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Mechanisms and Public Administration Reform: The Cases of Better Regulation and Digitalization

Abstract

This article applies a processual approach to the explanation of administrative reform in Italy over fifteen years. By carrying out a comparison between better regulation and digitalization policies it shows that the oscillation in the level of implementation over time and across policies can be explained by the intensity and direction of spillover and certification mechanisms and that in turn these mechanisms are activated by design features and context factors at different levels of analysis.

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Starting in the early 1990s Italy has entered a period of “permanent reform” (Capano 2000), which makes it a excellent laboratory for the study of the factors that affect the intensity of the reform efforts and the extent to which reforms succeed. In particular, this article follows the evolution over fifteen years (1992-2006) of administrative reform in Italy, focusing on two areas, better regulation and digitalization, that are crucial for the interaction between the citizens/users and the bureaucratic structure.

These reforms conflict with the expectation that countries belonging, like Italy, to the Napoleonic administrative tradition should find it difficult to introduce ‘citizen-focused’ reforms (Peters 2008, p. 122). They also raise the question of the extent to which the reforms have been actually implemented, considering that a number of authors have concluded that reforms in Napoleonic countries in Southern Europe have failed (e.g. Capano 2003 for Italy; Kickert 2007) and that one of the features of the Napoleonic tradition, legalism, fosters an attitude of relative disregard for implementation compared to the passing of legal statutes (Gualmini 2008; Ongaro and Valotti 2008).

Furthermore, like and indeed more than other Napoleonic countries Italy has since the early 1990s also been a prime example of a political system undergoing significant and continuous change in a number of contextual dimensions that are likely to affect reform, in particular with regard to the structure of the executive, the electoral rules and the nature of electoral competition, the partisan orientation of the executives, the relationship between politics and bureaucracy and the organization of the state (for a typology of contexts see Barzelay 2003). In other words, in Italy’s case we can rightly talk of a ‘context in motion’ that remains open to bargaining among the actors and that
develops in different ways in different administrative areas (Ongaro 2009; Ongaro Forthcoming).

This article aims to contribute to the processual literature on administrative reform by providing evidence for the connection between reform outcomes, mechanisms, and the conditions that facilitate the activation of these mechanisms. The article shows how the variation in the reform outcomes corresponds to variations in the orientation and intensity of the spillover and certification mechanisms across two policy areas and three time periods and how in turn these mechanisms were activated by a combination of actors’ choices and process context at different levels of analysis.

RESEARCH DESIGN
The fluidity of context poses problems for variable-based explanatory approaches, since it makes it difficult to control for a number of contemporaneously changing factors. It therefore calls for a processual approach, namely one that is sensitive to how ‘reform processes and choices are […] influenced by combinations of factors’ (Barzelay and Gallego 2010, p. 210, emphasis added). In particular, processual analyses assume that contexts are dynamic and that actors and contexts are mutually constitutive (Barzelay and Gallego 2006; Pettigrew 1990; Pettigrew 1997), and thus aim to account for the evolving relationship between a changing structure and actors’ choices (Barzelay and Jacobsen 2009).

Methodologically, processual explanations are based on narratives (Abell 2004; Barzelay, et al. 2003). Narratives follow policy episodes, i.e. the career of policy issues from agenda setting to decision making (Barzelay and Gallego 2010). Episodes have a
strong intentional element, i.e. they are shaped by the volitions of actors (Barzelay and Gallego 2010, p. 211). They can be disaggregated into sequences of events (Barzelay, et al. 2003), and narratives should be attentive to how individual factors may have different consequences over events even if their properties do not vary because they might interact with other factors that do change in the period under exam (Barzelay and Gallego 2010). Crucially, since policy episodes are embedded in changing contexts that operate at different levels of analysis (Pettigrew 1990; Pettigrew 1997), narratives should include the events that are prior and contemporaneous to the relevant policy episode and that might affect the choices of the actors (Barzelay, et al. 2003). In sum, narratives should focus on events as the basic constituents of policy episodes, follow through the trajectory of policy episodes and take into account the context in which these episodes unfold and thus include prior and contemporaneous events at different levels of analysis.

Although the most immediate aim of narratives is to explain the trajectory of individual episodes (Barzelay and Gallego 2010), they also hold the potential for ‘limited historical generalizations’ (Ragin 1987, p. 31) by using social mechanisms as the chief conceptual tools to model the connection between events and between actors and context (Barzelay 2007). Mechanism are “generalizing” causal statements, namely ‘sequences of causally linked events that occur repeatedly in reality if certain conditions are given’ (Maynz, quoted in Barzelay 2007, p. 527). In turn, mechanisms that frequently occur in sequence are processes (e.g. Tilly 2001).

