The Inequality Machine:
An exploration of the costs and causes of bureaucratic dysfunction in Mexico

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Abstract

Access to rights depends on the institutional capacity to deliver and citizens' capacity to benefit from public services and programs. This is where bureaucracy and inequality meet: many times, even if access procedures are designed for equality, they do not produce equal results. Bureaucratic pathologies, deficits, and administrative burdens imply that different citizens might not share the same experience while interacting with government agencies. Moreover, in some developing countries like Mexico, inequality in access leads to the creation and reinforcement of "low-trust" bureaucracies. This paper offers some general ideas on this problem and stresses the relevance of understanding bureaucratic dysfunction from the citizens' point of view particularly in weak institutional contexts.

Keywords

Bureaucracy, Administrative burden, Inequality, Trust, Development

Two bureaucratic encounters

Alejandra realised that her child's birth certificate had a mistake: her husband's name was incomplete. It said "Alberto", although the correct name was "Luis Alberto". She went to the Civil Registry, confident that such a minor mistake would be easily corrected, simply by checking her marriage license or another document already in the Registry archives. The bureaucrat behind the desk told her otherwise: she needed to start a judicial process in which she would effectively sue the Civil Registry, asking "in compensation" to correct the data. She could not believe it. Was it really necessary to go to court? "No worries", the bureaucrat said, "if you can give me 7,000 pesos today, you do not have to file a lawsuit. In fact, I assure you that by the end of the month, you will have a new birth certificate with the correct name on it". "What?", Alejandra asked. "But I need the certificate now". She and her family intended to visit relatives in the United States in a couple of weeks, and the passport bureau required a birth certificate that matched the name of the father of the child. "I am sorry, unless you can prove that we made a mistake, it is really not my problem", said the bureaucrat. In the end, Alejandra went home empty-handed, furious, and deeply frustrated.

Elizabeth, a secretary working for a small company in the city of Chihuahua, fell ill. She asked for a day off from work and went to her local *clínica*, a small hospital belonging to the Mexican Social Security Institute, IMSS. Upon arrival, she was denied service because she did not have an appointment, and, according to the receptionist, her case did not qualify as an emergency. She was advised to return the next day at 5:00 am for a *ficha* – an appointment – and thus the possibility of getting medical attention. Feeling miserable, Elizabeth shrugged her shoulders and decided to return the next day. She arrived at 4:45 am only to walk into the end of a line of patients looking for an appointment. A couple of hours later, a nurse announced that only 100 *fichas* would be given that day. Elizabeth nervously tallied the number of persons in front of her. Luckily, she was 43rd in line. Medical services officially began at 8:00 am with a break from 2:00 pm till 3:00 pm. Elizabeth was tempted to go home and return later that afternoon, but she was told that if she left, she risked losing her *ficha* to another person. Finally, around 5:00 pm, her name was announced through the speakers. She received a prescription from the doctor that asked for a couple of clinical tests. Elizabeth did not have money to perform these tests in a private lab, so she would need to get them from the hospital. She went prescription in hand to the hospital lab, only to find out that

all *fichas* for that day were already issued. She decided to return the next day, hoping that her employer would be sympathetic enough to allow her to miss yet another day of work.

Other than the characters' names, nothing in these stories is fictional. They are part of the more than 18,000 testimonies included in the database of the *Trámite más inútil* contest – an initiative by the Ministry of the Public Service to identify problems that Mexicans experience when confronted with bureaucratic processes. These are but two examples of a sadly common experience in Mexico: that of a public bureaucracy that is burdensome, inefficient, and systematically unpredictable.

Bureaucracy and inequality

Indeed, most Mexicans will be able to tell a negative personal experience with bureaucracy. Some will tell about the time they had to wait for a doctor's appointment, some about the amount of paperwork necessary for obtaining a building permit, and others about the small and pervasive acts of corruption they faced when trying to get public officials to fix a pothole or water leak in their street. These stories are often told as if they were a simple part of the daily experience in Mexico. However, our objective in this paper is to show that these stories all point to a more fundamental problem: the way dysfunctional bureaucracies exacerbate social inequality. Our encounters with unresponsive, formalistic, or even corrupt bureaucrats point to more structural problems in the administrative system of Mexico and similar countries. The failure to provide citizens with equal and reliable access to rights and benefits is designed into a system that grew out of an authoritarian regime, where the priority was not citizens' welfare or satisfaction but political control and stability. It is, in many ways, a system that was never designed to be 'bureaucratic' in the original, Weberian sense of the word. Instead of being impersonal and predictable, the Mexican' bureaucratic experience' is often plagued by arbitrariness, opacity, and unreliability for citizens.

