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**THE CONCEPT OF PUBLIC VALUE AS A STRATEGIC FRAMEWORK FOR  
BRAZILIAN PUBLIC ORGANIZATIONS. THE CASE OF THE PEOPLE  
MANAGEMENT DIRECTORY OF THE PRESIDENT’S OFFICE IN BRAZIL.**

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## INTRODUCTION

The aim of this paper is to discuss the concept of Public Value as a framework tool for strategic planning in public organizations in Brazil and to present a case study of the People Management Directory of the President's Office in Brazil.

Part 1 brings a quick overview about the concept of public value. The main ideas about the concept in this paper are reinterpretations of the ones presented by Michael H. Moore, the inventor of the term, in his book "Creating Public Value: Strategic Management in Government". They may not reflect accurately Moore ideas but consider them fundamental for ones who intend to understand the concept.

The second part deals with the dynamics of creating public value, trying to describe generically the environment in which it can be developed. In order to discuss the actors that interact in the public policy making process the idea of different roles that individuals play in the Creation of Public Value may help. This idea comes from a paper from Karen Mokate and Jose Jorge Saavedra, entitled "Management for Social Development: An Integrated Approach to the Management of Social Policies and Programs". From Moore, comes the discussion of who should be responsible in defining public value. The ideas of the main dimensions of Public Value were interpreted according to a paper called "Creating Public Value: An analytical framework for public service reform", prepared in 2002 for discussion by the Prime Minister Strategy Unit of the Cabinet Office of The United Kingdom. The broader approach which should be used in evaluating outcomes of public organizations comes from the sprouting of new frameworks in designing public policies.

In Part 3, the feasibility of application of the concept in Brazilian public institutions is discussed, considering some cultural democratic issues like the relations between citizens and government and the mistrust in politicians and civil servants. It also describes an overview about how performance techniques have been promoted in the federal level of the Brazilian government. Finally it describes how some kind of institutions can be affected by using the public value framework.

Part 4 presents a study case of the People Management Directory of the President's Office in Brazil. It describes the environment of human resources management main characteristics in

the President's Office in Brazil, depicts how strategic planning has been applied in the period 2003-2006 and proposes a more explicit use for the concept of public value in the strategic planning of the directory for the period 2007-2010.

The recommendations point out strong and weak issues in the applicability of public value as a managerial tool. But they emphasize even if the concept is abstract it is still useful as a way of capturing the world of public administration in a more generous view compromised with the improvement of the public sector.

## **PART 1: THE CONCEPT OF PUBLIC VALUE**

### *1.1. The definition of Public Value and its actual significance in academic and governmental spheres.*

Since Harvard professor, Michael H. Moore (1995), invented the term and concept of Public Value, it has become a framework tool for understanding, evaluating and designing public policies.

According to the Prime Minister's Strategy Unit of The United Kingdom, "the concept of Public Value is an attempt to measure the total benefits which flow from government action. Like private value, it incorporates the benefits derived from personal consumption of public services" (Strategy Unit 2002). But it is just one point of view of the concept. Public value should also be considered as a benefit for the collective being of a society, which must originate an assumption that this collective being can possibly be constructed by a political process.

From another point of view, Public Value can be understood by the same fundamentals of the Economics' analysis of public goods and externalities. In the Political Science and Economics' field of regulatory issues it has been studied in the regulatory impact analysis (RIA) in another approach. The main idea of public value is that it is desirable to analyze all consequences that society bears when a public enterprise takes place, although it is not always clear and easy to do. It is to say that public administrators should be able to provide answerable reasons for the existence of the organization considering the frameworks of efficiency, effectiveness, fairness. It can also be contrasted with the market failure economic concept as a means of justifying public ownership.

Public value is supposed to be achieved by public organizations using some tools that private managers apply to define strategy in private companies, keeping clearly the differences between them. Public value can be used combined with managerial tools like cost-benefit analysis and program evaluation. A framework that contains the idea of public value is, therefore, supposed to expand the scope of issues that have to be analyzed by the responsible managers of public enterprises, including the process of being more accountable for the stakeholders that somehow interfere in the functioning of the public organizations, such as the politicians, the citizens and the organization customers.

Public value is alleged to be a counter-balanced concept with the purpose of evaluating public policies. The public administration literature puts public value as a sort of evolution of the concepts of the New Public Management (NPM) view, spread around the world in the 1980's and 1990's. This point of view can be justified if it is assumed that the NPM emphasized aspects of the public services as if they were composed only by the same characteristics of private enterprises, as if the goods and services provided by public institutions could be measured solely by their individual consumption. This would be treating citizens only as customers and to deny other functions for the public institutions.

This difference was considered irrelevant in terms of discussion for some NPM scholars, like Bresser-Pereira, who argued that:

“Opposing consumer orientation (pure managerialism) against citizen orientation (reformed managerialism) makes no sense... The citizen is also a consumer. Any managerial public administration has to see the individual, in economic terms, as a consumer (or a user) and in political terms, as a citizen.”(1997, page 12).

However, it is necessary to point out that some NPM reforms made in the nineties in many countries were a justifying reason to “curb public spending and civil service staff in response to fiscal constraints” (Numberg in Bresser-Pereira 1997, page 11).

The public value approach has been undertaken in some organizations and academic studies as a form of proposing a different way for measuring efficiency and productiveness that supposedly had already been brought by the nineties reforms. As stated by the Strategy Unit of the United Kingdom, “Within the UK context a number of current reforms can best be understood as aiming to increase public value, by contrast with an earlier phase of reform which was more sharply focused on cost reduction” (Kelly, Mulgan and Muers, 2002, p. 5).

In Brazil, the NPM approaches in many cases produced unexpected results like the capture of the structure of many ministries by the outsourcing companies; IT providers became suppliers of workers in many areas that the government was forbidden to hire in order to not expand costs of public service and retiring benefits. Also, international organizations, international bureaucracies, like the Undp, IADB and the World Bank, were used to fill the hiring



necessities of the government in the New Public Management agenda. Those side-effects became strong arguments against the NPM corner-stone of cost reduction, not to talk about considered illegal procedures by overseers of the executive branch<sup>1</sup>. Bureaucracy in many ministries was weakened in terms of salaries and replacement of people. The continuity of the services was now conditioned by the dependence of those outsourcing firms and international organizations. The alleged productivity and efficiency of the NPM have begun to be contested in the late nineties and the beginning of the twenty first century by many overseers of the public administration.

The idea of public value came around in the middle of the nineties and had a focus on enhancing the function of the public managers in public organizations, trusting them as “wisdom players” in the public policy process. In this view, civil servants and political appointees in charge can be considered as public managers. It is to say that the public value objective of empowering public managers should not discriminate whether they come from a traditional bureaucracy or are political appointees, in order to allow creative solutions for every public organization or public service.

The public value framework does not make prior judgments in some points of discussion more tendentious in the NPM stream, like the necessity of privatization or the managerial superiority to traditional bureaucracy assumption. “Much of the experience of the last 20 years has shown that public value is best maximised neither by competitive private markets nor by monopoly public provision. Instead, (...), the combination of strong public sector institutions and competition from private and non-profit organisations achieves the best balance of accountability, innovation and efficiency” (Kelly, Mulgan and Muers 2002, page 5).

Strategy is therefore the keyword for understanding public value. Depending on how strategy in public organizations is defined it will drive the pattern of missions and means for achieving them in those organizations.