A subset of mechanisms, so-called agency mechanisms (Barzelay and Gallego 2006, p. 551), are uniquely well-placed to deal with the relationship between actors and between
actors and a changing context since they represent ‘interactions between individuals, or between individuals and some social aggregate’ (Schelling, quoted in Ongaro 2006, p. 741). Agency mechanisms, such as actor certification and policy spillovers, are triggered by the interaction between actors’ choices and context (Ongaro 2006). In other words, they are ‘activated by a mix of process design features and process context factors’ (Barzelay 2007, p. 535).

Variations in these interactions or mixes can be expected, ceteris paribus, to affect the intensity and direction of agency mechanisms and thus ultimately the trajectory of policy episodes. While the expanding processual literature includes examples of cross-national comparisons (e.g. Barzelay 2001; Barzelay and Füchtner 2003), it has so far omitted to analyse the trajectory of reforms in different policy areas within a single political system. However, narratives ought to take into account that contexts can evolve over time at different levels of analysis (Pettigrew 1997), and considering only one policy area in a political system risks confounding the impact on reform of the features of the policy areas and of the broader political context. Here we thus consider the variation over fifteen years of a single nation-wide context alongside that of the contexts at the level of two specific policies. The task of this article is thus to analyse how the interaction of different process designs and process contexts in the better regulation and digitalization policies within a single national context has affected the operation of mechanisms and thus the trajectories of these policies through the implementation phase. Therefore, this article provides a three-pronged analysis: it performs a within-case analysis for each of the two policies, compares them and considers how the development of the overarching national context affects them over a
fifteen year time span.

As for the mechanisms, this article considers certification and policy spillovers, which have often been used by processual analyses (e.g. Barzelay 2007; Barzelay and Gallego 2006; Barzelay and Gallego 2010; Mele 2010). Actor certification refers to ‘the validation of actors, their performances, and their claims by external authorities’ (McAdam, et al. 2001, p. 121). Like all mechanisms, actor certification can also operate in the negative, i.e. as decertification, if external authorities deny or withdraw this validation from actors. Certification includes an assessment of the commitment of actors to reform and of the support that they can expect to receive from external actors or from environmental circumstances (Gaetani 2003). We assess the direction and intensity of the actor certification/decertification mechanism by considering whether the reformers are endorsed by the prime minister; whether they have a cachet of personal credibility; and whether the reform effort is endorsed by influential external actors like the EU, the World Bank or the International Monetary Fund.

By policy spillovers we mean previous developments in a policy areas or changes in other policy areas that can facilitate (e.g. by increasing the perception of the opportunity or necessity of change) or interfere with reform. Resource scarcity (whether in terms of government finances or time) is a typical source of policy spillover or policy interference depending on how would-be reformers and opponents of reform frame it. For instance, fiscal retrenchment can spill over onto administrative reform by linking it to the need for a more efficient public administration (Barzelay 2001), but it can also become an obstacle by reducing resources for the introduction of new institutions or for training and by diverting the attention of the government towards more pressing problems (Cejudo 2003).

In this article the effectiveness of policy spillovers is evaluated through the level of
success/failure of previous or contemporaneous reforms. The key idea is that the presence of recognisable successful/unsuccessful policy options is the necessary condition for triggering spillovers. The intensity of the mechanism (in a positive or negative direction) is assessed according to the width and the significance of these successes/failures in administrative change interventions.

In terms of policy results, this article is concerned with implementation (Pressman and Wildavsky 1973), and in particular with the intermediate outcomes of reform (Ongaro 2006; Pollitt and Bouckaert 2004). These are the changes policy-makers can directly control, such as the creation of administrative structures and the start of new activities. The trajectories of reform are assessed in two areas, better regulation and digitalization, that are central for the improvement of the relationship between the public administration, citizens and economic actors and for national competitiveness. If one looks at the current priorities of Italian public administration reform (OECD 2010), the attempts to increase the level of productivity of the public sectors by for instance fostering public performance management have been blocked by the need to freeze the level of public spending because of the international financial crisis (interview, Official, Public Administration and Innovation Ministry). Conversely, Italy has achieved good results in better regulation, in particular regarding simplification (OECD 2009) and in the provision of online services (European Commission 2010). Thus better regulation and digitalization are two of the pillars of Italian administrative reform.

