

Public Service Management in Ecuador

Stefany CEVALLOS¹

This article addresses the perspectives of Public Service Management in Ecuador, a Latin American country which saw various social changes and political paradigms. The new Constitution of Ecuador was launched in 2008 in a scenario where nationalism replaced the liberal paradigm in Ecuador. Its main features were the defence of postliberal values and sovereignty as a superior principle. On the other hand, the role of the public sector in the economy of Ecuador grew after 1972 when petroleum revenues increased remarkably. Nowadays, the public sector reduction was entered into force after the collapse in the price of crude oil in 2014 and an earthquake of 7.8 Mw that devastated the coast of Manabí in 2016. In this context, during the presidency of the former president Rafael Correa, new principles were instituted, such as decentralisation, the new concept of public servant and new methodologies such as National Management for Results. The methodology used is secondary data sources including various types of books, journal articles, government and non-governmental reports, government implementation plans.

Keywords: public service, new public management, constitution, decentralisation, accountability.

Introduction

Ecuador is the third smallest country in South America. United States dollar is used here as the official currency.² The country is excellently located within the Andean market, has a high oil and mineral potential, and is rich in agricultural resources and energy; it is a country where transportation is subsidised.

The Andean country of 17.08 million inhabitants adopted a new constitution in 2008.³ After having an unstable democracy for a decade,⁴ the country is, to quote President Rafael Correa, “not in a period of change, but in a change of period”. The strategic framework

¹ Ph.D. student, National University of Public Service; e-mail: stefy220_@hotmail.com; ORCID: <https://orcid.org/0000-0003-1460-7324>

² Devaluation of the Sucre (national currency of Ecuador), a moratorium of the foreign debt and the intensification of poverty in the period of 2000–2007.

³ The Constitution is legal, organic and procedural. Legal because it has rights of particular importance that shall be protected, which shall be the aim of the State; organic because they determine the organs that form part of the State and that are expected to guarantee the rights; procedural because they establish mechanisms of participation for public debates. [1: 775–776]

⁴ Approximately 38 coups d'état since Ecuador became a Republic.

for good governance is “Living Well” (*Buen Vivir or Sumak Kawsay*), and the New Public Management (NPM) mirrors this new approach of Sumak Kawsay, [2] as set forth in the 2008 constitution of Ecuador and the National Plan for Living Well (Plan Nacional para el Buen Vivir, PNBV).

In Ecuador, historical processes led to the achievement of democracy in both the public and private spheres. In 2008, the Constitution of the Republic incorporated a set of principles for New Public Management. The objective of the present research is to give an overview of the development of the Ecuadorian Public Service Management system in the light of international and regional development trends.

In the current juncture, in Ecuador the construction of a paradigm of “equitable socioeconomic development” has allowed the birth of public policies. Public policies place within a normative frame of a constitutional state governed by rights the configuration of a Constitution of rights for a National Development Plan for the pursue of “Well Being”. The National Development Plan aimed at “Well Being” was focused on the reduction of poverty by means of an equal distribution of wealth and the sustainability of natural resources.

Related to the New Public Management, this research will analyse decentralisation, the new concept of public servant and the new methodology, the National Management for Results, as an implementation in the national legislation. Finally, I consider important to emphasise that the constitution of the republic (2008) undertakes the construction of national policies oriented to public investment, with the aim to promote the reform of the State.

The State of Ecuador

The State in its modern conception corresponds to a cultural and ideal process with the idea of a not individualized power. [3] Indeed, the State plays a very important role in the provision of services, as guarantor of the rights entrenched in the Constitution: this is its foremost duty.

Table 1. *The State of Ecuador.* [4]

Ecuador	
Political regime:	Social liberal state
Public administration:	New Public Management (NPM)
Characteristics: accountability is a primary requirement in developing countries.	

