Public administration reform in the Dominican Republic: balancing market and public solutions

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Government reform, known in Latin America as State Reform, is one of the main topics on the world’s political agenda. Government reform, however, is not new. The United States, for example, has a long tradition of attempting to improve government through accountability and efficiency. The newest wave of reform in the United States, launched by the Clinton administration in 1993 under the rubric of reinventing government, is only the latest rendition of periodic attempts to improve government’s efficiency and responsiveness (Elden and Sanders, 1996). In fact, just between 1945 and 1995 there have been over 140 attempts to reform government (Light, 1996).

Most notable, however, is the fact that the process of reform from the late seventies to the early nineties was pushed by a crisis of confidence in the post-war acceptance of an active government involved in providing services (Centro Latinoamericano de Administración para el Desarrollo, CLAD, 1998). The first and most common response by developed countries to this crisis was to de-emphasize government solutions and allow the market to have greater predominance (United Nations, UN, 2000; CLAD, 1998). Thus, privatization was promoted in the developed countries under the assumption that the private sector could do a better job than the public sector at delivering services at a lower cost (Bouckaert, 1992).

This notion was also embraced in Latin America, with many large countries such as Mexico and Chile and some of the smaller countries such as the Dominican Republic seeking to privatize many of their government enterprises. However, as has since been recognized in the United States, Latin American countries have increasingly realized that the financial and technocratic nature of this reform failed to take into consideration the three major problems in the region: “the consolidation of democracy, the necessity of resuming economic growth, and reduction of social inequalities” (CLAD, 1998, p.47). Likewise, the UN meeting of experts on public administration and finance concluded that the problems confronting developing countries and countries in transition “serve to demonstrate the dangers of quick fixes, reductionist approaches, and over-reliance on narrowly technocratic solutions” (p.9). Therefore, to be successful, reform efforts must recognize and address the economic and political realities of the country in question.

As a case in point, although the Dominican Republic, the focus of this paper, experienced an unprecedented economic growth during the past decade, the gap between rich and poor continued to increase and the country still finds itself place among one of the countries with the lowest expenditures on social programs (Inter-American Development Bank, BID 2001; United Nations Development Programme, 2001). The country has also had a number of institutional crises that have rendered the political apparatus weak. In this paper I present the preliminary results of a study that sought to understand the context and nature of government reform efforts in the Dominican Republic in the areas of education, health, social security, and justice. The study starts out with the reform efforts that began in the early 1990’s and moves through the reform efforts that began to take hold in 1996 with the election of presidential candidate Dr. Leonel Fernandez and follows the efforts of the current president of the Dominican Republic Mr. Hipolito Mejia.

The Need for a Contextual Understanding

In examining the aggressive privatization efforts of Mexico, which began in 1982 with the
election of President Madrid, Overman (1995) acknowledged the economic success of privatization but also pointed out three problems created by the reform. One of the problems was what he called the “recolonization” of the economy because Mexico relied primarily on foreign capital to privatize. The second problem was that the Mexican government had not used the privatization to democratize the distribution of wealth and, as such, did not produce changes in the ruling elite. Finally, privatization created large privately owned monopolies.

Noting these failures, the CLAD (1998) has called for the rebuilding of State capacity through public administration reform as an essential condition for improving governance and enhancing democratic governability. However, the implementation of any major change in the role of the State, argues the CLAD, must avoid the complementary error of legislating enhanced government involvement without recognizing and addressing the salient economic and political factors. That is, the new reform must be approved by political systems and be implemented in a democratic context while creating an appropriate environment for increasing competitiveness among enterprises and ensuring that the new economic developments break the cycle of “poverty-making growth that was characteristic of Latin America in the past” (CLAD, p. 46).

This last point is one that has surfaced repeatedly in my own research and that of other scholars of government reform in the United States. For example, performance measurement as a management tool has been at the core of most government reform efforts in the United. However, adoption of performance measurement is not prevalent in the United States; and even when performance measures have been developed, information remains underutilized (de Lancer Julnes, 1999; de Lancer Julnes and Holzer, forthcoming; Hatry, 1999; Governmental Accounting Standards Board, GASB, 1997; Caiden, 1998).