This article is based on research carried out between 2008 and 2010 which relies on statutory and regulatory sources, secondary literature and ten semi-structured interviews with policy-makers, experts and trade unionists. In other to maintain their anonymity, interviewees are only identified by their position.
The next section presents an overview of Italy’s “context in motion”, focusing on the previous and contemporaneous events relevant to the reforms in better regulation in digitalization. Each of the two reform cases are then presented in two separate sections. The party-political context in the research period was characterized by three distinct political seasons to which correspond three distinct reform waves and therefore the broader context and the two case are presented along three phases: the first spurt of reform under two non-partisan governments (1992-1994), the period of reforms under center-left governments (1996-2001) and finally the reforms introduced by the center-right governments of Silvio Berlusconi (2001-2006). The XII legislature (1994-1996) was not considered, as it covered a very brief government (Berlusconi I) and a transition non-political government that was formed to prepare new elections. The last section discusses the trajectory of the two reform episodes and compares them, showing how the trajectories depend on the operation of policy spillover and certification mechanisms, and how in turn these are activated by design and process factors. The section concludes with some generalizations on the conditions for reform in Napoleonic countries.

THE ITALIAN CONTEXT

The Italian context had a significant impact on the trajectory of public administration reform. Until the early 1990s Italian bureaucracy exhibited the typical features of Southern European public administration: lack of professional top management; clientelism; red tape; waste of resources; institutional fragmentation; inadequate mechanisms for policy coordination (Cassese 1993; Sotiropoulos 2004).

Although these problems were widely recognized, throughout the post-war period administrative reforms were realized in a merely symbolic way (Capano 2003, p. 787). First, Italy’s legalistic
administrative tradition implied that much more attention was paid to passing statutes than to actual implementation (Gualmini 2008; Ongaro 2006). Second, until the early 1990s the broader political context hindered significant moves from the administrative status quo as Italy was characterized by a peculiar combination of utter lack of government alternation and high government instability. Government alternation was precluded by the presence of a strong Communist party that monopolized the left of the political spectrum. This prompted non-Communist and anti-Communist parties to form broad government coalitions that were not bound by any common programmatic commitment and that were not willing or strong enough to bring a sustained challenge to entrenched societal and bureaucratic interests (Cotta 1996). In any event, the flimsiness of the coalition bonds meant that governments were highly unstable, which hindered the implementation of any substantive reform that was actually attempted (Della Cananea 1997, p. 322).

In the early 1990s this long period of stability came to an end. The break occurred in 1992, when the Italian lira was forced out of the European Monetary System and popular support for the existing party system collapsed because of the emersion of widespread corruption (Della Porta 1997). In the face of chronic popular dissatisfaction with public services (Mele 2010; Morlino and Tarchi 1996), Italian administration passed from inertia to a period of permanent reform (Capano 2000). Beside the collapse of the post-war party system in 1992-1993, the factors behind this dramatic shift were the pressure to improve the overall competitiveness of the economic and administrative system in the context of accelerating European integration; the restructuring of national governance structures along federal lines and, finally, the adoption of a mostly majoritarian electoral law that bipolarized party competition (note, however, that the overall party fragmentation inherited from the proportional electoral system in use until 1993 has
lingered on).

Administrative reforms have been embedded in a politico-institutional regime that has been defined as ‘context in motion’ (Ongaro 2009; Ongaro Forthcoming). While some context factors such as administrative culture have remained stable (Capano 2003) the overall context in which administrative reforms have taken place has not reached a new equilibrium. Based on a model of bureaucracy moderately and contradictory inspired by the principles of New Public Management (Gualmini 2008, p. 92), innovations have interested all the levels of government and affected a number of administrative dimensions, such as organizational design, civil service, budget, performance management, administrative procedures, and the use of information technology (IT) (Capano 2003, p. 787). The wave of administrative reforms was particularly intense and continuous until 2001. After that there was a sharp downturn [AUTHORS OMITTED], as the strategy of the ministers of public administration from 2002 to 2006 aimed to gain the political consent of some sectors of the civil service.

The main actors of administrative reforms have been politicians, trade unionists and technicians. As for the former, in the first two phases (1992-1994 and 1996-2001) the highly fragmented Italian political system showed a remarkable compactness: all the administrative reforms of the 1990s (under the non-partisan Ciampi government as well as during the centre-left legislature) were approved by a bipartisan majority.

This consensual approach also characterized the relationship with the trade unions, which was based on consultation (interview, trade unionist). In 1992 unions accepted a salary freeze in exchange for the extension of the contractualisation of the discipline of the civil service. Moreover, tenured workers in the public sector remained secure in the period after the EMS crisis, since the retrenchment package did not include any form of
redundancy. In the successive periods (from 1997 on) trade unions exploited the role gained with the new bargaining system introduced by the method of consultation: the public sector salaries grew sharply compensating the halt of the early nineties (interview, Policy Advisor, Public Administration and Innovation Ministry). Conversely, the third period (2001-2006) was marked by conflicts on the one hand between the government and the opposition and, on the other hand, between the government and the left wing CGIL trade union. The only strategy practised was to limit public expenditure via transversal cuts affecting indistinctly all public sector areas.

