

The appropriation of the World Bank policies? Political commitment and the sustainability of State reform programs in Argentina and Chile¹

Martin Lardone²
martin.lardone@sciences-po.org

1. INTRODUCTION

After the first reforms made in Latin America that were inspired by the Washington Consensus, a series of conceptual and instrumental revisions on the World Bank (WB) activities towards the region appeared in the mid 90's. One of those was the incorporation of institutional analysis in the Bank's discourse, especially, the rediscovery of the importance of institutions as elements that guarantee economic growth, and the state capacity for this task (Burki and Perry, 1998). Another issue faced by the WB during that period was the limitation of adjustment loans and its main associated mechanism, conditionality, to obtain institutional reforms, in particular if they implied longer periods of time than those of the classic packages of structural adjustment (Collier, 1997). In this sense, one of the "more important learnings" that appears specified in operational documents of the WB is the importance of governments' commitment with the programs of reform. This is important not just to implement the projects in the scheduled time, but also to sustain the reforms once the projects with WB's funding are completed.

In fact, one of the most important critiques formulated against the World Bank's work, internally (World Bank, 2005) and externally (Nelson, 1996), is the insufficiency of conditionality mechanisms to generate policy changes in the proposed line by the Bank. The central idea of this critique is that the failure of reforms is usually linked to the problem of ownership of reforms on the part of the borrowing governments. It is assumed that those reforms decided by a government under the pressures of a financial crisis do not necessarily show the effective will of that government to advance them; instead they can be seen as an answer given in response to the financial circumstances.

Indeed, the objective of this paper is to compare through two national cases of WB intervention in the state reform sector, Argentina and Chile, the factors that influence the ownership of those reforms decided by the governments of those countries and the World Bank. We will discuss first, as a departure point, the own evaluations that the Bank makes of its intervention in Argentina and Chile, and then we will analyze this issue within the Bank's experience with these countries. Thus, what we will try to show is the evolution of the WB notion and evaluation of ownership on his operations with countries, and at the same time, how this dimension acquires diverse characteristics in the field according to each national case.

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² PhD Candidate – Institut d'Etudes Politiques de Paris.

Following the above, the main argument of our work is that the ownership of reforms is not only a problem of the political commitment to them -this understood as the governmental leaders' political will to make certain policy decisions-, but that the appropriation of such reforms constitutes a problem linked also to two other analytical dimensions that are necessary to take into account.

First, the macroeconomic dimension, in particular the financial and fiscal situation of the State, highly influences the government's decision to take conditional financing for institutional reforms. It is possible to suppose in these cases, that the gravity of the financial situation increases or diminishes the negotiation capacity of the government regarding the measures or reforms to adopt. The question here is to what extent the reached agreement between it and the WB is a product of the political intention of the government to make and maintain certain reforms, or is a mere resource to obtain financing for the crisis.

Nevertheless, although this variable conditions the government's decision on taking a certain policy frame from the WB, it does not determine the content of the agreement, neither the ownership that settles down. The experiences of both countries analyzed here show clearly that although there is certain frame of reforms that is facilitated by the existence of a financial crisis, the results and the sustainability of those reforms respond to other factors.

The second dimension corresponds to the state structure, especially with regard to its connections with other actors, such as political parties and think tanks. The existence of technical and administrative capacities, besides, allows the government to formulate its own policy agenda and to maintain it through the execution of such policies. In this sense, the relationship between state structure and political commitment with reforms takes us to interrogate the extent to which political dynamics may condition the existence of a stable and professional bureaucratic organization to implement these policies.

In short, this paper compares in two national cases, Argentina and Chile, the way in which the loans for state reforms from the WB became part of the domestic political game and of the decision making process in which the governmental leaders must weigh economic and financial variables with variables of the state apparatus internal policy. We concentrate ourselves both on the WB loans destined to public administration reforms in the countries from the beginning of the 90's, and on the different country strategies formulated by the WB during this period. The comparison seeks to contrast two divergent cases, with regards to the relation of each country with the WB -amount and composition of the loans portfolio-, and also concerning their financial and fiscal evolutions and the characteristics of their state apparatus.

2. THE WB AND THE LESSONS OF CONDITIONALITY

In the previous stages to the crisis of the 80s, all multilateral financing was mobilized rather by loans of investment destined to the construction of public infrastructure, according to the policy of development adopted by the WB and the development community of that time

(Bresser Pereira, 1995), and the policy of substitution of imports endorsed by the Latin American countries. On the contrary, from the 80s on, the World Bank adopted a new model of financing: the policy based loans, or adjustment loans, destined to foment policies of structural reform in developing countries (Mosley ET to, 1991).

So, "when it became evident that the problem of highly indebted countries was a joint crisis of growth and indebtedness of long term, the World Bank gradually began to modify its patterns of loans" and to include in its operating structural adjustment lending (Botzman and Tussie, 1991). This meant a new relation with the IMF, in which the diagnosis on the process was not the same in both organisms. Although they operated from the logic of the "crossed condicionalidad³", the WB put a greater emphasis in the continuation of structural changes that implied stimulating the medium term growth, while the IMF emphasized its concern on financial balances and payments balance (Botzman and Tussie, 1991).

Nevertheless, during the 90s, the critiques towards multilateral organisms on the "low effectiveness" of their programs, as well as the superposition in their functions, conducted the WB and the IMF to began a revision of their mandates, their responsibilities and the instruments used (Collier, 2000). The new norms on conditionality were focused on three main issues: to simplifying conditionality, to increase its ownership by the countries, and to consolidate the IMF-WB relationship (World Bank, 2005).

The objective of these actions was to increase the coherence of the programs so that they could offer a precise frame for the implementation of the reforms agreed between a country and the WB. The conditionality had to be used to consolidate rather than to debilitate the ownership of the programs by their countries. In this sense, one can assume that if the countries felt more identified with the future reforms, there should be better expected outcomes, since the reforms would not be perceived as impositions from the financial institutions going against the sovereignty of that country (Köhler ET Wolfensohn, 2000).

The main mandate of the WB consists in helping the countries to reduce poverty, with the institutional, structural and social dimensions having as an objective their development, to complement the macroeconomic approach of the IMF. But, even if in operative terms each institution has a primary responsibility in distinguishing aspects of the programs to avoid overlapping, both institutions must orient its actions towards the same shared goal, that is "helping to improve the life quality and to reduce poverty with sustainable and equitable growth" (Köhler and Wolfensohn, 2000).