Getting access to what one is entitled to is not always straightforward. This is especially the case for citizens with less social, human, and financial capital who happen to have fewer substitution opportunities for governmental goods and services. Access to rights and services depends as much on an institutional capacity to deliver as on a citizen's capacity to benefit from rights and services (De Jong & Rizvi, 2008, p.4). This is where bureaucracy and inequality meet: even if access rules and procedures are designed for equality, they do not always produce equal results. Transportation costs to a government office (Tejerina et al., 2014), the relative value of a social benefit (Currie, 2006), and the costs of learning how government programmes or procedures work (Chetty & Saez, 2013; Hastings & Weinstein, 2008) are just a few examples of costs very likely to be higher for disadvantaged social groups (Moynihan et al., 2015; Bendick et al., 1978, Cherlin et al., 2002; Super, 2004). Moreover, it is often expensive to be poor. The consequences of a poor financial decision or not obtaining a benefit are often more consequential for people in precarious conditions than those who can fall back on financial resources (Bertrand et al., 2004). Relying on public transport, living on a tight budget, and dealing with social and security issues daily mean that poverty can also be time-consuming and chronically stressful (Banerjee & Mullainathan, 2010; Carvalho et a., 2016; Duflo, 2012; Evans & Schamberg, 2009). Furthermore, living with scarcity – the experience of "having less than you feel you need" (Mullainathan & Shafir, 2013. p.4) – creates a mindset focused on immediate needs rather than future plans. Then, it is no surprise that participation in means-tested social programmes targeted at socially disadvantaged people is often low (Bhargavi & Manoli, 2015; Moynihan et al., 2015, p.48).

This is, however, only the tip of the iceberg for countries like Mexico, which are characterised by not only an enormous social inequality[1] and dramatic differences in economic opportunities[2], but also by public services that suffer from inefficiencies, lack of resources, and unpredictability. The "bite" of administrative burdens is more significant in many ways in these countries (Heinrich, 2016). First, the practical costs of administrative procedures are higher: limited digitalization leads to lengthier procedures; a lack of reliable and transparent information to

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[1] See http://www.oecd.org/social/inequality.htm [Accessed October 2021]
[2] See http://www.mckinsey.com/global-themes/americas/a-tale-of-two-mexicos [Accessed October 2021]

determine eligibility for a service means more paperwork is required; long travel times and defective procedures increase the time people have to spend dealing with bureaucratic demands. There are, however, two more mechanisms that create differences in the social impact of dysfunctional bureaucracy. As Peeters et al. (2018) have pointed out, citizens develop strategies to deal with dysfunctional bureaucracies. The resources they can fall back on exacerbate the effect that administrative burdens have. First, people with more financial resources can exit from the system of public services to seek costlier but also more efficient and better private alternatives in, for instance, education and health care. Second, people use alternative means to access services or benefits. Besides formal procedures, there exists a world of informal influencing through *coyotes* (brokers), *palancas*, personal favours, labour unions or other collective pressure groups, and bribery. Again, those with more social and human capital are more likely to gain access by alternative means. People with more financial resources might have to pay "double" for services, but socially disadvantaged people also tend to be "administratively disadvantaged" (Brodkin & Majmundar, 2010) and face higher barriers and lower quality services.

The social impact of bureaucracy

Most academic literature on bureaucracies looks at the internal structure and workings of public organizations. The analyses, therefore, tend to stress the problems that bureaucrats, managers, or politicians face. From early studies on bureaucratic pathologies (Crozier, 1964; Merton, 1940) to more contemporary proponents of new public management (Christensen & Lægreid, 2007; Osborne & Gaebler, 1992), organizational performance has been a critical concern of public administration scholars. A case in point is the literature on "red tape". This approach has advanced since the 1990s. It seeks to identify dysfunctional rules in public organizations such as those that entail a compliance burden but "do not advance the legitimate purposes the rules were intended to serve" (Bozeman, 2000., p.12). As Heinrich (2016) points out, however, this approach is helpful to evaluate the efficiency of organizational operations but does not look specifically at the social impact of rules or other bureaucratic practices. In response, Moynihan and Herd (2010) introduced the concept of "administrative burdens" to analyse the bureaucratic practices that affect citizens in their interactions with public organizations.