Finally, technicians played a key role in the first two periods. Both ministers who led administrative reforms came from their ranks. They influenced reform processes in two main ways (Williams 2002). First, through rule- and procedure-changing behaviours, which alter policy-making rules or procedures, thus maximising the role played by technicians. A typical case was the adoption of the principle of separation between politics and administration, which aimed to strengthen the position of the public managers, who traditionally were subordinate to the political level. Secondly, through instrument-creating behaviours, by which technocratic appointees built new bureaucratic entities expressly designed to plan and implement particular policy initiatives. An example of this is the autonomous agency (ARAN) which was created to negotiate collective contracts with unions on a technical and neutral base.

However, from the late 1990s on, when politics returned in command after the parenthesis determined by the 1992 crisis, the autonomous role of technicians was substantially hollowed. The appointment of the top level bureaucracy became temporary and top bureaucrats were subordinated to politicians without at the same time introducing any form of performance assessment. This tendency to foster political patronage was confirmed and even accentuated
during the following legislature (2001-2006) by the centre-right government (interview, Official, Public Administration and Innovation Ministry). Furthermore, starting in 1997 the practice of establishing direct contacts between representative of the civil service unions and the public administration ministers cast a shadow on the sophisticated system of negotiation of collective contracts based on the introduction of the ARAN (interview, Official, Agency for Collective Bargaining in the Public Sector).

In the next two sections we present the two reform cases, which were the purview of the central executive. Given the significant impact of the number of decision-makers and of the difference in their policy preferences on the ability of a system to move away from the status quo (Tsebelis 2002), the policy-specific context in which these trajectories have unfolded is operationalized in terms of the fragmentation of the political leadership for the policy.

BETTER REGULATION

At the beginning the of the period covered in this study Italian public administration was marked by extreme procedural fragmentation (about 5,400 procedures codified just at state level, without considering other levels of government), a high level of procedural rigidity (because of the number of statutes that ruled each procedure), very large delays, and heavy administrative burdens (Presidenza del Consiglio dei Ministri 1994).

Since the early 1990s Italy has however developed a remarkable better regulation policy [AUTHORS OMITTED]. The reform episode can be divided into three periods, each including a number of events. During the first period (1992-1994), a rolling simplification program was implemented. The aim was to tackle red-tape, thus reducing the length and cost of bureaucratic procedures. The government was short-lived, but it achieved significant results by relying on a
small but very qualified group of technicians coming from academia, the Council of State, and the Court of Accounts. It simplified nearly 50 administrative procedures, selected by involving representatives of the stakeholders. A downside, however, was that it did not introduce any quantitative measurement [AUTHORS OMITTED].

During the second period (1996–2001) better regulation policies pursued wider aims: these included not only reducing delays and administrative burdens, but also achieving the right balance between advantages and disadvantages of regulation and improving the clarity of the normative measures. As a consequence, a more articulated repertoire of better regulation tools was employed, including codification and regulatory impact analysis beside procedural simplification (interview, Former Member, Task Force for Simplification).

This period was characterized by remarkable results: more than 100 procedures were simplified, one-stop shops for the start-up of economic activities were introduced, and the principle was adopted that bureaucracy should not ask for the data of private citizens that are already in the public register. Law n. 50/1999 made regulatory impact assessment (RIA) compulsory for regulatory measures drafted by ministries. It did not immediately require complete enforcement, but made provisions for an experimental phase before consolidation. However, RIA was only experimented in five cases in the period from 1999 to 2001 and therefore its introduction did not significantly transform the regulatory process.

In this second period there was an observable tendency to formally institutionalize a better regulation system. The Annual Simplification Acts, stable forms of consultation with the social and economic categories, were institutionalized and a specific better regulation body (Task Force for Simplification) was set up. While this meant creating a structure equipped with significant technical skills, and some simplification measures
(i.e. one stop shops and self declaration) were supported by well-developed plans which sustained the phase of implementation with communications initiatives and training courses for the bureaucracies (interview, Official, Public Administration and Innovation Ministry), it also meant that the accountability of the “ordinary” public administrations was reduced, as their role in conceiving the simplifications initiatives was taken over by the Task Force.