This diagnosis on the efficiency of the programs was considered because the conditionality had a low level of accomplishment (Whapenhans ET to, the 1992), since the organisms imposed a unique prescription on the countries while taking advantage of the crisis situation that demanded an enormous amount of reforms. In this context the countries were

³ This idea supposes that a country must accept the condicionality of a financial agency (in this case the IMF) to accede to the financial support of other organisms (like the WB or the I.A.D.B. for example). For an analysis of the subject of the crossed conditionality see the work of Griffith-Jones (1998).

willing to accept anything to obtain financial resources. But once they have reached economic stability, the conditions imposed by the programs were left to a side because they actually represented high political costs for the authorities (Buirra, 2003).

From these series of revisions, the WB's strategy on its relationship with some countries went from a situation dominated by conditionality to another one predominated by legally binding agreements in which the influence of the Bank seemed to lean much more on its capacity to spread ideas (Riggirozzi, 2007) and to influence the agenda setting process (Stone and Wright, 2007; Weyland, 2004). It is in this context that the idea of reforms' ownership acquires full sense, since one can suppose that in order to make such reforms sustainable, they would have to be produced and devised by the corresponding government, or at least it must feel them like its own⁴. This implies that the measures and programs must arise from the consensus and dialog with governments (Collier, 2000) and not from the simple imposition on the part of the WB.

From this idea we are going to compare the experiences of the WB in Argentina and Chile. We show that from a point of depart in which the financial crisis opened the opportunity for the WB to assist the countries with structural adjustment programs, the path that each country followed in the matter of state reform (in relation to the WB) turned out to be very different.

3. "RESCUE" OPERATIONS: THE WB AND THE PROGRAMS OF STRUCTURAL ADJUSTMENT IN ARGENTINA AND CHILE

In the Chilean case, the experience with loans and programs of structural adjustment began before than in the Argentinean one. Furthermore, in Chile the adjustment package was organized on the basis of a neoliberal program that had already been implemented since the 70s. In fact, the neoliberal policies in Chile began in 1973 as a reaction to the socialist government of Salvador Allende, which ended in a military coup. Under the advice of a group of technocrats known as the "Chicago Boys", the Chilean economy was put under a structural package of adjustment. This was an orthodox policy intended to combat the fiscal deficit and the inflation, as well as a policy of privatizations⁵ (Fourcade-Gourinchas and Babb, 2002 ; Murillo, 2002).

Nevertheless, it is worth to consider that this approach did not begin in 1973, since the ideology of the military government was much more adept to the planning approaches than to the "market" approaches. The formers were consolidated towards the end of the 70s with the prominence of the Chicago Boys. Thus, in this period, the "first generation" reforms

⁴ A critical analysis of the idea of ownership and its relation with the good governance discourse is available by Gerhard Anders (2005).

⁵ In this direction, the neo-liberal orthodoxy of the Chilean dictatorship is clearly differentiated from other Latin-American cases at that same time period. Although the military dictatorship in Argentina emulated some Chilean policies, they were much less coherent: the Argentinean Junta maintained some sectoral policies which supported particular commercial interests (such as protectionism), as well as the great fiscal deficit (Fourcade-Gourinchas and Babb, 2002).

took place starting with the creation of the AFP, the deregulation of the economy, the commercial opening, the privatization of an enormous number of public companies, and the beginnings of a process of regional and municipal decentralization (Waissbluth, 2005).

In this sense, the policies implemented by this economic team produced at that time, according to the World Bank, a relative fiscal stability, an effective public management, and a more flexible economy (World Bank, 2002). However, Chile did not escape to the "debt crisis" caused by the Mexican moratoria in 1982, which affected almost all the countries of the region. It is in this context of crisis that the WB "entered" in Chile⁶ in order to finance the programs of structural adjustment characteristic of the Washington Consensus era. Beyond some measures of macroeconomic stabilization the government privatized state-owned companies, and established strong reductions in public expenses (World Bank, 2002). Around 90% of the lending from the WB for 1985 to 1999 was disbursed between 1985 and 1993, when the access of Chile to the international financial markets was severely limited⁷. After the crisis, the WB's programs evolved to the support of institutional reforms, the investment in human resources, and the management of public expenditures.

Concerning the case of the Argentina, the WB intervention was more conflictive and, to a large extent because of that, it happened later than in the Chilean case. The WB began to recover its presence in Argentina from the assumption of the democratic government of Raul Alfonsin. Towards the end of 1984 they began the first works and studies aimed at identifying the necessary reforms in Argentina and to plan the operations of the WB. Nevertheless, until the end of the 80s this was not translated into a significant presence in the sense of the financial aid provided by this institution (Lucioni and Dvoskin, 2002).

Actually, during the first years of the Alfonsin's term contacts with the WB were established. There was delineated a Program of Medium Term with proposals of sectorial and macroeconomic policies. On this basis a "business plan" was negotiated in february of 1987. It contained changes in the commercial policy, reforms in the banking and financial sectors, the reform and rationalization of the public sector, and some privatizations (Botzman and Tussie, 1991). Nevertheless, towards the end of the 80s the relations between the national government and the WB were deteriorated and no new loans were granted. This can be explained, partially, as the structural result of the failure to achieve the control of the fiscal deficit and to implement reforms that the WB had agreed with the Argentinean government (Machinea and Sommer, 1990). The defeat of the radical government in September of 1987 evidenced two important facts: on the one hand, the force that had the "punishment vote" in the sense of contesting the economic policies that the governmental authorities were trying to

⁶ As the WB states, "prior to 1983, the government's top economic team was not interested in having a meaningful policy dialogue with the Bank. While the Bank submitted important memoranda to the authorities showing that some of their policies were unsustainable, they ignored or rejected them. The result was little Bank activity, a loss of contact with Bank staff, and an empty loan pipeline. When the crisis exploded Chile was not considered creditworthy, and while the IMF was active the Bank was not" (World Bank, 2002).

⁷ The three structural adjustment loans supported policies that stimulated better performance of the economy during and after the adjustment (1985-1990). SAL I, in particular, and the IMF's Extended Fund Facility (EFF), reestablished Chile's access to credit from foreign commercial banks. SALs II and III smoothed Chile's access to capital markets, facilitating successful debt-for-equity swaps, and additional external financing from commercial banks (World Bank, 2002).

implement, and, in the other hand, the difficulty to sustain these policies once the legislative majority and most of the provinces had went under the control of the Partido Justicialista (Peronism).

The weak political position in which it would be left the radical administration, and the deterioration of the economic conditions, strongly affected the strategy of the Argentinean government of approaching with the WB. This approach was part of a strategy directed to reject the more orthodox prescriptions that the IMF stated for Argentina, counting instead with the support of the WB if it was necessary to financially assist the country under certain conditions (Machinea and Sommer, 1990). In addition to the political drifts of Argentina, the other factor that affected the development of this strategy was the political change that occurred in the U.S.A. with the beginning of the Bush administration, and the disarticulation of the Plan Baker as an alternative mechanism to solve the problem of the high external indebtedness of Latin American countries (Botzman and Tussie, 1991).

