



# The Way of Public Innovation in Developing Countries: Evidence from Mexican Local Governments

*Hector Javier Lagunes Marin  
University of Alcalá, Spain*

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**Abstracts:** A big portion of public innovation studies is based on the observation of public organizations in developed countries. Therefore, are their findings equally valid in the context of developing countries' public sector? This paper has as a purpose to approximate to the answer. The method consists in the analysis of initiatives participating in the Local Government and Management Award, following a cases-study approach. This contest awards initiatives of Mexican local governments with original design and remarkable positive impact after implementation. Results from observations support the idea that poorly developed institutions often fail in improving from innovation, since innovations requires an appropriate institutional set-up.

**Keywords:** Public sector, innovation, developing economies.



### **Introduction: Understanding Public Innovation in Developing Countries**

Public innovation studies highlight the need for more flexible public organizations that allow for experimentation, waste and failure (Borins, 2006; Potts 2009; Brown and Osborne, 2013), in such a way that the innovation process is enabled. At the same time, there is a claim for reforming public administration, so institutional bureaucratization might not be a barrier for implementing technical instruments and managerial strategies that help for increased efficiency, quality and effectiveness in public administration. This kind of observations recall highly regulated organizations with strong hierarchic patterns of authority and whose views on policy and accountability makes them avoid implementations that represent a chance of failure. However, what could be expected about promotion and implementation of innovation in organizations that do not resemble the latter?

Expectations for development and improvement make implementation of innovations something desirable at all levels of all kinds of organizations. This is also true for regions where society, economy and public institutions remain at a developing state. Therefore, it arise a question on whether the understanding of processes enabling public innovation – acquired in developed contexts – is the same for organizations in developing regions, where weakness of public institutions might place more barriers to successful implementations.

As said before, little has been said about the issue of public innovation relying on evidence from developing regions. Some publications, however, have documented results on the efforts for reforming public institutions and the elements that might have conditioned success or failure. This review make us a ware of some important features of developing public institutions that differ from the context where public innovation is commonly observed and might lead to a different understanding of the innovation process. For example: Samaratunge and Bennington (2002) review the situation of Sri Lanka after a period of reform, Manning (2001) makes an analysis from many developing regions, Arellano (2000) explains the situation of Mexican local government institutions and Cabrero (1997) focuses in the case of Latin American countries facing reforms. Their findings are similar in what makes durable sustainable reforms a difficult task.

Even if they are democratic states, it is common that local authorities in developing countries are taken by interest groups that dominate the local stage, which result in discretionary governs that use public administration as a political tool. Thus, articulation of levels of governance that should be given by law and institutionalization of authority is replaced by negotiation between local and central powers (Arellano, 2000). Public administration accountability is an issue in civil servants' discourse; however, without the adequate instruments for citizens' participation and lack of transparency in budget expense, accountability becomes a simulated compliance (Cabrero, 2005; Arzaluz, 2013). Hence, technical guiding is missed in policy planning, execution and evaluation (Samaratunge and Bennington, 2002; García, 2005).

### **The Case of Mexican Local Government**

Some deficiencies in Mexican local governments concerning innovation development can be understood through a revision of the history of political and administrative arrangements since colonial times and after Mexico's independence. Arellano (2000) describes the idea of **patrimonialistic** values at the root of incapacity (or unwillingness) of Mexican municipalities to bear successful reform and innovation. Arellano explains patrimonialism as



a tradition continued by those that held discretionary authority and power in local regions since governance was configured during the Spanish colonial times. According to this, **caciques** and similar forms of local domination have developed the ability to adapt to successive State reforms and keep their privileges: **in patrimonialism legitimacy is kept by tradition and the capacity of dominant groups to present themselves as advocates of a charity ethic (or welfare state)** (Arellano, 2000, p. 116).

The technocratic vision of government administration as a body led by policy planning and oriented to efficient and effective goals is not valid in the Mexican case, where public administration is an instrument for fighting the political arena and public accountability works as an appeal for justifying discretionary decisions in favor of groups and individuals whose collective benefits are not that clear (Arellano, 2002). In this context there is little place for processes – such as innovation – based on technical aspects like planning, efficiency, quality, measure and so.

There is a trend for institutionalizing public innovation, framed by theories of change and reform in governmental institutions. Trying to embed these ideas into the context of Mexico's public administration has frequently worked as a mean to reinforce a discretionary way for policy implementation, rather than one guided by technical aspects. In this sense, there is an official speech claiming for change, reform and innovation as objectives for public administration improvement, while reform is carried on in such a way that the arrangements that serve to keep a discretionary public administration remain unaltered: "change is for all to stay the same".

In addition to heritage in political uses, lack of social development has led to shortages in institutional development of Mexican public administration. This is even more sensitive in municipalities, with less faculties and resource availability than agencies from states or federal government. Deficiencies of municipal government can be observed in factors at the operative level, such as: lack of formal education (especially higher education) of employees, high mobility of personnel in public office positions, lack of learned and established proceedings, deficient organization and lack of tools and resources for carrying tasks (computing systems, vehicles, technical support, etc.). Cabrero (2004) details some facts that help to make a picture of institutional under-development of Mexican municipalities. These can be read in Table 1.