In the third period (2001-2006) the previous better regulation setting was dismantled. First, the Task Force for Simplification was suppressed in 2002 so that “ordinary” bureaucracies could take on the responsibility for the better regulation policy (the ordinary bureaucracy did not react positively to this challenge). Second, the dispersive strategy of realizing a number of simplification initiatives focused on specific procedures was replaced by a comprehensive revision of selected sectors of public intervention (Law n. 229/2003). However, the greater scope of intervention increased the number of opposing interests, thus drastically diminishing the number and effectiveness of the simplifications realized. Furthermore, the RIA experimentation was effectively abandoned since only one impact analysis was realized from 2001 to 2006. As a result the better regulation policy ground to a halt.

Before the end the legislature in 2006, however, pressures from the EU, the OECD and, at domestic level, from the organisms representing stakeholders led to the adoption of some apparently drastic measures (interview, Former Member, Task Force for Simplification). Law n. 80/2005 and n. 246/2005 made RIA mandatory but postponed the application of this rule until the adoption of a further specific regulation that was adopted just two years later. Besides, these rules generalized the ‘silence is consent’ (silenzio assenso) rule to all procedures in which a private citizen asks for permission or authorization to start an economic activity. Nevertheless,
the generalization of silenzio assenso was surrounded by so many limits and exceptions that the implementation of this rule has effectively been nonexistent.

The previous narrative shows that the level of implementation has oscillated over the three phases of the better regulation reform trajectory. The rest of the section describes the connection between policy outcomes and the operation of the spillover and certification mechanisms, which operated in combination to form a process of reform. In the first period (1992-1994) the inertia of the previous decades was tackled by adopting new laws that launched an ambitious programme of simplification. This period was characterized by a change of government and of the public administration minister. The early end of the legislature made it impossible to attain more than minimal implementation. In the second period (1996-2001) the government and the parliamentary majority were internally divided and deeply instable. At the same time, however, there was a significant continuity in the leadership of the better regulation policy. Thus, reformers could take advantage of a longer time horizon and reached more remarkable results. Beside the implementation of simplification initiatives (i.e. one stop shop and self declaration), effective action plans were devised and realized that aimed to solve implementation problems and to build adequate administrative capacity. However, these reform attempts were only partly successful. First, the need to deal with a fragmented stock of administrative procedures accumulated over time caused a waste of efforts, thus limiting the impact of the whole simplification program. Second, the attempt to introduce regulatory impact analysis within the legislative procedure reached only the stage of experimentation. During these first two periods policy spillover was activated by the success of some of the many initiatives realized. In particular, some very effective measures of simplification in specific fields (like the abolition of ex ante controls of legitimacy) triggered simplifications in other fields.
Stakeholders fed this mechanism, as they learnt from the pioneering efforts of the first period that bureaucratic simplification was a hard but not impossible task to pursue. The experience of the Simplification Observatory (second period) fostered this belief. Hence, some of the most representative associations (i.e. shopkeepers and artisans) created their own well-equipped lobbying units dedicated to support better regulation policy.

Furthermore, in the first two periods the better regulation policy was certified by the full investiture from the prime minister. The appointed minister (Sabino Cassese, an expert of administrative law well known for his determination and capacity) fostered the credibility of the policy. In the second period another expert of public administration, Franco Bassanini, with a forceful attitude to change was appointed as public administration minister, who used the necessity to comply with the Maastricht’s parameters as a leverage point. In this second phase certification also came from international organisms [AUTHORS OMITTED]. In particular, the Prodi government was strongly interested in demonstrating its reliability to international observers. Therefore, Italy was submitted to an OECD regulatory review. In order to comply with the OECD evaluation criteria the RIA experimentation was launched.

In the third period (2001-2006) relative government stability (two governments, but maintaining Silvio Berlusconi as prime minister) was accompanied by instability in the leadership of the policy (three different public administration ministers). The policy outcome of the third period was marked by the adoption of legislative acts without any implementation. In this period the spillover mechanism played against the success of reform. The initial decisions to put a brake on the initiatives launched during the previous legislature affected the whole sequence of events. The measures adopted to halt or to empty some of the previous changes spread and affected other interventions. In fact, at the end of the legislature they prompted the stakeholder associations,
helped by a push at the European level, to lobby government so as to force it to consider simplification a priority. Furthermore, the dismantlement of the Task Force for Simplification signalled the loss of influence of technicians and of the capacity of capitalizing on the previous experiences of innovation.