While related to the study of red tape, the administrative burdens approach is set in a different academic tradition. Instead of looking at how societal forces shape policies and public agenda, the "policy feedback" tradition focuses on the ways "policies, once enacted, restructure subsequent political processes" (Skocpol, 1992, p.58). Two kinds of feedback can be distinguished: how policies impact state capacities and how policies affect identities, political goals, and capacities of social groups (Mettler & Soss, 2004, p.60). Starting with Schattschneider's work on political non-participation – "[w]hoever decides what the game is about decides also who gets into the game" (1960, p.107) – research has highlighted, among other things, the impact of policies on public opinion, on the allocation of resources, and on the inclusiveness of citizenship (see Mettler & Soss, 2004 for an overview of the literature). Studying people's ability to access services and benefits from this perspective shows the importance of bureaucracy for citizenship and democracy (Moynihan & Herd, 2010). Administrative burdens on the access to education, social security, or health care not only impact people's human capital and social participation, but these also convey a message about their place in society and influence their willingness and capacity to apply for services (Bruch, Marx-Freere & Soss, 2010; Wichowsky & Moynihan, 2008). For instance, they can teach beneficiaries negative lessons about government (Bruch et al., 2010; Soss, 1999), and the mere act of waiting sends the message that their time is of little value to the State (Mettler, 2002) and trains them to be subordinate and submissive to the will of the bureaucracy (Auyero, 2011). These bureaucratic experiences tend to be significantly negative for disadvantaged social groups, who are more vulnerable and often lack the human and social capital to influence how they are treated (Barnes & Henly, 2018; Soss, Fording., & Schram, 2011).

An administrative burden is "an individual's experience of policy implementation as onerous" (Burden, Canon, Mayer, & Moynihan., 2012, p.741). More specifically, Moynihan et al. (2015) propose to look at the compliance costs (rules and requirements), learning costs (such as the investment it takes to find out about a government

programme), and psychological costs (including intrusive application processes and social stigma) that citizens experience in their interactions with public organizations. This conceptualization is comparable to the transaction costs, the costs of learning about eligibility and procedures, and the impact of social stigma that economic studies have identified as explanatory factors of non-take-up by vulnerable citizens of social programmes (e.g., Aizer & Currie, 2004; Bhargava & Manoli, 2015; Currie, 2006; Heinrich & Brill, 2015). Analysing bureaucratic dysfunction from citizens' viewpoint clarifies how even universally designed procedures can impact people very differently depending on their resources and vulnerability. The consequences of administrative burdens for individual citizens can be twofold. Either the burdens can be onerous but ultimately surmountable (at a particular cost), or they lead to "administrative exclusion" (Brodkin & Majmundar, 2010): formal eligibility for services or benefits that does not translate into actual access or leads to drop-out during a bureaucratic procedure.

Most work on administrative burdens has been done in developed countries in Europe and North America (Heinrich, 2016). And while there is a substantial body of work on political and administrative reforms in Latin America (e.g., Arellano Gault, 1999; Dussauge Laguna, 2011; Pardo & Cejudo, 2016), there is less attention to the operational performance of public bureaucracies. The policy feedback perspective on administrative burdens shows us, however, that administrative practices and the administrative capacity of the State to ensure access to benefits and services and guarantee political and civil rights can determine the winners and losers of political and economic change (Acemoglu et al., 2013; Andersen et al., 2014; Baum, 2009). The literature on conditional cash transfers (CCTs) – which have become the region's leading social security scheme since the 1990s (Bastagli, 2009; Cecchini & Martinez, 2015; Ibarrarán et al., 2017; Vakis et al., 2016) – offers an exciting insight into the mechanisms behind non-participation of the most vulnerable target groups. First, a common problem in CCTs is the dependence on Means-Tested Targeting (MTT) to identify their target population (Robles Aguilar, 2014). Confronted with limited State capacity, governments often rely on aggregated municipal rather than precise individual income data and place burdens on citizens to prove eligibility. This can lead to excluding disadvantaged people who should be included according to such programs' objectives (Tabor, 2002; World Bank, 2015; Zembe-Mkabile et al., 2012). Second, an emerging body of literature suggests that poverty and lack of trust in government impact disadvantaged people's capacity and willingness to apply for social programmes. People may self-exclude (Chudnovsky & Peeters, 2018) because they are focused on immediate needs and survival rather than development and social mobility (Mullainathan & Shafir, 2013, p.14), and because their low trust in government makes them hesitant to engage in social programmes (Peeters et al., 2018).

