by pressures from citizens and from those enterprises that were attempting to improve the quality of service delivery, the programme had transparency, simplification and participation among its main targets. A Quality Charter, approved by the Council of Ministers, invited ministries and local authorities to develop sectoral quality charters and to set up quality standards. In addition, an Ethical Public Service Charter setting out the duties of civil servants with regard to quality of service, competence, courtesy and dedication was established. However, there was no effective enforcement mechanism, nor were there any studies to evaluate the implementation of these initiatives. Furthermore, most of the proposals failed to get off the ground and even in those ministries that embraced the idea of reform there was bureaucratic resistance to change.

Other initiatives to empower citizens included the establishment of an Ombudsman, and the adoption of a Code of Administrative Procedure (*Código do*

Procedimento Administrativo) with 188 articles focusing on citizens' rights during the administrative decision-making process. The Code aimed to safeguard the transparency of administrative actions through access to information mechanisms and through participation in decision-making for those directly interested.

With regard to information held by public services, a committee under Parliamentary control ensured compliance with 'the citizen's right' to consult administrative documents related to public services and to have copies of them if necessary (Decree-Law 65/93). At the same time, the obligation of public services to answer complaints and suggestions from citizens was established, and every public service was required to possess a Complaints Box in which citizens could record complaints and suggestions. Since this had a limited impact on public services, a further regulation established the Yellow Book (Portaria 189/96). This introduced the principle that complaints should be sent directly to the appropriate Minister for action.

There are very few studies on the impact of these reforms and they are not publicly available. Nor is it a practice in the Portuguese administrative system to evaluate the impact of public policies: thus, apart from the annual budgetary auditing work undertaken by the Accounting Court, there are no systematic evaluations of such policies. However, there are some indicators, such as reports, that help to assess the impact of reform in public services. For example, the report on *Renewing the Administration* (CQRAP, 1994:36) points out the need to develop three strategic targets for reform by improving the quality of public services delivery, streamlining procedures, and promoting training.

The Citizen Shops initiative appears to be a new approach based on the above strategy to improve the relationship between the Administration and citizens. According to the directive that set up the programme, it aims "to increase debureaucratisation, to rationalise and streamline structures and administrative procedures, and to point towards a modern Public Administration to serve the people" (Resolução do Conselho de Ministros, 176/97). This endeavour seems to have overtaken the traditional bureaucracy's resistance to change by introducing new administrative structures to which the government of the day has strong political commitment.

3 – The Citizen Shops Initiative

As noted above, the Citizen Shops initiative aims to establish modern and up-to-date organisations in the main cities to deliver a high quality public service, and is managed by the *Instituto de Gestão das Lojas do Cidadão* (Management Institute of Citizen Shops – MICS), a central agency that is responsible for the creation and implementation of the Shops. In 1999 its budget was about £10 million. Created according to a special statute, the MICS is a type of agency which has financial and administrative autonomy and which, for certain matters, comes under the statute of public enterprises. This gives it special powers to develop its own activities and manage its own resources. However, this vast discretionary power is severely constrained by the right of tutelage from the member of government responsible. On issues such as financial and patrimonial management, and appraisal and scrutiny of quality standards for the Citizen Shops, the MICS statute states that the member of government who has tutelage over the Institute also has powers to judge the decisions of the MICS board, e.g., concerning citizens' rights and interests; ratifying the budget and the annual activity plan; creating new services; and giving details of the annual report, accounts and balances (Decree-Law 302/99, art.2). This means, in practice, that the autonomy of MICS is hardly apparent,

since the powers held by the tutelage are vast enough for interference in any aspect of its management – this is a long way from the NPM idea of ‘let the manager manage’.

The involvement of politicians in the management of agencies is not new in Portuguese public administration, or even in countries where the separation of the political process from the management process follows a more radical approach. For example, in the United Kingdom Stewart and Walsh (1992:506) note that “the involvement of the Secretary of State [in management issues] was inevitable and was reflected in numerous statements”. But in the Portuguese case the power established in the statute hampers the separation between policy formulation and execution.