During the third period better regulation policy was not certified since the issue of administrative reform was not taken up by any member of the executive apart from the public administration minister, and only one of the three public administration ministers of this period, Franco Frattini, had any (marginal) political weight within the executive. Frattini gained a measure of support from Berlusconi. However, given the low significance and prestige of the position of public administration minister, Frattini eventually managed to move up and be appointed foreign affairs minister. Note that during this period there is no evidence of certification of the Italian better regulation policy either by international or European Union actors (AUTHOR OMITTED).

DIGITALIZATION

At the beginning of 1990s the public administrations of the most advanced countries had not yet exploited the opportunities offered by IT (Meny and Wright 1994). In Italy investments were particularly low, dispersed in many initiatives and mostly oriented to sustain the employment in the IT sector [AUTHORS OMITTED]. Given this starting point, digitalization strategies initially focused on the diffusion of basic technological infrastructure in order to enhance policy coordination across the public sector. Although the public administration minister was still politically responsible, a new dedicated structure (the Autorità garante per l’informatica nella pubblica amministrazione – AIPA – or Authority for information technology in the public administration) was introduced (Legislative Decree n. 39/1993). Being prevalently composed of
technicians coming from academia and semi-independent from the Government, AIPA should have prevented the capture of bureaucracies in purchasing technologies. Its mission was to carry out inter-sectoral projects. In particular, it aimed to realize the Single Public Administration Network (Rete unitaria della Pubblica Amministrazione-RUPA) which providing inter-connection services for all public administrations. The RUPA, which in the 2000s was to evolve into the Public Connectivity System (Sistema Pubblico di Connettività – SPC) only became operative at the end of 1990s because of the complex bidding procedure. The AIPA had also the task of working out a triennial plan for the digitalization of all public administrations. This was a collection of the proposals coming from different public administrations, strongly conditioned by the expenditure limitations set by the finance minister (interview, Former Official, Authority for information technology in the public administration). Finally, it also had the power to express a binding advice on each purchase of technologic goods by every public administration. However, these reform attempts encountered obstacles. Firstly, the innovation strategies elaborated by AIPA were vague or conversely at times too detailed. Secondly, the monitoring and evaluation system of the information projects realized by the individual bureaucracies was poor. Thirdly, AIPA did not find a unique reliable organizational interface in each ministry. As a result the level of coordination of the digitalization policy was extremely unsatisfactory [AUTHORS OMITTED]. Above all, AIPA had been created to oversee the digitalization process but was not equipped to stimulate innovation by itself.

In the second half of the 1990s, the global digital revolution and the impulse of the European level delivered an exogenous boost. In 2000 an Action Plan for e-Government was approved that aimed to channel the efforts for the improvement of public service quality (interview, Former Official, Authority for information technology in the public administration). Based on this aim,
the objectives of this first e-Government Plan were: the development of a network able to interconnect local and state information systems; the implementation of online public services; the realization of two web portal systems dedicated to citizens and enterprises respectively; the integration of the data bases of registry offices; the diffusion of the electronic identity card and digital signature.

In 2001, the new center-right majority produced a radical shift: a Ministry of Innovation and Technologies as well as a dedicated department were introduced. Lucio Stanca (the former head of IBM Italy) was appointed minister, manifestly signalling the abandonment of the idea that the digitalization policy should be proofed against the intrusion of IT companies. In 2002 a set of objectives fundamentally convergent with those affirmed by the 2000 Action Plan was deliberated. AIPA was renamed Centro Nazionale per l’Informatica nella Pubblica Amministrazione (National Center for Information Technology in the Public Administration – CNIPA) without changing its institutional location and its mission, but in substance facilitating the direct control of the political level on this structure (interview, Former Official, Department of technological innovation). The digitalization policy during this third period was thwarted by the scarcity of dedicated financial resources. In 2004 and in 2005 IT spending in the public sector decreased by more than 6 percent, plunging to the level of 1995.

At the end of the third period the digitalization policy presented a chequered balance sheet. There has been a remarkable growth in online services supplied by the central administration, which jumped to 243 in 2005 against 205 of the previous year (CNIPA 2006), and Italian public administration has developed a remarkable technology infrastructure, with 535,000 workplaces having been digitalized and connected to the internet (CNIPA 2006). However, significant implementation problems remained. According to the *E-Government Readiness Rankings* in
2004 Italy was 26\textsuperscript{th} out of 196 countries, 6 positions lower than in the previous year (United Nations 2004, p. 29). Staff functions have only been partially digitalized and only for personnel management and accounting (CNIPA 2005). Furthermore, in 2004 Italian online public services were 9\textsuperscript{th} out of 25 EU member states in terms of availability (European Commission 2005). Hence the choice of privileging the adoption of a law (the Code of Digital Administration) that affirmed the right of citizens to communicate with the public administration and access their files through the internet and by email. This was only a rhetoric exercise because in most bureaucracies there were not even the minimal conditions for implementing this provision.