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<sup>1</sup> [http://www.planejamento.gov.br/recursos\\_humanos/conteudo/noticias/noticias\\_2003/entrevista\\_luis\\_fernando\\_srh.htm](http://www.planejamento.gov.br/recursos_humanos/conteudo/noticias/noticias_2003/entrevista_luis_fernando_srh.htm)

### *1.2. Public Value versus Private Value, a definition by comparison.*

The idea of Public Value can be explained by a comparison to a common accepted view of what is value in the private sphere: the private value. The main idea of private value is attached to a liberal context, in which the individuals are seen as engaging in rational behavior and acting in their self-interests in order to fulfill their goals. Since individuals need to satisfy their necessities, they must interact in markets, as buyers or sellers of products and services. The private value, therefore, can be measured in terms of money when an individual buys a product or service in the market from a seller. The amount of money that the individual is willing to pay for the product or service is the measure that the individual uses to identify the value of what he buys. The same applies to the seller that makes profits from the product he exchanges in the market for money.

Public value can be considered as the equivalent of shareholder value in private management. In private enterprises, however, it seems simple to identify if a company is generating value to its shareholders. If it conceives products or services desired and purchased by the market by a price bigger than its costs of production, it will make profits. The financial instruments are reliable tools that can say if a company is doing well over time, therefore creating value to its shareholders.

In the case of the public sector, since there are no direct money transactions in its construction, public value seems to be more an organizing principle than a mathematical form of measurement for the public sector organizations. However the idea lies on the assumption that the means in defining strategy by managers in private enterprises can be not quite different in nature of that of public organizations. A more explicit way in saying that is to consider that private sector enterprises' goal of "maximizing the long-term wealth of their shareholders" is not more realistic than the idea of achieving public value by public sector enterprises.

The means in achieving such purposes, maximizing long term wealth or creating public value, are very broad in each sector, public or private. There is no right or wrong way in accomplishing such goals. Nevertheless it is easier for the private enterprise to evaluate if it has chosen the right strategy. If the company is making profits at a close rate to what was planned, it is very possible that the shareholders will be satisfied with the strategies followed by the chief executive officer of their organization.

In the public sector, it is no doubt very different evaluating if the strategy chosen by the public administrator was correct. First of all, there is no exact relation between the output of a public administration, its costs and its value. For example, in public education, what should be considered the outcome? Should it be a percentage of children in the studying age graduating in high school or should it be a broader output like having a well educated society? Some may argue that the value of a well educated society highly exceeds the costs of accomplishing a 100% educational target, which is to say there must be a high added value in the broader outcome. Second, the “shareholders” of a public organization are distributed in many roles, such as the citizens, political overseers, and direct customers of its services. Third, some ideas attached to corporate strategy in the private sector simply do not apply easily to the public sector, like competition.

However corporate strategy has many characteristics that can be used in understanding public entrepreneurship, like the idea that any organization must act in an uncertain environment and that it has to sustainably deal with the stakeholders in order to accomplish a successful organizational strategy. The idea of connecting executives’ performance to the aspirations of the shareholders can be adopted by public managers in connecting their performances to the aspirations of citizens, overseers and clients. The notion that organizations could have a distinctive competence, wider than their current one, is consistent with the idea that public organizations can do much more (and that is desirable) than their mandates state. Actually it happens in reality because the mandates are for the most part of the time ambiguous and the means for achieving goals are a matter of some discretion for public managers, like they are for private managers.

The idea of a distinctive and broader competence leads to an argument that to achieve such competence, public managers could encourage an environment in which individual employees would be allowed to pursue and propose new ideas that can improve the results of the organization in terms of efficiency or services. It is to manage to produce a corporate culture in which public value is pursued and rewarded by employees as it is in private corporations that follow shareholder values.

### *1.3. Public value in the liberal economics context.*

The idea of public value assumes that some kind of value can be generated to the individual by outcomes provided by the government. In this simple assumption, the individual power of making choices is being violated, according to the liberal doctrines that hold individual liberty as the primary political value. If some amount of money is taken by the government through taxes to provide a certain kind of service to which the individual, himself, could not have the chance to choose if he wanted it or not, the idea of a value created and measured in terms of the private value can not exist.

Based on the idea of natural rights (life, liberty and property) liberals developed a concept of economic liberty, meaning the right to have and use property, and intellectual liberty, including freedom of conscience. This view supports free private enterprise working in a market economy, guaranteed by individual rights of property and freedom of contract.

This perspective also assumes limitations on power, especially on government, which leads to interpretations that reserve a very narrow role for government in society. Economic liberals believe in few reasons for the existence of government. They are: “the maintenance of law and order to prevent coercion of one individual by another, the enforcement of contracts voluntarily entered into, the definition of the meaning of property rights, the interpretation and enforcement of such rights, and the provision of a monetary framework” (Friedman).

However, even the most radical liberals may agree that some kind of value can be generated by government action. Still if this role is to be limited in guaranteeing that an individual will not be damaged in his liberty by the action of another individual: “There are areas of man's activities in which there cannot be any question of profit management and where bureaucratic management must prevail. A police department cannot be operated according to the methods resorted to in the conduct of a gainful enterprise. (...) A police department cannot sell its “products”; its achievements, however valuable, even indispensable as they may be, have no price on the market and therefore cannot be contrasted with the total expenditure made in the endeavors to bring them about.” (Mises, p.6)

Some liberals have another point of view in believing that there are basic necessities of fulfillment to what all individuals in the society should have access, like education, economic

opportunity, and protection from harmful macro-events beyond their control. These benefits are considered by some liberals as rights (positive rights).

Both forms of liberalism also consider the individual liberty as the basis for society. They also agree that there must exist a balance between government and private action, and that government should be limited to those activities that the private sector can't do better.

Public value is a concept that agrees with and exists in a liberal context in which liberal ideas claim to promote dignity and autonomy of the individual under law and that free individual action achieves the best for the society. However public value tends to be more on the side of liberals that advocate positive rights for the belief that government intervention is more likely to help in fulfilling a basic level of necessities than limited governmental intervention, or no intervention at all. To the contrary, it also agrees with the idea of limited government intervention to tasks that could not be better performed by the private sector. It does not advocate public ownership of public enterprises, neither does it advocates to privatization and regulation of the markets. In fact, even deregulation could be considered as bringing more public value to a society than an inefficient government intervention. The better way of achieving public value is making the best analysis possible in each particular situation.

#### *1.4. The representative democracy decision process.*

To argue that some kind of value can be created beyond the individual's preferences it is necessary to describe how it occurs. The idea of public value exists exactly in the way that, in a free democratic society, individuals can vote and choose representative people to decide how to deploy the public assets, including the option of reducing the size of the state to allow more money to stay in the hands of the individuals. This idea presumes the existence of a collective individual that "chooses" to let other elected people decide for him. In fact, a liberal democracy assumes that governments rule by the consent of the governed.

There are many criticisms about the idea of some value being generated through a political process, mainly based on the imperfections of the political system. One of them is the vulnerability of the politicians to corruption. Those who distrust politicians would deny such a proposition.

However, the free democratic political process is the closest mechanism to construct a collective being that expresses its preferences through government action. In fact, “this standard establishes the preeminence of *political* – primarily legislative – processes in determining what is valuable for the public sector to produce. To those who value politics as a way of creating a collective will, and who see democratic politics as the best answer we have to the problem of reconciling individual and collective interests, it is hardly surprising that the political process would be allowed to determine what is worth producing with public resources” (Moore, 1995, p. 32).

