

8 The study of public management in Italy

Management and the dominance of public law

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Introduction

Public management research in Italy is a recent development, concurrent with the administrative reforms and the devolution process in place since the early 90s. The distinctive national characteristics of the study of public management in Italy are explained in this chapter by considering three main issues:

- the historical evolution of public administration in Italy, including an analysis of characteristics preceding and following the political and administrative unification in 1861;
- the coexistence of competing disciplines in the study of public administration and the traditional domination of the administrative law approach;
- the recent influence of the Anglo-American managerial approach, New Public Management ideas, and the Italian managerial theory *economia aziendale*.

The study of public management in Italy is strongly influenced by early administrative history and the coexistence of several disciplinary approaches including administrative, political and managerial sciences, sociology, law, and public economics.

First, we will examine a synthesis of historical texts on public administration before and after the unification in 1861, focusing on those historical trends which most influenced the path of public management and administration. This synthesis will help bring to light the principal causes of the current state of Italian public administration, including the heterogeneous performance of central-northern and southern Italy.

Next we will analyse public administration education in Italy while considering a survey of 42 Italian universities. The fourth section will explore the unique characteristics of Italian public management studies, highlighting both domestic patterns (ie the *economia aziendale* approach) and influences from abroad (namely the New Public Management wave). To this end, we will take a closer look at the aforementioned university survey. Finally, the closing section reviews the main features of public management research in Italy with a content

168 *M. Menguzzo*

analysis of the articles published in *Azienda Pubblica*, the most important academic journal on public management in Italy in the last decade.

History of the state and administration

One hundred and fifty years after unification, Italian public administration is relatively young when compared with the administrative systems of other European countries such as France, Spain, and the United Kingdom. Still, performance is disproportionately heterogeneous across regions, particularly when considering central-northern and southern Italy. Furthermore, the influence of pre-unification administrative systems on political, social, and civil society development merits exploration as it is not immediately obvious.

Italian public administration is the result of the cross-fertilization of different administrative cultures, including the *Rechtsstaat* tradition (Austro-Hungarian derived, Lombardia and Veneto), bureaucratic Napoleonic traditions (Piemonte and Sardinia), and weak-state models more similar to the Vatican State and the Two Sicilies realm (south Italy). These administrative cultures embody vastly differing visions of institutional and organizational models, and a diversity of relationships between public administration, citizens/civil society and other social and economic actors. These cultures further influence more minor themes such as public accounting and the management of public assets. This can be seen in northern regions, where attention was given to openness and clarity of bureaucratic processes and the delivery of basic public services such as waste and garbage collection, road maintenance, and public lighting. Here the philanthropy of the aristocracy and bourgeoisie played a strong role in the provision of social services and health care.

In contrast, the southern civil servants were known for their arbitrariness and free-riding behaviours which determined the low quality of public services and a greater distance between the government and the citizens. The *brigantaggio*, the rule of bandits, described the violent response from locals. This phenomenon lasted through most of the nineteenth century. However, in the *Sabaudia* realm, the French army had imposed Napoleonic institutions such as the *préfet*, with highly formalized careers and a strong hierarchy (Melis 1996).

While the Piedmont, in north-western Italy, played a leading role in shaping the unified administration, institutional modernization efforts took place earlier and more obviously in other pre-unified states. East of Piedmont, in the Lombardo-Veneto region, a social class of bureaucrats was developed following a formalized pattern fostered by the Austro-Hungarian empire, and featuring educational requirements for entry, career mobility, and ethical principles.

In the Naples realm and the Kingdom of the Two Sicilies, the main Bourbonic laws (1816 and 1817) were in line with the previous French tradition. There were differences between formal rules, based on professional bureaucracy and territorial mobility, and their real application (prevalence of personnel with aristocratic origins). In other states, such as the Vatican Kingdom, there was general lack of formal norms regulating the organization and functioning of

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1 public offices. On the eve of unification, the various administrations counted
2 nearly 60,000 employees, of which about 25,000 were from the Kingdom of the
3 Two Sicilies.

4 Prior to the political and administrative unification, the Italian states with the
5 exception of Lombardo-Veneto, were converging towards the French adminis-
6 trative model. Still, in the years immediately following unification, there were
7 many discussions about which administrative model to adopt at the national
8 level. The two main options were the Lombardo-Veneto model, based on a con-
9 tingency approach emphasising local specificities and considered highly suc-
10 cessful, and the French-inspired Piedmont (Napoleonic) model, based on
11 principles of organizational uniformity. The Piedmont model was selected hesi-
12 tantly, considering the bureaucratic fragility of the southern administrative
13 systems and the decentralization experienced under the Bourbon rule (Fedele
14 1998).

15 The new model aimed to centralize political accountability and unify policy-
16 making and executive activities. The creation of the post of secretary general
17 further linked the minister with the bureaucratic apparatus.