The structure of MICS

The MICS is made up of central and local organisations. At the central level it consists of a President who is appointed by the government and has a three-year mandate, and a directive board which is chaired by the President and which is responsible for the management of MICS. There is an Institutional Council, a consultative body that consists of the members of the directive board, as well as representatives of the public and private services responsible for running the Assistance Points in the Citizen Shops. There is also a Controller, who regulates and scrutinises the financial management of MICS. At local level the Citizen Shops are geographically dispersed, functional units, which have a strict hierarchical dependence. They are service organisations without any sort of power or autonomy and are the operative branch of the MICS. Their target is to set up the conditions required for the optimum functioning of the Assistance Points which operate within the Citizen Shops.

The MICS is thus the agency which, through a hierarchic and highly centralised system, controls and co-ordinates all the operative services – the Citizen Shops. However, the MICS model is not about contracting-out to the private sector. It is a part of the Portuguese administrative system.

The Citizen Shops

The Citizen Shops are the functional and operative units of MICS responsible for maintaining all the necessary operating conditions for the proper functioning of the Assistance Points. Their aim is to aggregate services and provide the conditions for service quality. They are managed by a *Unidade de Gestão* (Management Unit – MU) which is responsible for the running of the Citizen Shops’ premises. The MU has a Manager and three Deputy Managers (three of whom come from the private sector and the fourth from the public sector), and is charged with providing the best possible conditions in the space within which the Assistance Points carry out their work. The CSs provide all the office equipment, including computers, tables, chairs and so on, and are also responsible for the cleaning, maintenance and management of the public spaces.

A consultative body, *Conselho de Parceiros* (Partner Council – PC), consisting of the Manager of the Shop and one official from each Assistance Point in the Citizen Shop, aims to discuss the management of the Citizen Shop and listen to the views of the Assistance Points. However, as was the case with the Institutional Council, the similar body at the MICS, the Partner Council never worked.

The relationships between the Citizen Shops and the MICS

Of the two Citizen Shops in Portugal, the Lisbon Citizen Shop started working in March 1999 and the Porto Citizen Shop opened six months later, in September. The relationships between the central agency and the Citizens Shops are hierarchical, but at

this point in their lifespan are not formal. According to a respondent “there is an open relationship with the MICS. They set up the guidelines and within them I do what I think is correct” (interview, 15/12/1999). There are no institutionalised managerial control mechanisms. Communications between the Citizen Shop and the MICS are informal, through direct contact between the Manager at the CS and the President of the MICS. Because of a lack of decisional power at local level, the Management Unit should report everything to the central agency. The CS has no financial autonomy nor has it even a budget. Financial management is undertaken in Lisbon by the MICS. Whenever any expenditure is needed at the Citizen Shop, for example to purchase equipment, the Manager has to contact Lisbon with a proposal for the supply. Lisbon makes the decisions according to the suggestion of the CS’s manager. The same procedures apply for claims submitted by an Assistance Point for some equipment or minor purchase. Everything is decided at central level. Moreover, a well-developed IT system has established a network between the Citizen Shops and the central agency which makes it possible for Lisbon “to know everything what is going on except about the behaviour of our staff” (interview, 15/12/1999). This pattern is typical of the Portuguese administrative system, where strong centralisation concentrates all decisions in the capital. In this sense this is far from the NPM approach which strongly recommends decentralisation and local decisions. The new technologies seem to be an excellent tool for exercising and extending centralisation.

On the other hand, the nature of centralised management in Citizen Shops in Portugal is different from experiences in other countries. For instance, according to Mellon (1993:25), executive agencies in the UK operate under a centralised structure because of the nature of external control: they are held formally and visibly accountable. They function according to a quasi-contract, with clear targets and performance indicators, and are held responsible by a system of reports and performance mechanisms that work as a guarantee for the effectiveness of their operations. Reform in Australia removed unnecessary central controls and emphasised programme results rather than administrative means (Hamilton, 1990:67). Pollitt (1993:56) described this as a ‘neo-Taylorian’ management philosophy, because of the strengthening and motivating of line management. In the Portuguese case the centralised nature of management has not followed the same pattern. Centralisation was not dictated by managerial philosophy or by external control such as, for example, quasi-contracts, clear targets, reports or performance indicators. Rather, it has followed the traditional characteristics of the Portuguese bureaucracy. Concepts of clear targets, performance indicators and responsibility through performance mechanisms collide with a culture that is strongly influenced by legal control and traditional administrative procedures.