## **PART 2: THE DYNAMICS OF CREATING PUBLIC VALUE.**

### *2.1. Different Roles Played by Individuals in the Creation of Public Value.*

In the 1990's a particular management effort became very popular in the public sector: to think of the citizen as a customer. Though useful in different contexts the idea of a customer-citizen to define a role that an individual can play in his relation to the government is extremely narrow. Some individuals just cannot be classified in this definition, for example, the person that is obliged to pay tax revenues, or the law offender.

According to Mokate and Saavedra (2006), following Alford, there are four main roles (Figure 1) the individual plays in his interaction with the generation of public value:

– Citizen: The function of expressing preferences about what kind of value should be produced is brought by citizenship through the political democratic process. Citizenship domains not only the public value but also the private value that the customers shall consume. The citizenry is a collective product far more complex than the simple aggregation of individual preferences. It is obtained by interactions in the political processes, in which the majority's will dominates. Citizens care not only about the actions governments can take to satisfy their individual preferences. They also are concerned about aspirations and values for the whole society.

– Customer: He or she is the person who pays directly for a good or service and shows a positive preference for the service at a given price. The public services of water supply, garbage recollection and sewer systems serve "customers". An interesting characteristic that must be emphasized in the customer relation with the public enterprise is that, different from the citizen, he or she receives a private value from the consumption of the service or product. It is possible because he pays a monetary value in exchange for the service.

– Beneficiary/User: The person receives a service or benefit without paying directly the producing organization. Some examples of beneficiaries or users are the children in public schools, beneficiaries that receive cash transfers in order to fulfill some basic needs, public hospital patients that do not pay for the services, attendants to public health centers. Beneficiaries and users also receive private value for their consumption of goods and services provided directly or indirectly or regulated by public institutions.

– Subject: He or she is a member of the public obliged by the organization to legal dues. In general, members of the public are obliged before the police authorities and the Revenue Service. While it is more difficult to envision, subjects, like citizens, can also receive public value from the authorities responsible for enforcing the obligation.

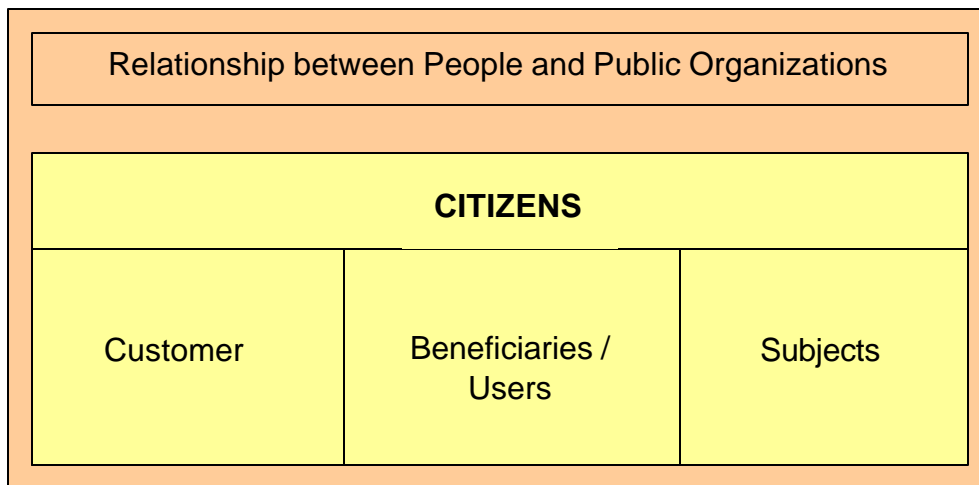


Figure 1 (Mokate and Saavedra. Management for Social Development: An Integrated Approach to the Management of Social Policies and Programs.)

It is important to notice that citizens are not always customers, beneficiaries or subjects of a public institution at the same time. On the other hand, customers, beneficiaries/users and subjects are always citizens.

Such differentiation of roles might be helpful for public organizations in defining what they consider public value when analyzing the services and products they deliver. Many public organizations do not deal directly with the public, therefore there might be some public value generated by them that fulfills some of the expectations of one or many of the roles described.

*2.2. Who defines which public value should be produced: politicians versus public administrators.*

The role of the bureaucracy in the modern state is to maintain the institutions despite the changes in the government, and to keep a stable level of security. As pointed by Max Weber:



“Modern officialdom functions in the following specific manner: I. There is the principle of fixed and official jurisdictional areas, which are generally ordered by rules, that is, by laws or administrative regulations. (...) 3. (...) Bureaucracy, thus understood, is fully developed in political and ecclesiastical communities only in the private state, and in the private economy, only in the most advanced institutions of capitalism.” (2004, p.50)

The idea of a professional public bureaucracy also is to avoid the changing of employees in government jobs every time an election occurs. These employees, therefore, should enter the professional bureaucracy only by rigorous processes of selection.

Throughout the twentieth century, most countries in the world tried to develop their own professional bureaucracies. The communist countries of the twentieth century relied on this specific form of organization in order to substitute the uncertainties of the markets. Keeping aside the outcomes of each different effort, one main idea must be noted: the bureaucracy should assure the continuity of the nations’ institutions.

Woodrow Wilson, the twenty-eighth American President, tried to enforce the idea that the public civil servants should act in an ethical and responsible way in order to achieve the goals defined by the politicians, economically and efficiently. In reality, he wrote about how trained officials should act:

“Steady, hearty allegiance to the government they serve will constitute good behavior. That *policy* will have no taint of officialism about it. It will not be the creation of permanent officials, but of statesmen whose responsibility to public opinion will be direct and inevitable.” (2004, p.31).

Wilson meant that civil servants should not participate in defining goals, but act to the best of their ability to accomplish the goals of the democratically elected persons and their nominated public administrators. It seems not to differ with the point of view of Ludwig von Mises from the Austrian School of Economics:

“Bureaucratic management means, under democracy, management in strict accordance with the law and the budget. It is not for the personnel of the administration and for the judges to inquire what should be done for the public welfare and how the public funds should be spent. This is the task of the sovereign, the people, and their representatives.” (1944, p. 45)

However, the boundaries between politicians, public administrators and a professional bureaucracy are much more blurred in the day-to-day affairs of any public organization. It is a fact that bureaucracies, willing or not, participate in the policy making processes and actually can be the key to the success or failure of many projects. Since civil servants many times have expertise, technical knowledge and exercise micro-powers in the bureaucratic system, undoubtedly they are part of the decision processes. Nevertheless, from a democratic point of view, it is questionable if the public administrators and civil servants should have any role in deciding what kind of policies might or might not be deployed by the government. Some might reasonably think that allowing a bureaucracy to decide what the government must do is to allow a minor isolated group in the society to have a power that can become dangerous to democracy itself.

On the other hand, forbidding the public administrators from participating in the policy making processes is to deny the society many creative and effective ideas that can be brought by persons with technical knowledge and expertise in many public interest areas.

This is also a broader discussion about establishing boundaries and overseers for the political actions. A strong bureaucracy could provide technical parameters for evaluating political propositions.

This paper agrees with Moore (1995, p.2) when he identifies the civil servants in management positions and the political nominees as those who should be allowed to participate in the policy decision making process. This paper also accedes to new approaches for this problem. In fact, if the responsible manager of a public enterprise considers it desirable, he or she could allow other civil servants to participate in the process. The same could be applied for the population of local governments, taking in account the idea of a participatory democracy. The costs and increasing time expenditure are the difficulties of such propositions.