<b>The majority of Mexican municipalities are characterized by a weak normative and compulsory framework:</b>
64% of the country's municipalities do not even have basic internal by-laws.
Nearly 80% of municipalities do not have regulations for planning.
52% of municipalities do not have regulations for public services.
20% of municipalities do not have strategic planning.
<b>Obsolete administrative systems dominate the municipal scene:</b>
60% of the country's municipalities do not have an administrative area specialized in expenditure, evaluation and supervision.



Almost half of the municipalities recognize having a goal-fulfillment level of less than 75%.
65% of municipalities do not have a Department of Personnel.
Most municipalities recognize having collected taxes and duties 75% below the estimations.
17% of municipalities still do not have a single computer for administrative work.
<b>Mayors and civil servants are of a weak professional level:</b>
18% of local government leaders do not have middle or higher education studies in any professional field.
Half of local government leaders do not have any previous experience in public administration.
Executive civil servants in municipal administration have little accumulated experience in their jobs: 30% have been working in their jobs for less than one year, 55% for less than three years; only 5% have been working for more than five years in their job.
Like local government leaders, half of the civil servants of primary level do not have any previous experience in public administration either.

Source: Cabrero (2004)

**Table 1. Deficiencies in Mexican Municipalities**

Rigid bureaucracies are mentioned in studies on public innovation as a barrier to innovation, since they do not allow for experimentation and 'trial and error' processes, needed for successful innovation implementations to emerge. Thus, claims for a more innovative public sector imply the opposite: norms and authorities (managers, directors, presidents and any decision maker) that tolerate certain levels of waste and failure and that encourage employees to come up with new ideas (and take part in their development) in order to let the innovation process to take its way (Borins, 2006; Potts, 2009). In this respect, Garcia (2005) argues:

*While the need to make a bureaucratic apparatus more flexible might be a goal in some spheres of Mexico's public administration, in the great majority of the municipalities the need to break the bureaucratic inertia in order to be able to innovate does not exist. This need does not exist because a bureaucratic organization has not yet been developed. (p. 3)... Most local governments have not yet developed an organizational capacity that could even be defined as bureaucratic, nor do they have the necessary technical, organizational and institutional tools to face the expectations and needs of their citizens. (p. 4)*

In his work Garcia explains that the lack of systematized procedures and institutional tools in Mexican municipalities is the reason why they are constantly making use of "innovation" as a way to sidestep restrictions and policy challenges. However, these innovations – he says – are no more than *temporary solutions to permanent problems*. They act as a remedy for a lacking *rational structure* and in many instances they will not be continued farther than



the one period of governance in which they are implemented. Garcia claims that most innovations taking place in Mexico's local governments do not occur in spite of bureaucratic rigidity but rather because of its absence. He makes a proposition that contradicts typical arguments of literature of public innovation in developed countries: in order to achieve durable higher leveled innovations Mexico's municipalities should regress in the classic sense of promotion of innovation; that is: to promote systematization, solid organizational structures and a regulatory framework that allow for innovation sustainability.

Another inconvenience that Mexican municipalities face towards innovation implementation is the impossibility of combining objectives of efficiency and *govern legitimation* in implementation of innovative initiatives. Legitimation is pursued through actions addressed to highlight efficiency and effectiveness of performance and to promote citizen's participation in public policy planning (Cabrero, 1997). However, there is frequently the case in developing countries' local governments, such as Mexico, that actions addressed to improve public efficiency generate conflict and deterioration government-citizen relations, while actions addressed to improve government-citizen relations tend to counteract public efficiency (Cabrero, 1997).

Focusing in the case of Mexican local governments, reviewed publications suggest some strategies for fixing the institutional weakness of local public administrations and help for effective sustainable reforms and higher level innovations that can actually bring expected development and improvement. These refer to instruments that allow for citizens' participation in favor of an authentic democratic government, increasing transparency in administration for reducing discretionary budget expense, actions for improving competencies of public servants (such as reducing mobility in job places due to change of governance periods and improving levels of preparation and formal education in public servants), establishing systems, norms and processes that can be a reference for operations after every end of governance periods.

Propositions aiming at more flexible chains of authority and a management style that encourages experimentation and is more tolerant to waste and failure, would be futile in the context of Mexican local governments, where authority relations (from federal to local) are elusive, *experimentation* is the way to go and public accountability does not constraint for waste and failure. A similar situation can be verified in other developing regions (e.g. Manning 2001; Ziccardi, 2004). Therefore, contrary to relaxing solid bureaucracies, promotion of innovation within developing public institutions requires reforms that lead to institutional consolidation and advance in democracy and participation.

### **Mexican Local Governments in the Way for Successful Innovation**

In his work, Garcia (2005) points out differences in capabilities of Mexican municipalities according to their levels of social development. He suggests that some municipalities with certain demographic and development features are closer to *bureaucratic institutions* – resembling those depicted in publications on management reform and public innovation – while others remain in a *pre-bureaucratic* state. His propositions lead to believe that implementation of innovative initiatives is more feasible in big municipalities with higher levels of social development, while small municipalities with low levels of development do not provide the institutional foundations for useful sustainable innovations.