The change of the Argentinean administration in 1989 took place in a context of strong economic crisis, characterized by a phenomenal inflation process. Since the inauguration of President Menem the negotiations suspended before with the World Bank were restarted (Rinne, 2003). At the same time, the government began to implement some measures that had a certain harmony with the ideas propagated by the Washington Consensus. In particular, it is necessary to emphasize the Law of Economic Emergency of 1989, and the Law of the Reformation of the State, that fixed the axis of the economic policy. Complementary, the policies of adjustment and fiscal reform were implemented, trade opening, privatizations, and decentralization of the economic activity, with the support of the WB.

Thus, besides the different trajectories indicated at the beginning of this section it is necessary to consider some other important comparative elements. On the one hand, that while Chile has not had to resort again to loans of structural adjustment after the package of 1984-85 reforms, Argentina couldn't stabilize its policies and had to resort to new programs of structural adjustment in the recurrent crises that it faced during the decade of 1990, basically because of external financial shocks. But on the other hand, it is relevant to consider some similarities between the nations. Both programs of structural adjustment supported by the WB were *mise en scène* when two situations coincided: (a) an economic and financial crisis that "forced" the government to take the measures of structural reforms and to demand for that task financing and support from the WB; and (b) a political situation in which the government could make these reforms feasible. In this last sense it is important to emphasize that the political analysis of the WB does not implied just the political commitment with the packages of reform but also the political capacity to implement the reforms avoiding the veto points of the political system.

4. THE CONFIGURATION OF THE CHILEAN AGENDA OF REFORMS: INCREMENTALISM AND LONG TERM POLITICAL AGREEMENTS

After these experiences of adjustment, the trajectories of each country in its relation with the WB are different. The main divergence is that in the Chilean case the financial assistance from the WB was substantially reduced from the beginning of the 90s, but the work of the WB with the country was not reduced in qualitative terms. Furthermore, they engaged in a narrow relation of technical assistance, sectorial studies, and some programs focused on very specific areas selected by the Chilean government. On the contrary, in the Argentinean case, as we will see, the financial assistance grew substantively during the 90s caused in part by the crises already mentioned, but also because of the political realignment that occurred in the country in 1989, which generated a change of direction in the economic policy and State reform.

4.1. Chile. Political agenda and State reform

As we have already indicated, Chile did not escape to the "debt crisis" activated by the Mexican moratorium in 1982. Furthermore, this crisis, beside to indicate the practical limits of the orthodox neoliberalism, had important political effects as for the reorganization of the opposition to the dictatorship (Santiso, 1998). In 1990 the Chileans chose their first democratic government since 1973, and these elections introduced, evidently, a substantial modification of the political regime.

Following such a particular model of political transition, that meant for the democratic forces the strategy to accede to the political struggle within the institutionalized rules of game by the authoritarian regime in the Constitution of 1980, the Concertacion arrived into power. It has been a political coalition of center and center-left parties constituted by the Christian Democracy, the Socialist Party, and the Party by the Democracy (Valenzuela, 1997; Joignant, 1999; Garretón, 1995). It is important to emphasize here that the WB itself observed this political change like a change with continuity: "the elections generated a substantial change in the political regime, but not in the way most of the Chileans conceive the economic policy" (World Bank, 2002: 2).

Although the process of modernization of the public management in Chile acquired a strong impulse and a particular agenda with the arrival of the Concertacion administrations, the preoccupation on the efficiency of the public institutions practically existed from the beginning of the republic. Already in XIX century, leading politicians as ÓHiggins stated the necessity to have an administrative statute for the government officials⁸. More recently, in the 1960s, Chile worked with the support of an United Nations mission to propose some reforms in the operation of the State that has lasted until present times (Marcel, 2005). As of 1973

⁸ Certainly, one of the central characteristics, in historical perspective, of the Chilean State, is its early formation and consolidation, especially if compared with most of the Latin American states. The Chilean State was consolidated in the 30s of XIX century (Gongora, 1986). However, in the Argentinean case the consolidation of the National State was completed by 1860s after extensive and complicated internal and interregional political struggles (Oszlak, 1997).

there were also important reforms in the operation of the public administration: the regionalization took place, based on the works and studies of the ODEPLAN from 1960s, and a new law of financial administration was created (Armijo, 2002). Nevertheless, the policies of adjustment and privatizations of the 80s produced an important deterioration of the capacity of the Chilean public administration (Marcel, 2005).

It is fundamental to address that one of the central features of the Chilean transition is the existence of a strong network of intellectual and technocratic groups embedded in the Chilean State structure. They play a key role in the progressive and gradual character, not just of the political transition, but also of the configuration of the policy agenda (Puryear, 1994). Even more, these groups have been key players in the Chilean political debate already since the 70s, and particularly during the 80s (Silva, 1996; Huneeus, 2000), and have conformed a very strong and structured public space related to the management of the State. As Santiso and Whitehead (2006) have mention, "the existence of counter-vailing powers and of cognitive institutions that provide the 'protective umbrella' for democratic counter-elites have been to fundamental aspect of smooth democratic transitions such as that of Chile, where think-tanks like CIEPLAN, kept alive by the Ford Foundation and the Christian Democratic Party and nurtured the restoration democracy, played to survival pivotal role in ensuring the technocratic counter-vailing powers and alternative arenas of debates"⁹.

In the first period of a democratic government, President Aylwin's administration (1990-1994), the reform of the State was not a priority given the political context and the importance those subjects bounded to the democratic transition acquired. In addition, as Marcel indicates (2005), "the idea that still prevailed at that time was that the Reform of the State was a concept that belonged to the right and not to the political sector that was in the Government". Nonetheless, in this period there appear some isolated reform experiences, or pilots, that were more concerned with the actions of certain entrepreneurs on the interior of the State than with a structural policy for State reform (Waissbluth, 2005).

Concerning the reorganization of the political management of the State some important changes occurred, such as the creation of the General Secretary of the Presidency as coordinating unit in the executive branch, the creation of the regional governments, and the democratic election of the mayors. One of the salient points of this period is that a competition between agencies that persisted in the Chilean State was solved, when the Office of Planificacion Nacional (ODEPLAN) became a Ministry (MIDEPLAN). Paradoxically, this change meant its transformation into a sort of "social Ministry" along with the dismantling of its capacity of strategic planning. This function was monopolized by the Ministry of Hacienda and in particular by the DIPRES (Direction of Budget), which controls without any counterbalances the fixation of short, medium and long term priorities (Waissbluth, 2005).