An important aspect of management in the public value framework derives from allowing public managers to participate in the policy construction process: the political dimension of management in public service. That is to say that along with the more traditional organizational and programmatic approaches, politics must be considered by public administrators as a managerial issue to be engaged with (Figure 2).



Figure 2 (Mokate and Saavedra. Management for Social Development: An Integrated Approach to the Management of Social Policies and Programs.)

### 2.3. Three main dimensions of public value: services, outcomes and trust/legitimacy.

It can be said that three categories contribute individually and interact with each other to generate public value: services, outcomes, and trust/legitimacy (Kelly, Mulgan and Muers, 2002, p. 11 to 20).

Public organizations that deal with the public produce services most of the time. The satisfaction of the customer about the services is therefore a crucial measure of how much value is generated by a public organization. This satisfaction is influenced by a range of factors that include: customer service, information, choice, use of services, and advocacy by those who use the service. The more important the service is ranked the more important satisfaction will be weighted for the users. To improve levels of satisfaction means understanding better the importance of these different factors.

The ethos and the culture of an organization can be critical for creating or destroying value in the public enterprise. That means that culture, climate, and values within an organization influence the level of services that it deploys.

Also, fairness can be crucial to how citizens value public services. A fair distribution of a service creates value for those who support its existence. Even if a person is not a direct customer

of a specific public service, as a citizen he or she might be concerned about the fairness with which the service is delivered to others.

Outcomes are another measure of public value that is useful to understand a broader dimension of how citizens value public enterprises. It deals with the view that individuals have of the society as a whole, the values and ideals for the future of this society. That is to say “a well educated society”, “a wealthy society”, “a healthy society” are outcomes that an individual takes into consideration when evaluating a public organization. They can be contrasted to more narrow goals like percentages of achievement in any of the three examples. The service dimension is often linked to the outcome dimension and many services can contribute to the achievement of outcomes.

“However, outcomes and services are clearly distinct and need to be managed in different ways. (...) Government has increasingly sought to focus attention on outcomes. (...) Genuine outcomes are now seen as better targets than narrower outputs or activity measures, which risk being distorted.” (Kelly, Mulgan and Muers 2002, page 16).

It has to be said that measures of outcome are not easy to produce. They can involve a range of causes that cannot for sure be pledged in producing the outcome. If public value is to be useful, efforts will be necessary in order to develop performance measurement tools that cover complex scenarios and provide better pictures than only cost-effectiveness focused analysis. In fact, nowadays some policy areas are developing more sophisticated measurement instruments.

Another key element of outcomes, as producers of public value, is the recognition that government and citizens must act together for the purpose of carrying out with success the selected outcome. The society’s capacity, desirability, and understanding of how governments can change and influence social norms, in this sense, must be considered a management issue.

Trust and legitimacy are the third source of public value. The absence of trust in an institution and its services can destroy any value it is supposed to achieve. Corruption is probably the main origin of problems with trust and legitimacy but it also can be influenced by other factors such as lack of a compromised ethos in the institution or the perception that the institution is not performing well.

As exposed by Kelly, Mulgan and Muers (2002, p. 18), in the complex arena of debate to determine what produces trust and legitimacy in government, some believe that they are “shaped

by general levels of social trust and propensity to trust institutions in general”. Some argue that trust and legitimacy are determined “by the effectiveness with which it [the government] manages the economy and delivers services” and others “by the way politicians and political institutions behave”. Of course they probably interact with each other in the creating value process.

#### *2.4. The total consequences that follow government action.*

After the collapse of the communist and central planning economies in the twentieth century, it seems not to be the case to argue that government intervention in producing or defining which goods and services should be made in a country is worse than allowing free markets work in their way. However the idea of a minimal state restricted to be a referee for the private entrepreneurs is far from being fully implemented, even in the most liberal societies. National public education, health and social security programs appear to be fields where most part of the western economies are not willing to abdicate their role for the government, even if those services are not to be provided directly by the state, but by private institutions under governmental subsidies and regulation. It is evident that many societies derive a public value from governmental actions that cannot be offered by the market forces. Even so it is always difficult to measure precisely those benefits.

In the reforms of the nineties, the cost-benefit analysis dominated the discussions about how to evaluate governmental actions. It undoubtedly improved rational government expenditures and consolidated the uses of indicator systems to measure government performance. However these methodologies seem to be biased by focusing only in what can be directly measured. They cannot provide a bigger picture of the society in terms of what are the total benefits and losses that arise from specific government actions. It can be said, for instance, that many benefits arise from public education systems that will not be measured by conventional cost-benefit analysis systems. Better levels of education can affect many outcomes that are related with it such as improving job skills, diminishing crime rates or lessening drug addiction. But it also can, for example, influence less obviously related outcomes like diminish pollution, improve political community participation, and break the intergenerational transmission of poverty. Notwithstanding, to determine the causality chain of these benefits seems almost

impossible. On the other hand, the choice of many western societies in the twenty-first century in maintaining many systems as mentioned in public hands and not in the hands of the market forces does not appear to be a decision that was obtained by trust in cost-benefit analysis systems. Neither is the case to blame public irrational behavior or short term interests.

Some fields of analysis are emerging from the recognizing that those side-effects results must be taken in to account when designing, implementing and evaluating government interventions. One of the techniques that claim to deal with a more complex decision process view is the Regulatory Impact Analysis (RIA):

“In essence, RIA attempts to widen and clarify the relevant factors for decision-making. It implicitly broadens the mission of regulators from highly-focussed problem-solving to balanced decisions that trade off problems against wider economic and distributional goals. Far from being a technocratic tool that can be simply "added on" to the decision-making system by policy directive, it is a method for transforming the view of what is appropriate action, indeed, what is the proper role of the state. (...) In general, countries are moving toward methods that, even if they fall short of rigorous benefit-cost analysis, include a wider range of direct and indirect costs, and include benefits as well as costs.” (Jacobs, p.3 and 5)

From the point of view of the public value framework those efforts are a tentative to address broader issues that were not included in the New Public Management in the nineties reforms. They can contribute to explain why many western countries haven't adopted full neo-liberal reforms. The most important outcome, however, is that they implicitly assume that public value can be generated and affected by government action. And if it is true, it must be somehow measurable.

## **PART 3: THE FEASIBILITY OF APPLICATION OF THE CONCEPT IN BRAZILIAN PUBLIC INSTITUTIONS.**

### *3.1. The relations between the citizens and government in Brazil.*

It can be said that the relations between citizens and the government are becoming more mature every day in the Brazilian society. Since the return to democracy in 1985, after 21 years of military dictatorship, the consolidation of democracy seems inexorable<sup>2</sup>. However, it is difficult to say what is the main idea that Brazilians have about the government. It is reasonable to point that it is close to the view of the developed western liberal democracies, at least for the wealthiest and more educated part of the population in Brazil.

There is probably a lack of studies that clarify with more intensity this issue, but it can be said that Brazilians value their individual liberties and freedom as much as their fellow citizens of other democratic countries. What is not so clear is to which extent they believe government should act, in other words, what should be the desirable size of the government. To a huge part of the population that depends on transfer payments from the government for their income it is possible to affirm that they expect a more paternalistic government since they probably don't rely as much in the market forces. On the other hand, the middle class and the richest people would not hesitate in declare that the government is too big, that the taxes are incredible high and that the government is inefficient. Nevertheless, some aspects of fairness and the belief that a more equality society can be brought by some efficient government intervention<sup>3</sup> must have been some of the reasons for the reelection of President Lula in 2006, in whose administration the taxes reached the maximum level of Brazil's history<sup>4</sup>.