I have argued (Araújo, 1999:119-120) that the Portuguese system has a centralised nature and its control is made on an administrative basis, where performance measures are regarded as a threat to, and an interference in administration, and where they collide with paternalistic and personalistic values. In the case of the Citizen Shops initiative, there is path dependency concerning the control and monitoring system (North, 1996:100). As discussed above, there is a centralised and personalistic relationship between the operative units (the Citizen Shops) and the central agency, and the central level controls all local decisions through such relationships. This goes against what New Public Management claims for decentralising and letting managers manage. For example, Harrison (1993:8) pointed out that, in the case of the Next Steps initiative, there was a process of transferring large blocks of work into so-called executive agencies. These were to be allowed greater freedom within their own spheres of responsibilities, and within a framework of control of a quasi-contractual nature. In the case of the UK, the government decentralised power to the people who were engaged in providing services and who were therefore in the best position to determine

improvements. Sweden, too, has a long tradition of separating policy-making from service delivery. But this is not the case with the Citizen Shops.

Another important issue is the establishment of target and performance measures. The central agency and local units both operate without clear performance measures or established targets. The link between resources and results, which is a central issue in reform efforts under NPM, has no impact in the Portuguese case. According to Dunleavy and Hood (1994:9) there are five main features in NPM: transparent budgets with costs attributed to outputs, and outputs measured by quantitative performance indicators; a network of contracts linking incentives to performance; the introduction of the purchaser/provider distinction through quasi-market or contractual forms; opening competition between agencies or between public agencies, firms and not-for-profit bodies; and allowing users more scope to 'exit' from one provider to another, rather than relying on 'voice' options. As I will suggest, the Citizen Shops did not borrow any of these features from the NPM. Instead the structure and functioning among the agencies responsible for improving service delivery followed the traditional pattern of Portuguese bureaucracy. But what kind of innovation did the Citizen Shops bring? What is new?

4 – Innovation or continuity in Service Delivery

The Citizen Shop is a new concept of service delivery whose major concern is with speed and efficacy than with costs. Each CS has around 22 Assistance Points that cover such areas as the Registry and Notary's office (issuing identity cards or other official documents such as birth and death certificates, and other notary services...); all information about, and payment of, taxes; application for benefits from the social security; renewal of driving licences; application for passports; a job centre; utility services (applying for a service, paying bills, complaints); and a banking service, etc. The services provide by the Assistance Points are extensions or delegations of traditional public services (Decree-Law 187/99) and have no autonomy.

The CS and the Assistance Points have not separated the delivery of services from their policy-making aspect. They simply represent another counter service, in a modern and well-designed space, which is available for citizens and which tries, in a more business-like atmosphere, to process people's requests for official documents, payment of taxes and utilities, and similar services. In other words, they enable the citizen to accomplish the bureaucratic processes imposed by the state. The CS are open Monday to Friday from 8:30am until 19:30pm and on Saturday from 8:30am to 15:00pm. The structure of this service is centred around key concepts such as speed of response, quality of service, and customer relations. The first target and concern of the CS is the quality of service offered to citizens, and it can take some comfort from the improvements in quality of service. There is a clear aim that a quality service should be provided in a timely and accurate manner. Despite what the reformers have said (Resolução do Conselho de Ministros, 176/97), an interviewee pointed out that debureaucratisation, streamlined processes and reduced red tape were not the target of CS (interview, 12/01/2000).

In certain way the Citizen Shops are competing with traditional public services. They have the same range of services but their rationale is to provide a quality public service, particularly within legally-established deadlines, according to a more convenient timetable, and in a more comfortable space. At the same time, they aim to eliminate the need for citizens to trudge from one public service building to another to

obtain official documents by enabling them instead to find a great range of public services in the same building. Thus they offer a sort of inducement for citizens to choose the Assistance Points at the CS than the traditional public service. An interesting point, concerning the importance of political commitment as well as who benefits within the CS, was raised by an interviewee who commented that “competition with the traditional services is about working conditions, salary, staff and availability in budgetary issues from the Directorate-General on whom we depend: this doesn’t happen with the traditional services where everything is difficult to get” (interview, 12/01/2000). Indeed, the availability of resources to run the CS and the efforts needed to create the conditions for delivering a high standard of service are critical issues.