⁹ These authors go beyond the concept of *epistemic communities* (Haas, 1992). "Here the concept of *democratic epistemic communities* is therefore important to take into account: technocratic cognitive institutions are important but the existence of an articulated epistemic community, spaces for deliberation and arenas of interaction between "experts" and "politicians" are fundamental (Santiso and Whitehead, 2006).

Consequently, there are two institutions that appeared like "motors of the reform", namely the DIPRES and the General Secretary of the Presidency. They counted with their Inter-ministerial Committee of Modernization, which soon would be transformed into the Program of the Reformation and Modernization of the State (Waissbluth, 2005). But fundamentally the DIPRES controlled the main strategic axes of the Government in matter of definition of priorities for programs and for the budget, the most important programs in the matter of modernization of the State, and it was besides the institutional interlocutor with the multilateral banks.

During this period the government consolidated the change of axis in the reform of the State field, passing from putting the accent on the fiscal stability to a preoccupation in the State's functions quality. One of the landmarks was that the Government perceived that the increase of budget allocation on key areas of the State's management (health) did not produce visible improvements in the quality and amount of the services being offered. "For that reason we began to pay attention to what happened in other parts of the world. We studied what was happening in Great Britain, the reforms of New Zealand, and we studied the less well-known reform of Australia, everything which lead to some still timid steps in 1993"(Marcel, 2005). It was then that under the leadership of the DIPRES the idea to construct performance indicators for the budget elaboration began to develop, as well as a pilot arrangement to promote the strategic planning of public services (Armijo, 2002).

These advances were consolidated during President Frei's administration (1994-2000), when the subject of the modernization of the State returned into the governmental agenda in an explicit way. In this period the Inter-ministerial Committee of Public Modernization was created, along with the outline and first passages of a public purchases system and a first version of the Law of High Public Direction. Nevertheless, the former stayed without any advances due to the lack of political support. Also some important cross-sectional reforms appeared in this period, such as the Law of Probity, the development of the Information bureaus and Reclamations. Also the concept of ministerial goals and estimated associated to goals and indicators of performance began to develop (Waissbluth, 2005).

The Inter-ministerial Committee of Public Modernization adopted a quite pragmatic approach that consisted on promoting and forcing the reform or the modernization procedures where it was possible to try to develop pilot experiments that soon served to spread and expand the reform. A fundamental hito arrived in 1996, when the performance-based mechanisms of remuneration began to be introduced in Customs services and the health sector (Armijo, 2002).

Promoted by the government, in 1996 two very important studies for the development of the reform took place: first, a study on the organizational climate in the public sector; second, one on the perception of the users of the public administration services. The dialogue constructed from these studies allowed the government to find an interlocutor within these organizations of public sector workers, as the National Association of Fiscal Employees (ANEF). Thus, in 1998 an important agreement between the union and the government was reached, and the ANEF allowed the introduction of a much more massive scheme of

performance-based remuneration (Marcel, 2005). Through this, it was also possible to generate an important critical mass of professionals, initiatives like the organization of seminaries, publications, the creation of an industry of consultants linked to the public management, and the creation of “posgrados” and “postítulos” in public management. Finally it is also worth to mention the formation of a Commission of the Reform of the State in the CEP¹⁰, as an academic initiative arisen from the outside of the State.

Finally, during the administration of President Lagos (2000-2005) the Modernization of the State policy was deepened, on the base of an extremely rigorous macroeconomic handling. One advance in reforms dealt with the Digital Agenda and the Program of Improvement of the Management was deepened. Nevertheless the landmark of the period was the agreement government-opposition that was engaged for the State reform. They arose from a crisis produced by a corruption scandal inside the Ministry of Public Works (MOP) that was known as the MOP-GATE. According to those in favour of the reform, this crisis (originated by bribes in licitations) put in evidence the problems the labour rigidity implied for the public management and for the public sector wages (Waissbluth, 2005).

Certainly the scandals around the MOP opened the window of political opportunity so that the agenda of the reform of the State could be consolidated with the “agreements for the reform of the State of 2003”. This agenda was generated completely from the State, and the political agreements reached with the opposition were orchestrated by the Minister of the Interior, Jose Miguel Insulza. From this basis of political negotiation, the content of the agreements became from the subjects that already were being worked by the DIPRES and the Commission of the Reformation of the State of the CEP. Hence, in few months, fundamental political initiatives for the reform had been approved by the legislative branch; they included the cross-sectional deeper reforms of all the democratic period, as the law of acquisitions, the Chilecompras system, the law of electoral financing, and the law against treatment (Marcel, 2005; Waissbluth, 2005). This last one meant the “**concursoabilidad**” of all the positions of intermediate level in the public administration, and the designation of the directive positions through short lists selected by an independent Council of High Public Direction.

4.2. The WB and the reforms implemented by the *Concertación*

In this point it is fundamental to consider two remarks. First, that the WB strategy of assistance for the country is adapted to the modifications that the own Chilean political agenda has experienced. Second, the projects that the WB has developed in Chile are highly articulated with the local policy agenda, as a result of a very selective working strategy with the WB constructed by the government, based on the priorities fixed in an incremental way.

¹⁰ The Centre for Public Studies (CEP) is one of the most important Think Tank of Chile, and is going to have in the reform of the State during the Government of the President Lagos a key roll in the technical configuration of the program of reforms (Braun, 2004).

In fact, with the first democratic government, the strategy of the WB was concentrated in three pillars: a) macroeconomic stability, to support the economic growth; b) international opening of the economy, to increase productivity and effectiveness; and c) greater expenses for public in health, lodging, education and social security (World Bank, 1995). Certainly, besides the political priorities of the transition, the government was particularly worried about finding an "alternative way" that allowed to maintain and to consolidate the economic reforms of the 80s but lessening the poverty indicators inherited from that decade.

The trends in Bank lending were consistent with those outlined in the strategy papers. The Country Strategy structural for Paper 1986-88 identified adjustment as the main element of the strategy. As the economy stabilized, the strategy began to move away from a macroeconomic focus. Instead, the Bank strategy for 1988-93 proposed capital sector adjustment loans in the markets and social sectors, complemented by investment loans. The political and economic changes of the early 90s agreed with the situation in which Chile needed less foreign lending. But the country still had large social gaps to bridge and it also needed to improve its infrastructure. The Bank's assistance strategies for 1993-95 and 1996-98 focused on developing human resources and transportation (World Bank, 1995).