The next step in the analysis is to present some evidence on the achievements of Mexican



municipalities towards implementation of innovative governance initiatives. To do so, it is going to be drawn information will be elauwr from the Government and Local Management Award<sup>1</sup> (Premio Gobierno y Gestión Local). As explained in its own institutional web page, this is a yearly award, addressed for giving recognition to those programs and local government policies which show a positive and remarkable impact in design and implementation. Its objective is to identify, analyze, recognize and disseminate the best local governance experiences in order to contribute to their institutionalization and for developing better practices of management and democracy. For being considered for award recognition, municipalities should go through the award's submission proceeding by filling in basic information of the initiatives they want to propose. It is allowed that one single municipality proposes multiple initiatives in the same year (and it has been the case that one municipality has obtained more than one initiative awarded). These are recently implemented initiatives and – overall – addressed to improve attention to citizen needs, to solve a particular problem or to enhance local governance. Thus, novelty and significance at unit of implementation are constant elements in initiatives taking part in the contest.

The present analysis is going to rely on information gathered from all participating initiatives between years 2005 and 2011. We count on small briefings (less than one page) providing highlights of each of 2.301 initiatives participating in the award over seven years. This information is going to be complemented with demographic information specifically referred to population size and social development. Measures of social development come from the National Population Council<sup>2</sup> (CONAPO). CONAPO offers a measure that classifies country regions and municipalities according to five stages of exclusion<sup>3</sup> suffered by their population: 1. High, 2. Medium-high, 3. Medium, 4. Medium-low, and 5. Low. Exclusion is revised every 5 years. During the period that covers the analysis, exclusion reports were released in 2005 and 2010. However, in order to keep consistence in descriptive statistics, and given the low rates of change in classification, the classification of 2005 will be defined for the whole seven years period. Likewise, basied on information from the National Institute of Statistic and Geography<sup>4</sup>, the National System of Municipal Information<sup>5</sup> classifies municipalities according to the size and concentration of their population<sup>6</sup>: 1. Rural, 2. Semi-urban, 3. Mixed, 4. Medium-urban, 5. Big-urban, and 6. Metropolis. Measures on social exclusion and population will be used as reference to give an idea of differences in capabilities of local administrations. Different levels of institutional development can be observed among Mexican local governments, this presumably linked to the level of economic development and the size and concentration of their respective populations. According to municipalities'

1. <http://www.premiomunicipal.org.mx>

2. Consejo Nacional de Población <http://www.conapo.org.mx>

3. For an overview of the 'exclusion' definition and accounting method see document in [http://www.conapo.gob.mx/work/models/CONAPO/indices\\_margina/marg\\_local05/libro/IndiceMargLoc2005.pd](http://www.conapo.gob.mx/work/models/CONAPO/indices_margina/marg_local05/libro/IndiceMargLoc2005.pd)

4. Instituto Nacional de Estadística y Geografía <http://www.inegi.org.mx>

5. Sistema Nacional de Información Municipal <http://www.snim.rami.gob.mx>

6. Metropolis: more than %50 of population lives in towns with more than 1 million of inhabitants. Big-urban: more than %50 of population lives in towns with more than 100 thousand and less than 1 million of inhabitants. Medium-urban: more than %50 of population lives in towns with more than 15 thousand and less than 100 thousand of inhabitants. Semi-urban: more than %50 of population lives in towns with more than 2.500 and less than 15 thousand of inhabitants. Rural: more than %50 of population lives in towns with less than 2.500 inhabitants. Mixed: population is found distributed as in previous categories, but none of them gathers more than %50 of population.



size and levels of social development, can be observed differences in resource availability, civil servants capability and bureaucratization of organizations.

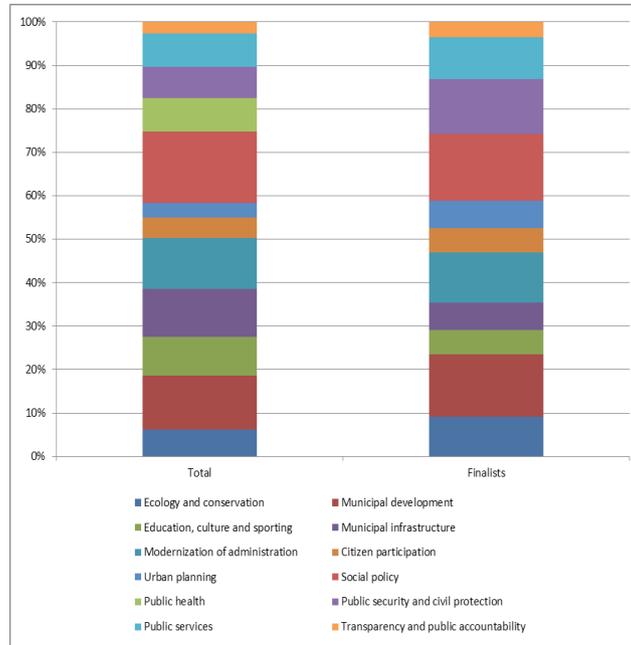
After reviewing the innovation panorama provided by initiatives participating in the award, a more detailed analysis will be carried by reviewing finalist initiatives. The second stage of the award contest consists of a pre-selection of initiatives. A specialized commission is in charge of evaluating participant initiatives and selecting some that show the greatest potential according to the objective of the award. Selected initiatives will go through an in-depth evaluation at the places they are being implemented and the awarded initiatives will be nominated afterwards (around five initiatives are awarded each year). Finalist initiatives: those that were pre-selected by the specialized commission, they are going to be the base for the next part of the analysis.