Personnel Management

The ‘statute of institute’ held by the MICS gives a greater level of flexibility for personnel management than is allowed in the traditional civil service. Most of the staff are employed on a contract basis and have previously worked in the private sector. The Minister responsible for the sector and the Prime Minister appoint the President and the five other members of the MICS executive board, all of whom work according to the statute of Public Manager. With regard to the Citizen Shops, the manager and two deputy managers formerly worked in the private sector and now work under contract. The third deputy manager belongs to the civil service career structure but works under a special dispensation called a ‘service commission’.

Most of the staff working in the Assistance Points are on a two-year contract basis. After this term they must quite the job.² There is a shift in personnel management from high security careers toward short-term employment contracts. The exceptions are for those staff who belong to the civil service career and are working in the CS or the Assistance Points according to a service commission. They play the role of co-ordinators since they have the appropriate knowledge of the functioning of the public services. For example, in the DGRN Assistance Point there are fifty-seven individuals working under contract and nine co-ordinators who belong to the civil service career structure. This allows for the flexibility of hiring people through the employment system, and brings ‘new blood’ and people with different experiences into the Citizen Shops.

Recruitment is carried out on the basis of skills and competence, and the skills of new staff are constantly improved by training courses and apprenticeship. For instance, the social security ministry sends its best officials. Recruitment is undertaken carefully, taking account of the psychological profiles of personnel. There is a perception that the staff in the Assistance Points have come from the elite among civil servants.

Training is another issue which receives special attention. All staff who work in Assistance Points join two training courses – one concerning new technologies and the other involving socio-psychology. The co-ordinating staff also attend another course on leadership. Each course averages four days, in addition to two months of apprenticeship in public services. An interviewee commented that “in fifteen years working in the civil service I did one training course. After four months working in the CS I am doing a third training course” (interview, 15/12/1999).

Personnel appraisals of civil servants working in the Assistance Points are made according to the rules of the system established for the civil service and through assessments made by a psychologist to assess the need for training. This concern about training personnel to perform their tasks is innovative in the civil service. Indeed, the pursuit of quality means that recruitment, training and development of all staff is

² - The argument for this requirement is that after two years contract in a job in the public sector, the staff must join the civil service career.

critically important. Training is an important means through which to inculcate the values associated with customer care and the behaviour intended by the CS.

Operations in the Assistance Points

The functions carried out in Assistance Points seem to combine the under-used potential of the resources available in the public sector with a well-trained staff and some cosmetic additions, to present a modern and fashionable space in which the citizens can shop around for bureaucracy. According to an interviewee, the strategy followed was not to change the institutional framework and the pattern of Portuguese bureaucracy. Debureaucratization, streamlining of processes or reducing bureaucracy were not part of this initiative, except those aspects that resulted from the intensive use of IT.

It was clear from the interviews that the great advantage of CS and the success of Assistance Points has been due to the extensive use of IT facilities and databases. All the Assistance Points can access the database that is available on the Portuguese Administration, a privilege not permitted to the majority of the traditional services. The Assistance Points can also use electronic data to receive and transfer any kind of information. For instance, the use of IT is a great advantage for the Assistance Point offering Registry and notarial functions. They use the new technologies fully (which does not happen in the traditional services) and can therefore process requests from citizens very quickly. The Assistance Points in the CS are, without exception, able to use the fax to send official documents and to authenticate them, an exception rule that was later extended by Decree-law to other public services. Thus it has been IT and access to databases that has improved service delivery and reduced the time taken to process bureaucracy. An interviewee working in the Assistance Point of the Treasury pointed out, for example, that the new technologies are not implemented in the traditional services (interview, 15/12/1999). They exist but are not utilised. At the same time, procedures have changed with IT. In the Assistance Points it is possible to do things that cannot be done in the traditional services, such as helping people to fill in forms, or to consult information sources. But this is also a result of leadership. An interviewee queried why this had not happened in the traditional services? It was because of the lack of leadership and the absence of the tools and conditions required to deliver a quality service.

Other staff at Assistance Points emphasised the same issue. The availability of IT and the access to databases allowed them to perform a better and more rapid service. For instance it is possible to access criminal records from a country within the EU in minutes. A Belgian citizen can ask for information about a criminal record in the Citizen Shop. Applying for an Identity Card in the CS is different from applying in the traditional services. The traditional registry services have no training in the use of databases, nor are they authorised use them.

