

NOTE ON MARE'S EXTINCTION AND ON ITS FUNCTIONS' INCLUSION IN THE NEW MINISTRY OF PLANNING, BUDGETING AND MANAGEMENT

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Note explaining why I proposed this change in 1998, written in December 2002, to be published in this website, in order to avoid a common misunderstanding: that the MARE was closed down because its proposal failed.

MARE (Ministério da Administração Federal e Reforma do Estado) and the Ministério do Planejamento e do Orçamento exited with these names between January 1995 and December 1998. Both were created when the first Cardoso administration began, as the outcome of the transformation of two secretaries of the Presidency (Secretaria da Administração Federal and Secretaria do Planejamento) in two new ministries. In January 1998, when the second Cardoso administration started, both ministries were merged, resulting from this the Ministério do Planejamento, Orçamento e Gestão.

This merger, usually described as 'MARE's extinction', has been interpreted as the 'demonstration of the 1995 Managerial Reform of the State' failure'. This interpretation is incorrect. The merge of the two ministries was proposed by myself, when I realized that the reform's basic new institutions (the constitutional amendment, the law defining the social organizations, and the reform of the law defining civil servants labor contract – the law on the 'Regime Único') had been approved, and – what is more important – senior civil servants were basically persuaded that it was time to change from a bureaucratic to a managerial or entrepreneurial public administration. Considering Chile's experience, where a similar, although less extensive reform was implemented through the Ministry of Planning and Budgeting, I argued that MARE had completed its role as the agency in charge of formulating a reform and in persuading the main agents involved of its merits, and that in the second phase – the phase of implementation – the ministry that controls the budget should also have the power to implement the reform. The idea found support in the Casa Civil (Chief of Staff) of the Presidency, and was adopted.

If the reform had failed, when, in December 1998, the President invited me to be the Minister of Science and Technology in the new administration, he would not have told me that I had "successfully completed my role in MARE" and, so, he was inviting me to a new position; the new ministry would not have in its name the expression 'management' (gestão); the new minister, Mr. Pedro Parente, would not have dedicated most of his inaugural speech to the 'entrepreneurial reform'; and the Chief of Staff, Mr. Clovis Carvalho, in the first cabinet

meeting, in January 1999, would not had said that the public management reform that I had initiated (he mentioned my name twice) would be actively continued by the new ministry with the direct support of the Presidency. Instead of using the word ‘managerial’, the Minister of Planning, Budgeting and Management decided to use an equivalent, ‘entrepreneurial’, but all the new ideas were accepted and would be continued.

Instead of insisting on this subject, I will, bellow, just quote myself twice, in two papers where I briefly referred to this question.

Sei que ainda há muito a fazer, mas como o presidente reeleito Fernando Henrique Cardoso disse-me em dezembro de 1998, ao formar seu novo ministério e convidar-me para ocupar o cargo de Ministro da Ciência e Tecnologia, "o essencial da reforma administrativa já foi feito". O comentário deixou-me feliz, porém não se pode considerar de forma supérflua o problema da implementação da reforma. Há muito o que fazer nessa área. O Presidente está ciente disso. Para tornar a implementação mais efetiva, e seguindo uma recomendação minha, o Ministério da Administração Federal e da Reforma do Estado foi fundido com o Ministério do Planejamento. Desta forma, será possível vincular o orçamento com a Reforma Gerencial, tornando-a mais rápida e efetiva. Nos primeiros quatro anos do governo Fernando Henrique Cardoso, a implementação da reforma dependia apenas da persuasão; esta tarefa podia ser realizada pelo pequeno MARE. Nos segundos quatro anos a persuasão deverá ser acompanhada de autoridade executiva, da qual só o Ministério do Orçamento e Gestão (novo nome do Ministério que fundiu o Ministério do Planejamento e o Ministério da Administração Federal e Reforma do Estado) dispõe. (14)

Footnote 14: Propus, como alternativa, a transformação do MARE em uma secretaria da Presidência com nível ministerial (como era antes a SAF – Secretaria da Administração Federal) e o envolvimento direto do Presidente na matéria, mas a alternativa adotada parecia-me melhor dada a falta de tempo (e de interesse) do Presidente Fernando Henrique Cardoso pelas questões relacionadas com a execução ou a prática administrativa diária.

(In Luiz Carlos Bresser-Pereira, “Reflexões sobre a Reforma Gerencial Brasileira de 1995”. *Revista do Serviço Público*, 50(4), outubro, 1999: 5-28)

In the beginning of 1998, realizing that the constitutional amendment was finally being approved by Congress, I concluded that the implementation of the reform could not and should not be undertaken by a small ministry like MARE, short of executive power. Considering the Chilean experience of using the administrative power existing in the Ministry of Planning and the Budget Office, I proposed that the implementation of the reform should be responsibility of a new Ministry of Planning, Budget and Management (that would emerge from MARE’s merger with the Ministry of Planning and Budget). The proposal coincided with other views in the administration, and was adopted by President Cardoso in his second term, starting in 1999.

(In Luiz Carlos Bresser-Pereira, “New Public Management Reform: Now in the Latin American agenda, and Yet...” - *International Journal of Political Studies*, n?. 3 September 2001: 143-166.)