For the analysis of finalist initiatives they will only be selected those submitted by municipalities at opposite ends of CONAPO's classification of social exclusion: High and Low. This is under the assumption that municipalities at ends of the classification are better comparable due to sizes of population and government apparatus, given that metropolis and big urban centers (with much bigger budgets and more complex government organization) are found in middle levels of the exclusion classification. The analysis has as purpose to identify relevant features in design and implementation of innovative initiatives, as read in their briefings, and build a characterization of initiatives implemented by low and highly excluded municipalities (different in development of their government institutions). The objective is to compare characterization with the ideas explained before on innovation and institutional development.

#### **Frequencies and Percentages of Participant and Finalist Initiatives of the Award**

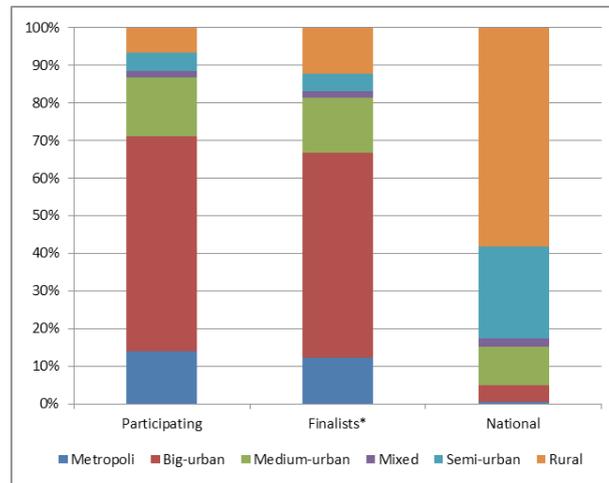
The contest for the Government and Local Management Award is carried every year since 2001. For the present analysis we count on information from initiatives between years 2005 and 2011. Total participant initiatives in that period of time sum up for 2.301 in all award categories, while total finalist initiatives sum up for 175 (a twenty each year, approximately). Initiatives are classified in categories that indicate the field of government action framing their implementation (category is selected by submitting municipalities when filling in submission). However, it can be verified that initiatives generally are not entirely delimited by one single category, due to the extent of application. Therefore, categories are just a guiding reference. Figure 1 shows the sharing of categories among all participant and finalist initiatives during our period of time.

Four out of twelve categories gather around half of total participating initiatives: Social policy (16%), Municipal development (12%), Modernization of administration (12%) and Municipal infrastructure (11%). The image turns to be more or less similar when we account only for finalist initiatives: Social policy (15%), Municipal development (14%), Public security (13%) and Modernization of administration (11%).



**Figure 1. Share of categories in total participating and finalist initiatives**

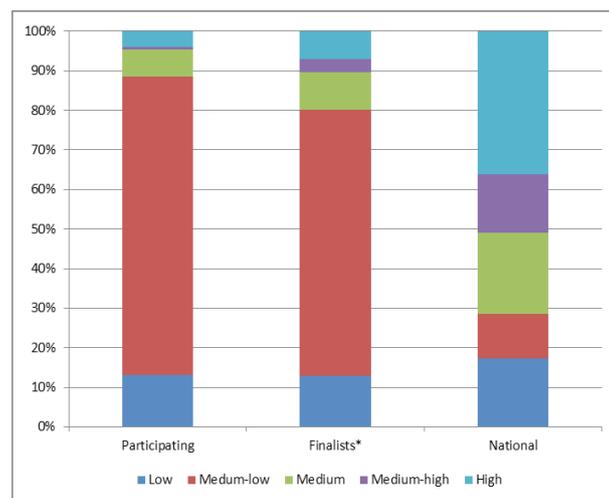
Figure 2 shows percentages of all participating and finalist initiatives, by size and concentration of population on submitting municipalities. The column called 'National' does not account for initiatives, but for the total number of municipalities within the country (2,454). It works for comparison purposes, between proportion of submitted initiatives and proportion of country's municipalities. It calls the attention that more than 50% of total initiatives come from municipalities classified as 'Big-Urban'. That is also true for finalist initiatives. At the same time, initiatives from municipalities classified as 'Metropolis' account for 12% and 14% of finalist and total participant initiatives, respectively. This observation is quite remarkable, since Metropolis represent less than 1% of the number of municipalities in the whole country. Likewise, Big-urban represents 4.5% of country's municipalities. Therefore, around 70% of total and finalist initiatives come from Metropolis and Big-urban municipalities, which roughly represent 5% of the whole number of municipalities in the country. Another remarkable observation is that 'Rural' represents around 60% of municipalities in the country, while initiatives coming from rural municipalities barely account for 7% and 12% of total and finalist initiatives, respectively.



\*Three initiatives simultaneously submitted by multiple municipalities were left out.

**Figure 2. Percentages of participating and finalist initiatives by types of population**

The Same inverse relation can be observed when setting initiatives and municipalities according to levels of social exclusion, as shown in Figure 3 ('National' column is for comparison purposes, like in previous chart). It can be verified that almost 90% of total participating initiatives come from municipalities with low and medium-low levels of social exclusion, while these kinds of municipalities account for less than a third of total country's municipalities. At the same time, those with high and medium-high levels of exclusion account for 5% and 10% of total participating and finalist initiatives, while the same levels of exclusion affect half of country's municipalities.