Another issue that distinguishes the CS from the traditional services is the quality of attendance. Citizen Shops have introduced changes of style and presentation. Certainly their external appearance impresses the users of CS. All staff wear a uniform, the space is modern and well decorated, and interviews are made on an individual basis. The CS seeks to create an outward-looking and user-focused service for the public, and their employees are constantly reminded of the reasons why the organisation exists. For example, a vehicle registration certificate will be sent to the citizen's home address, which does not happen in the traditional service. Highly motivated and qualified employees are a key element in the quality of service delivery. An interviewee (interview, 15/12/1999) pointed out that there was a difference in behaviour from both the official and the citizen. Because of the quality of the surroundings and the level of attention, citizens have no need to complain, while the officials who work at the CS

have come to the service voluntarily, and have good equipment and offices. This atmosphere has created certain competitiveness among Assistance Points over delivering the best service and in trying to compete with the traditional services. The number of citizens using the CS services is increasing, and in January 2000 the CS at Porto was dealing with around 3500 citizens daily.

Operations in the Assistance Points are, however, constrained by the dependence of the traditional services, and any functional problems are due to the difficulty of articulation with the traditional services. The timetable of the CS and the speed at which they work collide with the other public services and the normal functioning of the administrative system. Most requests from citizens need to be processed in the traditional services, and in these cases the use of IT, and particularly of the fax, is particularly valuable. However, a degree of dysfunctioning sometimes occurs, because the traditional services delay their answers to requests from the Assistance Points, or because it is not possible to use the database on Saturdays, or because the traditional services are closed and cannot be used.

In summary, the innovations introduced by the CS are:

- (i) the full use of the databases available in the Portuguese Public Administration;
- (ii) the new style of public attendance, in which each staff member at the Assistance Points is trained in customer assistance and tries to offer a 'service model' of attendance.
- (iii) intensive use of IT;
- (iv) attempts to provide feedback to overcome problems and change the traditional services.

However, the improvements introduced by the CS have not changed the substance of the public services. The management of the Assistance Points follows the same traditional pattern. For instance, there is no articulation among services, and traditional institutional features still persist.

5 – Institutional Persistence in CS

The Citizen Shops initiative did not challenge the traditional fragmented structure that exists in the Portuguese Public Administration, nor did it try to create a network among the services provided in the CS. It is not the Assistance Points that articulate or co-operate amongst them. Rather it is the citizen who must shop around for public services by going from one Assistance Point to another. There is no network of public services or crossing over of information among them, except for the information available on the databases that can be accessed. Furthermore, the Management Unit does not articulate with the Assistance Points, nor is there any functional or hierarchic dependence between them. The Assistance Points are independent from the MU and report directly to the service to which they originally belong. Relationships between the MU and the Assistance Points are informal and open, but are restricted to the conditions available in the CS for the optimum functioning of the Assistance Points.

Nor did improvement in the quality of service delivery shift the locus of budgetary authority and managerial responsibility from the centre to a point close to the delivered service, as happened in other countries. The CS and the Assistance Points are hierarchically dependent on the traditional central departments, and are funded by them through the normal budgetary process. This is against the NPM trend, in which a key point about the agency initiative is that it seeks to decentralise the civil service, to take authority away from the centre, and to delegate it more clearly to the service delivers.

According to Ranson and Stewart (1994:121-122) “the reformed public domain requires settings in which the citizen can be actively involved in the decision process”. But even from the creation of the CS this seems never to have been the case. The interviews indicate that the CS are providing something which was set up and decided centrally by the agency responsible for creating, co-ordinating and directing them, but without any consultation. Indeed, the task force responsible for creating the CS decided centrally on the criteria by which the services available in the CS were chosen: these included the frequency with which citizens used the services, the impact on citizens’ lives, and the nature of the services that wanted to participate in the CS initiative. This closed decision about what ought to be provided to citizens is far from what the New Public Management suggests. It is a continuation of the closed nature of the decision-making process in Portuguese administration.