18 In the aftermath of unification, central government gained authority at the
19 local level in almost every field, with the exceptions of defence and justice. First
20 introduced in 1853 and then in the unified Italy in 1865, the main difference
21 with the French model was the absence of inter-ministerial coordination. In
22 Italy, the competences of the central government authorities operating at the
23 local level were not integrated with those taken on by the prefects. Ministries
24 were organized in general directorates, initially grouped as war, finance, and
25 public works ministries, which expanded steadily during the following years.
26 This induced a greater autonomy of the directors general from the minister.
27 During the 1880s, liberal government revised this model, abolishing the post of
28 secretary general and creating a deputy secretary general similar to the British
29 parliamentary secretary. Yet at central level, the ministries-model, in a pure
30 Weberian style, continued to exist until the 1990s.

31 During these years the number, size, and diffusion of the agencies and
32 independent authorities fluctuated (Cassese 1983).¹ In terms of sub-national
33 levels of government, Italy has elements of both centralized France and the
34 regional state of Germany. Different from Germany, the Italian central govern-
35 ment has peripheral administrations at the local level, which coexist with
36 regions, communes, and provinces. Cassese (1983) estimated that in every
37 province there were at least 100 peripheral offices of the state. Although local
38 governments have been recognized as autonomous in the Italian constitution, it
39 was only in 1990 that a thorough reform was undertaken, with constitutional
40 revision only in 2001.

41 The Italian bureaucracy from the unification to 1900 was characterized by
42 small size² and high uniformity, with most of the employees coming from the
43 Piemonte administration. Career paths were mainly hierarchical, with high
44 integration between bureaucrats and politicians. It was only in 1908 that a civil
45 servants statute³ was adopted, as a consequence of a major conflict due to the

170 *M. Menguzzo*

increasing size and function of the government, as well as the increasing social and cultural diversity of public employees, an increasing number of whom came from the former Kingdom of the Two Sicilies and the former Vatican State.

Public employment increased as a consequence of the expansion of the role of the state in the economy (Table 8.1). This increase in the number of public employees and functions did not happen in conjunction with political and administrative unification, as in other European countries, but four decades later in connection with the industrialization process. Here the state did not steer the economic development process as in France (Melis 1996). The increase in numbers of employees from south Italy – ‘southernization’ – was simultaneous with this expansion.

Selection and training were carried out by the administration itself, which brought about the isolation of bureaucracy. Administrative elites, such as those developed in France and the United Kingdom (Cassese 1983), were all but nonexistent, and the closeness of career paths did not allow the development of an education system similar to the ENA in France. Needless to say, Italy did not have established public administration education traditions such as the French *grands corps* or the English ‘Oxbridge’. During the 1920s, the Giolitti government introduced a reform programme including privatizations and liberalizations of some public services, ministerial reorganization and merger, and modernization of civil service and public finance. It is important to note that, between the First and Second World Wars, many policies of public administration and public employment did not substantially influence the decision-making processes and way of working of Italian public administrations, which remained the same as when they were introduced during the 1920s.

The 1970s brought three important reforms: the reform of the health-care system, the reform of the fiscal system and the creation of regional governments. The decentralization process continued in 1977 and in 1998. Administrative reform launched in 1979–1980 (Giannini 1979) and remained idle until 1990.

The main thrust of this administrative reform included the adoption of scientific management ideas, the creation in each administration of a unit dedicated to the implementation of managerial techniques, and the privatization of public employment, with the exception of the higher civil service.

In 1990, the law on simplification and administrative transparency was approved and some of the most important independent administrative authorities were set up. A new agency was introduced in 1992 with the mission to coordinate the contractual bargaining process between the state and public-employee unions. This was followed by the reorganization of several ministries.

However, two decades after the reforms of the 1970s, innovations in administrative transparency remained unsatisfactory, as highlighted in an evaluation by the Agnelli Foundation. Less than 50 per cent of government offices had implemented governmental guidelines. This failure is even more pronounced in the areas of citizen relations and process management.

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Table 8.1 The evolution of public employment after unification

	1861	1881	1891	1910(a)	1923(b)	1930	1941(c)	1975	1980	1997	2002
Public employees	50,000	64,992	126,343	376,777	509,145	527,769	1,139,774	1,995,834	2,145,960	3,102,727	3,546,507

Source: Based on data from Cassese, 1983; ISTAT, 2005.

Notes

Since 1910, figures include autonomous public enterprise; since 1923, judges; since 1932, teachers.

172 *M. Menguzzo*

We can track the failures of transparency reform to several important factors, the most influential including fiscal and budgetary pressures, loss of citizens' trust, an ageing society, changes in the electoral system, and political vision and leadership.

Initially, budgetary pressures were the driving force for reform. A calamitous combination of a relatively low level of taxation, huge government debt, and poor quality and cost-transparency of public services was magnified during European integration. This resulted in higher taxation and direct costs to citizens for certain public services.

A second driver is related to the low levels of citizens' trust in public institutions. While it was an overall trend, it is often exemplified by the massive popular protest against widespread corruption in the early 1990s, the so-called '*tangentopoli*' (the state of bribery), which led to many reforms aimed at improving the government–citizens relationship (Table 8.2). Several referenda during these years highlighted the positive attitude of citizens towards the abolishment of some ministries. The media in turn have placed enormous emphasis on the technical nature of managerial expertise as a sort of moral antidote to the degeneration of politics (Panozzo 2000).