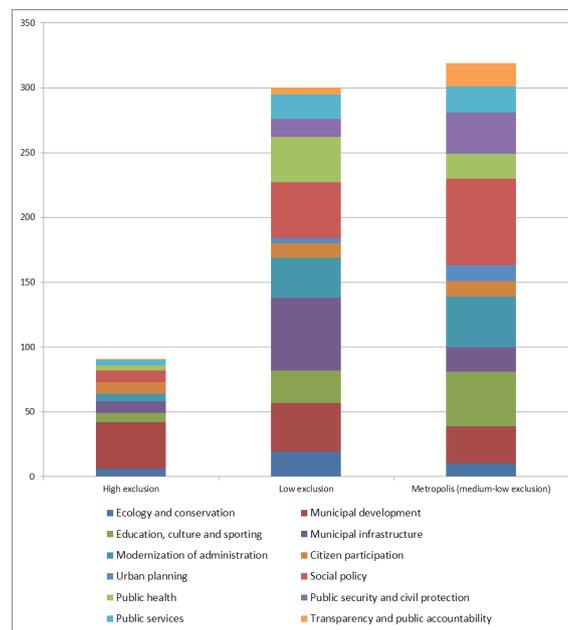


\*Three initiatives simultaneously submitted by multiple municipalities were left out.

**Figure 3. Percentages of participating and finalist initiatives by levels of exclusion**

Figure 4 shows shares of award's categories among all initiatives submitted from municipalities with high and low levels of exclusion. These are compared to the total amount of initiatives submitted by Metropolis. All Metropolis within the country suffer from medium-low levels of social exclusion and account for 0,5% of total country's municipalities. It is remarkable that initiatives submitted by Metropolis surpass initiatives respectively submitted by municipalities with low and high levels of exclusion. Three categories gather around a half of total initiatives from low exclusion municipalities: Municipal infrastructure (19%), Social policy (14%) and Municipal development (13%). Four categories gather around 70% of total initiatives from highly excluded municipalities: Municipal development (40%), Municipal infrastructure (10%), Citizen's participation (10%) and Social policy (10%).

Five categories gather 65% of total initiatives from municipalities classified as Metropolis: Social policy (21%), Education, culture and sports (13%), Modernization of administration (12%), Public security (10%) and Municipal development (9%).



**Figure 4. Share of categories in initiatives submitted by highly and lowly excluded municipalities and Metropolis**

### **Semifinalist Initiatives From Highly Excluded Municipalities**

Within the seven year period covering our analysis, 174 initiatives were pre-selected for the final stage of the award contest. From these, 12 initiatives (7%) were submitted by municipalities suffering from high levels of social exclusion. In Table 2 are presented short descriptions of each of these finalist initiatives and their submitting municipalities. Among these, half of municipalities are classified as 'Rural'; according to their low size of concentrated population. Rural municipalities suffering from high levels of social exclusion are the most frequent within the country (28% from total number of country's municipalities). As seen before, highly excluded rural municipalities are shortly represented among award's total participating and finalist initiatives.



Municipality	Population	Type	Initiative short description
Santiago Comaltepec	1386	RU	Child music band. It was created to preserve traditional music and to inculcate values into children. Instruments were bought thanks to collaboration in funding from other public instances.
Santiago Yosondúa	7197	RU	New ecological nature park. The project was started by a civil association and sponsored by municipal government. Citizen assemblies and funds from higher government instances took part in the development process.
Cabo Corrientes	9034	RU	New eco-tourism attractions. Implementation of new touring routes and attractions. It includes training for local producers, promoting local tourism and restoring public spaces.
Matlapa	29548	RU	Actions for reducing death in birth labor. Actions are focused in diagnosis, information workshops and legal counseling.
Chilcho-ta	30299	SU	Education program for indigenous people. It includes building classrooms and new school spaces and buying new materials. State government participates in literacy activities and was created a 'municipal commission for education'.
La Huacana	31774	RU	Municipal development strategy. It suggests and implements actions for introducing sustainability in all local government functions.
Hueta-mo	41239	MU	Program of economic incentives. Gives counseling and financial aid to the main economic activities of the region.
Tizimín	69553	MU	Delivery of basic public infrastructure. Financial resources from a Federal fund were taken to deliver basic public infrastructure to an area with high social exclusion.
Cintala-pa	73668	MU	Transparent public accountability program. Promotes access to information through a web page and a TV cast and also allows for participation of citizens in planning development and investment programs.
San José del Rincón	79945	RU	Civilian recruitment for policy functions. Neighbors in communities with greatly dispersed population are enrolled to help in policy functions.
Villaflores (1)	93023	MI	Municipal development planning. Design of the plan for development and investment was carried through collective participation of citizens after a hundred of meetings in many areas of the municipality.
Villaflores (2)	93023	MI	Forest fire prevention program. It is based on improvement of technical and material capabilities and participation of citizens and civil organizations.

RU = Rural, SU = Semi-urban, MI = Mixed, MU = Medium-urban

**Table 2. Semifinalist initiatives from highly excluded municipalities**



Finalist initiatives from Matlaha, Chilchota, and San Jose del Rincon are good examples of implementations addressed to improve citizen's life conditions along with basic public service provision, not by its technical design nor by strategic investment, but by creative new ways to deal with resource scarcity and lack of institutionalism.