In Ecuador there was a change in the political and ideological views, that was embodied in the constitution of Ecuador. From the predominantly neoliberalist wave in the nineties that focused on the regional level, the country shifted toward a model in which the State strongly intervenes and participates in the economy, and its institutions are endowed with legitimacy to exercise their powers. This political historical process with a socialist hue is known as neo-developmentalism. Neo-developmentalism is part of capitalism, but it maintains the life of the neoliberal. [5]

Article 1 of the Constitution of the Republic of Ecuador reads: “Ecuador is a constitutional State of rights and justice, a social, democratic, sovereign, independent, unitary, intercultural, multinational and secular State.” [21]

Article 275: “The development structure is the organized, sustainable and dynamic group of economic, political, socio-cultural and environmental systems which underpin the achievement of the good way of living (Sumak Kawsay).” [21]

The State of Ecuador is responsible for guaranteeing the basic needs of its citizens, according to Article 314: “The State shall be responsible for the provision of the public services of drinking and irrigation water, sanitation, electricity, telecommunications, roads, seaport and airport facilities, and others as established by law.” [21]

In this context, since 2008 the legal structure and the way of operation and provision of public services changed. Rafael Correa boosted the constituent process, and a Constituent Assembly was held in the city of Montecristi in the province of Manabí, which concluded with the issuance of the Constitution of Ecuador in 2008.

Indeed, the Constitution of Ecuador changed the State model by establishing a Constitutional State of Rights and Justice, which places human beings over capital, and where human rights are protected by the constitution, without the need to mediate any Law for recognition. [6] In Ecuador, the Constitutional State of Rights and Justice, is the guarantee of a humanist model, in which there is a true subjection and fulfilment of the Law and of the fundamental rights. [7]

New Public Management

New Public Management in Latin America arose in the region as a system that meets the feasibility requirements for carrying out reforms that contribute to more efficient and flexible public administrations.

The principal institution is Latin American Center of Administration for Development (CLAD) seen as an international public body. Its core objective is the modernisation of public administrations as a strategic factor in economic and social development processes.

The mission of the CLAD is to encourage analysis, exchange of experiences and knowledge related to state reform and public administrations modernisation. This mission is carried out through different activities such as: international meetings specialised on these subjects, publications, document and information services, research and technical cooperation activities of its members and actors from other regions. [8]

Table 2. *Member states in the Latin American Centre of Administration for Development (CLAD).*

<i>Member countries:</i>	Andorra, Argentina, Bolivia, Brasil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Salvador, Spain, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Portugal, Republic of Dominica, Uruguay, Venezuela
<i>Observer member:</i>	Angola

[Adapted from Latin American Center of Administration for Development (CLAD).⁵ Retrieved from <https://clad.org/documentacion/cedai/>]

⁵ Retrieved from <https://clad.org/documentacion/cedai/> (Downloaded: 09.06.2020)

NPM is the result of two important documents: A New Public Management for Latin America [9] and the Ibero-American Charter for the Public Service. [10] A New Public Management for Latin America arose from the need to introduce reforms in Latin American public administrations, and the Ibero-American Charter formalises the agreement made by a broad set of countries in the region regarding the organisational guidelines to adopt tools and processes that shall contribute to the improvement of its efficiency.

In the framework of CLAD, NPM in Ecuador is constituted by public services that provide tangible or intangible goods to citizens, with quality and warmth care, in order to guarantee constitutional rights and aimed at the construction of the Living Well regime.

NPM offers two types of provision of a public service: the direct provision of a public service that is carried out by governmental institutions, whether they are those of the central government or by autonomous entities. [12] On the other hand, the benefit is indirectly configured when the public administration decides to grant a delegation. A public service is provided by an individual, for example through a concession or authorisation regime, such delegation is also carried out directly by the law. However, it is necessary to point out that this administrative act of authorisation becomes a kind of permission that the state grants for individuals to carry out their activities under a regulatory umbrella that allows the state to intervene and suspend that activity in order to avoid disputes in case that activity is rendered improperly.