A third factor in the failure of reform to yield the expected benefits is that demographic changes, in terms of the ageing of society and the growth of immigration, have led to many problems in the social, health, and pension systems.

Important changes to the electoral system introduced the direct election of mayors (1993), presidents of provinces (1993), presidents/governors of regions (2000), with the aim of strengthening the stability of local governments and public accountability mechanisms.

Influences from abroad were mainly visible in the greater focus on new management practices such as the performance orientation of budgeting and human

Table 8.2 Trust in the civil service (as a percentage)

	1981	1990	1999	2002
Austria		42	65	66
Denmark	47	51	50	60
Finland	53	33	43	43
France	52	49	44	45
Germany	32	38	43	45
Ireland	54	59	61	64
Italy	27	25	27	29
Netherlands	44	46	57	55
Portugal		36	44	47
Spain	39	35	39	43
Sweden	46	44	45	60
UK	47	46	44	48

Source: OECD/PGC, 2005; Eurobarometer, World Values Study.

Public management in Italy 173

1 resources management in what has been coined the 'Italian wave' of new public
2 management.

3 Political vision and leadership were changed accordingly. It was only in the
4 early 1990s, with the governments of Amato and Ciampi, that the modernization
5 of the public sector became a central element with the public finances recovery
6 programmes. More recently, regulatory reform became an area of focus for the
7 Italian government. Policies of simple streamlining of individual practices and
8 the introduction of the one-stop shops for businesses were followed by codified
9 policies for specific areas and subjects.

10 Integrity and ethics in public service have also been addressed by initiatives
11 aimed at fighting corruption and managing situations of conflict of interest. Law
12 No. 3 of 2003 instituted the 'High Commissioner for preventing and fighting
13 corruption' in conformity with the provisions of the International Convention
14 against Corruption recently adopted by the United Nations. Another important
15 area of reform focuses on implementing a shift from a procedures-based admin-
16 istration to a results-based administration. This was mainly achieved through the
17 modernization of preventative legitimacy control systems, seeing them evolve to
18 managerial controls focused on *ex post* evaluation of economic impacts, social
19 impacts, efficiency, and effectiveness. A performance-oriented approach in the
20 public sector has been introduced mainly through strategic planning initiatives,
21 both at the central and the local and regional levels of government.

22 A key area of reform still under way is the devolution of powers from the
23 central administration to the territorial administrations (ie regions, provinces,
24 and municipalities). Future challenges in this area will be multilevel governance
25 issues (particularly regulatory governance), integrated decision-making and the
26 development of local-level competency in new functions.

27 Public management reforms in Italy have taken both a legislative and a
28 top-down approach. While the contents of reforms are very much in line with the
29 New Public Management principles and the experience of other OECD countries,
30 the approach to implementation is particular to Italian reforms. These particulari-
31 ties include the implementation gap problem, problems of scope (namely, wide-
32 ranging reforms), the varied speed and degree of modernization across
33 geographical areas/types of administrations, and the lack of evaluation. While the
34 Italian government has been very active in introducing new and all-encompassing
35 laws for reform, it is particularly weak in implementation. The modernization
36 paths of bodies such as the central and local governments, national and local
37 public enterprises, and executive agencies are quite divergent. These differences
38 are indicated by their varying innovation capacities. Still there has been no sys-
39 tematic evaluation of the public administration reform process in Italy.

40 The coexistence of different public administrations, the difficulties encoun-
41 tered in their integration and the effective establishment of a public administra-
42 tion system only in the past 50 years have without a doubt influenced the study,
43 as well as the reform, of public management in Italy and produced significant
44 consequences. It worth noting here the administrative and institutional dualism
45 and the different speeds of the modernization process in the north and south