The accountability process follows the traditional pattern. Appraisal of the activity of MICS or the CS is made through a vague measure: i.e., the level of satisfaction of the citizen (about which nothing has so far been definitively established). There are no cost benefit analyses or other sorts of evaluation of the activity of CS. For instance, where many countries have introduced more result-oriented management and set up evaluation criteria for performance, the CS has really only concentrated its attention on service delivery. The matter of evaluation is an issue that was not under analysis when this initiative was designed. Since there are no performance agreements to ensure internal accountability to the employees at the CS or to the staff working in the Assistance Points, how is performance measured by the CS? In NPM, participation and consultation are essential. Techniques such as surveys and interviews may yield important data for evaluation or for performance review of service quality. But at the MICS, everything to do with performance evaluation is vague and not established. For example, there are no public statements of the standards of service that users have the right to expect, such as the Citizens Charters in the UK and the *Chartes des Services Publiques* in France. Enhancement of the services follows the top-down traditional process where the central agency determines what is the best service for the users. Responsiveness is generic and concerns the quality of interaction between Assistance Points and their clients. But it does not pinpoint any standard. There is no critical judgement or appraisal about the way in which things are done or why some things are done.

Moreover, complaints from the citizens are dealt with according to established routines. There is no innovation on this issue. The citizen should fill in the form in the Yellow Book³ and send the complaint to the responsible official. The MICS and the MU at the Citizen Shops do not interfere in this process. But there is a feeling among interviewees that citizens are avoiding making complaints in the Citizen Shops. “The ‘aesthetic atmosphere’ restrains uncontrolled emotions. This is an advantage of the CS” (interview, 15/12/1999).

In summary, the Citizen Shops initiative: a) did not aim to decentralise power to the people involved in delivery services; b) did not increase the evaluation of service delivery in order to increase their performance; c) tried to train officials in an outward-looking culture but without overemphasising the aim of the organisation; and d) encouraged the involvement of officials but did not reduce or eliminate the bureaucracy. Indeed, improvement of service quality has been a reform target for a long time though with few successes amongst public services. The Citizen Shops, whose effectiveness has not been evaluated, appear to embody a political commitment to this issue. Although increasing numbers of citizens are using the services, there are no studies on

³ - The Yellow Book, as noted above, is a complaint book set up for all the central public services. After the citizen has completed the form from the book the official should send a copy to the Minister or the Secretary of State who will take appropriate action.

the cost/benefit analysis of the huge investment and the operational costs of this initiative. In what Dunleavy (1991) terms its 'bureau-shaping model', it seems to meet the interests of the bureaucrats more than it meets the needs of citizens. Indeed, the agency responsible for the CS does not know very much about what people want. The solutions implemented are the result of central decisions. There is always an unanswered question: would the traditional public services improve their level and quality of service if they could have the resources they need to modernise? After all, the Citizen Shops are not a break from the traditional model as the agency model suggests. There are no contractual relationships or clear target definitions, or even concerns about efficiency. On the contrary, it seems that the cost of running the Assistance Points is high. The rents paid by Assistance Points do not cover the running expenses of the CS and it is the MICS which is responsible for paying the remaining costs (interview, 12/01/2000).

6 – Conclusion

The purpose of this paper was to analyse the ways in which a traditional bureaucracy transfers new ideas such NPM, by looking at the Citizen Shops initiative. The data showed that the extent to which new ideas from NPM were imported was limited and was constrained by the culture prevailing in Portuguese bureaucracy.

The concept of the agency is limited in its extent, and the introduction of performance measures and other concepts collide with the traditional culture. Certainly this experience has not followed the impact which NPM types of reform have had in other countries that were committed 'to doing more with less'. On the contrary, it seems that in the Portuguese case the idea has been 'to provide better spending for more' and to adjust new technologies and private sector ideas to the traditional system. Are the Citizen Shops just 'old wine in new bottles'? The answer seems to be affirmative. The Citizens Shops represent a kind of agencification, and seem unable to overtake traditional bureaucratic practices and pathologies in serving the citizens. Managerial innovations are limited, and are hindered by the practices prevailing in the Portuguese system. In fact, the existing structure is an important constraint on NPM development. The CS seem to follow a strategy which Bouckaert (1995:163) describes as moving "from a producer-focused traditional bureaucracy to a producer-focused volunteer co-production or auto-production"; i.e., one where the producer is oriented towards the inside of the organisation and the customers are involved at different levels, but do not really change the balance of power. There was conservative change that tried to undermine traditional services by providing parallel services of better quality while at the same time keeping the substance of the system. An important issue for further research will be to examine what might happen to Citizen Shops in the future? Will the politicians be able to continue to finance such a project and at the same time keep the traditional structures? Or will the traditional structures disappear?

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