Besides, there is a specific section about strategic sectors: telecommunications, non-renewable natural resources, transportation and refining of hydrocarbons, biodiversity and genetic heritage, radio spectrum, water, and others determined by law. Article 315 of the Constitution of the Republic of Ecuador reads: “The State shall set up public companies for the management of strategic sectors, the provision of public services, the sustainable use of natural resources or public assets and the exercise of other economic activities.” [21]

In this context, having considered a strategic sector implies a reservation in favour of the state, who has full capacity to intervene in those sectors to regulate, control and manage them in a way that is the most convenient. The management of these sectors has a constitutionally defined model, it must be carried out through the constitution of public or mixed-economy companies. In Ecuador, the delegation of the management of strategic services to the private sector, The Organic Code of Production, Commerce and Investments provides that only exceptionally, by a presidential decree, and when it is necessary and appropriate to satisfy the public interest; when there are no technical or economic capacities for that; or when a service cannot be provided by public or mixed companies.

Decentralisation

Ecuador is a unitary state, with a two-tier structure of decentralisation. The country is divided into 24 provinces (Provincias) which are formed by one or several cantons. According to the Constitution of Ecuador (2008), these provinces may also gather to create an autonomous region, but only those of geographical significance. The lower level consists of 221 municipalities called Canton or Municipios. [13] These entities are further subdivided into around 1500 parishes (parroquias) which are small politico-territorial divisions that may be classified into rural or urban parishes. They are under the authority

of a municipality which has the power to create or modify them. This subsidiary tier of decentralisation aims to be an intermediary between the people and the municipalities. [14]

The Constitution of Ecuador (2008) is dedicated to decentralisation, as the government launched an Organic Code for Regional, Autonomous and Decentralized Organization (COOTAD) [14] in the frameworks of the Living Well program for the reinforcement of the democratic state in Ecuador; it aims to deepen the decentralisation and deconcentration processes.

The administration, decentralisation and development model of the Decentralized Autonomous Governments is determined within the framework of planning and other state regulations of the national level. According to the Constitution of the Republic of Ecuador, Article 1: “This Code establishes the political-administrative organization of the Ecuadorian State in the territory: the regime of the different levels of decentralized autonomous governments and special regimes, in order to guarantee their political, administrative and financial autonomy. In addition, it develops a model of compulsory and progressive decentralization through the national system of competencies, the institution responsible for its administration, the sources of financing and the definition of policies and mechanisms to compensate for imbalances in territorial development.” [21]

It is important to emphasise that in Latin America the best example of decentralisation is Mexico. However, Ecuador’s decentralisation is not in the executive level but in all government levels. Centralism in Ecuadorian history caused that public management is in the three largest cities of Ecuador: Quito, Guayaquil and Cuenca. In 1563, the Royal Audience of Quito was created, with three main centres of authority: Quito, Guayaquil and Cuenca. In 1830, the Republic and its first Constitution enshrined that the departments are the same three. [15]

Indeed, before 2007 the decentralisation of the executive branch was based on the vertical regionalisation of the country, which divides it into natural regions: Pacific Region, Andes Region, Amazon Region and Insular. However, this regionalisation fails to overcome centralised management in Quito, Guayaquil and Cuenca being the most important provinces of Ecuador. Furthermore, since 2008 Ecuador is governed within the framework of a new political-citizen agenda, which is embodied in the Constitution of 2008. Indeed, in total there are 9 zones, 140 districts and 1,134 administrative planning circuits for the organisation of the executive in the territory. Administrative levels of planning are also the levels of deconcentration.

In this context, the recovery of the public is prioritised as the basis of the democratic transformation of the state, which aims to generate a change in distribution and redistribution of wealth based on a new development model outlined in the first National Development Plan (2007–2010).

The deconcentration from the executive branch in Ecuador allowed this renewed way of thinking about development, guided by the principles of dignity and solidarity, rescuing first of all the collective sense of Well Living for the making and consolidation of a democratic state in which all citizens can trust and refine its mechanisms and competences based on the recognition of territorial diversity and culture.

Public Servants

In the 2007 Constituent Process the idea of meritocracy was installed in Ecuador under the umbrella of the Ibero-American Charter of the Public Service in order to bet on a better state project and professionalisation of its public function (public service or civil service).