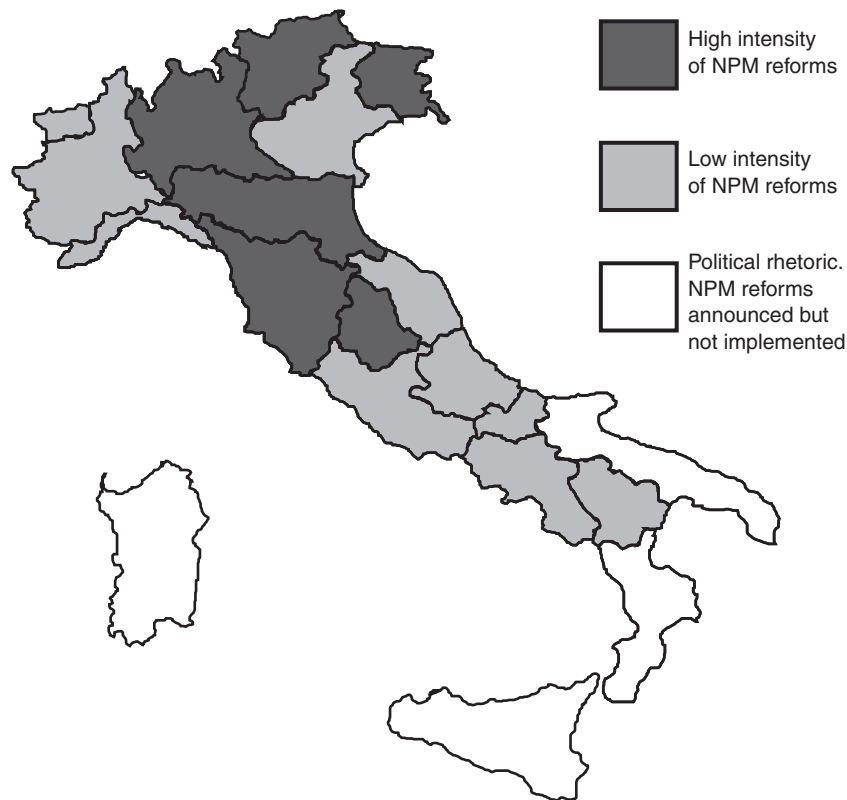


Figure 8.1 The adoption of NPM in different regions in Italy.

(Cammelli 2004; Dente 1999), the relationship between institutional performance and civil society (Putnam, Leonardi and Nanetti 1994) and the particulars of public administration in the south (Mezzogiorno) in terms of political-administrative relationships and the spread of free-riding behaviours (Dupuy and Thoenig 1982; Reboria 1999). In illustration, Figure 8.1 presents the varying rates of adoption of New Public Management across regions in Italy.

Public administration education, with a focus on public management

An analysis of public administration education programmes in Europe (Hajnal 2003) defines three clusters: a legal group of countries, where a strong emphasis is put on administrative/public law; a public group, in which the public administration is recognized to have a unique public and political character; and a corporate group, focused on business management techniques (see Table 8.3).

Italian public administration has traditionally been dominated by administrative and public law, while hesitant initiatives aimed at introducing scientific

Table 8.3 Clusters in public administration education

<i>Public</i>	<i>Legal</i>	<i>Corporate</i>
Belgium	Greece	Denmark
Spain	Italy	Netherlands
France	Portugal	
Sweden		

Source: Adapted from Hajnal 2003 in van de Walle *et al.* 2004: 237.

management principles encountered obstacles related to a formalistic and juridical culture. Still we see the simultaneous presence of several disciplinary approaches in the study of public administration, each focused on different research areas. Among these are the administrative-sciences approach (developed inside the administrative law and public accounting areas), the organizational-sociology, the political-sciences, the public-policy-analysis and, finally, the *economia aziendale* approach. Still today the most consolidated approaches include both administrative law/science and political science. More recently, researchers have noted a convergence between these two areas which favours a multidisciplinary approach. This is exemplified in policy analysis and implementation research and the descriptive theory of public administration decision-making.

The current state of the study of public administration in Italy can be further analysed using a survey of 42 Italian universities,⁴ which consisted of a web-based content analysis of the undergraduate and postgraduate programmes in the faculties of economics, law, political sciences, sociology, and science of communication. The sample of universities was determined by the necessity to compare these results with those of a 2004 survey on public management educational programmes to which the economic faculties of these 42 universities responded, an account of which is given later in this section.

Public administration degree programmes were found in 32 of the 42 universities. A closer look at these faculties exposes interesting aspects. The number of degree programmes on public administration is higher in political sciences faculties, followed by economic faculties and law faculties (see Table 8.4).

Table 8.4 Public administration degree programmes in different faculties in 42 Italian universities

<i>Faculty</i>	<i>Number of programmes</i>
Economic	26
Law	18
Political sciences	30
Sciences of communication	2
Sociology	1

Source: author, July 2006.

176 *M. Menguzzo**Table 8.5* MA programmes in public administration in different faculties in 42 Italian universities

<i>Faculty</i>	<i>Number of programmes</i>
Economic	19
Law	4
Political sciences	3
Sciences of communication	1
Sociology	2

Source: author, July 2006.

In the area of postgraduate education, there are 29 Master of Arts programmes and 12 doctoral programmes dedicated to public administration, as illustrated in Tables 8.5 and 8.6.

The pervasiveness of postgraduate courses related to public management in economic faculties can be explained by the demand competencies for expressed by public managers: in 2005 the Italian Department of Public Administration interviewed 1,588 senior civil servants, of which 99 per cent were felt to lack managerial competencies.

Academic departments dedicated to public administration issues are found in only six of the 42 universities, of which five were positioned inside economic faculties and one in a political sciences faculty. This feature, far from representing a strong influence of the New Public Management approach, can be explained by taking into account the *economia aziendale* approach, explained in the next section.

Regarding education programmes specifically focused on public management, a survey of *economia aziendale* carried out by the two state universities of Rome (Tor Vergata and Rome 3) on behalf of the Italian Academia has highlighted the steady expansion of graduate and postgraduate courses on public management in the 42 universities that responded to the survey. The survey found 149 graduate courses in public management (Bologna education model); 34 postgraduate master's programmes in public management, public policy

Table 8.6 PhD programmes in public administration in different faculties in 42 Italian universities

<i>Faculty</i>	<i>Number of programmes</i>
Economic	10
Law	0
Political sciences	1
Sciences of communication	0
Sociology	1

Source: author, July 2006.