Remarkable are cases based on extensive citizen participation for designing and implementing policies and programs. Initiatives from Santiago Yosondua, Citalapa and Villaflores (2) put in practice participation at early stages of implementation or as an instrument for an accountable application of core initiative actions. Meanwhile, the initiative from Villaflores (1) stands out from its vast implementation of participation strategies. Only the initiative from Villaflores (2) mentions collaboration of no-state entities.

Initiatives rarely mention considerable investments or great use of technical and financial resources in implementation. Nonetheless, in few cases where considerable investments are needed they are provided by funds from higher levels of governance.

Santiago Comaltepec, Santiago Yosondua and Cabo Corrientes are the smallest municipalities submitting a finalist initiative; their population size makes them to be classified as 'Rural'. Thus, their initiatives appear to be simple idea applications with little bureaucratic complexity (with significant positive effects, nonetheless). Here, social capital seems to be more relevant than govern institutionalism in idea generation and implementation.

Bureaucratic appeal is more evident in initiatives from bigger municipalities, with greater size and population concentration, such as the ones from Chilchota, La Huacana, Huetamo, Tizimin, Citalapa and Villaflores (2).

No initiative seems to be addressed to improve efficiency in public administration. In turn, it seems that initiatives are addressed to strengthen links between public instances and citizens and to develop local government as institution; that is: increasing effectiveness in delivering to citizens' needs and a transparent management of public resources.

There is one particular case where highly excluded municipalities take part in an association with municipalities with low levels of exclusion; it will be described in the next section.

Highlights of finalist initiatives from municipalities with high levels of exclusion can be summarized as follows: i) Improvisation and ad-hoc strategies, ii) Citizen participation is a highlighting feature, iii) Investment and use of technical resources are low: social capital seems to be more relevant, iv) Initiatives acquire a more bureaucratic appeal as they grow in population, v) Goals for administrative efficiency seem to be absent in finalist initiatives, vi) Associating with other municipalities for service delivering, vii) Initiatives addressed to meet citizens' needs and to a more transparent use of public resources.

### **Semifinalist Initiatives of Municipalities with Low Exclusion Levels**

Among 174 initiatives pre-selected for the final stage of the award contest 24 (14%) were submitted by municipalities with low levels of social exclusion. In Table-3 are presented short descriptions of each of these finalist initiatives and their submitting municipalities. In average, municipalities in here are bigger than highly excluded municipalities submitting finalist initiatives. However, the size gap is not as big as could be observed with respect of municipalities with medium-low and medium levels of social exclusion. Nonetheless, it calls the attention that medians of municipalities' population in Table 2 and Table 3 are very close.



Municipality	Population	Type	Initiative short description
Capulámpam de Méndez	1313	RU	Municipal development program. Design of the program is based in high citizen participation, not just in planning of actions but also in its implementation.
El Limón	5410	SU	Inter-municipal actions for restoring Ayuquila river. A trusteeship and a technical commission were created. For carrying the job, complementary financing was obtained and citizens' participation was enabled.
Ixtenco	6279	SU	Citizen council for public account supervision. Creation of a citizen council with the objective to keep surveillance over municipal public accountancies.
Tonatico	10901	SU	Keeping links with emigrated people. Actions addressed to help emigrated people to stay linked to their community. Some other public organizations took part.
Panotla	22368	SU	Recondition public spaces for sport practice. Financial resources from the three levels of governance were taken to enable spaces to be used for sport practice.
Ixtlahuacán de los Membrillos	23420	RU	Increasing revenues in real property taxes. A program of incentives for tax payers was implemented. It helped to overcome a situation where tax revenues were inferior to costs of collecting property taxes.
Jaral del Progreso (1)	31780	MU	Scholarships program. Sponsoring education through scholarships.
Jaral del Progreso (2)	31780	MU	Citizen access. Opening access to citizenry by enabling special modules for attention and giving information on municipality's tasks.
Tuxpan	32462	MU	Inter-municipal development plan. Design of the plan was coordinated between municipalities. It included participation of local producers and civil organizations. Links to universities and technology transfer is a remarkable part of the plan.
Tamazulac de Gordiano	35987	MI	Broadcasting council sessions. A TV channel was created for broadcasting sessions of the municipal council.
Pungarabato	36466	MU	Inter-municipal actions for development. Include various actions framed by a whole development program: urban waste management, delivering basic services, sponsoring entrepreneurial projects.
Ojocaliente	37545	MU	Hepatitis prevention program. Program includes latrines installation, information rounds and medical analysis and diagnosis.
Parras	44715	MU	Enabling delegations to help communication between scattered communities and municipality head.