In addition, the idea is established that citizens are the ones who supervise and control the provision of the service as continuous users, and citizens participate in its exercise through mechanisms such as accountability. It is also established that in the New Public Management the services must be characterised by efficiency, quality and “warmth”. [16]

As for the regulation related to the civil service career of the public administration, this is the Management of Human Talent in the public sector. In Ecuador its action is regulated in the Organic Law on Public Service, (L.O.S.E.P. 2010) Article 229: “Public servants shall consist of all those persons who in any way or under any category, provide services or hold an office, function, or dignity in the public sector.” [17]

The rights of public servants cannot be waived. The law shall determine the executive body in charge of human resources and remuneration for the entire public sector and shall regulate admittance, advancement, promotion, incentives, disciplinary system, job security, salary scale and termination of duties of its employees.

In Ecuador, the rights and guarantees are inalienable, indivisible, interdependent and of equal hierarchy, fully justifiable, directly and immediately applicable by and before any public, administrative or judicial server, without the need for compliance with conditions or requirements not provided for in the Law; however, there may be laws that limit the exercise of rights which should be considered ineffective. The rights of the people are not only those established in the Constitution and in international treaties, but they can include those derived from the “dignity of the people”. The highest body of constitutional control and interpretation is the Constitutional Court, that is also responsible for administering constitutional justice. [18: 14] Indeed, the Constitution itself requires that public, administrative, or judicial servants, in the field of human rights, make the interpretation that is most convenient for the effectiveness.

National Management for Results

National Management for Results in Ecuador was a challenging process. There were two scenarios: the first was when former President Rafael Correa attended a meeting at the national firm Petroecuador in the framework of a workshop where progress and management were exposed through a tool called Company by Results (EPR) and the second moment was the continuous improvement of public management versus inefficiency and bureaucracy.

In October 2010, the Presidency of the Republic signed a consulting contract with the Ecuadorian company, e-Strategia Consulting Andes, for the “Implementation of a Government Methodology for Results and Computer System”. [19]

Since 2010, when this National Management for Results entered in force in Ecuador, the method prescribed control by parameters of results, and allowed to evaluate the performance of the institution semi-annually or annually, whether or not it reached the

objectives set, or the level of progress expected of them; and in case of failure, it can be known clearly what indicator failed, and thus one can investigate the causes that led to a misguided decision, and modify the structure to improve the quality of service provision.

Chronologically, the coining of terms related to management by results, goes back to the Austrian author of “management”, Peter Drucker. [20] However, its heyday, when its application took a greater momentum in the public sphere, was the New Public Management in Britain in the eighties, which strongly influenced the Latin American countries.

In this context, CLAD and the Inter-American Development Bank (IDB), regarding the projects Management for Results and Monitoring and Evaluation, were considered that Management for Results is more effective because they produce better results, are more innovative, flexible and have a higher assurance.

However, it appears that one of the main risks that arise from a results-based management policy is that the public administration does not know how to previously define objectives, or still worse, these objectives are not clear and not duly socialised to their citizens. In fact, putting aside participation and transparency would be basic in the New Public Management.

Conclusions

In Ecuador, the construction of a paradigm of “equitable socioeconomic development” has allowed the birth of public policies placed within a normative frame of a constitutional State governed by rights, with the configuration of a Constitution of rights, which appears as a National Development Plan for the search of “Well Being”.

This paper concludes with the prospects of Public Service Management in Ecuador. The state of Ecuador was presented in order to understand the ideological model that has defined the role of the state in the framework of the 2008 Constitution of the Republic of Ecuador. In effect, the Ecuadorian authorities undertook an effort to modernise the state and increase its planning, management, and development promotion capacities, achieving notable results in some areas. A clear example of this is that, according to the World Bank’s Worldwide Governance Indicators (WGI), between 2008 and 2015 Ecuador was the Latin American country, and one of the 10 countries worldwide, that advanced the most in government effectiveness.

In fact, the present study will be helpful for introducing Public Management in Ecuador; in the national centre of excellence for the research of public administration that meets the highest standards of the international scientific community.