Table 8.7 Undergraduate courses on public management in the 42 surveyed universities

<i>Undergraduate courses</i>	<i>Number of courses</i>
Public management (general)	64; 46%
Public accounting	24; 17%
Planning, budgeting and control	29; 21%
Other courses	23; 16%

Source: D'Alessio *et al.* (2004).

and management, and innovation and public management; and, four inter-university PhD programmes dedicated to public management. Of the 149 undergraduate courses on public management, 66 per cent were within triennial degrees, while 34 per cent were within the biennial specialist degrees of the Bologna system.

Twenty-one percent of the courses tackle issues of planning, budgeting, and control, compared with just 17 per cent of courses in accounting systems – which was earlier introduced in public management studies. The remaining courses are in areas of organizational and human resources management studies and public–private relationships. It should be noted that the increase in planning and control courses and the prominent role played by general courses in public management are a direct consequence of the impact of the New Public Management ideas on the study of public management in Italy.

Of the postgraduate degrees investigated, 34 are master of arts programmes. Furthermore, there are four doctoral programmes dedicated to public management at each of Rome Tor Vergata, Bocconi, Siena, and Salerno Universities.

Public administration and management research framework

The national characteristics of the Italian study of public management are the result of two main influences: the typical *economia aziendale* approach and the New Public Management wave. Although the development of *economia aziendale* dates back to the first decades of the twentieth century, it was thoroughly applied to public administrations only in the past two decades. The coexistence of several more dominant disciplinary approaches in the study of public administration, and

Table 8.8 Public management MA programmes in the 42 surveyed universities

<i>MA programmes</i>	<i>Number of programmes</i>
Public management and innovation	7; 21%
Focused on specific issues	27; 79%

Source: D'Alessio *et al.* (2004).

178 M. Menguzzo

the development of its own disciplinary identity, are the main challenges faced by the *economia aziendale* researchers in Italy.

Economia aziendale is a theoretical framework developed in Italy for describing the strategies, behaviours, and operations of the private for-profit enterprises. It can be ascribed to the institutional approach to economics as opposed to the dominating technical and practical approaches. The main cornerstones and propositions of the framework are described in Pessina 2002 (see Box 1).

Box 1 The *economia aziendale* approach

A possible translation for *economia aziendale* may be business management or business administration, even if none of these terms satisfactorily captures its meaning, which corresponds to the German *Betriebswirtschaftslehre* (Borgonovi 1992).

Economia aziendale is the result of specific developments within the field of institutional economics, taking place in Italy, Germany, and central Europe. It is different from the analytical, model-based, and econometric focus of the Anglo-American approach (Borgonovi 1992) and also from the French *sciences de gestion*, since these studies are centred around the capitalist enterprise archetype, focused on individual profitability objectives. Other differences concern the research method (inductive/deductive in the former, mainly inductive in the latter).

It is a positive, general theory of economics and of the management of all kinds of social-political entities. Also, it is holistic and interdisciplinary and oriented towards the guidance of managers in need of strong general principles and theories useful in understanding the contingent reality. Studies falling into this approach correspond to specific information needs relating to business management issues.

An organization, according to the *economia aziendale* approach, is an *azienda* if it obeys several guiding principles. It is seen as a social and economic unit with an autonomous existence that is unitary, evolutionary, enduring, and innovative.

Unitariness comes about when the decisions of corporate governance are mutually consistent and shared by the members of the organization. Autonomy means that, while taking into account legitimate external expectations, the organization must make its decisions freely and in the interest of its members. Furthermore, it means that the organization is not systematically dependent on third parties, in order to avoid having to submit to the will of such parties. In the absence of unitariness and autonomy, the organization loses the capability to make timely decisions oriented towards long-term development. Unitariness and autonomy are necessary conditions for efficiency (as a condition for institutional

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equilibrium) and effectiveness. Whenever efficiency and effectiveness are not critical objectives (when the organization is allowed to operate in a protected environment), even unitariness and autonomy lose their relevance. Other principles relate to the integration and balances of interests, to equity, etc. (Airoldi *et al.* 1995).

The *economia aziendale* approach investigates simultaneously managerial (operational as well as strategic), organizational, and accounting aspects of every organization (of every *azienda*). It virtually breaks it up into three subsystems:

- a the management (or decisional) subsystem includes the design of production processes and the decisions aimed at making the best use of the resources;
- b the organizational subsystem comprises the organizational structures (units and relative functions) and the operative mechanisms (human resources management, planning and control, leadership style, etc.);
- c the information and control subsystem relates to auditing, accounting, and communication systems in place, aimed at satisfying the information needs of both internal and external stakeholders.

Source: With adaptations from Cepiku, Meneguzzo 2004; Pessina 2002. For literature in English on the *economia aziendale* approach, see Airoldi *et al.* 1995. See also Accademia Italiana di Economia Aziendale, online at www.aidea.it.