Apart from the 1999 to 2002 period, when the rhetoric of the digital revolution was particularly in fashion, over the time span of our research there was no awareness of the strategic significance of technological resources. They were merely perceived as an opportunity to gain the consent of the firms operating in the IT sector, which however represented a low percentage of the Italian economy.

From 1992 to 2001, the span covering the first two phases of the reform episode, the pivotal role of the IT industry was partially balanced by that of technicians who exploited the introduction of institutions (the AIPA) and rules in order to maximize their strategic influence. The main outcome of the first period was the adoption of Legislative Decree n. 39/1993 which was the first comprehensive effort to govern the process of digitalisation. Apart from the institution of AIPA, it did not produce a true plan of digitalization of the public sector, let alone any implementation attempt. The following period not only brought further laws (for instance on electronic signature) but also the first action plan and a limited increase of the digital infrastructure.

In the first two periods the level of stability in digitalization policy was the same as in the area of better regulation and thus we do not dwell on it. Turning to the operation of mechanisms, in the
first period we observe a negative influence of the spillover mechanism. Most digitalization initiatives were aimed at helping the private sector (in particular Olivetti) recover from a deep crisis with dramatic consequences on the level of employment in the IT sector. By doing so, the innovation projects lacked a strategy for change, thus resulting ineffective. With regard to actor certification/decertification, in the first period the digitalization policy was only modestly endorsed by the prime minister. Similarly, no significant political actor led the process of change. As a matter of fact the slow institutionalization of AIPA and public finance constraints prevented political leaders from sponsoring investments in IT. Finally, it was not propelled by a tangible push at the European level.

Conversely, in the following two periods some successful initiatives occurred, in particular in the tax and welfare sectors (European Commission 2005) and at the local level, where local authorities introduced fruitful technological innovations (Ministero per l’innovazione e le tecnologie 2005). The success of these initiatives triggered positive spillovers. Furthermore, in the second period the influence of the certification mechanism was positive. The boost came after 1997, when Franco Bassanini ran the e-Government initiatives and was strongly supported by the prime minister, who was responding to pressure by the European level and other international actors. The tangible achievement of this increased commitment was the adoption of the e-Government Plan funded by the public auction of the licences for the operators of the Universal Mobile Telecommunications System (UMTS).

In the third period the influence of the technicians was considerably reduced. Also, in this period the stability of political leadership increased significantly: Stanca served as minister for innovation uninterruptedly for the whole legislature while the situation for better regulation policy was, as we have seen, much more turbulent (three changes). Even though the results did
not fully meet the expectations, this last period generated some laws (in particular, the Digitalisation Code), a new e-Government plan and a significant growth of the level of the online services.

DISCUSSION AND CONCLUSIONS

The previous narrative allows a longitudinal comparison within each reform trajectory and at the same time a comparison between two reform episodes (better regulation and digitalization) within the broader context of administrative reform in Italy in the 1990s and 2000s. In better regulation the minimal levels of implementation in the first period (1992-1994) turned into broader and more effective implementation in the second period (1996-2001), only to worsen in the third period (2001-2006), when the adoption of new legislation was not accompanied by effective implementation.

This oscillation in policy outcome corresponds to variations in the impact of the spillover and certification mechanisms across the three periods. In the first two periods both certification and spillovers had a positive impact on implementation. Conversely, neither did in the third one: certification was absent and policy spillover worked in the negative as the government applied the brakes on the measures adopted by its predecessor.

In turn, these mechanisms were activated by a combination of actors’ choices and process context, both at the national and the policy level. In the first period the push of public dissatisfaction with the public sector and the need to improve the country’s competitiveness after its expulsion from the EMS empowered reformers, allowing them to capitalize on the unfolding policy successes and allowing the prime ministers to appoint and give political support to reform-oriented public administration ministers. The volatility of the broader political context,
however, brought the legislation to an early close, thus stopping implementation in its tracks. In the second period greater political continuity in the policy area allowed the build-up of administrative capacity and gave coherence to a reform program loosely based on NPM, while the positive experience of successful implementation could be picked up by stakeholders who pushed for further advances. At the same time, the prime ministers could afford to appoint reformers like Bassanini as public administration minister, who in turn could use the pressure to comply with international and European standards to gain leverage for domestic reform. Government alternation in 2001 changed the context in which the better regulation reform took place. The public administration ministers lost political weight, while the finance minister expanded his influence to include administrative reform, which was now mostly seen as a cost-cutting exercise. Correspondingly, policy spillover and certification dried up as reform mechanisms.