References

- [1] ÁVILA, R.: From Legal Right State to Constitutional Right State and Justice. In. *Latin American Constitutional Rights Yearbook*. 10th Edition, CQ Press, 2009.
- [2] CORTEZ, D.: *Social construction of “Sumak Kawsay” in Ecuador. Genealogy of strategic design and managing policies of life*. Quito, Universidad Andina Simón Bolívar, 2011.

- [3] ROTH, D. – NOEL, A. *Public Policies: formulation, implementation and evaluation*. Bogota, Aurora, 2007.
- [4] BRESSER-PEREIRA, L. C.: Managerial Administration in Brazil: Reflections of a Reformer. In: SCHNEIDER, B. R. – HEREDIA, B. eds.: *Reinventing Leviathan*. Miami, North-South Center Press, 2001.
- [5] CYPHER, J.: Institutional-Structural Impediments to National Innovation Systems in Latin America. *Journal of Institutional Economics*, 6 3 (2014), 34–53. <http://institutional.narod.ru/jis/jis6.3.pdf> (Downloaded 09.06.2020)
- [6] FERRAJOLI, L.: *Derechos y garantías. La ley del más débil*. Madrid, Trotta, 2002.
- [7] FERRAJOLI, L.: El derecho como sistema de garantías. In *Derechos y garantías. La ley del más débil*. Madrid, Trotta, 1999. 15–36.
- [8] *Latin American Center of Administration for Development (CLAD)*. <http://old.clad.org/> (Downloaded 09.06.2020)
- [9] *A New Public Management for Latin America*, 1998. <http://old.clad.org/portal/publicaciones-del-clad/revista-clad-reforma-democracia/articulos/011-junio-1998/public-administration-and-development-in-latin-america-a-neoinstitutional-approach> (Downloaded: 09.06.2020)
- [10] *The Ibero-American Charter for the Public Service*, 2003. <http://siare.clad.org/cartaiberfunpubingles.pdf> (Downloaded: 09.06.2020)
- [11] GASTÓN, J.: *Técnica jurídica, servicio, función pública y sus servidores*. México, Jurídica Universitaria, 2007.
- [12] FERNÁNDEZ RUIZ, J.: Disertación sobre el servicio público. *Foro: Revista de Derecho*, 13 1 (2010), 5–21.
- [13] *National Institute of Statistics and the Censuses (INEC)*. www.ecuadorencifras.gob.ec/geoport-1/ (Downloaded: 09.06.2020)
- [14] *Organic Code for Regional, Autonomous and Decentralized Organization (COOTAD)*. www.defensa.gob.ec/wp-content/uploads/downloads/2016/01/dic15_CODIGO-ORGANICO-DE-ORGANIZACION-TERRITORIAL-COOTAD.pdf (Downloaded: 09.06.2020)
- [15] AYALA MORA, E.: Centralismo y descentralización en la historia del Ecuador del pasado a la situación actual. *Procesos: revista ecuatoriana de historia*, 1 19 (2003), 203–221. DOI: <https://doi.org/10.29078/rp.v1i19.269>
- [16] MARTÍNEZ MOSCOSO, A.: La Prestación de los Servicios Públicos de Calidad. *El Siglo*, 21 (2016), 27.
- [17] *Organic Law on Public Service (L.O.S.E.P)*, 2010. www.trabajo.gob.ec/ley-organica-del-servicio-publico-losep/ (Downloaded: 09.06.2020)
- [18] ECHEVERRÍA, J.: El Estado en la nueva Constitución. In GRIJALVA, A. et al. eds.: *La Nueva Constitución del Ecuador. Estado, derechos e instituciones*. Quito, Corporación Editora Nacional, 2009. 17.
- [19] Inter-American Prize for Effective Public Management: National Management for Results. OAS, 2014. www.oas.org/es/sap/dgpe/innovacion/Banco/docs_paises/Ecuador_Planificacion_2014.pdf (Downloaded: 09.06.2020)
- [20] DRUCKER, P.: *Managing for Results*. New York, Harper and Row, 1964.
- [21] *Constitution of the Republic of Ecuador*, 2008. www.asambleanacional.gob.ec/sites/default/files/documents/old/constitucion_de_bolsillo.pdf (Downloaded: 09.06.2020)