Low-trust bureaucracy

A critical task is to identify how administrative burdens and exclusion are crucial but often overlooked elements in the social and institutional development of countries like Mexico. In his analysis of Mexican citizens' experiences with bureaucratic procedures, Nieto Morales (2020) identifies five recurring elements in bureaucratic encounters: 1) crucial information about compliance criteria, timeframes, and obligations is often missing (opacity), 2) there is an excess of compliance costs and unnecessary controls, 3) duplication and redundancy in requirements are widespread, 4) public resources or positions are used for illegitimate means through corruption and capture, and 5) procedures suffer from delays, inefficiencies, and handling errors. Interestingly, these complaints are more likely to arise when citizens seek government services than when they go through a procedure to pay the government (taxation). These experiences can be seen as a consequence of three more structural shortcomings in providing public services and benefits in Mexico: reliability, capacity, and public value.

First, citizens cannot rely on public organizations to organize predictable and impartial procedures. Weber (1922) identified the bureaucratic form as technically superior: like no other organizational form, it is able to be predictable in both process and outcome (Gajduschek, 2003). Mexican public administration, however, is in some ways experienced as pre-Weberian: arbitrary, prone to personal favours and loyalties, and unreliable in the actual delivery of services. Second, the provision of services and benefits is hampered by a lack of capacity. Organizations

are often underfunded and understaffed. Acquiring a benefit usually requires time-consuming personal visits to government offices rather than digital procedures, reliable and complete citizen and client registration systems are absent, and the training and professionalization of the bureaucratic staff are limited. As the literature on State capacity shows (Finer, 1997; Harbers, 2015; Mann, 2008;), weak institutions and weak bureaucracies make it very difficult for organizations to deliver or uphold what formal law dictates. Third, because of its legalistic administrative tradition (Rosenbloom, 1983), Mexican public administration is especially prone to excessive formalism and other typical bureaucratic pathologies (Peeters et al., 2018). Rather than focus on delivery and public value (Moore, 1995), administrators define their role as the strict execution of the law. Further, rather than focus on implementation, politicians and high-level public servants see themselves as legislators.

It is because of these deficiencies in Mexican public administration that Peeters et al. (2018) speak of "low-trust bureaucracy": bureaucracies that 1) citizens cannot trust to provide them with what they are entitled to, 2), in turn, organizations do not trust citizens and impose high compliance costs, and 3) bureaucracies do not trust their employees and, therefore, impose high levels of internal control. Low-trust bureaucracies are public organizations where the rights and obligations of citizens are subject to unreliable and unpredictable procedures and bureaucratic behaviour. The collective consequences of low-trust bureaucracy are considerable. As argued before, unreliable and unequal access costs extend beyond the individual level and mere material costs. Especially for a country like Mexico, the importance of a bureaucracy that functions as a social equalizer cannot be overstated. Instead, we see a bureaucracy that amplifies social inequality and further undermines an already low public trust in government[3]. A trustworthy government is associated with competence, benevolence, and integrity (Grimmelikhuijsen, 2012. p.40). Trust is undermined by institutional ineffectiveness, failure to meet citizens' demands, corruption, and waste of public resources (e.g., Beramendi et al., 2016; Wang, 2016). Institutions need the public's trust to properly function (for instance, participation and compliance with laws and taxation), just as correctly functioning institutions are crucial for societal trust, justice, mobility, and prosperity (Kaase, 1999; Zak, 2012).