Along these lines, the country assistance strategy (CAS) of the WB for Chile in 2002 reflected the momentum that had gained the task of the reform and modernization of the State in the governmental agenda, as we have seen. This strategy fixed three ample objectives to support the government programs: (1) to maintain the economic growth and the social policy, (2) to increase social and economic inclusion, especially of the rural populations and the vulnerable groups; and (3) to modernize the State as the foundation of both previous objectives (World Bank, 2002b).

The process of modernization of the State in Chile has been a gradual but continuous process, in which the most important steps were consolidated with the political agreement of 2003. These allowed advancing in the establishment of goals within the public management, to create new institutions in the field of human resources, and to drive the development of the electronic government. In this sense, an evaluation of the financial management performed in 2005 by the WB and I.A.D.B. stated: "Chile is in the middle of the second generation reforms in the public sector. At the present, the objective is not just the fiscal discipline but the improvement of the quality of the public services, that is to say, in obtaining the effectiveness and efficiency of the Government. Such improvements are possible now, simply because they may be supported on the solid fiscal existing base of (i) stability, (ii) the financing assured, and (iii) a use of resources in agreement with the budgetary authorizations, with a reliable information on the income, uses and financial positions " (World Bank and I.A.D.B., 2005).

The same report also ponders the importance of the Chilean political agreements to advance in the modernization of the State: "At the beginning of the 2003, the Government and the opposition decided a national plan to modernize the state institutions (a reform of the civil service, the streamlining and simplification of administrative procedures to reduce the

uncertainty of the private sector, a law of acquisitions, and a package of measures to increase the transparency of the government)" (World Bank and I.A.D.B., 2005).

Another important example of the way in which the democratization installs new subjects in the policy agenda of the government with the WB, but always gradually, is the subject of decentralization. Before the re-inauguration of the municipal elections in 1991, the Military Junta had decentralized progressively some functions and services to the municipalities. The central government, nevertheless, appointed Mayors and maintained strict controls on the policies and municipal expenses. Only with the return of democratic life in 1990 the Chilean government began to implement the constitutional and legal reforms that would allow elections and political autonomy at municipal level (Valenzuela, 1997; Serrano and Berner, 2002)

From the democratic restoration on the Chilean government began to discuss with the WB about programs for reforms and modernization at the subnational level. Certainly, the reorganization of the democratic system at the local level was the main objective of the national government. In the first place it requested the preparation of the Pilot Project of Municipal Development (MDPP). Under this MDPP, the Bank financed a series of studies to direct the main political aspects and to apply some of his recommendations to the municipalities (World Bank, 1998).

Concerning the financing, from the mid 90s the government decided to substantially reduce the amount of financing demanded to the WB, focusing his relation with the organism in a series of activities of economic analysis and technical advice. In fact, the evaluation of the WB on its relation with Chile in 2002 raised that "As Chile grows richer and the Bank's involvement in the country declines, the Bank needs to consider ways to respond to Government requests for policy advice and economic and sector work. The Bank should be ready to prepare short policy notes drawing on its global knowledge "(World Bank, 2002).

Thus, the WB and the government decided the technical accomplishment of a series of studies and assistances that allowed Chile to continue working with the WB in evaluation projects for public policies implemented by the government, like the reform for the profesionalization of the civil service and the system of budgetary management by results.

Furthermore, these *economic and sector works* were very useful for the WB to support lending operations and policy advice throughout. They emphasized elements that became the foundation of the Bank's strategy for Chile: stabilizing, adjusting and reforming the economy, and consolidating growth, and other sector's operations. With regard to the important reforms of the public sector, the Chilean government has trusted the WB to the analysis and evaluation of some of them, because of its significance in terms of international certification of the policy, among other positive aspects. At the end of 2005, the WB performed a study of impact evaluation of the program of evaluation of programs (part of the program of budget by results)¹¹.

¹¹ The Chilean system of management controls and results-based budget consists of these monitoring and evaluation tools: performance indicators; program and agency evaluations (including Comprehensive Spending

The articulation of WB projects with governmental policies has been very high and it has taken place from the identification of projects between both parts and from the definition of the reform agenda of the Chilean authorities. This can be seen not only with programs of technical assistance, but also with loans. With the return of the democracy, in 1991 the WB granted to Chile a 17 million u\$s loan for a program of improvement of the management of the public sector (World Bank, 1991). This loan served to modernize the legislative and judicial branches that were basically inactive during the course of the military dictatorship. In the executive branch, it served to fortify critical areas that deal with the fiscal management, and to take ahead some pilot experiences of reforms that have been detailed in the previous section. The reforms that we have mentioned relative to the budgetary management by results, to the evaluation of programs, were fortified by the Public Expenditure Management Project.¹² This, aims at improving the effectiveness, efficiency, and transparency of the Chilean public administration, through the establishment of a modern, and integrated financial management and resource allocation system.

Others sectors that have been progressively strategic for the Concertacion's administrations are decentralization, and regionalization and territorial development. In this matter the government has resorted to the assistance of the WB, first with the loan for the municipal modernization and soon with a loan approved in December of 2004 for the territorial development (Chile Infrastructure for Territorial Development -Project P076807-) aimed at increasing the effective and productive use of sustainable infrastructure services.

Also, it was decided by the government to enhance some particular areas of the Management of the State with WB programs. A significant example is the Ministry of Public Works, that had entered at issue by the tie scandals the MOP-GATE. In addition it had had to face the strong growth of the public investment of the Concertacion era. Chile's Ministry of Public Works Institutional Strengthening Programm (Project P102931) is a project of technical assistance that has not been approved yet by the WB but that it is already being advanced in its definition.

In general, the WB considers that the outcomes from the Bank's programs have been highly satisfactory. Bank assistance supported substantial institutional development, and time has shown that the achievements reached have a high likelihood of being sustainable. Moreover, the WB considers that Bank lending assistance to Chile stands out among the best in the Bank in terms of outcome, sustainability and institutional development (World Bank, 2002).

Reviews); a Bidding Fund for public programs; Management Improvement Programs linked to performance bonuses for central government employees; and Comprehensive Management Reports. This report focuses on the program evaluation tool.

¹² Project P069259 approved by the World Bank in February, 2002

5. THE CONFIGURATION OF THE ARGENTINEAN AGENDA OF REFORMS: THE POLITICAL LIMITS OF THE STRUCTURAL ADJUSTMENT AND THE MODERNIZATION OF THE STATE.

The trajectories of both countries in relation with the WB are significantly different after the experiences from structural adjustment of the 80s. In the Argentinean case the attempts to advance in some measures of reform supported by the WB in that period were frustrated by the political and economic circumstances already mentioned. Thus, the reform of the State was implemented during the decade of 1990 and became one of the elements of the structural reforms program implemented by the administration of Carlos Menem.