It is important to state that living in a free democratic society is something valuable in itself for the citizens within a country. It makes possible for the society, even imperfectly by the ballot box, to improve government actions in quality and quantity and build over time knowledge about itself.

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<sup>2</sup> [http://www.freedomhouse.org/uploads/maps/fiw\\_current.pdf](http://www.freedomhouse.org/uploads/maps/fiw_current.pdf)

<sup>3</sup> [http://www.ibope.com.br/Eleicoes/2006/download/opp494\\_cni\\_dez06.pdf](http://www.ibope.com.br/Eleicoes/2006/download/opp494_cni_dez06.pdf)

<sup>4</sup> <http://oglobo.globo.com/economia/mat/2007/02/28/294742772.asp>

### 3.2. The Common Sense Mistrust in Politicians and Civil Servants.

“Politicians are corrupt and Civil Servants are lazy parasites”. It can be said that this preconception affirmative states the average level of feelings from the Brazilian population towards politicians and civil servants. In fact, 90% of the population do not trust politicians. Few public institutions have some acceptable level of approving, like the military<sup>5</sup>.

It is not an exclusive Brazilian point of view. Generally, in liberal societies, government is sometimes seen as a necessary bad, a pact conception structure that allows people living together by giving up of some of their individual liberties. But it is something that has to be watched closely by the society for it cannot be let alone at the good will of the persons temporarily in charge of power.

In Brazil, the great mistrust in politicians and in the bureaucracy has probably two concrete sources: recurrent scandals in the Brazilian Congress and major bad evaluations for the public services. Historically, corruption in Brazil has been highly perceived by the population<sup>6</sup>.

If democracy is a bad form of government, except that it is better than all the other forms, the institutions in a democracy must improve constantly the checks and balances necessary for their best performance.

This discussion exposes two great necessities for improving Brazilian institutions: a political reform and an administrative reform. One of the most important critics about the political system in Brazil is the excess of parties which leads to coalitions that slices the state in feuds, in which the parties bargain positions to political affiliates, generating cross-nepotism and clientelism. The critics say that the many positions are filled by politicians’ fellows, who not often satisfy the worthy technical skills for the tasks. It diminishes the performance of many institutions, therefore ruins public value. In 2005, a legislation<sup>7</sup> determined percentages of the circa 21.200 positions in the Brazilian federal executive branch to be occupied by career civil servants. This action explicitly recognizes the civil servants as technical managers that must help implementing and participating in the policy making decision processes. It also prescribes to the bureaucracy some checking power on the politicians.

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<sup>5</sup> [http://www.ibope.com.br/opp/pesquisa/opiniaopublica/download/opp098\\_confianca\\_portalibope\\_ago05.pdf](http://www.ibope.com.br/opp/pesquisa/opiniaopublica/download/opp098_confianca_portalibope_ago05.pdf)

<sup>6</sup> [http://www.transparency.org/news\\_room/in\\_focus/2006/cpi\\_2006\\_\\_1](http://www.transparency.org/news_room/in_focus/2006/cpi_2006__1)

<sup>7</sup> [http://www.planalto.gov.br/ccivil\\_03/\\_Ato2004-2006/2005/Decreto/D5497.htm](http://www.planalto.gov.br/ccivil_03/_Ato2004-2006/2005/Decreto/D5497.htm)



On the other hand the necessity of discussing a project for the administrative model - a new reform of the state, to say it in another way - becomes essential not only to oversee the political whims, but also to fulfill the country's urgent necessity of economic growth. Besides the optimal quantity of positions that must be discussed in this reform, the whole structure of careers and outsourcing necessities shall be debated.

To face those challenges can help improve Brazilian institutions and therefore influence for the better the public value dimension of trust and legitimacy in the country's environment.

### *3.3. How the techniques for assessing public actions have been used.*

In terms of improving administration, plenty of initiatives were implemented in the federal level organizations in Brazil's government since the end of seventies. They come from simplifying processes like the National Plan of 'Debureaucratization'<sup>8</sup> in the late seventies, yet in the military government, and improvement of laws and rules after the 1988 Constitution<sup>9</sup>, like the Code for the Civil Servants<sup>10</sup> and the Law for Government Procurement<sup>11</sup>. The 1988 Constitution brought the concept of a multi-annual plan<sup>12</sup> (PPA), a four-year plan that must be approved by Congress and accomplished in every year by a budget law. Also it can be said that overseeing institutions have contributed to combat corruption and bad uses of public money since 1988. The programs and actions in the PPA must be monitored in terms of their execution by managers in the ministries and agencies. Also, many information technology improvements have been implemented to improve government performance and transparency, like the E-Gov systems. However, in terms of management policy, each ministry or agency follows the techniques proposed by its appointed managers, if they have one. Frequently these managers simply rely on their personal skills and in the hierarchical model that already exists in the bureaucracy.

The most institutionalized management initiative for public organizations in Brazil is the Public Service Quality Program<sup>13</sup> (PQSP) that exists since 1991 and promotes an annual premium for public institutions at all levels of government that adhere to its practices. The

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<sup>8</sup> [http://www.planalto.gov.br/ccivil\\_03/decreto/D83740.htm](http://www.planalto.gov.br/ccivil_03/decreto/D83740.htm)

<sup>9</sup> [http://www.planalto.gov.br/ccivil\\_03/Constituicao/Constituicao.htm](http://www.planalto.gov.br/ccivil_03/Constituicao/Constituicao.htm)

<sup>10</sup> [http://www.planalto.gov.br/ccivil\\_03/Leis/L8112cons.htm](http://www.planalto.gov.br/ccivil_03/Leis/L8112cons.htm)

<sup>11</sup> [http://www.planalto.gov.br/ccivil\\_03/Leis/L8666cons.htm](http://www.planalto.gov.br/ccivil_03/Leis/L8666cons.htm)

<sup>12</sup> [http://www.planalto.gov.br/ccivil\\_03/\\_Ato2004-2006/2004/Lei/L10.933.htm](http://www.planalto.gov.br/ccivil_03/_Ato2004-2006/2004/Lei/L10.933.htm)

<sup>13</sup> <http://www.pqsp.planejamento.gov.br/>

premium is granted by the President of the Republic himself to the winners. Those practices are based on the “total quality techniques” and the main idea of changing the focus from internal oriented bureaucracies to citizen oriented organizations.

Undoubtedly valuable for its 16 years of existence and achievements, the PQSP under the public value view focuses mainly in the services dimension. It also can be said that it sees the citizens much more through the lens of the customer role than through the broader meaning of citizen, claimed in the public value perspective. Other critics of PQSP rely on the fact that it has not incorporated current management techniques in its approach, such as the Balanced Score Card.

Nevertheless, it has to be pointed that PQSP has helped improve public value in public in many perspectives, mainly by trying to manage the culture of the institutions engaged in the program.