Addressing this apparent failure, Ott and Goodman (1998) have argued that government reform efforts in the United States have had several problems in common. One of the problems cited by the authors is that reforms often contradict and nullify each other. That is, just as implementation of one reform begins, a new reform is proposed often resulting in eroding the support base for the prior one. Another problem is that government reforms are often implemented without conducting any form of systematic pilot testing.

Consistent with these problems, an additional explanation for this failure is a lack of fit between organizational needs and prescribed management solutions (de Lancer Julnes, 1999, 2000a). Two aspects of this lack of fit can be understood within the context of the Procrustean Bed imagery. First is the persistent disregard of factors outside the rational/technocratic model. This is particularly problematic given the failure to consider contextual factors that may lead a reform effort to be effective in one situation and not another. A second problem implied by the imagery involves the dysfunction that results when solutions are imposed upon individuals and organizations.

In this regard, at a recent meeting on the Government of the Future, senior government officials from 27 countries and representatives of major international organizations discussed how different cultural and political circumstances required different approaches (UN, 2000). At the same time, recognizing the challenge to governments in developing customized approaches that improve their capacity, they argued that this process of reform could be facilitated through information-sharing and technical assistance.

Another important issue for those promoting better government is to recognize that any form of reform is a process much like the processes of innovation and policy change. In studying the utilization of performance measures as a form of organizational change for state and local governments in the United States, for example, we found that utilization of performance measures is composed of at least two stages-- adoption and implementation, each distinctively affected by factors that can be understood in the tradition of the rational/technocratic model and the political/cultural model (de Lancer Julnes and Holzer, forthcoming). This finding was later confirmed by the analysis of data collected during telephone interviews with a sample of those who participated in the earlier study (de Lancer Julnes,
Adoption represents developing a capacity to act. Implementation or actual use represents policy converted into action. And so, as with any policy for change, when performance measurement moves from adoption to implementation, the effort faces challenges that were either not present or not as predominant at the adoption stage (Cibulka and Derlin, 1998; Palumbo and Calisto, 1990; Cronbach and Associates, 1980). Therefore, if we believe that implementing public administration reform will improve the governance of the State and enhance democracy, it is important that we identify these challenges so that we can develop appropriate strategies for each stage and help the effort succeed.

THE DOMINICAN REPUBLIC AND GOVERNMENT REFORM

Like some other Latin American countries, the Dominican Republic has a legacy of weak parties, tyranny, patronage, corporativism and personality leadership (Mejia Ricart, 2000). Even though the country has seen modest economic reforms, little systematic change has occurred in the functioning of government. In fact, argued Mejia Ricart, “improvisation [arbitrary policies] and corruption have continued to increase in the country” (p. 2).

Recognizing the vital importance of government reform in the pursuit of social betterment, in 1996 an executive order by the then president of the Dominican Republic, Dr. Leonel Fernandez, created the Comision Presidencial para la Reforma y Modernizacion del Estado, CoPRyME, (Presidential Commission for Reform and Modernization of the State), under the leadership of Dr. Onofre Rojas who served as its executive director until August of 2000 when a new administration came in. Since then, the Commission has changed its name to Comision Nacional para la Reforma del Estado (National Commission for the Reform of the State), CONARE, a point of contention for those originally involved in the Commission. The Commission, established in 1997, was organized into four sub-commissions whose areas of focus include:

- Reform and modernization of the Public Administration
- Decentralization
- Constitutional reform
- Electoral Reform

The objectives of the Commission in reforming public administration include: to institutionalize public administration, to professionalize public management, and to increase the effectiveness of public administration. The commission seeks to institutionalize public administration through transparency and accountability. Professionalization is sought through the development and retention of the public sector’s human resources. And, it promotes effectiveness by providing the public sector with management tools such as performance measurement.

Decentralization seeks to create a new form of organization of the state that transfers responsibilities, competencies, resources, locus of decision and institutional capacity from the central level to local governments. Currently, all decisions, including budget allocation decisions flow from the central government in Santo Domingo.

One of the major objectives of Constitutional reform is to guarantee a process that responds to the interests of the public, to democracy’s legitimacy, and to the free and responsible exercise of popular supremacy with the full participation of the citizens under conditions of equality and liberty.