5.1. Argentina during the 90s: fiscal adjustment and the State reform

In the case of Argentina, during the period that goes from 1990 to the end of 2001 the adjustment loans given by the WB became an essential instrument for financing the economic reforms implemented throughout this period¹³ (Lucioni et Dovskin, 2002). This meant an important increase in the operations, as much in number as in volume, with different instances from the national Administration and extended to the provinces (Lucioni, 2003). In this sense, the particularity of the Argentinean case is the sequencing of the process, since the administrative reforms of the public sector that began in this period were closely connected to the programs of structural adjustment and the objective to diminish the structural fiscal deficit.

Concerning the administrative reforms in Argentina, they have been historically delayed (especially if compared with countries like Brazil and Chile), besides conforming a permanent patron of institutional discontinuity. As Sikkink (1993) puts it "before the Peronist government it did not exist nor in the national government nor in provincial any uniforms or centralized control of the selection, promotion, norms of labour conduct or dismissal of the public officials, which caused that each change of government generated a great rotation of public employees (...) It did not settle down meticulous procedures of entrance to certain public positions until 1957, but the conditions who had to be fulfilled they continued being vague".

This delayed and erratic formation of public agencies also occurred in other strategic areas of the State, like the planning for development and the promotion of investments, among others (Sikkink, 1993), and ended up deepening during the military dictatorship of the 70s.

¹³ The first democratic government who assumed in 1983 (Raul Alfonsín of the Radical Union Civic - UCR -) experienced serious political and economic difficulties that prevented him to advance a series of structural reforms, which ended at a crisis between 1988 and 1989. In this context Carlos Menem of the Justicialista Party gained the presidential elections (Peronism) that must assume early the given position given the magnitude of the political crisis. Nevertheless, this anticipated assumption was product of a negotiation between the UCR and the PJ in which the UCR was committed not to prevent in the national Congress the projects of law of reform of the state and economic emergency that Menem protested early to be made position of the government.

With regard to the 90s, Rinne (2003) distinguishes within Menem's administrations two different models of administrative reform, divided in periods. In the first stage, the administrative reform was dominated by fiscal objectives, from measures of state apparatus shrinking that meant an attempt to reduce the deficit held by public accounts, through a decrease of the public employees' base, reducing the amount of agencies of the national public sector.

The objectives that considered the Ministry of Economy in this period had to do with the drop of the cost, rationalization and simplification of structures, disarticulation of the structures of the interventionist regulating State, fortification of the capacity of management in critical areas for the state operation as the tax collecting services, and of distribution of the resources (Direction of Administration) (Ghio, 2002).

Regarding the politics of this reform, this first stage was characterized by a management style that concentrated resources of authority in the figure of the President, and politically isolated the task force in charge to take ahead the reforms. The CECRA is created, a technical committee within the Ministry of Economy, to take ahead the reform. It reached to the technical and financial assistance of the WB for these projects (Repetto, 2001). Concerning the legislative approval of these reform packages¹⁴, they were obtained by different strategies: by the use of presidential decrees of necessity and urgency, by the economic emergency justification, by the agreements with the UCR in respect to the anticipated assumption, and by the strong leadership and the specific weight of the PJ in Congress¹⁵ (Acuña y Smith, 1996). But in none of these cases, there was a medium term political agreement that allowed the sustainability of an ample program of reforms and its institutional consolidation.

Although it is certain that in the first stage of reforms the Mediterranean Foundation play a key role in the provision of technical personnel, analysis, and measures for the reforms to be implemented, this think tank did not manage to generate the embedding process in the structure of the State.¹⁶ Also, they lost a great part of its influence when its main figure, Minister of Economy Domingo Cavallo, left its position in 1996.

On the other hand, the government resorted to both profit the existing division between main unions of public employees (ATE and UPCN). Since both competed in the

¹⁴ The program of reforms of the government of Carlos Menem amount on some key laws that enabled it to execute the necessary measures and that they gave to the Executive authority special faculties him justified by the context of economic crisis. First of them it was the Law of the Reformation of the State (Law 23,696) approved in August of 1989. The other was the Law of Economic Emergency (Law 23,697) (Torre, 1998).

¹⁵ A very influential explanation on the political economy of these reforms is the one of Gibson and Calvo (2001) that maintain that the political sustenance of same in Argentinean a federal country as the profit with the construction of a coalition of peripheral provinces to which it was awarded with the temporary stage of such reforms.

¹⁶ Some others think tanks as the Foundation of Latin American Economic Investigations (FIEL) would have certain influence in the reforms of the government in this period, but always of sporadic way and not of structural way (Uña and Garcés, 2007). Argentina, although has an important educative development, an important level of professional formation and a diversity of production and research centres of policies you publish, has not developed stable epistemic communities that can affect the formulation of the policies systematically you publish (Santiso and Whitehead, 2006).

scope of the public sector, the government chose as interlocutor the UPCN. In exchange for their support to the reform they were offered to participate in the CECRA and to have influence in the definition of the lists containing the optional retirements and the personnel reductions (Repetto, 2001; Rinne, 2003). Certainly, this tactics disarticulated the possibility of a union's resistance to the reforms in the public sector.

The balance of this first stage of reforms is the reduction of the State through two complementary methodologies -privatizations and reduction of the public employees-, the reconstruction of the fiscal system that allowed the reordering and the substantial growth of tax collection and a greater planning of the expenses, and the extensive application of deregulation measures that included the reduction of state regulating agencies (Ghio, 2002).

One second stage of the reforms coincided with the second mandate of Menem, and with the previous reforms to the national Constitution. These meant the creation of the Chief of Cabinet of Ministers (JGM) that became a competing agency with the Ministry of Economy, for its faculties in the budgetary process, as well as for the control of the public administration. In fact, in 1996 the Unit of the Reform and Modernization of the State within the scope of the JGM is created, and the function to elaborate a program of the State Modernization for this second stage is attributed to the JGM, after making the monitoring of the Program in all the areas of the national government. In this way, the Ministry of Economy lost the total control of the State reform process and the fixation of budgetary priorities. Furthermore, from then on they would have "to share" with the JGM the position of interlocutor with the World Bank¹⁷ (Lardone, 2004).