#### *3.4. To what kind of institutions or programs the concept could be useful.*

The concept of public value could be useful for many kinds of institutions in different branches and levels of government. It might be helpful within a unit of a larger institution, even if the whole institution does not adopt the concept. Some institutions at the executive branch in the Brazilian federal level can be cited as ones to which public value could be applicable: the President’s Office, Councils, Ministries, Agencies, Banks, State owned companies, School Institutions, Embassies, Foundations and Institutes, and Commissions. The executive branch has to consider with great importance the three dimensions of public value (services, outcomes, trust/legitimacy). Services will always be the most visible part of this equation, but outcomes and trust will always come fast to surface when the society claims for good government results. The outcome dimension is a big issue of concern for the executive branch too, for it can submit laws to the Congress. An executive branch proposed law passes through a political process that discusses the outcomes and the means to achieve them in the legislative branch. The government allies in Congress must be prepared to defend the necessity of such a law in terms of outcomes to the society.

At the legislative branch, the two houses of the Congress, the Senate and the Deputies Chamber, could find useful the concept of public value in their main role of making laws and

overseeing the executive branch. In Congress, it is already presumed that public value is pursued by the elected politicians; at least, this is the democratic ideal. But in the legislative branch, such a concept could be useful also for the improvement of internal administration processes and for the services provided by the Congress. The dimensions of outcomes and trust/legitimacy seem to be more evident for the legislative branch in influencing the public value it produces. The citizen role is also more evident when it is taken in to account who the houses work for: the Deputy Chamber represents the people and the Senate stands for the states in the Brazilian federation. Another more pragmatic perspective could view the supporting groups of interests of each Deputy or Senator as customers. The laws made by the Congress also have direct influence in the lives of beneficiaries and subjects of the government actions.

At the judiciary branch, two roles seem to be more visible through the public value lens: subjects and citizens. Subjects are enforced by the judiciary system to comply with its decisions. Citizens expect fair judgments for their own and for others' requests. Nevertheless, the most neglected role for the citizen in the judiciary actions is the customer role. Many users of the judiciary system complain about the excess of bureaucracy and legal jargon in any decision consulted. Even with web systems of consultation, the understanding of the decisions is not an easy task for the common citizen. In terms of dimensions, it seems that the services dimension could be emphasized in administrative tasks by the judiciary branch, in order to provide better levels of satisfaction to the customers. The trust/legitimacy dimension is fundamental to public value be achieved in the judiciary branch. The slowness of the processes and corruption cases certainly contributes to deteriorate an already weak image. The more intricate dimension to the judiciary is the outcomes dimension. Not only the fairness aspect influences how citizens see the value generated by this branch. The uncertainty about results and the characteristics of the Brazilian judiciary system have become an issue of debate in economic spheres that advocate for bigger international investment in the country.

Though there are no objections in applying the public value concept to any kind of public organizations, it seems that the value chain is more visible in institutions that deal directly with the public in their day-to-day activities, which can tendentiously drive only for the evaluation of the services dimension. It somehow should be balanced by the chosen performance evaluation instruments in order to include the more difficulty manageable dimensions of outcomes and trust/legitimacy.

## **PART 4: A PROPOSAL OF USE OF THE PUBLIC VALUE CONCEPT IN THE PEOPLE MANAGEMENT DIRECTORY OF THE PRESIDENT’S OFFICE IN BRAZIL.**

*4.1. The President’s Office structure and the People Management Directory main objectives.*

The President’s Office in Brazil (Figure 3) is constituted, according to the government structure law<sup>14</sup>, by essential units (the Civil House, the General-Secretariat, the Secretariat for Institutional Relations, the President’s Personal Cabinet, the Institutional Security Cabinet and the Strategic Issues Unit), by President advisory immediate units (the Union General Lawyer, the President’s Special Assessor, the Secretariat for Press and Spokesman, and the Government Councils), by consultation units (the Republic Council and the National Defense Council), and by Integrating Units (the Union General Overseer and the Special Secretariats).

To accomplish its mission, the President’s Office relies on circa 3,200 employees (not counting the Union General Lawyer’s Office and the Special Secretariats that have their own human resources administration). The majority of the President’s Office labor force is composed by required civil servants and militaries from other units and institutions of the Federal Public Administration, from the states and municipalities, and from the Federal District; and from appointees chosen to occupy commission positions or confidence functions, since the President’s Office does not have its own permanent civil servant career like other organizations of the federal level. The commission positions and confidence functions exist in all Federal Public Administration institutions and can be occupied by the career civil servants but, also by political appointees.

According to the that law, the Civil House must perform all administrative activities of the President’s Office units, including the human resources administration, whose responsibility is attributed to the People Management Directory<sup>15</sup>, a sub-unit with circa 130 employees, distributed in one director, four coordinations and one assessor office that are organized (figure 4) to pursue the following tasks:

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<sup>14</sup> [http://www.planalto.gov.br/ccivil\\_03/Leis/2003/L10.683.htm](http://www.planalto.gov.br/ccivil_03/Leis/2003/L10.683.htm)

<sup>15</sup> Diretoria de Gestão de Pessoas – DIGEP.

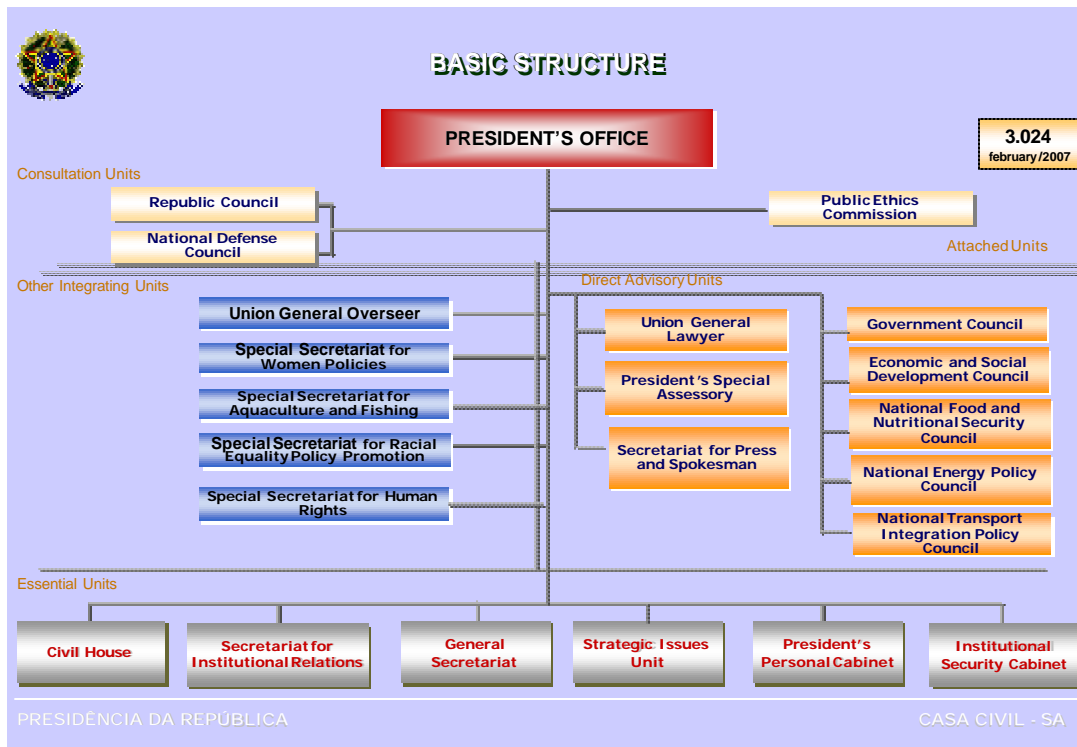


Figure 3

- Administration and accountability of the whole process of managing human resources in the President's Office and provision of assistance for the ex-Presidents, performed by the Director of Management of People.
- Administration of the staff, performed by the General Coordination of Employees Information<sup>16</sup>: to administrate and perform nominations, dismissings, payments, and vacations.
- Training and improvement of the staff, carried out by the General Coordination of People Development<sup>17</sup>: to design, implement, administrate and evaluate programs of training and improvement of skills of the staff at the President's Office.
- Provision of health services to the President, the President's Office employees and their families; and provision of physical preparation for the security of the President's Office, performed by the Coordination of Health<sup>18</sup>: to provide health assistance for the President himself

<sup>16</sup> Coordenação de Informações Funcionais - COGIF.