The main propositions of *economia aziendale* include the following (Pessina 2002):

- To satisfy their needs, individuals may create institutions, some of which perform economic activities.
- An institution is a durable entity, which includes individuals and resources (tangible and intangible), operating under a set of stable cultural norms and of behavioural rules and structures. It performs a set of coordinated activities with the final aim of satisfying human needs.
- Institutions include both public and private, for-profit and not-for-profit entities.
- Management theory and its general principles must cover all classes of institutions.
- The institutions of all classes share the following general features: they are guided by a dynamic vision; they are autonomous (although not independent); and they exist to satisfy human needs (which implies strategic effectiveness and operational efficiency). These are often referred to as *visione sistemica, autonomia ed economicità*.
- Management theory is the discipline that focuses on the economic dimension of institutions.

180 *M. Menguzzo*

- Institutions include stakeholders and the governance structure, economic activities, organisational structure and mechanisms, human resources management, and physical and technical arrangements.
- Management theory considers the environment with specific reference to its economic dimension, which includes other entities having competitive, exchange, institutional, implicit, and liberality relations with the institution.

In public administrations and agencies the strengthening of the disciplinary identity of *economia aziendale* took place in the area of accounting as a reaction to the hegemony of administrative law, which highlighted the legal implications of national public accounting. Only now, decades later, a central issue in Italy has become the application of private business management (namely planning, accounting and control, decision-making) to the public sector.

The application of the *economia aziendale* paradigm to public administrations in Italy gained more space and interest during the starting phase of the New Public Management wave. The main developments are found in Borgonovi 1973; Rebori 1983; Borgonovi *et al.* 1984.

Table 8.9 lists the main levers of action ascribed to New Public Management reforms in Italy. Market-type mechanisms and managerial techniques in use in the private sector, particularly planning and control systems, are the areas receiving greater attention and higher visibility. There is a direct relationship between these New Public Management levers of change and the incidence of undergraduate courses in public management, in public accounting, and in planning, budgeting and control listed in Table 8.7.

Two issues here are noteworthy. First, the innovative experiences of management and organization preceding the New Public Management wave developed since the mid-50s have not received adequate attention from academia and the business administration researchers. Examples of this include the adoption of PPBS (Planning, Programming, and Budgeting Systems, in the 60s) and ZBB (Zero-Based Budgeting, in the 1970s) in central government. Another remarkable experience is the 1952 creation of an organizational unit dedicated to planning and project management in the municipality of Milan, which has multiplied since the 1960s. In 1982 the regions of Lombardy and Emilia Romagna also created units for planning and control and introduced systems for evaluating the impact of regional policies. The second issue is the adoption of managerial techniques in Italian public administration – in terms of both an institutional approach such as *economia aziendale* and the New Public Management approach. As previously mentioned, the success achieved by these later experiences varies significantly between different levels of government and between geographical areas.

The proliferation of graduate and postgraduate courses in public management in Italy is relative to a greater awareness of certain weaknesses of the *economia aziendale* approach to public administration. Among these are the low propensity

Table 8.9 Levers of public management reform in Italy

<i>NPM levers of change</i>	<i>Public management reforms in Italy</i>	<i>New law/regulations issued</i>
Organizational change and downsizing	New organizational models at the macro level New institutional arrangements (enterprises, foundations) Fusion of ministries	1990 1993 1997
Public competition	Competition between public health-care organizations Competition between other public agencies in allocating regional investment funds	1992
Market-type mechanisms	Contracting out to private profit and non-profit organizations Contracting in	1990 1996
Introduction of private management systems and techniques	Accrual accounting introduced in local government and health-care organizations Responsibility centres and reorganization of budget items Audit, control and budget systems (national health-care system) Fixed-term contracts limited in time and new managerial positions (city managers, general directors in municipalities and health-care organizations) More flexible HRM practices Customer communication and orientation Administrative simplification and transparency Incentives and evaluation of senior civil servants	1990 1993 1994 1995 1997
Performance measurement and definition of result standards	Accrual accounting Cost control and management planning (local governments) Strategic planning, budgeting and auditing (public health-care organizations)	1990 1993 1993

Source: Meneguzzo, 1999.

towards interdisciplinary research and the lack of comparisons and confrontation with other disciplines, especially political sciences, sociology, and administrative law. Additionally, the approach gives limited importance to the study of public administration tendencies at the international level, including the pros and cons of the New Public Management experience and the emerging, now consolidated, paradigm of public governance.

Currently, some Italian universities (Bocconi Milano, Venice, Pisa, Siena, and Rome Tor Vergata), in partnership with the governmental units for modernization and innovation, are exploring international trends and beginning to overcome a vision of business administration limited exclusively to accounting with a movement towards developing a paradigm that integrates managerial, organizational, and strategic issues.

182 *M. Menguzzo*Table 8.10 *Azienda Pubblica* articles classified by research issues

Research issue	Number of articles
Public procurement	3
Public value	3
Regulatory quality and simplification	4
e-Government	7
Government–business–ONP relationships	8
Administrative theories	10
Performance evaluation	10
Organizational change	12
Finance	12
Devolution, decentralization	12
Strategic management	15
Inter-organizational networks	15
Accountability and social, environmental reporting*	19
Local public services, privatization and liberalization	22
Marketing, quality, CRM, etc.	25
Public administration reform and innovation	35
Other issues	36
Planning and control	39
Leadership and HRM	40
Accounting	40

Source: author, 2006.