One of the central mechanisms of this stage was the fusions of State agencies that continued persecuting the objective of lessening the fiscal deficit through the reduction of the State apparatus. Nevertheless, this reform was doomed to become gradually weaker as long as the central administration was consolidating new structures that evaded the restrictions stated in the decree N° 660/96, which prevented the creation of new areas or agencies within the national public sector. As soon as that the fiscal urgencies left the critical periods, the control on the public sector relaxed (Rinne, 2003)

Something similar happened with the SINAPA¹⁸. This was a political attempt to organize the national civil service, the systems of promotion, and the aids by intermediate positions, among other measures (Abal Medina and Nejamkis, 2002). Nevertheless, this program had serious problems of institutional design that prevented its transformation into a true program of public sector profesionalization. The differences, for example, between certain categories of personnel were not precise enough and they did not prevent that the

¹⁷ As of 1997 the JGM is the person in charge to consider "priorizacion" of the projects to be financed with the WB or other sources of multilateral financing. This does that the Ministry of Economy and the JGM you must look for coordination mechanisms to take ahead the different instances from I engage in a dialog and negotiation with the WB. Nevertheless, when not existing clearly institutionalized mechanisms for this coordination, the same one ends up depending on the personal relations that settle down between the civil employees of both organism.

¹⁸ The Sistema Nacional de la Profesión Administrativa (SINAPA) it was the new scheme of organization of civil service organized by the national Government after made the first reductions of personnel in the sector I publish national.

entries to the administration by the political route could soon be transferred to more stable positions within the administration. In fact, the main failure of the SINAPA was given by the multiplication of forms of individual hiring that proliferated in the State for "avoiding" the SINAPA, like the lease of services, internships, international hiring, consultancies (Ghio, 2002).

The available studies on the subject show that what this policy produced in fact is an enormous rotation of personnel within the public sector. Although many losses were caused by the same measures of reduction of the State (optional retirements, compulsive retirements) these were combined to a dynamics of natural losses whose annual average was not inferior to 5% (Orlansky, 1999). If we added that the SINAPA did not finish with the politization of the public administration sphere, the effects on the stability and professionalism of the government employees can be evident.

As Ghio and Etchemendi (1998) indicate, the administrative reform appeared like a necessary and urgent policy in the context of the economic emergency situation, but this impulse lasted a couple of years, and its implementation became politically difficult once the fiscal urgency was surpassed. With the effects of the Tequila crisis in 1995 on the Argentine fiscal situation, there was a new impulse on getting through some of the pending reforms, but that did not last enough because it suffered the political problems that we have already analyzed. One of the main problems, in this sense, is that as the reforms were implemented to a large extent by presidential decrees to avoid the legislative veto, the same ones could be easily reverted once the raised conditions of emergency were surpassed (Ozslak, 1999). In addition, the reforms of this second stage were organizationally and institutionally more complex than the reforms of downsizing, and therefore required political agreements and negotiations (Rinne, 2003).

In the Argentinean case, also the subnational issue enters the agenda with the WB in this period, but with a series of incentives much more related to the resolution of the fiscal problem¹⁹. Between these years, the WB granted the first operations destined to the provinces, those that had been organized with the intermediation of the national government and the transference from the bottoms to the provinces. The agreement of these loans responded to a strategy shared between the WB and the central government as for the programs that must be put in practice in the provinces and needed to be provincial public oriented themselves in a great part to the reinforcement of the sectors (Lucioni, 2003). The Ministry of Interior administered a general program for all the provinces, whereas the Ministry of Economy began to apply programs that were not project-driven, instead, they were oriented towards results, that is to say, loans of adjustments destined to deepen in the fiscal reforms in the provinces, mainly the privatization of the provincial public banks (Vetter, 1997).

¹⁹ The question of the tax and political relations with the provincial governments, in the context of a federal institutional structure like Argentina, was one of the central problems of the Government to control the macro-economic and fiscal results program of reforms. In this direction, the studies carried out at the time by the WB (World Bank, 1990) indicated that provincial management explained a rather significant part of the consolidated deficit of the Argentinian public sector, by exceeding the deficits of the National Government and that of the public companies.

5.2. WB lending to sustain Argentinean reforms

As in the case of Chile, in this point we want to consider two issues: on the one hand, the evolution of the WB's strategy based on the political changes of the country; on the other hand, to show that the portfolio of WB loans acquired a significant magnitude based on the agreed policies of reform with the government during this period.

After the frustrated attempts of reform of the 80s, that ended at one serious economic crisis and a steep change of government, "the Bank's assistance strategy, after some hesitation during 1989/90 at the very start of Argentina's structural reform process, gained momentum from 1991 onwards, *pari passu* with the introduction of the currency board arrangement, the core of Argentina's stabilization program" (World Bank, 2000).

From that moment, the WB strategy towards Argentina during the 90s did not suffer substantial modifications, since the central problems identified did not change throughout the period. What indeed was being modified in the strategy of the WB was the focus on some of the points of the strategy as long as they registered advances in some of the reform processes. Thus, during the early 90s the focus was public sector reform and privatization (Public Enterprise Reform adjustment loans in 1991 and 1993, Public Reform Sector loan in 1992) and financial sector adjustment (1993). In 1995 the Bank made its first adjustment operations targeted at the provinces (Provincial Reform loan and Provincial Bank Privatization).

The 1997 CAS and the 1998 CAS Progress report were very explicit in proposing a social Bank portfolio focussed on provincial development. The FY97-00 CAS focused on: i) enhancing social development, including poverty alleviation and human resource development; ii) improving the institutional performance and government capacity, particularly at the sub-national level; and, iii) consolidating structural reforms, including public finance, financial work markets and the markets (World Bank, 2001). But one of the main risks of the portfolio continued being the need to provide financial assistance emergency in the case of external shocks, as it actually happened in 1998. This meant the necessity to modify the lending program to accommodate the dwells urgent needs of the 1998-99 crises²⁰. To help the government face this crisis, the Bank approved the 1998 SSAL and its associated Special Repurchase Facility Support Loan. In 1999, the Bank also approved the Policy Based Guarantee Operation (World Bank, 1997).

As evaluated by the WB (World Bank, 2000), "the strong commitment by Argentina's top political leadership was clearly the key factor in the successful restoration of growth and stability during the 1990s as well as in the economy's ability to deal with external shocks". But this was only true for the first generation reforms of the first part of the 90s

²⁰ In general, the largest volume of Bank commitments went for multisector lending: this consisted of only two somewhat exceptional operations: a debt and debt service reduction loan in 1993, and the US\$2.5 billion special SAL in 1999 in response to the financial emergency (World Bank, 2000).

decade. The evaluation of the Bank (World Bank, 2000).states that “there is one important institutional weakness, however, that both the Bank and the government have ignored in the period of review: the administrative reform of the Federal Government”²¹.

The Country Assistance Review for Argentina of 1996 (World Bank, 1996) had already found that the Bank's assistance outcome had been satisfactory starting in 1991, but that the institutional development impact had been modest and, above all, that the sustainability of the achievements remained in doubt. Following the Bank’s finding (World Bank, 2000) the *sustainability* of reforms in Argentina depended on three sets of factors: first, on the perceived vulnerability of the Argentinean economy; second, on the extent to which the reforms have become imbedded in the institutional setting of the country; and third, on the future commitment of the government²² to keep in place prudent macroeconomic policies and aggressive policies to eradicate poverty.