The structural shortcomings in access to benefits and public services point towards more structural causes for unequal access than is often acknowledged in the administrative burdens literature. Theory-building is limited in this area, but administrative burdens are usually seen as a consequence of design flaws or benign negligence (Moynihan & Herd, 2010, p.664), of "bureaucratic disentitlement" through political tactics (such as defunding implementation or increasing compliance costs) (Brodkin, 1997; Elster, 1992, p.123; Lipsky, 1984), or of street-level tactics to manage overdemand or comply with internal performance criteria (Bohte & Meier, 2000; Lipsky, 1980). However, we argue that more systemic elements in the administrative context provide a crucial explanation for the high levels of administrative burdens and administrative exclusion in Mexico and similar cases. Even though multiple factors should be considered when explaining low-trust bureaucracy, we highlight the importance of how authoritarian legacies continue to shape the organization of administrative power in Mexico and elsewhere (Cesarini & Hite, 2004; Méndez, 1997). The administrative system was not designed initially to provide equal access to benefits and services but rather to serve the consolidation and organization of power. The "dark side" of the Mexican administrative system has, according to Nef (2003), five characteristics that constitute a fundamental difference with the impersonal and predictable bureaucratic machine from Weber's ideal type.

First, trust within public administration does not come from universal rules and procedures or expert knowledge but personal loyalties. The "collusive" relationship between politics and bureaucracy fosters personal loyalties rather than impersonal conduct (Dasandi & Esteve, 2017). Second, administration attaches specific value to form and ritual: rules, titles, and signatures are vital for administrative fiat and decisions. Third, broad administrative discretion functions as a pressure relief valve to bridge the tension between particularism and formalism. This is especially the case in the allocation of budgets and personnel. Fourth, organised societal

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[3] 67% of the Mexican population has little or no trust in the state, according to the 2015 *Latinobarómetro*:
http://www.latinobarometro.org/lat.jsp [Accessed October 2021]

interests, such as labour unions and business elites, significantly influence the distribution of benefits and access to influence. Public administration, therefore, often is more inclined to accommodate these interests rather than pursue universal access and treatment of individual citizens. Fifth, administrative power is concentrated centrally, which complicates delegation and cooperation among public organizations. Consequently, the organization of administrative power tends to be politicized rather than meritocratic (Cornell & Lapuente, 2014) and relies on personal favours, patronage, and arbitrariness rather than predictable and universal procedures (Grindle, 2012).

In this administrative context, the need for personal trust and loyalty among bureaucrats and politicians is understandable but also undermines trust in the impartial functioning of institutions. Modern public administration functions upon the assumption of ethical universalism; that is, the notion that States are impartial and, when providing public goods and services, "[they] treat citizens as individuals, 'not taking anything into consideration about the citizen/case that is not beforehand stipulated in the policy or the law'" (Mungiu-Pippidi, 2015, p.15). When universalism is weak or absent, citizens expect no response from their governments or learn to manoeuvre informally to get some level of access. In either case, citizens learn not to trust their government.

The argument for more bureaucracy

On September 19th, 2017, a major earthquake shook Mexico City. Written into the memory of its inhabitants is the extraordinary and inspiring way in which ordinary citizens helped rescue victims from collapsed buildings, provided food and shelter for strangers, cleared away the rubble, and organized support for rescue operations. The collective outpouring of help was so massive that, at times, the State seemed absent. However, an often-overlooked element in the rescue operations was the role the army, the navy, and civil protection played. According to a survey by newspaper Reforma, citizens were dissatisfied with the efforts of the mayor and the president but, interestingly, expressed high satisfaction with the efforts of the army, the navy, and civil protection departments.[4] One way we can explain this is by looking at the trust in bureaucratic structures. The army, navy, and civil protection do their job according to previously determined protocols, routines, and responsibilities, far away from political interference or assignments. Research on institutional trust shows that, overall, trust in public institutions is low among Mexicans. However, trust in institutions such as the army is significantly higher than in others, such as Congress or political parties (Somuano & Nieto Morales, 2015. p.67). In other words, bureaucracy–understood as an organizational model that produces impartial and reliable results – correlates with trust. More specifically, public institutions that are organized and interact with society as impartial bureaucracies tend to foster the sort of impersonal trust behind ethical universalism.