<sup>17</sup> Coordenação de Desenvolvimento de Pessoas - CODEP.

<sup>18</sup> Coordenação de Saúde - COSAU.

in the national territory and in international missions; to provide basic health services for the Presidency Employees.

- Administration of the logistic facilities for training and improvement of the President's Office and offering of adult educational programs, done by the Center for Qualification and Development<sup>19</sup>: to manage the facilities of the President's Office destined to training and development of employees and provide adult educational programs for all employees (including from outsourcing firms) that want to accomplish basic levels of education.

- Counseling the Management of People Director and the Coordinations, performed by the Assessor Office: to provide technical information and assist the Director and the Coordinations in managing their mandates.

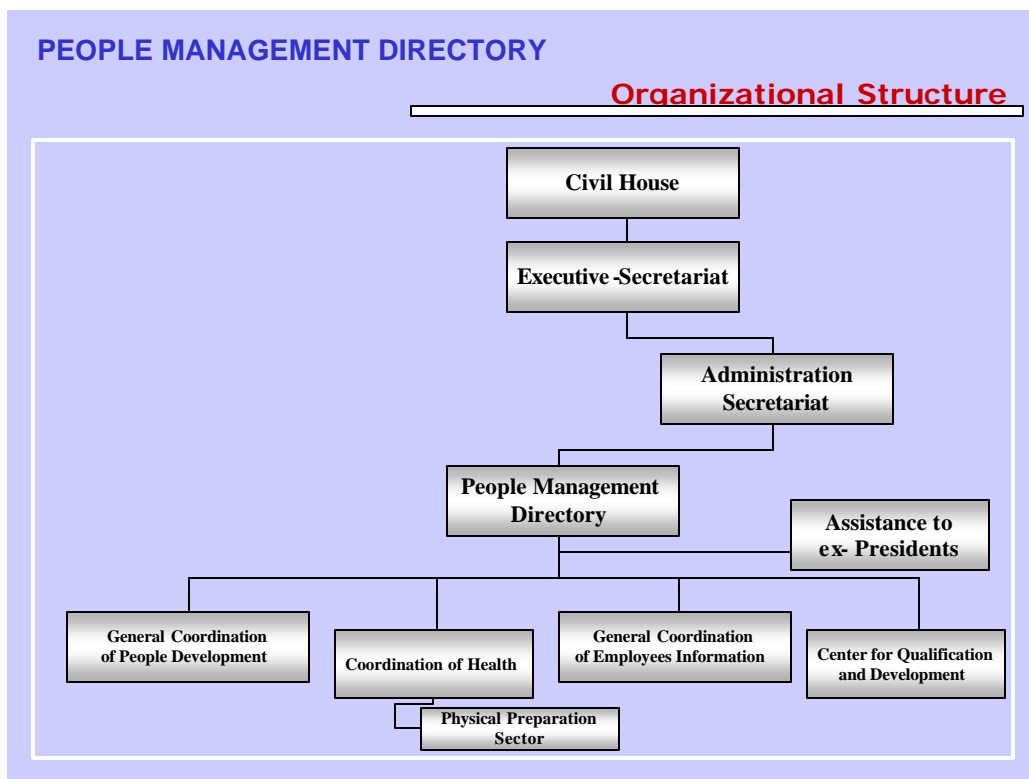


Figure 4.

<sup>19</sup> Centro de Capacitação e Desenvolvimento – CECAD.

#### *4.2. How Strategic Planning has been applied since 2003 in the People Management Directory.*

In April 2003, the new director commanded a situational strategic planning – SSP for the Directory of Human Resources<sup>20</sup> in order to establish the policy guidelines for the period 2003-2006. It was an action that invited for participation all employees of the Directory and was based on the SSP methodology. It was a collective construction that helped to identify the strong and weak points, threatens and opportunities of the directory in that specific point of time, but also envisioning the challenges of the new mandate. The employees, through this methodology, established the mission and vision of future for the directory. They also identified the cultural characteristics, defined principles and values, consolidated the goals and strategic actions and elaborated short, medium and long term strategic programs and projects for the period.

The SSP established the Directory's mission as "to contribute with the Secretary of Administration in the People Management function in the President's Office". The vision of the future was defined as "to be recognized in the Federal Public Administration as a center of excellence in the articulation and dissemination of best practices in people management".

The mission served as a form of traducing a specific mandate in a phrase that could be understood by every employee of the Directory and its stakeholders. The vision of the future helped to establish a "dream" goal that surpassed the scope and the mission of the organization.

The goals, strategic actions and strategic programs and projects were also defined collectively by the employees of the Directory, based on the new guidelines brought by the Director and on their own experience in administrating human resources.

The SSP became an adjustable instrument that guided for four years the actions of the Directory. It allowed the adoption of performance measurement tools such as the Balanced Score Card and the entering of the Directory in the National Quality Program of the Public Service. Some projects surpassed the environment of the President's Office like the Planalto's Forums<sup>21</sup> that were broadcasted in public national television. This project gained national projection for bringing authorities, mainly ministers, to speak about the government agenda, public policies, and best practices in public management to the President's staff. Other projects, like the Quality

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<sup>20</sup> The name of the Directory of Human Resources changed in 2004 to Directory of Management of People in a effort to be coherent with the new theories of Public Administration.

<sup>21</sup> <https://www.planalto.gov.br/casacivil/foruns/static/index.htm>

of Life Program, engaged the employees of the President's Office in voluntary works like a project to help the improvement of public schools<sup>22</sup>.

The final evaluation of the complete SSP cycle (2003-2006) demonstrated that 90% of the planned programs and projects were accomplished. Some actions established in the SSP deserve emphasis for its innovativeness, like the qualification pool, a program that promoted external partnerships with other public institutions and public companies, in order to obtain better qualification programs, to exchange experiences in the people management's field and to diminish costs for the training necessities of the organizations engaged. Another successful initiative was an action called competence mapping, which consisted in a methodology that identified competences pursued by organizational units in the President's Office and allowed the directory to plan qualification and training programs according to the necessities of each area.

In terms of external recognizing and prize awards, the directory was certified by the National Program of Public Management and Deburocratization and awarded in the IX National Public Management Innovation Competition<sup>23</sup>, with its qualification pool program concurring with other more well known initiatives. It also received a quality certification in the X Public Information Technology Congress for the Planalto's Forums web based administration platform. This last document entitled *Planalto's Forums: Information Technology at the Knowledge Service*<sup>24</sup> was also published in the IX State Reform and Public Administration International Congress (CLAD – Spain, 2004). It can be said that the Directory's vision of the future for the period was accomplished, since it departed from being a bureaucratic sub-unit with no external projection and became a more proactive, recognized and strategic organization within the President's Office and abroad.