The pattern of reform outcomes in digitalization policy is partially different. Implementation improved consistently from the first to the second and the third period, even as fiscal constraints tightened. The continuous improvement in the implementation of digitalization parallels the increasingly positive impact of both policy spillovers and certification. In the first period the ineffectiveness of the early innovation projects prevented spillovers, while in the second and third periods the success of further innovation projects fed the drive for implementation. As for certification, in the first period reformers were not politically supported by the prime ministers, while they were in the second and third periods. Spillovers and certification in digitalization policy were activated by a combination of process design and process context. The limited length of the legislature in 1992-1994 and the employment support nature of the interventions hampered the operation of spillovers.
Conversely, in the second and third periods the greater stability of political leadership made it easier for reformers to exploit early successes. Furthermore, politicians took increasing interest in this policy area, which meant that prime ministers gave greater political support to the relevant ministers.

With a few exceptions, such as Ongaro and Vallotti (2008) who systematically compare across regional governments in Italy, most processual analyses tend to focus on a single policy episode or on cross-national comparisons. Conversely, this study has combined longitudinal analyses of reform trajectories with a comparison between two policy episodes in a single country. This has allowed us to differentiate between policy-specific and broader contextual factors, and thus to show how the intermediate outcome of reform, implementation, can oscillate over time and vary across policy episodes depending on the operation of mechanisms like spillover and certification, and how these mechanisms are in turn activated by the evolution of the national context and by the interaction of design and context factors that vary over time and across episodes.

Finally, in the spirit of putting process-based comparison to use for limited historical generalizations (Barzelay 2007; Barzelay and Füchtner 2003; Came and Campbell 2010; Dussauge Laguna 2011; Ongaro 2006; Ongaro and Valotti 2008), this article concludes by asking what lessons can be drawn from these episodes of reform in Italy that can be relevant elsewhere, and in particular in other countries belonging to the Napoleonic tradition.

Although there might be quibbles on specific features of the Napoleonic tradition, most would include a tendency to legalism and to see citizens as carriers of rights and duties rather than as a public services customers (Ongaro and Valotti 2008; Parrado 2008; Peters 2008). Both aspects are potential obstacles to the success of reforms in areas, such as better regulation and digitalization, that require more managerial attitudes and a customer-oriented shift in the view of
the relationship between administration and citizens. However, reforms can introduce modernizing innovations that coexist with older elements of the traditions such as legalism (Ongaro 2008; Parrado 2008). In other words, innovations can at least partially succeed even in the face of strong anti-reform features of the administrative system (Kuhlmann 2010; Ongaro 2006; Ongaro and Valotti 2008).

Our conclusions on the requirements for successful reform, i.e. for reforms that at least achieve some of their intermediate outcomes, are broadly consistent with those of other researchers that have studied Napoleonic or similar system (e.g. Barzelay and Füchtner 2003; Dussauge Laguna 2011; Ongaro 2006; Ongaro and Valotti 2008). First, reform requires ‘political attention’ from the core executive (Dussauge Laguna 2011, p. 58), which certifies and thus strengthens the innovators at all levels of the administration, from ministers, as we saw in the cases of success in better regulation and digitalization in Italy, to middle managers (Ongaro 2006). A second requirement is coordination among reformers. As we have seen in the narrative, fragmentation of the policy leadership and frequent government alternation can hinder reform even when the other conditions for implementation are present. Short time-horizons in particular limit the possibility to capitalize on past successes or on success in other policy areas and thus reduce the scope for the operation of policy spillovers. Thirdly, stakeholders can be useful allies to reformers in the bureaucracy. In the cases presented here stakeholders have at time been active participants in the reform process in both policy areas and have pushed it forward. A final point worth making regards the impact of system-wide features, namely the nature of the electoral rules. Like others (Ongaro Forthcoming; Ongaro and Valotti 2008), we find that majoritiarian systems can both sustain and hinder reform. Contrary, however, to what Ongaro (Forthcoming) speculates, we argue that, even in a country with relatively low swing voting like Italy, the direct legitimacy of
and electoral pressure on executives in majoritarian systems can be a powerful incentive for reforms that aim to meet citizens’ needs. Indeed, similar considerations might explain the relative success of managerial reforms at the local level in Italy and other continental countries (Kuhlmann 2010). At the same time, as shown by the sidelining of NPM-inspired better regulation policies when the center-right came to power, majoritarian systems are open to government alternations that can bring abrupt changes in policy objectives and understandings and thus disrupt implementation.

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