Zapotla-nejo (1)	55827	MU	Urban development program. Building and restoring urban facilities. It includes participation of the three levels of governance and also private organizations and universities.
Zapotla-nejo (2)	55827	MU	Integral health program. It includes itinerant health services, prevention campaigns, building and restoring clinics and sponsoring eye surgeries.
Coatepec	79787	MU	Forest and water conservation. Creation of a trusteeship for forest and water conservation purposes.
Iguala de la Independencia	128444	UG	Inter-municipal urban waste management. It emerged in the context of an already existent association of municipalities. Being in an association has allowed obtaining funds from higher levels of governance.
Tulan-cingo de Bravo	129935	MU	Paths for no-motor mobility. Setting of paths to help mobility among communities by means of no-motor vehicles.
Navojoa	144598	BU	Actions for restoring the Mayo river. Implementing actions to solve river deterioration
Córdoba	186623	BU	Restoring the urban area known as "Alameda Murillo Vidal"
Othón P Blanco	219763	BU	Construction of community area. Financial resources from a Federal fund were taken to build and recondition a community urban area.
Tehuacán	260923	BU	New 'Intra-family violence attention center'. Creation of a center for aiding and counseling people that suffers from family violence.
Uruapan	279229	BU	New 'Council for municipal development'. A council was created with people representing territories of the municipality. Its purpose is to join citizen participation into planning of infrastructure building.
Acapulco de Juárez	717766	BU	Childs' municipal council. New council that meets regularly for ruling on childhood issues.

RU = Rural, SU = Semi-urban, MI = Mixed, MU = Medium-urban, BU = Big-urban

**Table 3. Semifinalist initiatives from municipalities with low exclusion**

Implementation of initiatives from municipalities with low exclusion looks more complex in management and proceedings (they have a more bureaucratic appeal). This is more or less observable among all initiatives, but especially evident in initiatives such as the ones from El Limon, Ixtlahuacan de los Membrillos, Tuxpan, Pungarabato and Tehuacan.

Initiatives demanding citizens' participation are also common here. Initiatives from Ixtenco, Uruapan and Acapulco de Juarez incorporate participation into the formal organization of the local government. Collaboration of no-state entities is rare. They are mentioned taking part in initiatives from Tuxpan and Zapotlanejo (1).

The use of technical and financial resources is more evident in finalist initiatives from



municipalities with low exclusion, like those from El Limon, Panotla, Jaral del Progreso (1), Tuxpan, Ojocaliente and Navojoa. Also, from initiatives that go through widening public infrastructure, one could deduce public expense is bigger in initiatives from lowly excluded municipalities. Initiatives from Panotla, Zapotlanejo (1), Cordoba and Othon P. Blanco are good examples of it.

Initiatives based in unions of municipalities are frequent. Some of these are made up for services provision, particularly urban waste management. Award's contesting allows municipalities to submit initiatives that are implemented together with other municipalities, as done by El Limon, Tuxpan, Pungarabato and Iguala de la Independencia. However, municipalities associated in the implementation of an initiative are allowed to submit and contest simultaneously. There are two finalist initiatives with significant presence of municipalities with low exclusion (see Table 4). Noticeably, in one of them appear highly excluded municipalities taking part.

Overall, initiatives seem addressed to strengthen local government institution (through promoting transparency and participation) and to improve citizens' living quality. Initiatives addressed to improve efficiency or promote modernization of public instances are not specially highlighted. Certainly, one could think of municipalities associating for service delivering (waste management, in particular) as driven by management efficiency. Nevertheless, the initiative from Ixtlahuacan de los Membrillos is the only one that features the spirit of an efficient public administration (as it is subscribed to the 'Modernization of administration' category). This one of a kind among all finalist initiatives from low and highly excluded municipalities.

Municipalities	Exclusion	Type	Initiative
Concepción de Buenos Aires, Santa María del Oro, La Manzanilla de la Paz, Mazamitla, Quitupan, Tizapan el Alto, Tuxcueca, Valle de Juárez	L, H, L, L, H, L, L, L	SU, RU, RU, SU, RU, SU, SU, SU	Inter-municipal urban waste management
Amecameca, Atlautla, Ayapango, Cocotitlán, Chalco, Ecatzingo, Ixtapaluca, Juchitepec, Ozumba, Temamatla, Tenango del Aire, Tepetlixpa, Tlalmanalco, Valle Chalco Solidaridad	L, L, L, ML, L, M, ML, L, L, L, L, L, ML, ML	MU, SU, RU, SU, BU, SU, BU, SU, MU, SU, SU, SU, MI, BU	Municipal association for development

L = Low, ML = Medium-low, M = Medium, H = High, RU = Rural, SU = Semi-urban, MI = Mixed, MU = Medium-urban; BU = Big-urban

**Table 4. Semifinalist initiatives from jointly municipalities' submissions**

Highlights of finalist initiatives from municipalities with low levels of exclusion can be summarized as follows: i) Initiatives look more complex in management and proceedings (they have a more bureaucratic appeal), ii) Citizens' participation is incorporated into formal government organization, iii) Investment and use of technical resources are higher than in highly excluded municipalities' initiatives, iv) Unions of municipalities are frequent, v)



Initiatives are mostly addressed to enhance effectiveness in meeting citizens' needs and to pursue legitimacy; however, efficiency goals are also featured, to a lesser extent.

### **Discussion**

Statistics show very low participation rates of initiatives from highly excluded rural municipalities. On the other hand, initiatives from big urban centers – typically with medium-low or low levels of exclusion – show an extensive participation. This is opposed to the proportion that these kinds of municipalities represent among the total number of municipalities within the country. Suitable reasons for this to be the case might come from bias in award's promotion of participation, lack of municipalities' interest for taking part in the contest (together with lack of awareness), or that this actually is an indicator of capabilities and un-capabilities of Mexican local governments. Borins (2001, 2006) makes his analysis basing on information from the Innovations in American Government Awards<sup>7</sup>: a contest with a format very similar to that of the Government and Local Management Award. Borins (2008, p. 4) says about information from the American Government Award: "Because the awards program casts its net so widely and generates so much interest, we can be confident that its pool of applicants represents the range of trends in innovation in government". Having Borins argument as reference, if we assume that what can be read from the Local Management Award is a true image of local governments at national level, one could then interpret the small participation rates of highly excluded rural municipalities as evidence of their low capacity for generating novel and significant government actions, while large participation rates of big urban centers might on the contrary be evidencing a larger capacity.