The activities of the Commission in relation to Electoral reform are aimed at addressing two issues. The first is the need to change the authoritarian political culture that has dominated the country for centuries. The second is related to the mechanisms of representation and participation that are

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1 The following was adapted from publications of the Commission. The text has been translated from Spanish.
necessary for a democracy.

During the past administration some projects were actually implemented; however, the work of the Commission was mostly diagnostic in nature. Under a perfect scenario, armed with three years worth of numerous studies, proposals and public discussion, the Dominican government with his new president Mr. Hipolito Mejia should be able to implement the recommendations put forth by the Commission. However, as discussed below the current scenario is far from perfect and only small advances can be expected.

Research Methods And Procedures

Given the newness of the current focus on public administration reform and the paucity of research on government reform in the Dominican Republic in particular and Latin America, and Caribbean countries in general, this research is largely exploratory. The findings of this study will provide greater familiarity with the phenomena and will allow for the formulation of more precise research questions and hypotheses that can be tested with further research.

Data for this research was gathered by means of personal in-depth interviews with current and past government officials involved in the reform effort. The process of identifying interviewees was iterative and began by interviewing members of the Commission. These then identified agency officials and key staff personnel that participated (or are still participating) in the reform efforts in the four areas identified earlier, education, health, social security and justice. One of the many advantages of this iterative interview process is that it recognizes the fact that these agency administrators may be deeply involved in the reform process in ways that could pose threats to the validity of the information gathered. Another source of information was documentation on the reform efforts that has been generated since 1997 by several entities involved in the process.

A total of 16 interviews were conducted in Spanish during the month of July, 2001 in Santo Domingo, Dominican Republic. Most of the interviews lasted approximately 2 and one half hours. The protocol consisted of seven main questions. However, as each of the interviewees responded to these questions, other questions that allowed for more elaboration of responses were asked. The main questions were:

1. How did the reform movement begin in the Dominican Republic?
2. What obstacles has the movement encountered?
3. In what areas have there been successes?
4. What areas have been problematic?
5. What does reform mean? (Are there different versions? What values are being promoted?)
6. What objectives have been met?
7. What changes have we seen so far particularly in public administration?

Preliminary Results

The Road to Reform

The preliminary analysis of responses indicates that the Dominican Republic has followed the process of reform found in Latin America since the 80s. Nonetheless, these reforms did not begin to take force in the Dominican Republic until the 1990s, during the third 4-year administration of Joaquin Balaguer.

Two important issues need to be mentioned. First, initial government reforms in the Dominican Republic were to some extent disjointed efforts to make structural economic changes. Second, social reforms emerged later on as a way to compensate for the negative effects of economic reforms. The
latter was fomented by the efforts and interests of international organizations such as the United Nations Development Programme (UNDP), the Inter-American Development Bank (IDB), and the International Monetary Fund (IMF).

In addition to these international actors, a need for reform was recognized by local forces as well. For instance, dissatisfaction with the skills of the labor force led business owners and other members of the civil society to call for and participate in education reform. A strike by the members of the Dominican Medical Association resulted in major changes to the health system. The lack of trust on the judicial system on the part of powerful business communities prompted judiciary reforms.

Nonetheless, it was during the presidential campaign of 1996 that government reform became part of the political platform of the three major parties. It was during that particular campaign that all three presidential candidates, mayors of cities, and deputies publicly committed to develop, implement and support a plan of reform regardless of who won the election. Economic reforms alone had failed to improve the quality of life of most Dominican people. Thus, one can argue that by 1996 there was a level of conscience of the need of a comprehensive reform and an expectation on the part of the public that reform was going to be a priority for whichever party came to power.

**Obstacles to Reform**

In spite of the existing agreement about the need for government reform, implementation has not been easy. It is at this particular point that the specific characteristics of the Dominican Republic start to emerge as important factors that affect whichever changes or reform one tries to implement. Those factors can be broadly categorized as the structure of government, a culture characterized by a history of authoritarianism, and the monopoly of participation exercised by the political parties.