We argue that we need more bureaucracy rather than less. Bureaucracies are usually associated with an excess of formalization, standardization, and specialization. Rather than creating the value of, for instance, objective decision-making, bureaucracies will become indifferent to the situation of citizens. By understanding bureaucratic characteristics as values rather than inherent pathologies, we can appreciate their role in sustaining the rule of law. Moreover, we can also identify bureaucratic deficits as problematic (Widlak & Peeters, 2018, p.43). Instead of objectivity, we get partiality and privilege. Instead of expertise, we get incompetence. Instead of specialization, duplication of functions. So, when we argue for more bureaucracy, we mean the need for public organizations fundamentally characterized by reliability and impartiality. We need it for our security. We need it for criminal justice. We need it to create the conditions for social inclusion and mobility. We need it for the governability of a country with constantly changing democratically elected rulers. Furthermore, we need it to improve economic prosperity and political stability.

Mexico has undergone political democratization since the 1990s, but the mechanisms of its administrative apparatus are still firmly rooted in the mid-20th century when the ruling party and State virtually coincided. Furthermore, the Mexican state has undoubtedly modernized and adapted to a more neoliberal governance model in the past decades. However, the progress being made is often too sporadic and too specific to concrete parcels

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[4] Reforma, 24-9-2017, ´Aplaudan a ciudadanos'

of the public administration. The unsuccessful attempt to professionalize the civil service through the *Servicio Profesional de Carrera* (SPC) illustrates these issues. This policy, introduced in 2003, aimed to limit the discretion of federal agencies to hire staff as part of the political spoils system. Every six years, a large portion of the non-unionized federal workforce could be dismissed or transferred, causing enormous instability, increased corruption, and loss of expertise and memory in federal agencies. By 2005, the professionalization policy introduced a new mandatory and cross-sectional HRM system that included meritocratic entry and promotion exams for around 80 federal organizations and more than 46,000 employees (Nieto et al., 2015). However, after a promising and ambitious start, things went downhill fairly quickly for the initiative. Within a few years, the programme was hollowed out by two simultaneous factors. First, professionalization began to drop on the government's priority list and received less and less funding. Second, federal organizations began to abuse a legal exclusion clause that stated that for reasons of emergency, staff could be hired without a prior entry exam (Nieto Morales et al., 2014).

More profound and prolonged efforts are necessary to change the way public organizations work. They will not transform through mere political decree but need investments in organizational capacity, training, and professionalization to give citizens and their rights a central place in public service provision. All this does not mean that we cannot make any progress at the street level. An incremental approach focused on the immediate problems that citizens face would be more realistic than a revolutionary change in the political-administrative organization of power. We see several roads for improvement. Especially in the areas of public administration outside the direct political spotlight, agents of change can make an impact on service delivery in public organizations. Bureaucratic procedures can be redesigned from the citizen's perspective, and quality management systems could be created. Digitalization can, when implemented from the perspective of the citizen, reduce waiting times and paperwork. An investment in management skills and personnel professionalization can help shift the focus from political values and objectives to implementation and public value. Improving the bureaucratic backbone of rules, registrations, and archives can reduce fraud and burdens in proving eligibility, ownership, permissions, or obligations. Pursuing these incremental steps might also affect the more structural issues we have pointed out. However, external pressure on the existing political-administrative system is also crucial: demands from civil society, NGOs, and the international community for more transparency, less corruption, and less inequality.

Conclusion: beyond the politics of false hope

We can draw four crucial lessons. The first lesson is that bureaucratic dysfunction is damaging. Social inequality and lack of trust in government are holding the country back in its development—and we suspect that something similar can be said of other developing nations—. Bureaucracies should, ideally, function as a social equalizer by providing every person equal access to public services and benefits. Mexican reality is different. From the citizens' viewpoint, we can identify how administrative burdens and administration exclusion are produced by studying bureaucratic dysfunction. Citizens cannot trust bureaucracies to guarantee access to which they are entitled. A lack of organizational capacity harms the quality and efficiency of public services, and a formalistic approach to the rule of law neglects the need for responsiveness, clarity, and reasonableness at the street level. The lack of impartial bureaucracy exacerbates inequalities by creating barriers for those at risk and increasing the "bite" of administrative burdens on citizens.