When grouping initiatives by characteristics of submitting municipalities, can be observed different tendencies in award's categories where initiatives are subscribed. Social policy and Municipal development are among most frequent categories. This point to the importance of local government actions addressed to give attention to vulnerable population and to supplement backwardness of citizens' life conditions. On the other hand, categories more related with local government institutional appeal, such as Transparency and public accountability and Urban planning, are less frequent.

It is remarkable that more than a third of initiatives from highly excluded municipalities are in the Municipal development category. In turn, the most frequent category among initiatives from municipalities with low exclusion is Municipal infrastructure, while initiatives from metropolis give some importance to categories that are less relevant among other kinds of municipalities, such as Education, culture and sporting and Modernization of administration. This gives support to believe that municipalities with low social exclusion (presumably, more institutionally developed) and metropolis (with larger financial capacity and more complex organizations) they have partially overcome the pre-bureaucratic stage that hinders the application of novel, sustainable and significant governance initiatives.

In general terms, initiatives encompass to a certain degree the previously described settings of Mexican local governments counteracting efficient-effective administrations' performance. To this respect, the 2011 executive report of the award remarks: Our municipalities tend to high rotation in civil servants' positions, to give little or no continuity to the work of previous administrations and to start every new governance period with new personnel and new organization models... The challenge of our local governments is to lead to good results

7. <http://www.ash.harvard.edu/Home/Programs/Innovations-in-Government/Awards>



in a short time and with scarce resources. This is embedded in reviewed initiatives, where sidestepping and ad-hoc design are still noticeable. However, those initiatives submitted by municipalities with low levels of social exclusion appeal to governmental organizations with greater institutional strength: perhaps a consequence from greater social development. Initiatives that formally incorporate citizens' participation into government organization, higher levels of expense and use of technical resources and certain efficiency pursuing features give evidenced in that direction.

In municipalities with high levels of exclusion weakness of the local governance institution (in what is been called the pre-bureaucratic stage) is more tangible. However, the profile of their finalist initiatives show some interesting characteristics that suggest innovative initiatives can be a way to enhance local government capability and, in the long run, allow for sustainable improvement through innovation. High levels of citizens' participation, use of social capital, aim for development and association with municipalities with better capabilities give evidence in that direction.

Initiatives from municipalities with low and high levels of exclusion have in common the aim for pursuing actions whose results lead to develop life conditions and government legitimacy, while actions towards a more efficient administration are rare in municipalities with low exclusion and non-existent in highly excluded municipalities. Here we might have additional evidence on the dichotomy between efficiency and legitimation. As can be seen, legitimation is much more appealed in reviewed initiatives, which lead to believe that strengthening local government institution is still much needed among Mexican municipalities and it is still a fundamental objective. It is a requirement for a more efficient public administration, which allows for sustainable higher leveled innovation.

### **Concluding Remarks**

Organizations responsible for public administration in developing countries suffer from lack of legitimacy and institutional weakness. In the particular case of Mexican local government, where lack is more tangible than in higher levels of governance, institutional weakness lead to public administrations performing in discretionary ways. Lacks in regulation, continuation and systematization of activities lead to innovation as a policy strategy: innovation is a consequence of a groping and sidestepping management style. Thus, in most part, innovation in Mexican local governments does not appear as a virtuous process that brings improvement and technical enhancement, but as a process that encompasses inefficiency, backwardness and under use of public resources in its way to achieve some results.

An innovative implementation needs an institutional frame that allow for its systematization and continuity (i.e. solid institutions and strong regulations). Thus, for innovation to be successful in improvement it is necessary that public organizations previously went through a process in a way somewhat opposed to that of innovation: strengthening hierarchies and authority, processes and regulations, in such a way that they let for well-defined and established operations that can go over organizational changes due to changes in administration after elections (and such that it helps to moderate the dynamics of change). Hence, the paradigm of efficiency and improvement found in innovation require overcoming the pre-bureaucratic stage of public institutions, where excessive flexibility and lack of regulation make "innovation" the usual mean to operate. This situation leads to inefficient results and scarce chances to develop improvements. However, in so called pre-bureaucratic institutions innovation can be of special value and lead to sustainable efficiency and development when it is addressed to



institutional strengthening. That is to say, when creative initiatives and search for alternative ways generate sustainable processes and help to more solid institutions.

Observation of initiatives taking part in the Government and Local Management Award gives evidence to believe that Mexican municipalities with low levels of social exclusion (presumably with higher institutional development) have more appropriate institutional characteristics for successfully implementing innovation as a tool for public service improvement. And, on the contrary, poorly developed Mexican municipalities find more difficulties to achieve improvement and development through innovation. Observation of initiatives also yields an important conclusion: Innovation can be of special benefit for poorly developed municipalities when it is addressed to strengthen the institutional founding of local governments.

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