Even many of the reforms that had attained a significant degree of institutionalization -like the Currency Board that established the country's foreign exchange regime, and the productive relationships between the federal and provincial governments that had progressed at a slow but firm pace- were clearly reverted after the 2001 crisis and the political changes that followed it. The new fiscal and economic context of the country has meant, from the devaluation and from the renegotiation of the external debt, a change in the situation of structural fiscal deficit, which has significantly modified the government’s priorities. By the way, this also has impacted in the strategy decided between the government and the WB for these last years. The bulk of lending will now be for infrastructure, particularly transportation, water supply and sanitation social investments, especially health, and Income Transfer Programs. Lending is also planned for Public Sector Strengthening, especially in *rebuilding public institutions* at both the federal and state levels of government.

6. WHOSE REFORMS? THE OWNERSHIP PROBLEM, STATE STRUCTURE AND POLITICAL ACTORS

What we have put in evidence from the comparison made between Argentina and Chile is that the idea of ownership turns out to be a limited one in order to understand the performance of each country in relation to the technical and financial assistance given by the WB. This is mainly if this idea remains to be only linked to a problem of political will and commitment of the political actors. On the contrary, our comparative analysis put in evidence

²¹ “The government took advantage of the recovery from the 1995 crisis to successfully consolidate, with Bank help, the reforms in the banking system. However, both the government and the Bank lost an opportunity to pursue more vigorously the reduction of the fiscal deficit, the introduction of flexibility in the labour markets and the improvement of the efficiency of the Federal Government during those good years, when the trauma of adjustment could have been eased substantially” (World Bank, 2000).

²² In this sense, it is interesting to observe that the evaluation of the Bank, when analyzing the weaknesses of the work on Argentina, suggests to avoid recommendations that are politically unfeasible, or seem so because the authorities and other important groups have not gone through the entire sequence of reasoning (World Bank, 2000).

the weight of state structures, and of the political trajectories in the ownership of the reform programs.

Certainly, one of the main differences between Argentina and Chile is the sequence and gradualism of the reforms. Whereas in the case of Chile the structural reforms of the Washington Consensus were already implemented with the support of the WB during the 80s, Argentina delayed them until the beginning of the 90s. Although this divergence could be explained by the difference of political regime of both countries during the 80s, and the difficulties to make compatible a process of democratic transition with a program of structural adjustment, the fact is that this allowed the Chilean administrations from 1990 to advance on another stage of reforms but on the base of a stable and adjusted fiscal situation. In the Argentinean case, the fiscal and financial instability of the 90s implied that all the agenda of state reforms was subordinated to the objective of reaching fiscal surplus. Furthermore, it created further complications on the planning of medium and long term actions with the WB, since situations of financial emergency as the one of 1998 altered the programming of the government with the Bank and the management of the lending portfolio.

Anyway, although it is certain that the different financial and fiscal conjunctures give to the Governments different margins to manoeuvre in order to organize their policy options in relation with the WB, the cases that were compared illustrated that other series of factors exist that affect one government's capacity to systematize a relatively stable agenda of policies and to negotiate the support of the WB for such policies.

In comparative perspective, some important differences have appeared that can contribute to explain the different trajectories from the countries analyzed in its relation with the financing of the WB. On the one hand, the configuration is different concerning inter-organizational conflict of the State. This includes the conflict between Ministries and the intergovernmental variances. In fact, the Chilean State has a structure of control of the decision making process much more centralized regarding the relations with the subnational governments, but also in relation with the agencies of national level. An example of this is how the the Ministry of Hacienda (and in particular the DIPRES) occupies a key place defining the strategy of policies and financing of the policies. On the contrary, in the Argentinean case, the conflict between the national government and the provincial governments, as well as between the Ministries of Economy and the Chief of Cabinet (and the Minister of the Interior in the case of the relations with the provinces), causes the fixation of the policy to be more erratic, or at least unstable, because the policies and their execution are subject to political changes and to sectorial conflicts. The interesting point of the comparison, is that both cases seem to have journeyed inverse trajectories: whereas the Chilean Ministry of Hacienda went concentrating competences at the expenses to a large extent of the Mideplan (ex- Odeplan), in Argentina the Ministry of Economy was loosing the control on the reforms from the creation of new agencies like the JGM.

On the other hand, to the Chilean State it presents a structure of government officials with greater temporary stability and a certain degree of autonomy in respect to politics, which in addition has evolved through the period analyzed towards a much more professionalized

civil service system. Opposite to that, in the Argentinean case, besides to be a less modern bureaucratic organization, the attempts to professionalize it during the reviewed period have been weakly and non systematic, and have lacked the political consensus needed to implement it. In this sense, the little information available allows us to hypothesize that the temporary stability of the Chilean government officials is higher than the Argentinean, and that that influences in the possibility of managing long-term reform policies, and which does not depend only on the political impulse of the government. Also this influences substantially the dynamics of working with the WB, since the permanent rotation of civil employees makes it more difficult to maintain the rate of implementation of the projects.

Another factor that seems to have influenced in the long term sustainability of the agenda of Chilean reforms is the existence of an arena of interaction between 'experts' and 'politicians'. In this sense, the difference between Argentina and Chile is not the existence of a diversified variety of professional, university research centres, and think tanks, but the type of relation that they establish with the State and the political system. Whereas in Chile a solid array of think-tanks and professional groupings cover a large part of the political spectrum and thus encourage competent decision-making, in Argentina the relations between these spheres of action are circumstantial. This does not seem to consolidate stable epistemic communities able to influence the construction of consensus around the policy agendas.

In short, another key factor is the one of the relations between State and political actors, as we have shown that the agreements between government and opposition in Chile played a key role in the extension and sustainability of the agenda of reforms, whereas in the Argentinean case the political conflicts (including those intra-governmental ones) made so difficult the construction of stable coalitions around the raised state reforms.

Prima facie, the fact that there was greater "syntony" between the governmental policies and the policies of state reform stimulated by the WB in a country in which was less use of conditionality could seem paradoxical. Nevertheless, from the factors identified in our comparative analysis it is possible to clearly see that it does not exist such a paradox, and that the ownership of the reforms, and therefore their sustainability, can be explained through those factors. This coincides with the discussions on the limitations of conditionality to influence in the processes of policy reforms, and it emphasizes as well the importance of thinking about a concept of ownership that is not limited to the issue of political commitment but that puts in consideration some other structural factors like the ones we have used in here.

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