The Constitution of the Dominican Republic, through article number 55, provides for the concentration of power in the hands of the president. Several respondents indicated that such amount of power makes the president analogous to a “republican emperor.” The consequences have been the creation of an authoritarian government and a government that protects only the interests of powerful elite. This authoritarian and centralist form of administration dominates all levels of government in the country, a practice that until very recently had not been questioned.

As a result of this tradition, efforts to decentralize and even just to de-concentrate power have been to a large extent unsuccessful. For instance, one of the objectives of reform was to decentralized the national budget and provide municipal governments with the ability to allocate and manage its own resources. For very good reasons, particularly issues of capacity at the local level, this was to be a gradual process. Thus, the law 17-97 allows for the transfer of 4% of the national budget to municipal governments (an increase from the original 1%). It was then promised by the incoming government in 2000 that this transfer will increase to an automatic 10%. However, to date that transfer has only gone up to 5%. Control of the budget is a form of power and, as stated by one of my respondents, no one wants to give it up. “Everyone agrees with decentralization, but not when it affects him/her.”

This authoritarian and centralist form of government also helps support a culture of patronage and one where public participation only occurs through involvement in political parties. For example, public administration in the Dominican Republic is the source of employment for those who provide political support during campaigns. What this means is that in the public sector there is a high turn over of personnel and policies, and therefore little continuity. Although there is a law that makes public administration a career (Law 14, 1991), the law is yet to bee implemented.

Furthermore, this arrangement has engendered an economic structure that continues to favor the rich. There is great inequality in the distribution of income and power. Thus, stated one of the respondents, “people see that their only way out of poverty is by supporting political candidates who in turn will pay for their support with a job in a public office.” The implications are clear. First, in many instances public offices are filled with individuals that do not have the capacity to perform the job.
Second, there is a lack of commitment to do a good job on the part of public employees. And third, policies are disposed of and replaced quickly with a new policy crafted by the incoming administration many times without systematic evaluation and a lack of concern with the resources that had been invested.

Given such a background, it is understandable that efforts to reform and modernized public administration have been met with resistance and according to respondents, there are instances where modernizations that took place during the past administration were reversed when the new administration came in. Specific examples of such reversals include the processes of obtaining passports and driver licenses, and paying taxes. These processes had been automated and streamlined. When the new administration came in, said a respondent, existing employees were replaced with new personnel, some of the already streamlined processes were abandoned, and the “buscones,” unofficial people who for a fee go through all the red-tape to get a driver license, a passport or to pay the taxes of an individual who doesn’t have the time or energy to deal with an inefficient bureaucracy.

A related observation is that the current efforts of the Commission seem to be only focused on decentralization (both administrative and regional). The quandary with this approach is that given the precarious condition of public administration in the country one can not expect that decentralization alone will solve the existing social and economic problems. Decentralization and reform of public administration must go hand in hand; you can’t reform one without the other. In a recent discussion hosted by CONARE the executive director of the national institute of health Guillermo Rosa concurred with these assertions when he said that “we can’t expect that just dividing administrative responsibilities of the state or a regional subdivision will guarantee greater efficiency and quality in public management” (CONARE, 2001, p.27).

Finally, a common criticism among respondents was that many of the past and present efforts to reform or modernized government services, particularly in the area of health, have come from policy and program proposals developed by individuals that do not understand the peculiarities of the Dominican culture. These policies and programs --called “politica de maletin” (briefcase policies)—are often imported from other countries with different cultural, political and economic realities and as a result fail to deliver the desired outcomes.

One respondent said that the importing of solutions is often the result of requirements by international organizations as a condition for economic support. The values of these organizations, which often aren’t the values of the receiving country, are embedded in those requirements. Thus, stated the respondent “although presence of these international organizations represents an opportunity, it can also become an obstacle. In particular, one needs to be cautious to make sure that the values that prevail aren’t those of the international organizations but those of the country.”