Note

*Special issue on accountability and social reporting included. Two special issues on accounting included.

Key issues in public administration research

Though the Anglo-Saxon influence will remain strong, the institutional, political, social, and historical specificities will continue to play a role in the evolution of public management studies in Italy. Among the main future trends, we will see a movement towards other disciplinary approaches, such as sociology and political sciences (Cassese 1983), especially in the study of public governance (Cepiku 2005); strategic planning, performance measurement and evaluation (Rebora 1999); public policy impact evaluation; and, network management and governance (Kickert *et al.* 1997).

Themes such as the design and development of networks between public administration and both private and non-profit organizations are central to the current scientific debate, as well as important trends in the practice of public administrations. Considering the development of political entrepreneurship phenomena (mayors and presidents of regional governments) and the introduction of a spoils system model, another key issue concerns the relationship between political level and senior civil service. This trend, considering the duality and plurality of Italian public administrations, calls for an interdisciplinary approach to the study of public management.

Table 8.11 *Azienda Pubblica* articles classified by levels of government researched

Researched levels of government	Number of articles
International institutions	2
Cultural heritage administration	5
Non-profit organizations	5
Ministries	7
Health-care organizations	7
Other	10
Arm's length agencies	11
Regions	22
University and education*	24
Foreign administrations	30
Public sector in general	94
Local and provincial government	139

Source: Author, 2006.

Note

*Special issue on Universities included.

Table 8.10 to 8.12 illustrate the main issues addressed by articles published in the most important Italian academic journal on public management, *Azienda Pubblica*. Over 300 articles were analysed from 1996 to 2006 and classified according to the areas of research (Table 8.10), government levels addressed (Table 8.11) and research strategies (Table 8.12).

There is a direct relationship between the main levers of public management adopted in practice and postgraduate education and research in Italian universities. Public administration reform, innovation, planning and control, and accounting systems are the most recurrent issues in academic/scientific articles (114 articles). There are a surprisingly low number of articles addressing institutional decentralization and devolution (12), processes of interest in Italian public administration since 2000. Also of low frequency are articles referencing e-government and interdisciplinary issues, with only ten articles in ten years on administrative theories.

Table 8.12 *Azienda Pubblica* articles classified by research strategy

Research strategies	Number of articles
Literature review	113
Survey	59
Action research	15
Case study	90
Ethnography	3
Historical researches and longitudinal analysis	5
Simulation methods	3
Other research strategies	50

Source: author, 2006.

184 *M. Menguzzo*

Other research issues, more in line with the current trends of public management and the progressive evolution towards public governance, are emerging: human resources management and leadership development, government–citizens relationships, public and institutional communication, public accountability and social/environmental responsibility, inter-institutional networks, and strategic management.

The analysis of publications in public management and administration in Italy offers other interesting information on the levels of government researched and the methodology adopted. Table 8.11 illustrates that regional and local administrations are the most analysed organisations (161 articles). The attention given to the local level of government is easily understandable by considering the higher innovation rate of these administrations, as exemplified by the various national and international awards (such as the four quality conferences of the European Union from Lisbon 2000 to Tampere in 2006). This is the direct effect of the greater managerial autonomy, the direct election of mayors and close contact with citizens. Furthermore, the type of activities included in local governmental functions – service delivery as opposed to the policy-making activities characterizing ministries and regions – may explain the viability of applying managerial principles (*economia aziendale* and New Public Management) and techniques.

Of the articles examined, 94 address the public sector in general, without reference to a specific type of public administration.

There is also a modest interest in the international context, with 30 articles dedicated to foreign experiences. Among the motivations for international public administration research, which is growing in recent years, is the limited access to Italian public funds as highlighted by Table 8.13.

Apart from the basic literature review, our research strategy also includes a review of case studies. The single-case approach (61 articles out of 90 adopting this method) is preferred to the multiple-case strategy. Highly relevant is the frequency of surveys, which are adopted more frequently than the methodologies of other disciplinary approaches such as ethnography (sociology), historical research (administrative sciences), simulation methods (managerial sciences). A final feature of Italian research on public management is represented by the predominance of qualitative research (324 articles out of 338).

Table 8.13 Internationalisation projects achieving financial support from the Ministry of Education

	2001–2003	2004–2006
Total projects attaining financial support	175	162
Of which projects on public administration	5	4

Source: author's elaboration on data from the Ministry of Education: (see online resource at <http://interlink.miur.it>).

Concluding remarks

The Italian experience of institutional, administrative, and managerial reform offers interesting ways to address the question, launched by Walter Kickert in his north–south comparison, ‘How does the history of a state or administration affect the form and content of its administrative reforms?’

A historical perspective of Italian public administration cannot be restricted to post-Second World War, but must embrace the political and social unification process which was completed with the fall of the Vatican authority and the accession of several north-east regions after the First World War. Here, we have, herewith briefly reviewed the various institutional, political, and administrative cultures which gave birth to the unitary state, and analyzed the difficulties in their homogenization and the clarification of unitary and shared procedures in central and local administrations.