The actions taken by the Director in the beginning of her mandate through a planning instrument like the SSP was a discretionary decision. It is consistent with the idea of the public value framework that, instead of well defined and specific mandates, there are many means of accomplishing a task demanded by the political authority. It was also consistent with the public

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<sup>22</sup> [http://www.brasil.gov.br/governo\\_federal/Plan\\_prog\\_proj/educacao/escolas\\_irmas/programa\\_view/](http://www.brasil.gov.br/governo_federal/Plan_prog_proj/educacao/escolas_irmas/programa_view/)

<sup>23</sup> [http://inovacao.enap.gov.br/index.php?option=com\\_content&task=view&id=297](http://inovacao.enap.gov.br/index.php?option=com_content&task=view&id=297)

<sup>24</sup> <http://www.clad.org.ve/fulltext/0050637.pdf>



value proposition of involving the civil servants in building the planning and designing its actions in order to take advantage from their expertise and creativity.

The improvement of the services brought by management tools is in agreement with the subjacent idea of creating value through management intervention and the citizens' expected ethical and competent behavior of public administrators. The director always had a position of validate the directory's action through a process of political negotiation with her subordinates and with whom she was subordinated to. It is coherent with the political management necessity inherent to the public value creation process.

However, there is a lack of information about how public value dimensions and citizens' roles were affected in the completion of the SSP cycle in 2006. Imaginatively, employees of the President's Office could be described as customers of many DIGEP actions and that this main role influenced in achieving a culture in the directory compromised with designing and delivering better services (one of the dimensions of public value). For the other roles and dimensions it is less easy to make an imaginative assumption like the one described. The introduction of the public value concept in a new strategic situational planning cycle may help clarify those issues.

#### *4.3. Using the concept of Public Value in the Strategic Planning for the period 2007-2010.*

In order to establish an explicit use of the concept of public value for the People Management Directory, it will be necessary to introduce it in the new situational strategic planning that will be developed for the period 2007-2010.

The Strategic Situational Plan is a theory and a method for public strategic planning, created by Carlos Matus<sup>25</sup>. Its main characteristics can be described as being: indeterminist, subjectivist, having many bets and scenarios, planning by problems, acknowledging uncertainty and surprises, making techno-political calculus, regarding subjects as players, being an open system (many possibilities), considering planning as game participation.

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<sup>25</sup> Chilean Ministry of Economy in Salvador Allende's Administration.

In the People Management Directory, it is to be implemented by a series of meetings between the employees, in the first semester of the four-year period, following a methodology that prescribes a participative role for the employees, which allows to define, in sequence, the strong and weak points, the threats and opportunities, the mission and the vision of the future, the cultural characteristics, the principles and values, the goals and the strategic actions and the short, medium and long term strategic programs and projects for the period to the directory.

The proposition for the explicit use of a public value framework is quite simple since it only introduces in the dynamics of the SSP one simple question that tries to make the participants state what public value the organization they work creates. This question is to be proposed before the definition of the mission.

The answers about what public value participants believe their organization generates will influence, or at least clarify, the suggestions that will be made for the mission of their institution. The proposition of such a question to the integrants of a public organization in a strategic plan participative dynamics aims to bring to all employees the idea of a trade-off made by the citizens between choosing of a collective goal, represented by the organization itself, and the choosing of an individual consumption. This conception implies an opportunity cost for the society to have that public organization operating. Therefore it has to generate something valuable for the citizens.

The introduction of this question (what public value does this organization generates?) is supposed to contribute for a collective consideration about what value produced by the organization is desirable to the citizens to the point they abdicate from individual liberty, through the imperfect democratic decision process, in order to have the services and outcomes provided by that institution. It will mean to define the organizational mission trying to exempt this participative method from the allegedly inertia inherent to the public organizations. In other words, that is to answer the very question of what for an organization exists.

Once the SSP sequence is realized to the point when the goals, strategic actions and strategic programs and projects are defined, the implementation of performance measurement methodologies can incorporate some characteristics of the more difficultly measurable public value dimensions. The public value framework can be used in the improvement of the indicators that will be used for measuring performance of the actions of the directory. It can be done by workshops in explaining the concept for specific groups involved in performing specific actions

and try to make them build indicators that contemplate the three dimensions that generate public value: services, outcomes and trust/legitimacy. The results are uncertain. Maybe the directory decides to use the public value framework only as a tool to better define a mission for the organization. If the indicators will be constructed and if they will be useful it will depend on the dynamics of the strategic situational planning being applied in the day-to-day tasks of the directory.

The greatest vicissitude, however, in using and evaluating the public value concept in this scenario is that the directory is just a sub-unit inside the most important organ of the executive branch, the President's Office. It is hardly seeing it as a strategic sub-unit that generates public value to the citizens without having to imagine a length difficultly-justifiable chain. For the very majority of people inside the federal public administration, any human resources area is viewed as a bureaucratic (if not inefficient) means with no strategic role supporting the organization in boring administrative tasks.

Though the Directory is not supposed to provide services directly to the citizens like other public institutions do, it can consider their services as a necessary means to help the President's Office perform in its best possibility. In fact, the President's Office needs not only a competent human resources sector performing the existent activities, but also an area capable of proposing improvements in tasks such as the introduction of information technology and customer relation approaches.

## **Moving Foward.**

The concept of public value seems to be an abstract framework for understanding the public administration. It advocates being capable of capturing a broader vision of public entrepreneurship. There is no easy way of implementing such a concept. Its measurement tools are not full developed and they do not apply easily for every organization. There are, in fact, some recognized efforts like the case of the Regulatory Impact Analysis and the attempts of bringing the public value framework to measurement tools, like the Balanced Scored Card applied to non-profit organizations. Those efforts, however, still have a long way to cover until they can be recognized as an alternative for well known streams, like the New Public Management. To measure broader dimensions like the Outputs and Trust/Legitimacy appears to be a difficult task. It is also hard to understand which roles citizens play in their relations with the organizations and its usefulness is not so clear. Using public value as a tool for measuring or for decision making process cannot be immediately accomplished.

However, the idea of public value brings some useful insights. The first of all is the recognizing of a liberal environment, in which public organizations exist. This principle helps public managers understand that the existence a public organization is only possible because of a collective agreement in which citizens are giving up some individual liberty in order to the society obtain benefits that would not be brought by individual consumption. Therefore, every public organization is supposed to maximize public value for the citizens. The second insight is that public managers, civil servants or political nominees, participate in the decision making policy processes and that the political dimension is part of their tasks. It corresponds more appropriately to the reality of public organizations than the pure bureaucratic framework or the New Public Management, in which the managerial tasks were demanded but there was not explicit recognizing for public managers acting in a political dimension.

A public value framework can only be useful when attached to a plan of action, with a clear understanding of the organizational mission. It can influence in the designing of the measurement and decision tools when the plan is already set. But it also can be useful in designing the first steps of a strategic plan and in defining the mission of an organization.

The proposal for implementing the public value concept in the People Management Directory of the President's Office in Brazil has this aim. It will be introduced in the Situational Strategic Planning, a traditional participatory methodology, in which the understanding of the public value concept is expected to influence the definition of the organizational mission. There is no how to predict further developments for the use of public value in the case of the People Management Directory. It is expected, however, that the concept have some influence in the redesigning of the performance tools since the mission now will have a public value component.

Although not easily applicable, the idea of public value brings new hopes for those who work in the Public Administration and study it. The nineties reforms failed to recognize this important aspect of public organizations. It is a consistent argument that can survive the never-ending struggle between minimal and bigger government. Public value can help public managers and public organizations understand their missions in order to perform better.

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