**Successes and Limitations of Reform**

In spite of the obstacles mentioned above, there have been important albeit limited advances toward government reform. For example, all of the interviewees spoke of the (partial) reform of the judicial system as one of the major successes of the reform effort. (Reform of the judicial system is coordinated by a commission separate from CONARE that had its beginning on September 19, 1996) In particular, respondents talked about the fact that the National Judiciary Council was now active. This council was created during the 1994 constitutional reform, which occurred because of an institutional crisis whose apex was the suspicious nature of Balaguer’s re-election in 1994—one of the results of the reform was the reduction of Balaguer’s term to two years (1994-96) instead of the customary four years. However, there was never convocation of the Judiciary Council’s members during the presidency of Balaguer. It wasn’t until the administration of President Leonel Fernandez, a jurist by way of background, that this was implemented.

The members of the Council include the President, the presidents of the Senate, the House and
the Supreme Court, and members of other political parties different from that of the President. This council is responsible for electing the members of the Supreme Court, and under the new reform the supreme court will be responsible for selecting the judges of the lower courts.

With few exceptions, before this amendment to the constitution the selection of judges was subject to the whims of congressional members of the party in control of the senate. As it was usually the case prior to 1994 the party in control of the senate was also the party of the president in office. Thus, by implication, the selection of judges was controlled by the president. Needless to say, the Dominican judicial system was plagued with corruption and inefficiency which resulted in negative economic and social impacts. There are a lot of other needed reforms in the judicial system that have not been addressed by the current administration. However, a precedent has been set and the discussions about such reforms still continue.

Another practical example of success is the implementation of the “Linea Azul,” (blue line). This particular program seeks to provide information via telephone on how to obtain different kinds of public services. Although this is not reform per se, it is a step forward toward reform of public services because public agencies will be under pressure to produce and disseminate information. This will make organizations question their current structure and such questioning will bring out the issue of the need for reform.

In the area of education and health important successes can be highlighted. During the past presidential administration the general law of education was passed. However, as discussed at the beginning of this paper, adopting the law does not mean that it has or will be implemented. In fact, according to one respondent the law has very progressive components that may actually make difficult its implementation.

In public health, important pilot projects that are attempting to modernized and reform the management of public hospitals as well as the delivery of primary care are under way. Conversely, stated one respondent, even though this is an area where there has been more debate and even more financial support (in the form of loans) from international organizations such as the FMI and the BID, the results are wanting. The respondent was skeptical as to whether these pilots will become full-blown programs. For one thing, the coordination of reform of public health in the Dominican Republic, and for the most part due to requirements made by the funding international organizations is done through a separate and independent executive commission. This presents important opportunities such as the existence of specialized personnel whose sole responsibility is reform but also presents barriers because it has created a certain amount of competition with the department of health.

Other advances have been made. Nonetheless, perhaps the most important achievement is that government reform has become part of the national discourse not only among the Dominican elite but also among the masses. One prime example of this is the discussions that have been taking place in the past months regarding another constitutional reform. (CONARE has put forth for discussion its own proposal). One of the respondents indicated that although the party that controls the legislature was not in favor of having a commission with members from the civil society and of other parties to discuss this reform, because of public pressure it had to create such commission. The discussions that take place when this commission meets are highly publicized by the media. Dominicans are starting to expect a new public management that seeks and promotes public participation.

In addition, from its beginnings as COPRyME, CONARE began working on designing and implementing a number of programs whose purpose was to educate and sensitize citizens about how to be active participants in the governance process. Unfortunately, there is still a lot of work ahead because the mechanisms for public participation are still too weak. In fact, a proposal made by this Commission to institutionalize public participation through the enactment of a law has not been approved. Even so, stated one of the respondents, citizens are demanding a more democratic and transparent Dominican government that delivers high quality services.
CLOSING REMARKS
Although the analysis of the data is continuing, I have presented a preliminary assessment of the points highlighted by the individuals I interviewed, and by the printed documentation I gathered during my stay in the Dominican Republic. Perhaps the most salient issue in this presentation is that although reform in the Dominican Republic has followed the patterns exhibited in other Latin American countries (e.g., overemphasis on economic reforms then social reforms to counteract the negative effects) the country has very peculiar characteristics which directly and strongly affect the types of and ways in which government reforms can be pursued. Therefore, the practice of recommending or even imposing reform solutions based on preconceived notions is not useful. A more context-based approach is necessary if we are to support reform efforts not only in the Dominican Republic but in other countries as well.

BIBLIOGRAPHY

BIOGRAPHICAL SKETCH

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