The coexistence of ‘several Italys,’ including the north–south dualism (well-known abroad) the three-Italys phenomenon (the territorial context of big firms in the north-west, and small-to-medium enterprises in the centre, north-east and *Mezzogiorno*) are without a doubt influenced by the underlying administrative and institutional cultures. These cultures have conditioned the orientation of public administrations to sustain industrial or service enterprises, and to promote the development of the civil society and public–private partnerships. This explains, in the perspective of administrative and business history, the creation of parallel models of administrations, the clientelism, the corruption, the weakness in the face of organized criminality and, especially, the different degrees of social and economic development, which are not immediately clear in the context of the country’s history after the Second World War.

In order to overcome stereotypes, it is necessary to highlight some important characteristics of Italy when compared with other Mediterranean states. These issues include the difficulties of managerial reforms in breaking the legalistic monopoly, the ossified world, and the levels of collectivism mentioned by Walter Kickert, and should be dealt with by considering the innovations introduced by local governments before and during the New Public Management wave.

More generally, Italy demonstrates a particular dynamism and vivacity in its innovations in local public services delivery, in health care and social assistance, in education and cultural heritage management. In these sectors, the regional and local governments have developed important capacities in network management.

The capacity for innovation in service delivery activities is confirmed by several best practices well-known abroad, including the management of kindergartens in the *Emilia Romagna* region; mental health care in Trieste; cultural events management in Rome, Venice and Florence; and ‘tele-heating’ and co-generation in *Brescia*. More recently, innovations are being introduced in decisional processes and working methods. Examples of this are the ‘network of strategic cities’⁵ grouping over 100 municipalities adopting strategic planning

186 *M. Menguzzo*

and management, and the participatory planning and budgeting experiences of Florence and Rome. Italy, similarly to some Scandinavian countries and Germany, is experimenting and adopting public governance principles centred on networks among local governments and between health-care and cultural administrations, and public, private, and non-profit organizations.

The varying levels of innovation can be explained in part by the strong civic sense – an attention to the common good or administrative pride, which, in some territories (centre and north), developed historically and institutionally. This evolution was based on a pre-unitary state that was maintained and enforced systematically, from the socialist municipalities in the early 1900s to the ‘good government’ initiatives in some big cities and regions in the mid-60s.

The distinctive characteristics of Italy in comparison with the other southern European states include the diffusion and relevance of bottom-up innovation, important experiences of participatory planning and management, public governance principles in general and the enhancement of ‘NIMBY’ (‘Not in my back yard’) phenomena since 2005 on topics including high-speed rail lines, nuclear waste in the south, and US military base expansion in *Vicenza*.

In conclusion, in consideration of the Italian experience of the north–south comparative perspective, the three main reforms – namely professionalism and rationalization, democratization and modernization – should be applied to those administrative systems characterizing the country either at the institutional or at the territorial level.

A final remark concerns the ways in which universities, business schools, and the various national and regional civil servant training schools have addressed the specificities of Italy in reforming its public administration. As mentioned earlier, the New Public Management levers of change and the administrative reform/institutional decentralization processes have boosted the study and research on public management and administration in Italy.

The centrality of the legal culture and the juridification are progressively fading, although, as the survey presented here illustrates, undergraduate courses on public administration prevail in law, political sciences, and sociology faculties (49) and less so in economic faculties (26), the latter playing a dominant role in postgraduate programmes (master’s and doctoral) in public administration and management. The strong development of postgraduate education in public management is mainly in the areas of performance measurement, planning, budgeting and control, and accounting, which play a central role in the New Public Management theoretical structure.

In the near future, once the managerial techniques introduced in the Italian public administrations are consolidated, it will be absolutely necessary to give great attention to promising areas of public governance. While, as shown by the analysis of academic articles, these areas already receive the consideration of researchers, Italian public administration will benefit from a recovered identity of public management and should adopt interdisciplinary approaches to integrate administrative history and international comparative analyses.

Notes

- 1 In the period 1861–1921, 100 organizations were created; during 1922–1940, this figure reached 260 (Cassese, 1983: 36). Their creation was motivated by different reasons including aims of technicality and efficiency in carrying out new functions of the welfare state (1910–1920); public intervention in economy (1930s); and aims of flexibility and independence in traditional areas (1940/1950s). See also Melis (1996).
- 2 In 1896, France had 38.5 million inhabitants and 416,000 employees the Austro-Hungarian empire 41.3 million inhabitants and 63,535 employees, and Belgium six million inhabitants and 47,880 employees, while Italy had 31 million inhabitants and 90,618 employees. See Melis (1996).
- 3 The statute differentiated between the regulations as applied to employees in public administrations and those applying to the private sector. It lasted until 1998, when the laws overcame the distinctions. This last reform is usually referred to as the ‘privatization’ of public employment in Italy.
- 4 The surveyed universities are 42 out of the 63 existent universities. The complete list can be found in D’Alessio *et al.* (2004), produced by AIDEA, a network that groups academics in the field of business administration from the economics faculties of Italian public and private universities.
- 5 Rete delle Città Strategiche (RECS). For more information, see the website at www.recs.it.

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188 M. Menguzzo

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