Second, bureaucratic dysfunction is constantly reproduced because of structural mechanisms. Administrative burdens are not the result of superficial design flaws in bureaucratic procedures or negligence by public managers or policymakers. Instead, structural characteristics of the political and administrative system produce vicious circles of dysfunction. A lack of impersonal trust creates the need for interpersonal trust and loyalty among politicians and civil servants, making it more challenging to construct impersonal trust. Unequal access to benefits has led citizens and civil society to seek alternative means to secure influence, who now have an incentive to

protect their vested interests. Given the influence that labour unions and other social organizations have on bureaucracy, it is more attractive for vulnerable citizens to join this collective muscle, even though this makes changes to the system less likely. Unreliable, ineffective, and underfunded public services cause more affluent citizens to look for private alternatives, which takes away their incentive to be invested in improving public services. Through these profoundly built-in mechanisms, bureaucratic dysfunction is constantly reproduced.

Third, the identification of these perverse cycles also leads to the conclusion that, while dysfunctional in terms of public value, low-trust bureaucracy is functional for those who have a privileged position in this political-administrative system. It is functional for labour unions that have privileged access. It is functional for politicians who can appoint their personally trusted advisors or cronies to administrative positions. And it is also functional for those who seek to obtain personal benefits through corruption. All these forms of functionality are, to be sure, private interests. However, it is crucial to recognize that structural bureaucratic dysfunction – the dysfunction that goes beyond accidental design flaws and negligence – is tightly related to the organization of power.

Fourth and finally, precisely because bureaucratic dysfunction is reproduced by vicious circles and the organization of power, proposals to reduce administrative burdens and improve service delivery can rarely be merely technical if they are to be effective. Reducing bureaucratic dysfunction is a wicked problem. It is, by definition, a problem that has no clear instrumental solution and for which there is little consensus given the various vested interests. By ignoring the nature of the problem, interventions might have minor or even unintended effects. Take, for instance, the idea that reducing discretionary spaces at the street level will help reduce corruption. While this might be the case, this does not necessarily mean that citizens are automatically better off. The formalism that plagues bureaucratic procedures can leave citizens confronted with the same opacity, only now combined with unresponsiveness. Something similar could be said of digitalization. As long as bureaucratic processes remain opaque, formalistic, and serve primarily organizational goals (rather than creating public value), efforts to introduce technology would likely remain insufficient to reduce dysfunction and inequality of access.

The words bureaucracy and bureaucrat have an almost universally negative connotation. In widespread use, they have become synonymous with what the academic literature would call bureaucratic pathologies. One of the most mundane and widespread complaints about bureaucrats in Mexico is the *mordida* (bribe) by transit police. It is almost emblematic of citizens' distrust regarding authorities. However, the dynamic of this bureaucratic encounter is also a clear example of the holding pattern that hinders change and the need to have more bureaucracy. A transit police officer might demand a bribe to gain extra income on top of his meager salary. However, under the current circumstances, this practice is also in the interest of those offering the bribe. The alternative – having one's car impounded and going through very lengthy bureaucratic procedures – is costlier than paying the bribe and being able to continue one's journey. At the same time, it is clear that it is preferable to have a system where the opportunity structure for bribes is smaller than the status quo and where people's sanction only consists of paying a fine and not of a hassle to get one's car back.

Most of us would agree that it is better to have more impartial and reliable institutions. However, very few powerful actors in the current political-administrative context have an incentive to advocate for a fundamental change. The political and economic elite have secured their privileged position. The affluent part of society can buy their way out of the public system. And the vulnerable social groups have organized themselves in collective pressure groups that can negotiate particular benefits and protection. The survival of this system, however damaging it may be for public values such as trust in government and social mobility and indeed for society at large, hinges on a politics of hope: the expectation (or illusion) that you can negotiate a better position through alternative means (cf. Nuijten's (1998, p.397) idea of Mexican bureaucracy as a "hope-generating-machine"). The combination of this element of hope and low systemic trust explains why change is so difficult. Who knows if a systemic change will give you the same influence? And who knows if those in power will not abuse a systemic change? Given these uncertainties, it might be preferable to keep one's guard up and defend what one has now – no matter how little that is. Moving beyond this politics of false hope – because, in the end, only a lucky few will

win – requires redefining bureaucratic dysfunction. More than a technical matter that concerns experts or public managers alone, it resembles a collective action problem. The realization that "we are all in this together" is a precondition for collective action that can foster a sense of institutional trust instead of a culture in which everyone is constantly trying to beat or cheat the system for private gains.

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